



# Assemblea degli Azionisti 2014

Shareholders' Meeting

Trieste, 30 April 2014

# Reports and proposals on the items of the Agenda

**Trieste**  
**28, 29, 30 April 2014**

Ordinary and Extraordinary Shareholders' Meeting

# Corporate Bodies as of 12 March 2014

## **CHAIRMAN**

Gabriele Galateri di Genola

## **VICE-CHAIRMEN**

Francesco Gaetano Caltagirone  
Clemente Rebecchini

## **GROUP CEO**

Managing Director  
and General Manager

Mario Greco

## **DIRECTORS**

Ornella Barra  
Alberta Figari  
Jean-René Fourtou  
Lorenzo Pelliccioli  
Sabrina Pucci  
Paola Sapienza  
Paolo Scaroni

## **STATUTORY AUDITORS**

Eugenio Colucci, Presidente  
Giuseppe Alessio Verni  
Gaetano Terrin  
Maurizio Dattilo (substitute)  
Francesco Fallacara (substitute)

## **SECRETARY OF THE BOARD OF DIRECTOR**

Antonio Cangeri

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## Directors' Report to the General Meeting

Information Document on the Generali's Group Long-Term Incentive Plan

## ASSICURAZIONI GENERALI S.P.A.

Registered office: Piazza Duca degli Abruzzi no. 2, Trieste  
Share capital: € 1,556,873,283.00, fully paid-up  
Tax Identification Number and Trieste Companies Registry Number: 00079760328  
Insurance and Reinsurance Companies Register No. 1.00003  
Parent company of the Generali Group,  
listed in the Insurance Groups Register under no. 026

# Notice of call of the Shareholders' Meeting

Shareholders are invited to attend the Shareholders' Meeting at Palazzo dei Congressi, Stazione Marittima, Molo Bersaglieri 3, Trieste, on

- **28 April 2014, at 9.00 a.m.** : in ordinary and extraordinary session (first call), and if needed
- **29 April 2014, at 9.00 a.m.** : in extraordinary session (second call), and if needed
- **30 April 2014, at 9.00 a.m.** : in ordinary session (second call) and extraordinary session (third call)

to pass resolutions on the following

### AGENDA

#### Ordinary business:

1. Financial statements as at 31 December 2013, allocation of profits of the year and distribution of dividends: related and ensuing resolutions; delegation of powers;
2. Appointment of Board of Statutory Auditors and its Chairman for the financial years ending on 31 December 2014, 2015 and 2016: related and ensuing resolutions;
3. Determination of annual fees for Statutory Auditors: related and ensuing resolutions;
4. Appointment of a Director: related and ensuing resolutions;
5. Remuneration Report pursuant to s. 123-ter of Legislative Decree no. 58/1998 (CFBA) and s. 24 of ISVAP Regulation no. 39/2011: related and ensuing resolutions;
6. Adoption of a new Long-Term Incentive Plan pursuant to s. 114-bis of the CFBA: related and ensuing resolutions; delegation of powers;

7. Authorisation to purchase and dispose of the Company's own shares for the purposes of the Long-Term Incentive Plan: related and ensuing resolutions; delegation of powers;

#### Extraordinary business:

8. Proposed delegation to the Board of Directors pursuant to s. 2443 of the Civil Code, for the period of 5 years from the date of the resolution, of power to increase the share capital by means of a free issue in instalments, pursuant to s. 2439 of the Civil Code, for the purposes of the new Long-Term Incentive Plan: related and ensuing resolutions; delegation of powers.

## ADDITIONS TO THE AGENDA

Shareholders who, either individually or jointly, account for at least one-fortieth of the share capital may, within ten days of the publication of this notice of call, i.e. by 24 March 2014, request additions to the list of items of the agenda, specifying in their application the additional items they suggest or submitting draft resolutions on items already on the agenda.

The request must be submitted in writing to the Company's registered office, to the attention of the Head of the Group Corporate Affairs, also by mail or by e-mail to the certified e-mail address [azioni@pec.generalicom](mailto:azioni@pec.generalicom). Ownership of shares by the applicant Shareholders and of the shareholding that is needed to request additions to the agenda must be proved by a specific certificate produced by the intermediary depository and e-mailed to [azioni@pec.generalicom](mailto:azioni@pec.generalicom).

Additions to the list of items on the agenda are not allowed on items which the Shareholders' Meeting is required by law to debate upon the proposal of the Directors or on the basis of projects or reports drafted by the Directors. Information about any additions to the agenda or the submission of further draft resolutions on items already on the agenda will be given in the statutory forms laid down for the notice of call, within the deadlines specified in the applicable regulations.

Shareholders requesting additions to the agenda are required to draft a report stating the reasons for the draft resolutions regarding the new items they suggest, or the reason for the further draft resolutions on items already on the agenda, and such report must be delivered to the Board of Directors within the deadline for submission of requests, i.e. within 24 March 2014. The report will be made available to the public, together with any evaluations by the Board of Directors, when the notice of additional items is published.

## APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS

For the appointment of the Board of Statutory Auditors, which will be based on lists of candidates, reference is made to s. 37 of the Articles of Association, published in the "Governance" section of the Company's website. The following provisions apply:

- **Entitlement to submit lists.** Lists may be submitted by Shareholders who, either alone or jointly with others, account for at least 0.5% of the share capital. Ownership of the minimum shareholding required to submit lists is determined on the basis of the shares registered in the Shareholder's name on the date when the lists are delivered to the Company. Shareholders entitled to vote, companies directly or indirectly controlled by them, and companies directly or indirectly subject to joint control, may jointly submit and may only vote for, one list; no account will be taken of support given to any of the lists in the event of breach of this provision.
- **Connections.** Pursuant to CONSOB notice no. DEM/9017893 of 26 February 2009, shareholders submitting minority lists are required to file, together with the list and the additional documentation required by s. 37 of the Articles of Association, a statement that they have no direct or indirect connection with the Shareholder that owns the relative majority shareholding (Mediobanca S.p.A.). Such statement must also specify any relations if significant with the shareholder that has the relative majority shareholding, if identifiable, and the reasons why such relations are not considered to constitute said connections; alternatively, the absence of the said relations must be specified

## PROCEDURES AND TIMING FOR SUBMISSION AND PUBLICATION OF LISTS.

The lists, signed by the entitled Shareholder(s) and accompanied by information about the Shareholders who submit them, details of the total percentage of share capital held by them, and the documentation required by s. 37 of the Articles of Association must be filed at the Company's registered office, to the attention of the Head of the Group Corporate Affairs, or sent to the certified e-mail address [azioni@pec.generalitali.com](mailto:azioni@pec.generalitali.com), not later than the twenty-fifth calendar day before the date of the first call of the Shareholders' Meeting, namely by 3 April 2014.

In the event that, as of the expiry date of the abovementioned term, only one list or lists submitted by Shareholders connected to each other have been submitted, the lists may be submitted until the third day subsequent to such date, i.e. by April 6, 2014. In such event, the Shareholders who, either alone or together with other Shareholders, represent at least 0.25% of the shares with voting right in the ordinary Shareholders' Meeting, are entitled to submit the lists. For organizational reasons, the Shareholders are recommended to submit their lists of nominees by and within 8.00 p.m. for the deadline of April 6, 2014.

The lists will be made available to the public by 7 April 2014 at the registered office, at Borsa Italiana S.p.A. and in the Company's website ([www.generalitali.com](http://www.generalitali.com)), in the Investor Relations – 2014 Annual Shareholders' Meeting section. The certificate proving ownership of the minimum shareholding required to submit lists must be evidenced by a specific communication produced by the intermediary depository and e-mailed to [azioni@pec.generalitali.com](mailto:azioni@pec.generalitali.com), which can also be produced after the said deposit, but not later than the closing date for the publication of the lists, namely 7 April 2014, failing which the list will be deemed not to have been submitted.

## DOCUMENTATION

The full text of the draft resolutions and the reports by the Board of Directors on the items on the agenda, the financial statements of 2013 financial year with all schedules and statements signed by the Manager in charge of Preparation of the Company's Financial Reports, the Information Documents on the new incentive plan for the management of

the Generali Group, together with the Annual Corporate Governance and Share Ownership Report and the Remuneration Report will be filed at the Company's registered office within the statutory period, at the disposal of anyone requesting to view them or obtain a copy thereof.

The said documents will also be published on the Company's website [www.generalitali.com](http://www.generalitali.com) in the Investor Relations – 2014 Annual Shareholders' Meeting section, together with forms which Shareholders may use to appoint proxies, as indicated below and at Borsa Italiana S.p.A.. The said website also contains information about the amount of the share capital, with details on the relevant number and categories of the shares.

## RIGHT TO SUBMIT QUESTIONS

Those entitled to vote may ask questions about the items on the agenda also before the Shareholders' Meeting, up to the third day before the date of the first call of the Meeting (i.e. by 24 April 2014), by delivering them to the Company's registered office, to the attention of the Head of the Group Corporate Affairs, or e-mailing them to [shareholders@generalitali.com](mailto:shareholders@generalitali.com), by the dates and in accordance with the procedures published on the Company's website.

Questions received before the Shareholders' Meeting will be answered at the latest during the Meeting. The Company may provide a single answer to all questions on the same topics.

## ATTENDANCE AT THE SHAREHOLDERS' MEETING

Entitlement to attend the Shareholders' Meeting and exercise voting rights is proved by a certificate issued to the Company by an authorised intermediary in accordance with its books of account, in favour of the party holding voting rights. The certificate is issued by the intermediary on the basis of the evidence on the record date (15 April 2014), namely the seventh market trading day before the date of the first call of the Shareholders' Meeting.

Debit and credit entries made after that date will not be taken into account for the purpose of establishing entitlement to vote at the Shareholders' Meeting; parties who are the owners of shares only after that date will not be entitled to attend or vote at the Shareholders' Meeting. The owners of shares which have not

yet been dematerialised may only attend the Shareholders' Meeting if their share certificates are first deposited with a party authorised to input them into the dematerialisation system, and to issue the subsequent notice by the authorised intermediary.

Attendance of Shareholders at the Shareholders' Meeting is governed by the applicable legislation and regulations, and by the provisions of the Articles of Association and the Shareholders' Meeting Regulation, which are available on the Company's website. Those holding voting rights may appoint a proxy to represent them at the Shareholders' Meeting according to the modalities provided by law. Shareholders may appoint the Company's designated representative "Computershare S.p.A." as proxy with voting instructions, free of charge, pursuant to s. 135-undecies of the CFBA. The proxy must be appointed by signing the proxy form which is available on the Company's website, in the Investor Relations – 2014 Annual Shareholders' Meeting section, from 7 April 2014 at the latest. The proxy form must be received by "Computershare S.p.A." not later than 28 April 2014, according to the procedure specified in para. 1 of the "Compilation and transmission instructions" contained in the said form.

The proxy does not cover draft resolutions for which no voting instructions have been given. The proxy and voting instructions may be revoked by the same expiry date and with the same procedures as their issue.

The certificate issued to the Company by the intermediary, proving that the shareholder is entitled to attend the Shareholders' Meeting and exercise voting rights, is also required if the designated representative is appointed as proxy: in the absence of the said certificate, the proxy form is deemed to be null and void. Alternatively, Shareholders may appoint a proxy by filling in the proxy form available on the Company's website.

The representative by proxy may deliver or send a copy of the proxy form instead of the original by sending it to the certified e-mail address **azioni@pec.generalitaly.com**, certifying on his/her own responsibility that the copy is a true copy of the original and certifying the identity of the principal.

Pursuant to the applicable legislation, the representative will retain the original proxy form, and keep details of any voting instructions received, for one year since the end of the Shareholders' Meeting.

The proxy may be also granted by electronic document underwritten in electronic form pursuant to article 21, paragraph 2, of Legislative Decree dated March 7, 2005, no. 82 and sent to the certified e-mail address, **azioni@pec.generalitaly.com**.

## LOGISTICAL INFORMATION

A simultaneous interpreting service is available from Italian into a number of foreign languages (English, French, German and Spanish) during the proceedings of the Shareholders' Meeting. For such purpose, headphones will be provided at the desk at the entrance of Stazione Marittima.

Further information or explanations about Shareholders' attendance to the Shareholders' Meeting can be obtained by e-mailing **shareholders@generalitaly.com** or by phone at no. +39040671621 or +39040671352 or fax no. +39040671300 or +39040671660; others wishing to attend the Shareholders' Meeting may also contact the following numbers: for experts and financial analysts: telephone +39040671402, fax +39040671338; for journalists: telephone +39040671102, fax +39040671127.

**For the Board of Directors**  
Chairman  
(Gabriele Galateri di Genola)

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

## FINANCIAL STATEMENTS AS AT 31ST DECEMBER 2013, ALLOCATION OF PROFITS FOR THE YEAR AND DISTRIBUTION OF DIVIDEND: RELATED AND ENSUING RESOLUTIONS; DELEGATION OF POWERS

Shareholders,

Profit for the financial year amounted to € 569.4 million; the non-life segment reported € 146.4 million, the life segment reported € 423 million.

The following allocation of the profit for the year is suggested:

in euro

<b>Profit for the year</b>	<b>569.364.156</b>
To/from extraordinary reserve	131.228.821
To dividend	700.592.977

The draft dividend for each share amounts to € 0.45, for a total maximum pay-out of € 700,592,977.

The amount of the dividend on the shares currently on the market is € 700,543,966 and it will be taken from the Profit for the year and, for the remaining part, from the profits from previous years.

The dividend will be paid, net of applicable withholding taxes, as from 22nd May at the appointed intermediaries by means of the Monte Titoli S.p.A. central depository system.

Therefore, the draft resolution of the Shareholders' Meeting, in line with the view of the Shareholders, on the above proposal is the following:

“The **Shareholders Meeting** of Assicurazioni Generali S.p.A., held at the Stazione Marittima in Trieste, Molo Bersaglieri 3, lawfully convened and empowered to pass resolutions, in ordinary session, pursuant to article 2369 of the Italian Civil Code and article 21 of the Articles of Association,

- having regard to the draft financial statements as at 31st December 2013, as prepared by the Board of Directors, as a whole and in each single item, with the restrictions on reserves pursuant to any applicable tax regulations as well as any suggested allocations and provisions;
- whereas, at today's date, the share capital of € 1,556,873,283.00, fully paid up, is divided into 1,556,873,283 shares with a par value of € 1.00 each;
- having regard to the Report of the Board of Directors and the Report of the Board of Statutory Auditors, and the other documents annexed to the draft financial statements;

**hereby resolves**

- to adopt the financial statements as at 31st December 2013;
- to allocate the net profit for the 2013 financial year, amounting to € 569,364,156 as dividends for the 2013 financial year to Shareholders, payable as from 22nd May 2014, net of statutory withholding taxes, i.e. a cash payment of € 0.45 per share; the total pay-out will amount to a maximum of € 700,592,977 coming from the profit for the year for € 569,364,156 and for the remainder, amounting to € 131,228,821, from the extraordinary reserve, consisting of earnings from previous years;
- to grant the Chairman of the Board of Directors and the Managing Director and Group CEO, acting jointly or individually or through representatives holding special power of attorney and/or the Company's authorised representatives pursuant to articles 39 and 40 of the Articles of Association, the widest powers to take any measures resulting from this resolution and concerning its implementation.

Milan, 12 March 2014

THE BOARD OF DIRECTORS

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

## **APPOINTMENT OF BOARD OF STATUTORY AUDITORS AND ITS CHAIRMAN FOR THE FINANCIAL YEARS ENDING ON 31 DECEMBER 2014, 2015 AND 2016: RELATED AND ENSUING RESOLUTIONS.**

Shareholders,

The office of the Board of Statutory Auditors, appointed by the Shareholders Meeting on 30 April 2011 for the three-year period 2011/2013, will expire on the approval of the financial statements as at 31 December 2013.

Current members of the Board of Statutory Auditors are: Eugenio Colucci (Chairman), Giuseppe Alessio Verni and Gaetano Terrin (Permanent Statutory Auditors); Maurizio Dattilo and Francesco Fallacara (Alternate Auditors).

The Board thanks the members of the Board of Statutory Auditors for their valuable work in the Company's interests and reminds the Shareholders Meeting that, pursuant to article 37 of the Articles of Association, the Board consists of three Statutory Auditors and two Substitute Auditors.

The new Board of Statutory Auditors will hold office until the Shareholders Meeting on the adoption of the financial statements as at 31 December 2016.

Pursuant to the Articles of Association, Statutory Auditors are elected on the basis of lists of candidates consisting of two sections: one for the appointment of Statutory Auditors and the other for the appointment of Substitute Auditors. The lists must include a number of candidates not exceeding the number of auditors to be elected, listed with a sequential number. Each of the two sections of the list, save as for lists not exceeding three candidates, must be based on gender equality among candidates. Each candidate may only stand for election in one list; candidates on more than one list are ineligible.

Pursuant to article 37, paragraph 2, of the Articles of Association, candidates not complying with legal requirements or exceeding the number of offices specified in the applicable regulations

may not be appointed as Auditors and, if elected, they are disqualified from office.

Pursuant to article 37, paragraph 2, of the Articles of Association, Statutory and Substitute Auditors must comply with any legal requirements under the applicable regulations.

Lists may be submitted by Shareholders, holding alone or jointly with others, a shareholding accounting for at least 0.5% of the share capital. Each Shareholder may only submit and vote for one list, including through representatives or trustees, and each candidate may only stand for election in one list only; candidates in more than one list are ineligible.

Shareholders with voting rights, their direct or indirect subsidiaries, and companies either directly or indirectly under the control of several Shareholders may jointly submit and vote for one list only; no account will be taken of support given to any of the lists in the event of breach of this provision.

Pursuant to CONSOB notice no. DEM/9017893 dated 26 February 2009, Shareholders submitting a minority list, together with the list the documentation required under the Articles of Association, must also file a statement certifying that no connections exists, including indirect connections, with the majority Shareholder (Mediobanca S.p.A.). This statement must also describe any relations, if significant, with the majority Shareholder, as well as the reasons why these relations have not been deemed as essential to determine the above connections or the absence of such relations must be specified.

Lists must be filed at the registered office of the Company within 25 calendar days before the date of the Shareholders Meeting, i.e. 3 April 2014. If one list only is submitted at the expiry of the deadline or if the lists have been submitted by associated shareholders, any further list

may be submitted up to three days after the deadline, i.e. 6 April 2014. In this case, lists may be submitted by Shareholders who, either alone or jointly, account for at least 0.25% of the shares with voting rights in the ordinary session of the Shareholders Meeting.

Lists must be supported by data on Shareholders who have submitted them, and the percentage of their shareholdings, as well as the following:

- CVs of candidates, with comprehensive personal and professional information on candidates and on the skills they have in the insurance, financial and/or banking sectors;
- statements of candidates who accept to stand for election, undertake to accept the office if elected, and, under their own responsibility, they are required to state that no grounds for incompatibility or disqualification exist and that they meet the requirements of honorability, professional skills and, if applicable, independence under the applicable regulations;
- copy of the intermediaries' certificates certifying ownership of the percentage of share capital required for the submission of lists.

The first two candidates in the list obtaining the largest number of votes (the "majority list") and the first candidate in the list which, without taking account of the support given in any way, even indirectly, by shareholders connected with those who submitted or voted for the majority list, obtained the second-largest number of votes (the "minority list"), will be elected Statutory Auditors. The first candidate on the majority list obtaining the largest number of votes and the first candidate on the minority list will be elected Substitute Auditors.

If the number of Auditors of the gender with the lowest number of candidates is below the number specified under the applicable regulations, candidates will be replaced in the majority list in the order of presentation.

If the first two lists obtain the same number of votes, a new voting will be held. In case of parity of votes between two or more lists other than the list obtaining the largest number of votes, the youngest candidates will be elected Auditors until all positions are filled. If only one list is submitted, all the Statutory Auditors will be elected from such list.

The Chairman will be the Statutory Auditor from the minority list. If all Auditors are appointed from one list, the Chairman will be the first candidate of such list.

The lists submitted in breach of the provisions of article 37 of the Articles of Association are deemed as not submitted.

Shareholders are called upon to elect the the Board of Statutory Auditors, voting for one of the lists submitted by authorised parties in accordance with the Articles of Association. The relevant resolution adopted by the Shareholders Meeting will report the result of the vote. The first candidate of the minority list will be the Chairman and the first two candidates of the majority list will be elected Statutory Auditors.

Milan, 12 March 2014

THE BOARD OF DIRECTORS

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

## **DETERMINATION OF ANNUAL FEES FOR STATUTORY AUDITORS: RELATED AND ENSUING RESOLUTIONS.**

Shareholders,

The Shareholders Meeting is called upon to appoint the Board of Auditors for the three-year period from 2014 to 2016 and to determine their fees.

To this end, the competent corporate bodies have performed an analysis in this area and they have provided an insight based on a benchmarking on a panel of peers.

In this respect, for the three-year period of office of the Board of Auditors appointed by this Shareholders Meeting until the adoption of the financial statements of the financial year ending on 31 December 2016, it is hereby suggested to adopt the relevant annual fee amounting to Euro 100.000,00 per year, before taxes, with a 50% increase for the Chairman.

The analysis has confirmed that the current fees are in line with the features and the standing of Generali Group.

Therefore, the draft resolution of the Shareholders Meeting, in line with the view of the Shareholders, on the above proposal is the following:

"The **Shareholders Meeting** of Assicurazioni Generali S.p.A., held at the the Stazione Marittima in Trieste, Molo dei Bersaglieri 3, lawfully convened and empowered to pass resolutions, in ordinary session, pursuant to article 2369 of the Italian Civil Code and article 21 of the Articles of Association,

- having regard to article 2402 of the Italian Civil Code;
- having regard to article 37.4 of the Articles of Association;
- having regard to the Report of the Board of Directors

### **hereby resolves**

to determine the annual fee for Statutory Auditors for the amount of Euro 100.000,00 for each financial year of office, with a 50% increase for the Chairman of the Board of Auditors, plus reimbursement of attendance expenses."

Milan, 12 March 2014

THE BOARD OF DIRECTORS

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

## APPOINTMENT OF A DIRECTOR: RELATED AND ENSUING RESOLUTIONS.

Shareholders,

On 6 December 2013, the Board of Directors, with the consent of the Board of Auditors, co-opted Mr Jean-René Fourtou pursuant to article 2386 of the Italian Civil Code to replace Mr Vincent Bolloré, who resigned.

Under such provision, the co-opted Director is entitled to hold office until the next Shareholders Meeting, i.e. the Shareholder Meeting on the adoption of the financial statements as at 31 December 2013.

In this context, Shareholders are called upon to confirm the office of Director pursuant to article 2386 of the Italian Civil Code to Mr Jean-René Fourtou, so as his office will expire together with the office of the other Directors, i.e. on the adoption of the financial statements as at 31 December 2015, with the fees determined by the Shareholders Meeting on 30 April 2013, pursuant to article 2389, paragraph 1, of the Italian Civil Code.

Therefore, the draft resolution of the Shareholders' Meeting, in line with the view of the Shareholders, on the above proposal is the following:

“The **Shareholders Meeting** of Assicurazioni Generali S.p.A., held at the the Stazione Marittima in Trieste, Molo dei Bersaglieri 3, lawfully convened and empowered to pass resolutions, in ordinary session, pursuant to article 2369 of the Italian Civil Code and article 21 of the Articles of Association,

- having regard to article 2386 of the Italian Civil Code;
- having regard to article 28 of the Articles of Association;
- having regard to the Report of the Board of Directors

### hereby resolves

- to appoint Mr Jean-René Fourtou, born on 20 June 1939 in Libourne (Gironde), taxpayer code FRT RJN 39H20 Z110C, as Director;
- to fix the expiry of his office as the office of the other Directors, i.e. at the end of the Shareholders Meeting on the adoption of the financial statements as at 31th December 2015, confirming his fees for the office.

Milan, 12 March 2014

THE BOARD OF DIRECTORS

### Annexes

- Statement on compliance with professional, honorability and independence requirements;
- CV;
- List of management, direction and control offices held in other companies

## Dichiarazione

Il sottoscritto Jean-René Fourtou, nato a Libourne il 20 giugno 1939, residente a Parigi, codice fiscale FRTRJN39H20Z110C, in relazione alla propria candidatura per la conferma nella carica di Amministratore della Assicurazioni Generali S.p.A. da parte dell'Assemblea ordinaria degli Azionisti convocata in prima convocazione per il giorno 28 aprile 2014 ed, occorrendo, in seconda convocazione per il giorno 30 aprile 2014, sotto la propria responsabilità

### dichiara

1. che, alla data della nomina ad amministratore, non ricadrà in alcuna situazione di ineleggibilità, decadenza e di incompatibilità prevista per la carica di Amministratore della Società dalle vigenti disposizioni di legge o di regolamento e dallo Statuto sociale e di non ricoprire, alla data odierna, cariche incompatibili con quella di amministratore di Assicurazioni Generali S.p.A., alla luce di quanto stabilito dall'art. 36 della legge 22 dicembre 2011, n. 214;
2. di disporre dei requisiti di professionalità prescritti dall'art. 3 del Decreto del Ministero dello Sviluppo Economico dell'11 novembre 2011, n. 220, ed in particolare:
  - di aver maturato una esperienza complessiva di almeno un triennio attraverso l'esercizio di attività:
    - a)  di amministrazione, direzione o controllo presso società ed enti del settore assicurativo, creditizio o finanziario;
    - b)  di amministrazione, direzione o controllo in enti pubblici o pubbliche amministrazioni aventi attinenza con il settore assicurativo, creditizio o finanziario ovvero anche con altri settori se le funzioni svolte abbiano comportato la gestione o il controllo della gestione di risorse economiche finanziarie;
    - c)  di amministrazione, direzione e controllo in imprese pubbliche e private, aventi dimensioni adeguate a quelle di assicurazione o di riassicurazione presso le quali la carica deve essere ricoperta;
    - d)  professionali in materie attinenti al settore assicurativo, creditizio o finanziario o attività di insegnamento universitario di ruolo in materie economiche, giuridiche o attuariali aventi rilievo per il settore assicurativo.
3. di possedere i requisiti di onorabilità prescritti dall'art. 5 del Decreto del Ministero dello Sviluppo Economico dell'11 novembre 2011, n. 220, ed in particolare:
  - a) di non essere interdetto, neanche temporaneamente, dagli uffici direttivi delle persone giuridiche e delle imprese e, comunque, di non trovarsi in alcuna situazione prevista dall'art. 2382 del codice civile;
  - b) di non essere assoggettato a misure di prevenzione disposte dall'autorità giudiziaria ai sensi della legge n. 1423 del 27 dicembre 1956, o della legge n. 575 del 31 maggio 1965, e della legge n. 646 del 13 settembre 1982, e successive modificazioni ed integrazioni, salvi gli effetti della riabilitazione;
  - c) di non avere riportato condanna con sentenza definitiva, salvi gli effetti della riabilitazione, per alcuno dei reati previsti dall'articolo 5, comma 1, lett. c) del decreto del Ministero dello Sviluppo Economico 11 novembre 2011 n. 220;
  - d) di non essere stato condannato a una delle pene previste dall'articolo 5, comma 1, lett. c) del decreto del Ministero dello Sviluppo Economico 11 novembre 2011 n. 220, neppure mediante sentenza che applica la pena su richiesta delle parti, salvo il caso di estinzione del reato.

4. di non ricadere in alcuna delle cause impeditive disciplinate dall'articolo 4 del Decreto del Ministero dello Sviluppo Economico dell'11 novembre 2011, n. 220;
5. che nel Casellario Giudiziale tenuto presso la Procura della Repubblica presso il competente Tribunale e/o presso gli equivalenti organi della giurisdizione penale estera non risulta nulla a suo carico con riferimento alle situazioni indicate nel precedente punto 3) lettera c);
6. che, per quanto a sua conoscenza, non sussistono procedimenti penali pendenti a suo carico presso i competenti organi giurisdizionali con riferimento alle situazioni sopra indicate;
7. di disporre dei requisiti di indipendenza prescritti dall'art. 6 del decreto del Ministero dello Sviluppo Economico 11 novembre 2011 n. 220.

In quanto esponente aziendale della suddetta Compagnia, partecipante nel capitale di imprese di assicurazione, banche, società finanziarie, società di gestione del risparmio e società di intermediazione immobiliare,

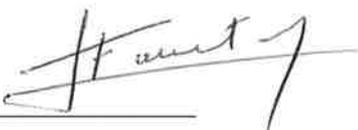
**dichiara**

- a) di non essere assoggettato a misure di prevenzione disposte dall'autorità giudiziaria ai sensi della legge n. 1423 del 27 dicembre 1956, n. 575 del 31 maggio 1965 e n. 646 del 13 settembre 1982;
- b) di non essere stato condannato con sentenza irrevocabile, salvi gli effetti della riabilitazione:
  - a pena detentiva per un tempo non inferiore a sei mesi per uno dei reati previsti delle norme che disciplinano l'attività bancaria, mobiliare, assicurativa e dalle norme in materia di mercati e valori mobiliari, di strumenti di pagamento;
  - alla reclusione per un tempo non inferiore a sei mesi per uno dei delitti previsti nel titolo XI del libro V del codice civile e nel regio decreto del 16 marzo 1942, n. 267;
  - alla reclusione per un tempo non inferiore a un anno per un delitto contro la pubblica amministrazione, contro la fede pubblica, contro il patrimonio, contro l'ordine pubblico, contro l'economia pubblica ovvero per un delitto in materia tributaria;
  - alla reclusione per un tempo non inferiore a due anni per un qualunque delitto non colposo;
- c) di non aver riportato condanne per alcuno dei reati previsti dall'articolo 5 del Decreto Ministero dello Sviluppo Economico n. 220 dell'11 novembre 2011; dall'articolo 1, comma 1, lett. b) e c) del Decreto Ministeriale n. 469 dell'11 novembre 1998, dall'articolo 1, comma 1, lett. b) e c) del Decreto Ministeriale n. 144 del 18 marzo 1998 e dall'art. 1, comma 1, lett. b) e c) del Decreto Ministeriale n. 517 del 30 dicembre 1998;
- d) di non essere stato condannato a una delle pene su indicate, neppure mediante sentenza che applica la pena su richiesta delle parti;
- e) di non ricadere in alcun'altra situazione di incompatibilità prevista dalle vigenti disposizioni di legge o di regolamento;
- f) di non essere stato destinatario, neppure in stati diversi da quello di residenza, di provvedimenti corrispondenti a quelli che importerebbero la perdita dei requisiti di onorabilità previsti dal Decreto Ministero dello Sviluppo Economico n. 220 dell'11 novembre 2011, dai D.M. n. 144 del 1998, n. 469 del 1998 e n. 517 del 1998;
- g) che nel Casellario Giudiziale tenuto presso la Procura della Repubblica presso il competente Tribunale e/o presso gli equivalenti organi della giurisdizione penale estera non risulta nulla a suo carico con riferimento alle situazioni indicate nelle precedenti lettere b) e c);
- h) che, per quanto a sua conoscenza, non sussistono procedimenti penali pendenti a suo carico presso i competenti organi giurisdizionali con riferimento alle situazioni indicate nelle precedenti lettere b) e c).

Il sottoscritto si impegna, sin d'ora, a comunicare tempestivamente ad Assicurazioni Generali S.p.A. ogni successiva modifica a quanto sopra dichiarato.

La presente dichiarazione è resa ai sensi degli articoli 46 e 47 del decreto del Presidente della Repubblica 28 dicembre 2000, numero 445 (*Testo unico delle disposizioni legislative e regolamentari in materia di documentazione amministrativa*).

Luogo e data Milano li 12-03-2014

Firma 

Allegati:

- *curriculum vitae*
- *elenco degli incarichi di amministrazione, direzione e controllo ricoperti presso altre società*

## **Jean-René FOURTOU**

Nato il 20 giugno 1939 a Libourne (Gironde), sposato con Janelly Fourtou nata Harrburger, Deputato europeo , 3 figli.

**FORMAZIONE:** Politecnico (Ecole Polytechnique) corso 1960

### **CARRIERA**

	Scuola elementare di San Sebastian
1963 – 1972	Consulente tecnico all'Organisation Bossard & Michel
1972 – 1977	Direttore Generale di Bossard Consultants
1977 – 1986	Presidente-Direttore Generale del Gruppo Bossard ( Comunicazione e Management Consulting)
1986 – 1999	Presidente-Direttore Generale del Gruppo Rhône-Poulenc (Chimica e Farmacia)
1999 – 2002	Vicepresidente, Direttore Generale di Aventis (risultante dalla fusione di Hoescht e Rhône Poulenc).
2002 – 2005	Presidente-Direttore Generale di Vivendi Universal
Dopo il 2005	Presidente del Consiglio di Sorveglianza di Vivendi dal 2005 Co- presidente del Gruppo per lo Sviluppo Economico Francia Marocco

### **CONSIGLI**

Maroc Télécom, Sanofi-Aventis (Farmacia). Precedentemente amministratore di Nestlé, Gruppo Canal+, Schneider, EADS, Pernod-Ricard, La Poste, Société Générale, Rhodia, Axa, CapGemini

### **ASSOCIAZIONI PROFESSIONALI**

Presidente del Movimento Francese per la qualità (1992-1994). Presidente dell'Associazione delle imprese per l'ambiente (1992 – 1993).

Presidente della Camera di Commercio Internazionale (2002 – 2004), oggi Presidente Onorario. Membro dell'ERT (European Round Table of Industrialists) dal 1996 al 2004 e co fondatore di Entreprise & Cité (1983).

Presidente della Fondazione dell'Università di Bordeaux (gennaio 2010).

Presidente del Comitato del premio “Dialogo” (2012).

### **ONORIFICENZE**

Commendatore dell'Ordre de la Légion d'Honneur (2008)

Commendatore dell'Ordine Nazionale del Merito

Nominato Manager dell'Anno dal Nouvel Economiste (1992)

Nominato Businessman europeo dell'anno dalla rivista americana Forbes (2003)

International Leadership Award (United States Council for International Business, (2004)

Ouissam Alaouite dell'ordine di commendatore (Marocco, gennaio 2005)

Ouissam al Moukafaa al Watanya dell'ordine di commendatore (Marocco, luglio 2005)

### **PUBBLICAZIONE**

“Passione d'impresa”, Editions Organisation, 1985

**Elenco degli incarichi di Amministrazione, Direzione e Controllo ricoperti presso altre Società**

**Incarichi di Amministrazione**

Società	Gruppo di Appartenenza	Settore di Attività	Localizzazione	Note
VIVENDI SA	-	MEDIA/TELECOMUNICAZIONI	FRANCIA	
MAROC TELECOM	VIVENDI	TELECOMUNICAZIONI	MAROC	
SANOFI-AVENTIS	-	FARMACIA	FRANCIA	

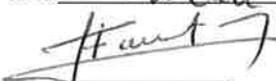
**Incarichi di Sindaco**

Società	Gruppo di Appartenenza	Settore di Attività	Localizzazione	Note

**Incarichi di Direzione**

Società	Gruppo di Appartenenza	Settore di Attività	Localizzazione	Note

Luogo e data Milano le 12-03-2014

Firma 

### **Dichiarazione sul requisito di indipendenza**

(ai sensi degli artt. 147-ter, comma 4 e 148, comma 3, del Decreto Legislativo 24.02.1998 n. 58 ("TUIF") e ai sensi del Codice di Autodisciplina delle Società Quotate.)

Il sottoscritto, Jean-René Fourtou, nato a Libourne il 20 giugno 1939, residente a Parigi, codice fiscale FRTRJN39H20Z110C, in relazione alla propria candidatura per la conferma nella carica di Amministratore della Assicurazioni Generali S.p.A. da parte dell'Assemblea ordinaria degli Azionisti convocata in prima convocazione per il giorno 28 aprile 2014 ed, occorrendo, in seconda convocazione per il giorno 30 aprile 2014, sotto la propria responsabilità,

- preso atto del contenuto del combinato disposto di cui agli artt. 147-ter, comma 4, e 148, comma 3, del TUIF, i quali prevedono che non possono essere qualificati "indipendenti":
  - a) coloro che si trovano nelle condizioni previste dall'articolo 2382 del codice civile;
  - b) il coniuge, i parenti e gli affini entro il quarto grado degli amministratori della società, gli amministratori, il coniuge, i parenti e gli affini entro il quarto grado degli amministratori delle società da questa controllate, delle società che la controllano e di quelle sottoposte a comune controllo;
  - c) coloro che sono legati alla società od alle società da questa controllate od alle società che la controllano od a quelle sottoposte a comune controllo ovvero agli amministratori della società e ai soggetti di cui alla lettera b) da rapporti di lavoro autonomo o subordinato ovvero da altri rapporti di natura patrimoniale o professionale che ne compromettano l'indipendenza
- ed esaminata la propria posizione,

#### **dichiara**

- di possedere** i requisiti di "indipendenza", così come definiti e previsti dalle richiamate disposizioni del TUIF.
- di non possedere** i requisiti di "indipendenza", così come definiti e previsti dalle richiamate disposizioni del TUIF.

Con riferimento a quanto sopra, il sottoscritto si impegna ad informare tempestivamente la Società nell'eventualità di qualsiasi variazione rispetto a quanto dichiarato con la presente.

Il sottoscritto, inoltre,

#### **premessato che**

- il Codice di Autodisciplina delle società quotate raccomanda che il Consiglio di Amministrazione sia composto anche da un numero adeguato di Amministratori non esecutivi "indipendenti";
- è previsto che l'indipendenza degli Amministratori venga periodicamente valutata dal Consiglio di Amministrazione, il quale è chiamato ad operare una valutazione di tipo "sostanziale";
- il Codice individua le situazioni che, di norma, sono incompatibili con la sussistenza del predetto requisito;
- è previsto che il requisito di indipendenza non sussiste in capo agli Amministratori che:
  - a) direttamente o indirettamente, anche attraverso società controllate, fiduciari o interposta persona, controllino l'emittente o siano in grado di esercitare su di esso un'influenza notevole, o partecipino a un patto parasociale attraverso il quale uno o più soggetti possano esercitare il controllo o un'influenza notevole sull'emittente;

- b) siano, o siano stati nei precedenti tre esercizi, esponenti di rilievo dell'emittente, di una sua controllata avente rilevanza strategica o di una società sottoposta a comune controllo con l'emittente, ovvero di una società o di un ente che, anche insieme con altri attraverso un patto parasociale, controlli l'emittente o sia in grado di esercitare sullo stesso un'influenza notevole;
- c) direttamente o indirettamente (ad esempio attraverso società controllate o delle quali siano esponenti di rilievo, ovvero in qualità di *partner* di uno studio professionale o di una società di consulenza) abbiano, o abbiano avuto nell'esercizio precedente, una significativa relazione commerciale, finanziaria o professionale:
  - con l'emittente, una sua controllata, o con alcuno dei relativi esponenti di rilievo;
  - con un soggetto che, anche insieme con altri attraverso un patto parasociale, controlli l'emittente, ovvero - trattandosi di società o ente - con i relativi esponenti di rilievo;ovvero siano, o siano stati, nei precedenti tre esercizi, lavoratori dipendenti di uno dei predetti soggetti;
- d) ricevano, o abbiano ricevuto nei precedenti tre esercizi, dall'emittente o da una società controllata o controllante, una significativa remunerazione aggiuntiva rispetto all'emolumento "fisso" di amministratore non esecutivo dell'emittente, ivi inclusa la partecipazione a piani di incentivazione legati alla *performance* aziendale, anche a base azionaria;
- e) siano stati amministratori dell'emittente per più di nove anni negli ultimi dodici anni;
- f) rivestano la carica di amministratore esecutivo in un'altra società nella quale un amministratore esecutivo dell'emittente abbia un incarico di amministratore;
- g) siano soci o amministratori di una società o di un'entità appartenente alla rete della società incaricata della revisione contabile dell'emittente;
- h) siano stretti familiari di una persona che si trovi in una delle situazioni di cui ai precedenti punti.

Tutto ciò premesso, dopo aver attentamente esaminato i casi sopra specificati ed operato una valutazione complessiva di tipo sostanziale della propria posizione, sotto questo particolare profilo, nei confronti della Società ed aver rilevato che ricorrono/non ricorrono nei propri confronti situazioni di incompatibilità, sotto la propria responsabilità,

#### **dichiara**

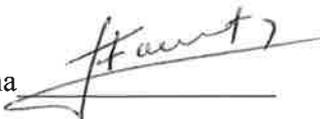
- di possedere** il requisito di indipendenza, ai sensi dell'art. 3 del Codice
- di non possedere** il requisito di indipendenza, ai sensi dell'art. 3 del Codice

#### **si impegna**

a rendere una nuova comunicazione sostitutiva della presente, qualora l'attuale situazione dovesse modificarsi.

Luogo e Data, Milano li 12.03.2014

Firma



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

## **REMUNERATION REPORT PURSUANT TO S. 123-TER OF LEGISLATIVE DECREE NO. 58/1998 (CFBA) AND S. 24 OF ISVAP REGULATION NO. 39/2011: RELATED AND ENSUING RESOLUTIONS.**

Dear Shareholders,

the Remuneration Report has been drafted pursuant to ISVAP Regulation no. 39 dated 9 June 2011, article 123-ter of the Legislative Decree no. 58 dated 24 February 1998 (Code on financial intermediaries) and article 84-quater of CONSOB Resolution no. 11971 dated 14 May 1999, as amended (Issuers Regulation).

In particular, pursuant to ISVAP Regulation no. 39 of 9 June 2011, insurance companies are required to adopt remuneration policies in line with a sound and cautious risk management approach, aligning such policies to corporate long-term interests with a view to enhancing shareholders' protection. In this framework, decision-making processes must be based on transparency and on an active role of the Shareholders' Meeting in the definition of such policies.

At the same time, pursuant to article 123-ter of the Code on financial intermediaries, CONSOB has adopted a resolution streamlining applicable provisions on information transparency on the remuneration of officers of listed issuers. In this respect, listed issuers are required, inter alia, to draft a report on remuneration, without prejudice for the requirements on applicable regulations on remuneration in force on the business of the issuer.

The recommendations of the Code of Conduct of Listed Companies integrate this framework. The Company has adopted them, transposing the recommendations of European authorities on the definition of remuneration policies and any relevant contents.

Against this backdrop, the Remuneration Report includes two sections: the first section outlines the Company and the Group policy on remuneration and the second section describes how this policy is implemented, disclosing the amounts that are actually paid.

For further details, please see the Remuneration Report adopted by the Board of Directors on 12 March 2014, which is available to the public pursuant to the applicable regulations. In particular the content of the first section of the report which, as mentioned, illustrates the remuneration policies adopted by the Company and the Group and the procedures for the adoption and implementation of these policies, are submitted for your approval, while on the data contained in the second section, the law requires that the same are subject to simple information to the Shareholders' Meeting .

Hereafter reported there is the draft resolution of the Shareholders' Meeting, able to reflect, in terms of expression of the will of the shareholders' meeting, what is contained in the above illustrated proposal:

"The **Shareholders' Meeting** of Assicurazioni Generali S.p.A., held at the Conference Hall at the Stazione Marittima in Trieste, Molo dei Bersaglieri 3, lawfully convened and empowered to pass resolutions, in ordinary session, pursuant to article 2369 of the Italian Civil Code and article 21 of the Articles of Association,

- pursuant to article 123-ter of the Legislative Decree no. 58 dated 24 February 1998;
- pursuant to article 84-quater of the CONSOB Resolution no. 11971 dated 14 May 1999, as amended;
- pursuant to article 24 of ISVAP Regulation no. 39 dated 9 June 2011;
- pursuant to article 6 of the Code of Conduct of Listed Companies;
- pursuant to article 19, paragraph 1, point d) of the Articles of Association;
- examined the text of the Remuneration Report, drafted pursuant to article 123-ter of the Legislative Decree no. 58 dated 24 February 1998 and article 24 of ISVAP Regulation no. 39/2011, including its second section;

**hereby resolves**

to adopt the first section of the Remuneration Report, outlining the Company and the Group remuneration policy.”

Milan, 12 March 2014

THE BOARD OF DIRECTORS

Annex

- Remuneration report

# Remuneration report



generali.com

182<sup>nd</sup> year



Prague - Czech Republic



# Remuneration report

# CORPORATE BODIES

as of 12 March 2014



# GENERALI

Company established in Trieste in 1831 - Share Capital € 1,556,873,283.00 fully paid-up  
Fiscal code, VAT and Trieste Companies' Register no. 00079760328  
Company entered in the Register of Italian Insurance and Reinsurance Companies under  
no. 1.00003 - Parent Company of Generali Group, entered in the Register of Insurance Groups under no. 026  
Pec: [assicurazionigenerali@pec.generaligroup.com](mailto:assicurazionigenerali@pec.generaligroup.com)

**CHAIRMAN**

Gabriele Galateri di Genola

**VICE-CHAIRMEN**

Francesco Gaetano Caltagirone  
Clemente Rebecchini

**GROUP CEO**  
Managing Director and  
General Manager

Mario Greco

**DIRECTORS**

Ornella Barra  
Alberta Figari  
Jean-René Fourtou  
Lorenzo Pelliccioli  
Sabrina Pucci  
Paola Sapienza  
Paolo Scaroni

**STATUTORY AUDITORS**

Eugenio Colucci, Chairman  
Giuseppe Alessio Vernì  
Gaetano Terrin  
Maurizio Dattilo (substitute)  
Francesco Fallacara (substitute)

**SECRETARY OF THE BOARD  
OF DIRECTORS**

Antonio Cangeri

# CONTACTS

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P.zza Duca degli Abruzzi 2 - 34132 Trieste, Italy

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Fax + 39 040 671338  
ir@generali.com

*Head:* Spencer Horgan

### **Media Relations**

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press@generali.com

*Head:* Giulio Benedetti

### **Shares & Participations**

#### **Corporate Affairs Management**

Tel. +39 040 671621  
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azionisti@generali.com  
shareholders@generali.com

*Head:* Michele Amendolagine

#### **Corporate Social Responsibility**

Tel. +39 040 671060  
csr@generali.com

*Head:* Marina Donati



[www.generali.com](http://www.generali.com)

# Letter from the Chairman of the Remuneration Committee



Dear Shareholders,

The remuneration policy is a key element of Generali's strategy and an expression of its values. The mission of our Group is to protect and improve people's lives through the provision of insurance services. We proactively pursue this goal, taking care of the future of our customers and of our people, dedicating ourselves to the core business of insurance, managing and mitigating the risks of individuals and institutions with the commitment to create value for our stakeholders. We believe this is the best way to keep the trust and support of our shareholders, of our customers and our people, the men and women of Generali.

The Company, the Board of Directors and the Remuneration Committee have worked hard over the years to align the remuneration strategy of the Group with these key directions, by setting at its foundation principles that have been tested in many countries, with the objective of meeting both the regulatory requirements and the expectations of our stakeholders.

With the aim of achieving this result, we have evolved our remuneration policy, in order to strengthen the pillars on which our approach towards a responsible and performance-oriented remuneration is based, paying attention to:

- a meritocratic approach to incentives, linked to Group long-term performance and the return for shareholders;
- the risk-reward alignment in both the short and long term incentives;
- consistency with reference to market practices and the regulatory framework;
- disclosure, which has been simplified and made more structured.

Our people represent the most precious asset of Generali and they deserve a remuneration policy which aligns them towards the company's strategy, rewarding the sustainable results they generate in a fair, coherent and transparent way.

A handwritten signature in black ink, appearing to read 'Paolo Scaroni'.

Paolo Scaroni

Chairman of the Assicurazioni Generali Remuneration Committee

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# Executive Summary

## REMUNERATION POLICY

Through the remuneration policy we aim to attract, motivate and retain the people who - for their technical and managerial skills and their different profiles in terms of origin, gender and experience - are a key factor for the success of the Group as reflected in our values.

Our remuneration policy reflects and supports our strategy and values: to be a global insurance Group with an approach that creates value and sustainability in our results, valuing our people and maintaining our commitment to all stakeholders.

Our policy is based on the following principles that guide our remuneration programmes and consequent actions:

1. **Equity and consistency** of remuneration in relation to the assigned responsibilities and capabilities demonstrated;
2. **Alignment with corporate strategy** and goals defined;
3. **Competitiveness** with respect to market trends and practices;
4. **Value merit and performance**, in terms of results, behaviors and values;
5. Clear **governance** and **compliance** with the regulatory framework.

## THE POLICY IN ACTION: TOP 10 KEY TOPICS

### 1. Evolutions versus last year

2013 was the first year of implementation of the new Generali's remuneration policy aligned to a business strategy based on greater international integration of the Group.

The Group's remuneration policy for 2014 will be implemented in continuity with previous year, basically confirming the same structure and contents, developing, consolidating and supplementing these, specifically with:

- the consolidation of the criteria and information of market comparison in order to inform any remuneration decision;
- the reinforcement of risk-reward alignment through the introduction of return on risk capital (RORC) targets and limits in the incentive systems;
- the extension of the new long-term incentive plan beneficiaries in a selective way below Group executive population.

### 2. Target population

The recipients of the remuneration policy are the members of the corporate bodies (Board of Directors, including the Group CEO and General Manager, and the Board of Statutory Auditors), and the company "personnel" (identified on the basis of the criteria detailed under Art. 2, section 1, point f) of ISVAP Regulation No. 39/2011) i.e. the members of the Group Management Committee (GMC) and the other first reporting roles to the Group CEO with significant impact on the Group risk and strategic profile, and the

heads of control functions (Internal Audit, Risk Management and Compliance) and their first reporting line managers, for which specific guidelines apply, in compliance with the applicable regulatory provisions.

In line with our strategy, that aims to increase Generali's global presence and consolidate its role at an international level, the principles of the Group's remuneration policy, consistent at global level, are spread through the organization, in compliance with local laws and specificities.

### **3. Equity, consistency and competitiveness**

The remuneration must be consistent with each role in question, the responsibilities assigned and the skills and abilities demonstrated. This applies both for the Group executive roles as well as the other segments of population, and complies with the requirements of current national and company labour contracts.

The structure of the remuneration package is assessed in terms of internal equity and consistency in relation to the role and the alignment with the market.

To effectively make informed decisions, our remuneration policy provides constant monitoring of our peers' practices and remuneration trends of the market, both in terms of pay-mix, remuneration levels and systems and in terms of alignment with the regulatory framework.

### **4. Remuneration package and pay-mix**

The remuneration package consists of a fixed component, a variable component and benefits, structured in a balanced way.

Analysis on the structure of the remuneration package are carried out in order to ensure the balance of components and to promote management commitment in contributing to the achievement of sustainable results.

The fixed salary remunerates the role held and responsibilities assigned, also considering the experience of the relevant incumbent and the skills required, as well as the quality of the contribution made in terms of achieving business results.

The variable remuneration is defined by means of short and long-term incentive plans in order to motivate the management to achieve business targets by creating a direct link between incentives and quantitative and qualitative targets set at Group, region, country, business unit and individual level.

Benefits include, in particular, supplementary pensions and health care for employees and their families, as well as a company car and other benefits, including those related to international mobility (such as housing costs, transfer and education for children), in line with market practices.

In terms of total target remuneration, the Group intention is to align the remuneration between the median and the upper quartile of the reference market, with individual positioning connected to the assessment of performance, potential and the strategic impact of the resource, according to a segmented approach.

### **5. Variable remuneration**

The variable remuneration is based upon a meritocratic approach and a multi-year framework, including a short and a long term component, connected with the achievement of Group, business and individual targets.

Targets are set, measurable and linked to the economic, financial and operating results adjusted by risks and assessed not only in relation to achieving quantitative targets, but also in relation to the conduct demonstrated in achieving these targets and whether this is consistent with Generali's values.

Our approach provides for a greater weighting of variable remuneration assigned to the long-term component, in order to strengthen the link with the creation of sustainable value for shareholders over the long term. This impact is proportionate to the level of direct influence on the Group results that each incumbent can potentially deliver.

Moreover, caps on the maximum variable remuneration are always set both at overall and individual level, linked to the actual achievement of performance conditions and targets set. In particular, the short term incentive system provides for an overall funding pool with maximum individual incentives set at 200% of the single baselines. The long term incentive plan provides for a maximum cap at 175% of fixed remuneration.

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## 6. Group Short Term Incentive

The Group Short Term Incentive (STI) is the annual bonus system, according to which a cash bonus can be obtained from 0% to 200% of the individual target baseline, depending on:

- the Group funding, linked to the results achieved in terms of Group operating result and net profit and subject to the achievement of a minimum level of Solvency I ratio at 141%;
- the achievement of the goals defined in the individual balanced scorecard in which from 5 to 9 targets are set at Group, region, country, business/function and individual level - as appropriate - defined in terms of value creation, risk adjusted profitability, costs and process effectiveness, customer orientation and people management.

## 7. Group Long Term Incentive

The Group Long Term Incentive (LTI) is the multi-year plan based on Generali shares (subject to Shareholders' approval), with the following features for 2014 plan:

- the plan is paid out over a total period of 6 years, it is linked to specific Group performance targets (Return on Equity and relative Total Shareholders Return) and is subject to the achievement of minimum levels in terms Solvency I ratio and to the respect of Return on Risk Capital (RORC) limits;
- the plan is based on a 3-year performance period and additional sale-restriction periods on granted shares (i.e. minimum holding) up to two years.

## 8. Malus and claw-back

No incentive will be paid in the event of wilful misconduct or gross negligence or in case of significant worsening of the capital and financial situation of the Company. Any amount disbursed will be subject to claw-back if the performance considered should later be found to be unsustainable or achieved as a result of wilful misconduct or gross negligence.

In particular, for each year, a pre-set level of Solvency I ratio is fixed, representing an entry threshold to both the short and long term incentives: in case this level is not met, no payment will take place.

In addition, with regard to the short term component, the final assessment of the degree to which the targets have been achieved implies also an individual assessment of conformity with respect to Compliance/Internal Control/Code of Conduct and Governance processes, to be carried out and used as a malus/claw-back clause as necessary.

In order to ensure alignment with the Group Risk Framework, a malus clause related to the level of return on risk capital (RORC) has also been introduced in the long term incentive, under the governance of the Board of Directors.

## 9. Severance provisions in the event of termination

In case of removal /dismissal of a director/ manager with strategic responsibilities, the Company must necessarily apply - in the current statutory scenario - the legal and/or collective bargaining provisions.

In case of termination on mutual consent of a manager with strategic responsibilities, the relevant economic terms are set on the basis of the circumstances and grounds of the termination - with particular reference to the performance achieved, the risks undertaken and the effective Company operating results, so that, in particular, no amount may be paid in the event of gross negligence or wilful misconduct - and under any circumstance may not exceed, in addition to the notice (where applicable), 24 months recurring remuneration.

## 10. Governance and Compliance

The Group remuneration policy is approved by the Shareholders Meeting, upon proposal of the Board of Directors, on the recommendation of the Remuneration Committee, as required by the applicable regulatory rules and governance procedures.

In order to ensure full compliance with all applicable laws and regulations, an important role in the definition and implementation of the remuneration policy is carried out by the control functions. In this context, the Risk Management and Compliance functions draw, to the applicable extent, reports on the consistency of the remuneration policy with applicable law. In addition, the Internal Audit draws up a report in which the proper implementation of the policy adopted in the previous year is analyzed in detail. These reports are annexed in the dedicated section of this document.

# Section I - Remuneration Policy

## INTRODUCTION

The remuneration policy represents a very important component of Generali's strategy. Through the remuneration policy we aim to attract, motivate and retain the people who - for their technical and managerial skills and their different profiles in terms of origin, gender and experience - are a key factor for the success of the Group as reflected in our values.

At a time when our Company is undergoing significant strategic and organizational transformation and given the context in which we are operating, our aim is to emphasize the value of a meritocratic alignment of the remuneration systems with sustainable long-term business results. This goes along with constant compliance to corporate values that represent another key factor of remuneration systems and prudent risk management.

Last year, our remuneration policy underwent significant changes, so as to align it with a new business strategy, based, among others, on the Group's wider international integration, in order for the principles and policies to be extended in a consistent manner to all the Group's executives, thus promoting overall alignment with corporate results. As you will see in the second section of this document, in this first year favourable results have been achieved in respect of this strategic decision.

The assessment of the 2013 remuneration policy as a key contributor to the strategic transformation and to Group results was positive. Consequently, the Group's remuneration policy for 2014 will be implemented in continuity with previous year, basically confirming the same structure and contents, developing, consolidating and supplementing these, specifically with:

- the consolidation of the criteria and information of market comparison in order to inform any remuneration decision;
- the reinforcement of risk-reward alignment through the introduction of Return on Risk Capital (RORC) targets and limits in the incentive systems;
- the extension of the new long-term incentive plan beneficiaries in a selective way below Group executive population.

Our remuneration policy reflects and supports our strategy and values: to be a global insurance Group with an approach that creates value and sustainability in our results, valuing our people and maintaining our commitment to all stakeholders.

## 1. THE PRINCIPLES OF THE REMUNERATION POLICY

Our policy is based on the following principles that guide our remuneration programmes and consequent actions:

1. **Equity and consistency** of remuneration in relation to the assigned responsibilities and capabilities demonstrated;
2. **Alignment with corporate strategy** and goals defined;
3. **Competitiveness** with respect to market trends and practices;
4. **Value merit and performance**, in terms of results, behaviors and values;
5. Clear **governance** and **compliance** with the regulatory framework.

### Equity and consistency

The remuneration must be consistent with each role in question, the responsibilities assigned and the skills and abilities demonstrated. This applies both for the Group executive roles as well as the other segments of population, and complies with the requirements of current national and company labour contracts.

We are a global group, and consistency is therefore also important in relation to the approach that is adopted in different countries/regions/functions of our Group, so that these correctly fall in line with the Group's objectives, whilst ensuring that they are always compliant and aligned with local rules and regulations.

Finally an assessment is made regarding the structuring of the remuneration package among the different components of remuneration, whether fixed and variable, monetary and non-monetary, short and medium-long term, in terms of internal equity and consistency in relation to the role in question (and aligned externally in relation to the market).

## Alignment with corporate strategy

Remuneration systems are a basic tool to ensure managers are in line with corporate strategies. In this regard, our incentive systems have been structured so that roles are remunerated according to the achievement of sustainable Group results. Targets are set - on an annual and multi-year basis - so that future objectives take into account the effective results that have been achieved over time, in order to maintain a sustainable level of performance in terms of results and risks taken, in line with shareholders' requests and with regulatory requirements.

## Competitiveness

To effectively make informed decisions, our remuneration policy provides constant monitoring of our peers' practices and general remuneration trends of the market, both in terms of pay-mix, remuneration levels and systems and in terms of alignment with the regulatory framework.

An independent external consultant (AON Hewitt - Mc Lagan) provides corporate bodies structures and top management with relevant market information and analyses with special reference to current practices among our peers at an international level in the insurance and financial sectors, set consistently with the panel of companies used for performance comparisons in incentive plans.

At local level, and throughout the organization, the comparative analysis is carried out by taking into account specific groups of local peers, so as to ensure alignment with the reference market. Each local remuneration structure defined on the basis of the reference benchmark must nonetheless comply with the general principles of the Group remuneration policy.

The peer comparison is essential both for assessing our performance in absolute and relative terms, and for assessing the competitiveness of remuneration packages for the recipients of the remuneration policy, in terms of total compensation and in order to attract the best talents in the market.

## Value merit and performance

Merit is a key factor in our remuneration policy. The system we implement to recognize merit focuses on several elements:

- defining incentive systems that establish a direct link between remuneration and the results achieved;
- an assessment of results not only in relation to achieving quantitative targets, but also in relation to the conduct demonstrated in achieving these targets and whether this is consistent with Generali's values;
- an assessment of performance not only on an annual basis, but also half-yearly and in a multi-year framework;
- sharing the annual assessment of all key executives in the Company during a calibration meeting that involves the Group's top management, so as to promote equity, consistency and transparency of the meritocratic systems;
- managing feedback on trends in relation to performance, not only on an annual basis but half-yearly, to promote realignment with expected targets and adoption of corrective measures.

Our remuneration incentives shall reward the achievement of both quantitative and qualitative performance objectives, by paying a variable component, as explained in more detail in paragraph 3 below. The approach of a balanced remuneration package for all managerial roles is considered a key driver for alignment to the Group's objectives. The weighting and structure of the variable remuneration component is balanced so as to incentivise the achievement of sustainable results over time, while taking due consideration of the Group's risk framework so as to discourage conduct that would lead to excessive exposure.

All the objectives used in the incentive system are defined beforehand so that the annual performance indicators are consistent with those used in long-term plans.

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## Clear governance and compliance with the regulatory framework

The processes and roles underlying the policy definition and implementation must be clear and established by the relevant bodies, which define approaches and guidelines that comply with business strategy, regulatory requirements and the Group's values.

We are convinced that the implementation of these principles as shown below, will allow us to manage remuneration systems as a key element for attracting, developing and retaining our people, especially those with critical skills and/or high potential, supporting a correct alignment of their performance with corporate results and forming the basis for solid and sustainable results over time.

## 2. TARGET POPULATION

The guidelines of the remuneration policy shown below in this Report refer to members of the corporate bodies (Board of Directors, including the Group CEO and General Manager, and the Board of Statutory Auditors) as well as the Company "personnel" identified on the basis of the criteria detailed under Art. 2, section 1, point f) of ISVAP Regulation No. 39/2011, i.e. "the general managers, managers with strategic tasks, the managers and senior staff of internal control functions and the other categories of personnel whose activities may have a significant impact on the Company's risk profile", and therefore, more specifically:

- members of the Group Management Committee (GMC)<sup>1</sup>, leadership team made up of Group managers, which supports the Group CEO, where essential decisions for the Group are discussed, proposals to be submitted to the Board of Directors are verified, and through which the decisions and directions settled on are conveyed within the Group, through its members;
- the heads of internal control functions and their first report managers, for whom specific and/or additional provisions are set out, in line with the regulatory requirements for these resources;
- the other first reporting roles to the Group CEO<sup>2</sup> having a significant impact on the Group's risk and strategic profile.

In line with our strategy, that aims to increase Generali's global presence and consolidate its role at an international level, the principles of the Group's remuneration policy, consistent at global level, are communicated throughout the organization, in compliance with local laws and specificities.

Specifically, the Group pays particular attention to the governance processes relating to the members of the Global Leadership Group (GLG)<sup>3</sup>, which represent the main ca. 200 Group roles with higher organizational weight and impact on the results and strategy implementation process.

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<sup>1</sup> It should be remembered that the GMC was established initially based on a decision taken by the Executive Committee on 19 October 2012, and then by the Board of Directors on 08 November 2012. This structure was assigned the basic function of identifying the Group's strategic priorities, and ensuring operational consistency. The members of the GMC are the following: Group Chief Insurance Officer; Group Chief Investment Officer; Group Chief Financial Officer; Group Chief Risk Officer; Group Chief Operating Officer; Country Manager Italy; Country Manager Germany; Country Manager France; Head of Global Business Lines. Of these, the Country Manager Germany and Country Manager France are not employees of Assicurazioni Generali S.p.A. and therefore the Group's remuneration policy and governance in respect of them are subject to application in compliance with their respective governances and in line with local regulations.

<sup>2</sup> Direct reports of the Group CEO currently include: EMEA Regional Officer; CEE Regional Officer; LATAM Regional Officer; Asia Regional Officer; Group General Counsel; Head of Group Strategy & Business Development; Head of Group Communication & External Relations; Head of Group Marketing; Head of Group HR & Organization. Of these the CEE Regional Officer, LATAM Regional Officer and Asia Regional Officer are not employees of Assicurazioni Generali S.p.A. and therefore the Group's remuneration policy and governance in respect of them are subject to application in compliance with their respective governances and in line with local regulations.

<sup>3</sup> The Global Leadership Group (GLG) consists of about 200 Group roles with an higher organisational weight including the CEOs of subsidiaries, Branch managers, the strategic positions inside countries and business units and positions at Head Office with a global impact on the Group's results.

### 3. REMUNERATION POLICY FOR THE GROUP CEO & GENERAL MANAGER AND OTHER MANAGERS WITH STRATEGIC RESPONSIBILITIES

#### 3.1 Total remuneration package in terms of level, structure and pay-mix

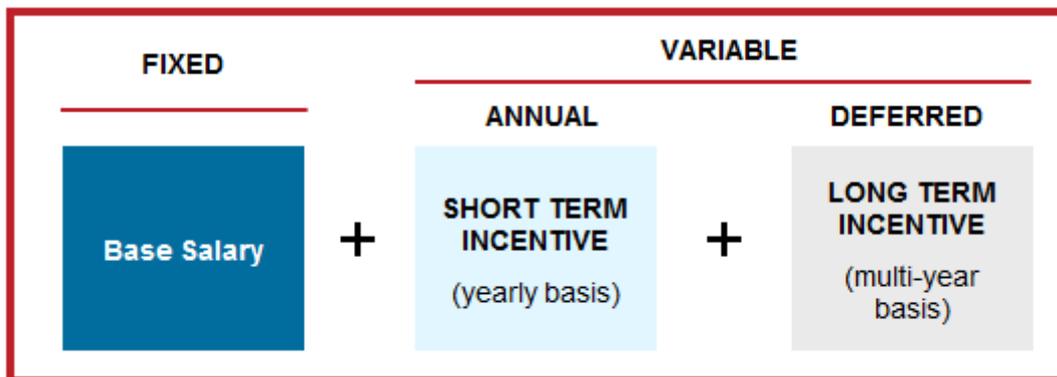
The Group CEO and the other managers with strategic responsibilities (GMC and other first reporting roles to the Group CEO, as described previously) receive a total remuneration package comprising a fixed component, a variable component (short- and medium/long-term) and benefits.

The underlying principles of these packages are those explained at the start of the report and further described and expanded upon here. In particular:

- all components of the remuneration package are clearly defined and balanced, and aimed at achieving results that are sustainable in the long term;
- expected performance is clearly defined by means of a structured and outlined performance management system;
- variable remuneration is defined by means of short and long-term incentive plans connected with individual and Group risk-adjusted performance indicators;
- the incentive plan structures provide for entry thresholds connected with the company's financial position and risk management. More specifically, risk indicators and malus and claw-back clauses are included in all short and long-term variable incentive systems.

In terms of total target remuneration, the Group intention is to align the remuneration between the median and the upper quartile of the reference market, with individual positioning connected to the assessment of performance, potential and the strategic impact of the resource, according to a segmented approach.

#### TOTAL TARGET REMUNERATION



Benefits are also evaluated according to the findings revealed by the constant monitoring of the market, with the aim of ensuring alignment with key trends; studies are also carried out concerning professional families, business line and geographic area.

The remuneration package structure is analysed in order to ensure that the fixed remuneration is balanced with respect to the short- and long-term variable remuneration and benefits, in order to encourage managers to commit fully to achieving sustainable results, as detailed below.

Specific guidelines on the balancing of the different components of remuneration are defined for each target groups and, with specific reference to the Group executives, the Remuneration Committee establishes the overall positioning policy at Group level in terms of the value of remuneration; it also defines guidelines for remuneration review and pay-mix wherever necessary, according to market trends and the results of internal analyses.

The Board of Directors approves the executive incentive plans structure and criteria once a year, ensuring an appropriate balance of variable remuneration opportunities in the pay-mix structure.

For control functions, the pay-mix policy is defined by the Control and Risk Committee in favour of the fixed component, with an approach taken towards the short and long-term variable remuneration component that is coherent with the aim of ensuring their independence and the objectivity of their controls.

**Target pay-mix: incidence of the fixed and variable components of the remuneration on the total target package and incidence of the weighting of the annual and deferred variable components on the total target variable remuneration**

	Total target remuneration		Total target variable remuneration	
	Fixed remuneration	Variable remuneration	Annual	Deferred
<b>Group CEO</b>	<b>25%</b>	<b>75%</b>	<b>33%</b>	<b>67%</b>
<b>Other executives with strategic responsibilities<sup>4</sup></b>	<b>36%</b>	<b>64%</b>	<b>44%</b>	<b>56%</b>
<b>Control functions</b>	<b>62%</b>	<b>38%</b>	<b>60%</b>	<b>40%</b>

### 3.2 Fixed remuneration

The fixed salary remunerates the role held and responsibilities assigned, also considering the experience of the relevant incumbent and the skills required, as well as the quality of the contribution made in terms of achieving business results.

The weight of the fixed remuneration must be such as to attract and retain our people, and at the same time must also sufficiently remunerate the role, even if the variable component should not be disbursed due to failure to achieve individual, Company or Group targets; this reduces the possibility of conduct that is not in line with the Company's risk appetite framework.

As for the other components of the remuneration, the fixed part is also measured annually in comparison with market trends.

### 3.3 Variable remuneration

The variable remuneration seeks to motivate management to achieve business targets by creating a direct link between incentives and quantitative and qualitative targets set at Group, region, country, business unit and individual level. Performance is assessed by taking a multi-perspective approach that, according to the time frame considered, evaluates the results achieved by the individuals, those achieved by the structures in which said individuals work and the Group results as a whole.

The percentages of variable remuneration differ for the different figures involved in the system, according to the organizational level, the possibility of having a direct influence on Group results and the impact of the individual role on the business. The time horizon for the variable remuneration also differs according to the role, with greater weighting assigned to the long-term component for the positions expected to play a key role in determining long-term sustainable performance.

The Group guidelines on variable remuneration ensure alignment with regulatory requirements and the recommendations made by the control functions. Individual contracts contain specific details on the maximum amount of the variable remuneration and the proportions of the short and long-term components.

<sup>4</sup> Other managers with strategic responsibilities: the members of the GMC and other first reporting roles to the Group CEO (as previously defined). The role of Group CRO is excluded from the pay-mix table; it is instead included amongst the control functions.

### 3.3.1 Short-Term Incentive (STI)

In line with last year, the Short-Term Incentive (STI) is the annual cash incentive system for the Group CEO and the other managers with strategic responsibilities, as well as the members of the Global Leadership Group (as previously defined).

The short-term incentive system aims to effectively link the incentive to the performance of both the individuals and the Group as a whole, by:

1. defining a total budget for the payment of the bonuses of the above-defined population, connected with the Group's results, so called **funding pool**. This is assigned a maximum limit and a minimum value, below which, regardless of the results achieved by individuals, no bonuses will be disbursed;
2. assessing the **individual performance** achieved by the participants in the remuneration system with respect to the economic-financial goals, risk and quality targets assigned in the individual balanced scorecards;
3. reviewing overall the performance achieved by individuals during a **calibration meeting**, in which the results obtained by the individuals are measured in relation to other roles and to the context of their reference markets, in order to "re-calibrate" them at the aim of guaranteeing further consistency of remuneration within the Group.

The overall evaluation that emerges from the short-term variable remuneration system is a balanced one, connected with both Group and individual results and also reflects a fairness throughout the Group determined by the shared review of performance during the calibration meeting.

#### Funding pool

The funding pool is the total amount made available at the start of each year, for the payment of the Short Term Incentive system on the basis of the Group's performance. For the Global Leadership Group (GLG), the maximum amount of the funding pool equals 150% of the sum of the individual baselines, namely the amounts of variable remuneration to be paid individually if target results are achieved. Variation of the funding pool depends on the degree to which the Group operating results and the Group net profit\* are achieved, as defined by the Board of Directors and specified in the matrix below; it is in any case subject to exceeding the entry threshold defined in the Solvency I ratio set at 141% for 2014.

% vs. budget		Net Profit*			
		< 85%	85%	100%	≥ 125%
Operating Result	< 85%	0%	0%	0%	0%
	85%	0%	60%	75%	90%
	100%	0%	100%	115%	130%
	≥ 120%	0%	120%	135%	150%

(\*) Group net profit as recorded on the financial statements, rectified to exclude any unforeseeable extraordinary component (merely by way of example: amortisation/goodwill depreciation, major changes to the law/regulations/standards, significant impacts caused by changes to taxation systems, capital gains/losses from M&A), as approved by the Board of Directors on the proposal of the Remuneration Committee and in accordance with these guidelines.

According to the levels established for the Group operating result and the Group net profit\*, achievement of targets will be defined using a linear interpolation methodology within the ranges established in the matrix.

For the GMC, a specific funding is provided ad-hoc, always set on the basis of the Group operating result and net profit\*. It equals 100% of the sum of the individual baselines in case of results achieved at target and it provides for a maximum at 200% of the sum of the baselines in case of over-performance, always subject to exceeding the entry threshold defined in the Solvency I Ratio at 141% for 2014.

For the Group CEO a funding ad-hoc is provided as for his contract.

The control functions are considered outside the overall funding pool, having a dedicated incentive system as described further.

## Individual performance

Each participant is assigned a balanced scorecard, structured with 5-9 goals according to the following 3 perspectives:

### 1. Economic and Financial Risk-Adjusted Performance

- Strategic progress
- Business delivery & financial performance

### 2. Effectiveness

- Process effectiveness
- Cost, risk & control

### 3. Stakeholder Engagement

- Customer engagement
- People management
- Community involvement

The different perspectives include pre-determined, measurable quantitative and qualitative targets that enable the monitoring of multiple aspects of business performance; these targets are also differentiated according to the different competences and scope of operations of the participants.

The most-used quantitative targets are the operating profit, net profit, new business value, net combined ratio, gross written premiums, general expenses, total IT costs, total administrative costs and net current return on investments. Depending on the specific positions, these targets are laid out according to Group, country, business/function or individual level.

Moreover, as from this year, in order to strengthen the link between remuneration and risk, the return on risk capital target, at a Group, regional or country level, as is most appropriate, will also be used for all roles, including the Group CEO.

An expected target is defined for each goal, together with a range of achievement; if the level recorded falls above or below that range, it will be considered as having been exceeded or not achieved, respectively. The overall performance is assessed on a scale of 1 to 5, with 5 being the best possible score.

The individual balanced scorecard also defines the maximum pay-out, which can never exceed 200% of the individual baseline.

## Assessment process

The actual funding is determined in the following year, after first having verified the degree to which the targets set by the Board of Directors have been achieved. Considering the business results, the Group CEO submits a proposed final funding pool to the Remuneration Committee, which provides a recommendation to the Board of Directors. The share of short-term variable remuneration for the Group CEO and the heads of control functions is not included in the final funding calculation, as these are determined directly by the Board of Directors on the proposal of the Remuneration Committee and the Control and Risk Committee, respectively.

In any case, the determination of the effective funding is subject to the achievement of the entry threshold; this takes the form of a specific Solvency I ratio level to be achieved by the Group and is defined annually by the Board of Directors (for 2014, this will be 141%).

In relation to the degree to which the Group's targets (operating profit and net profit\*) are achieved, the actual funding pool (for GMC and GLG) is determined. Below the minimum of 85% of budget set for the Group's targets, no funding takes place and therefore no bonus will be paid<sup>5</sup>.

<sup>5</sup> This is without prejudice to the possibility of the Board of Directors of determining specific funding on the recommendation of the Group CEO and the Remuneration Committee, as long as the Solvency I ratio level has been respected.

At the request of the Group CEO and based on a prior opinion of the Remuneration Committee, the Board of Directors may authorise an additional share - of up to 10% of the actual funding - with the aim of remunerating individuals whose performance has been particularly significant.

The amount of the individual bonuses depends on the funding pool and the individual performance level; in any case, it can reach up to 200% of the individual baseline amount, only in limited cases with performances well beyond expectations.

The Board of Directors verifies the results obtained by the Group CEO, based on the proposal by the Remuneration Committee, and accordingly determines the relevant bonus; for all other members of the GMC, the Board of Directors verifies the results achieved and thereafter determines the bonuses based on the proposal of the Group CEO, after having, in any case, sought the opinion of the Remuneration Committee; finally, for the other managers with strategic responsibilities, the results achieved are assessed by the Group CEO considering the guidelines of the system and the relevant process as described before.

The final assessment of results achievement implies also an individual assessment of conformity with respect to Compliance/Internal Control/Code of Conduct and Governance processes, to be carried out and used as a malus/claw-back clause as necessary.

More specifically, no incentive will be paid in the event of wilful misconduct, gross negligence or significant worsening of the capital and financial situation of the Company. Any amount disbursed will be subject to claw-back if the performance considered should later be found to be non-lasting or ineffective as a result of wilful misconduct or gross negligence.

For the heads of the control functions, the goals on which the short-term component of the variable remuneration is determined, are defined according to the specific activity of each of the functions and take in no consideration financial performance. This is why managers of the control functions are not included in the funding pool, although the pay-out of the bonus is in any case subject to the entry threshold, namely the Solvency I ratio at 141%.

The short-term incentive of the Group CEO is not included in the total funding pool rules, as it is specifically defined by the Board of Directors on the proposal of the Remuneration Committee, considering:

- a target amount of 100% of the fixed remuneration, based on the target/budget achievement of the goals in the scorecard set by the Board of Directors in relation to the Group economic, financial and operating results, including a risk indicator, and to key Group strategic projects, in line with the expectations of the strategic plan for the relevant year;
- a maximum incentive of 200% of the fixed remuneration, linked to the over-performance of the targets set by the Board of Directors in the individual scorecard;
- no incentive will be paid if the 2014 Solvency I ratio is less than 141% and/or at least 40% of the targets set by the Board of Directors in the individual scorecard have not been achieved.

### 3.3.2 Long-Term Incentive (LTI)

The long-term variable remuneration of Generali takes the form of multi-year plans, which are approved from time to time by the competent bodies and may be addressed to directors, managers with strategic responsibilities and other Generali employees; they may be based on cash disbursements or financial instruments.

From 2010 to 2012, the Company adopted multi-year plans, currently still in place, based on two cycles of three years. Once the first cycle reaches its conclusion, if the relevant targets have been achieved, a monetary bonus is disbursed of which a percentage (from 15% to 30% of the gross bonus accrued) must, at the same time, be re-invested in Generali shares. This is then followed by a second cycle, after which, again assuming certain targets have been achieved, participants may be granted a certain number of free shares for each share purchased (greater details are given in the information reports approved at the time by the Shareholders' Meeting and published on the Generali Group website).

In 2013, Generali adopted a new plan based on a single three-year cycle, after which free shares, subject to specific lock-up periods, may be granted to the participants.

In line with last year, a new long-term incentive plan based on Assicurazioni Generali shares - the 2014 Group LTI - has been submitted for the approval of the Shareholders' Meeting.

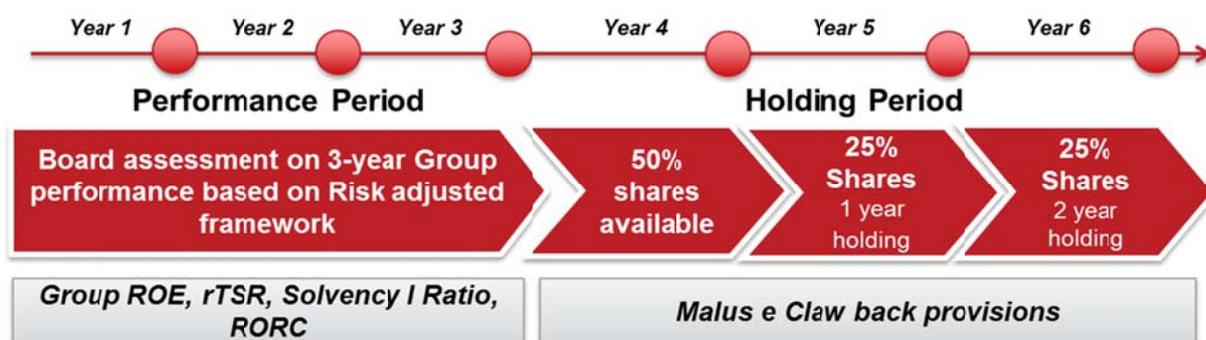
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In line with market practices and investor expectations, shares are assigned and made available to the participants over a total time frame of 6 years, subject to the achievement of the Group's performance conditions (return on equity<sup>6</sup> and relative total shareholders' return) and the achievement of a minimum return on risk capital (RORC) at a Group level and the reaching of the entry threshold of the Solvency I ratio, as detailed below.

The Plan is based on the following essential aspects:

- the incentive connected with the achievement of the targets is paid through the grant of Assicurazioni Generali S.p.A. ordinary shares;
- the right to receive the shares is subject to an entry threshold, defined annually by the Board of Directors and which represents a condition precedent;
- the targets to which payment of the incentive is subject are Group financial ones and are defined at the beginning of the three-year performance period.

The plan is structured as follows:



The maximum number of shares that can be assigned is determined at the start of the plan. The maximum potential bonus to be disbursed in shares equals 175% of the gross fixed remuneration of the plan participants (for the Group CEO, this percentage is 250%); therefore, the maximum number of shares that can be assigned is the result of the ratio of the maximum bonus and the share value, with the latter calculated as the average price of the share in the three months prior to the meeting of the Board of Directors called to resolve on the draft statutory financial statements of the Holding Company and the consolidated financial statements for the previous year.

The maximum number of shares that can potentially be assigned to participants at the end of the three years is divided up into three tranches; the first tranche is for 30% of the maximum number of shares to be possibly assigned, the second is for a further 30% and the remaining 40% represent the third tranche.

Each tranche is connected to an entry threshold that is represented by the Group solvency ratio calculated according to the criteria laid down by Solvency I.

For the first tranche for 2014, the solvency ratio must be no less than 141%; for the second and third tranches, related to 2015 and 2016, it must be at least 160%, save the possibility to revise this level as a consequence of the introduction of the compulsory Solvency II methodology.

Once the level of the solvency ratio has been reached, the achievement of the Group's financial targets, represented by the ROE and the relative TSR, compared with the following peers of the STOXX Euro Insurance index, is verified on a yearly basis:

<sup>6</sup> Return on Equity (ROE): operating profit net of financial expense and tax, divided by the average adjusted capital, as defined in the "Note on the methods used for alternative performance indicators" in the Group's Management report.

1. AEGON
2. AGEAS
3. ALLIANZ
4. AXA
5. CNP ASSURANCES
6. DELTA LLOYD
7. HANNOVER RUECK
8. ING GRP
9. MAPFRE
10. MUENCHENER RUECK
11. SAMPO
12. SCOR
13. VIENNA INSURANCE

The performance level, expressed as a percentage, is determined by the cross-comparison of the results connected with the respective targets, as shown in the matrix below, which identifies the ranges of ROE and quadrants of relative TSR. The maximum performance level is 175%, whilst the minimum is 50%.

Performance outcome		Relative Total Shareholder Return			
		4 <sup>th</sup> quartile	3 <sup>rd</sup> quartile	2 <sup>nd</sup> quartile	1 <sup>st</sup> quartile
Return on Equity	<10%	0%	0%	0%	0%
	$10\% \leq x \leq 11\%$	0%	50%	75%	100%
	$11\% < x \leq 12\%$	0%	75%	100%	125%
	$12\% < x \leq 13\%$	0%	100%	125%	150%
	> 13%	0%	125%	150%	175%

During each year of the plan and at the end of the three years, the Board of Directors evaluates the degree to which the Group's return on risk capital (RORC) has been achieved as compared with the limit set as 9.5% (or alternative percentage as may be chosen from time to time by the Board of Directors). On the basis of this evaluation, the number of shares to be accrued annually or definitively granted may be reduced or even zeroed by the Board of Directors if the RORC should fall below the threshold established.

In any case, no incentive will be paid in the event of a significant worsening of the capital and financial situation of the Company. Any amount disbursed will be subject to claw-back if the performance considered should later be found to be non-lasting or ineffective as a result of wilful misconduct or gross negligence.

Individual tranches of shares are only granted at the end of the performance period and, therefore, at the end of the three years, after verifying the degree to which the targets have been achieved in the third year, and as long as there continues to be an employment/director relationship in place with the Company or with other companies of the Group as at the grant date. Consequently, save for extraordinary situations as specifically envisaged by the plan rules, and unless otherwise decided by the delegated bodies, any case of termination of the employment/director relationship automatically entails forfeiture of the right to be granted shares.

As regards the holding period, at the grant date, 50% of the shares are immediately available (to allow the participants to pay the tax charges connected with the grant), 25% is subject to a one-year lock-up period and the remaining 25% to a two-year lock-up period; this is without prejudice to the obligation of directors participating in the plan to maintain a suitable number of shares assigned until term of the office in course at the expiry of the lock-up. These restrictions apply also after termination of the relationship with the participants (without prejudice to provisions outlined in Section II with reference to the Group CEO and without prejudice to the power of the Board of Directors or a specifically-delegated member thereof, to redefine the terms and conditions of all unavailability restrictions specified above, potentially also evaluating total remuneration of the beneficiary or with reference to shares assigned within different incentive plans).

In order to implement the plan, the free shares granted to the plan participants, in accordance with the above conditions, will all or partly result in a specific free increase of the share capital obtained through the use of profits and/or profit reserves in accordance with the first paragraph of Art. 2349 of the Italian Civil Code and/or own shares as may have been purchased by the Company in implementation of the related shareholders' meeting authorisation in accordance with Articles 2357 and 2357-*ter* of the Italian Civil Code. The maximum number of shares that can be granted is 7,000,000, accounting for 0.45% of the current share capital.

As for last year, participation in the LTI is linked to membership of the Group Management Committee and the Global Leadership Group (as described before). In line with market practices, the proposal for 2014 LTI plan is to gradually increase the population of participants to also include approximately 70 individuals at a lower-organizational level, identified selectively according to the role, performance and potential, and considering specific attraction and retention needs. For these individuals, the LTI performance matrix will be based on the same parameters with a maximum pay-out equal to 87.5%.

The 2014 LTI plan is also intended for the Group CEO, who may be granted with a maximum number of shares equal to 250% of his fixed remuneration, subject to the performance indicators, entry thresholds and plan limits.

In the event of extraordinary situations that may influence key elements of the plan (merely by way of example: extraordinary operations involving Assicurazioni Generali and/or the Generali Group, legislative changes or alterations to the group scope), the Board of Directors may amend and supplement the plan structure as considered necessary or appropriate, in order to keep – within the limits permitted by applicable legislation – its substantive and economic content unchanged.

### 3.4 Benefits

Benefits are a substantial component of the remuneration package – within a total remuneration approach - which complement monetary payments.

The type and overall value of benefits differ according to category of beneficiaries.

More specifically, as concerns the Group CEO and other recipients of the policy within Assicurazioni Generali, supplementary pensions and healthcare are governed by applicable collective bargaining and the supplementary regulations for managers of the Generali Group. The supplementary contract also provides for other guarantees, such as the Long-Term Care in the event of permanent disability, and the ones in the event of death or total permanent disability caused by injury or disease, whether occupational or otherwise.

The benefits package also includes personal and business use of a company car with fuel card and agreements with airport operators (e.g. corporate frequent flyer cards). Finally, favourable contractual conditions are also granted with regards to the stipulation of insurance instruments and banking products, along with facilitated access to loans/mortgages for buying homes or vehicles.

In the event of international mobility, transfer to another country or hiring of resources from other offices/countries, in line with market practices, supplementary benefits are granted relating to housing, support for children's education and all aspects connected with the relocation, for a set period of time.

### 3.5 Extraordinary remuneration

As an extraordinary measure with the objective to attract high calibre managers from the market, specific one-off agreements may be reached during the hiring process.

Those extraordinary agreements, which are only applied on an exceptional basis in very particular and documented situations, may, for example, consist of: (a) entry bonuses connected with the loss of incentives from a previous employer and, wherever possible, linked to a commitment to maintain the employment relationship for a certain period; (b) variable components guaranteed only for the first year of employment. Those extraordinary agreements are exceptional and extraordinary in nature and, when applied, are carried out following strict governance processes and are disclosed, in accordance with the provisions of current legislation, in section II of the remuneration report.

The Board of Directors may also resolve, on the proposal of the Remuneration Committee, to pay exceptional premiums in connection with extraordinary operations and/or results that are sufficiently significant as to have a substantial impact on the value and volumes of the Company's business and/or its profitability, thereby justifying the additional reward. In this event, a suitable

disclosure shall be given in relation to the amount, justification, and criteria applied to determine any extraordinary premiums in the first remuneration report available.

### **3.6 Additional remuneration**

The Group CEO and other recipients of the remuneration policy within Assicurazioni Generali cannot receive emoluments and/or attendance fees for other offices held at the instruction of the Holding Company in subsidiaries, entities and associations, except where a specific exception has been made, duly justified, formalised and authorised by the competent bodies.

Lastly, reference is made to the sections below for information on the D&O insurance policy and concerning severance provisions in the event of termination of appointment.

## **4. REMUNERATION POLICY FOR HEADS AND FIRST REPORTING MANAGERS OF CONTROL FUNCTIONS**

The remuneration package for the heads of control functions and their first reporting line managers consists of a fixed and variable component and additional benefits. The fixed portion is established according to the level of the responsibilities and duties assigned and is suited to the independence and autonomy required for such roles.

The goals on which the short-term component of the variable remuneration is based are defined according to the specific activities of each of the functions, with reference to targets linked to the effectiveness and quality of controls, but excluding financial performance indicators, which may instead give rise to conflicts of interest, as established by Art. 20 of ISVAP Regulation no. 39/2011.

Roles in control functions also participate, albeit to a limited extent (details in the pay-mix table before), in a specific deferred monetary incentive system. This system is connected with goals that have a multi-year time horizon and which relate exclusively to the effectiveness and quality of controls.

To this end, the annual or multi-year assessment of whether the targets set have been achieved is made by the Board of Directors upon prior opinion of the Control and Risk Committee and having consulted the Board of Statutory Auditors. Only if the Board of Directors considers the results achieved and the quality of the controls to be satisfactory can the heads of the control functions actually access the incentive programmes.

Condition precedents and malus and claw-back clauses also apply, similar to those previously described.

Finally, the managers considered are not entitled to receive emoluments or attendance fees for any other offices held at the request of the Parent Company in subsidiaries or investee companies, entities or associations, unless a specific exception has been made by the Board of Directors, which must naturally be duly justified and formalised.

## **5. REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS**

The current remuneration policy for non-executive directors, independent directors, the Chairman and Deputy Chairmen of the Board of Directors establishes that remuneration shall consist of a fixed component and a variable component equal to a total of 0.01% of the consolidated profit; a maximum limit is established, however, of € 300,000, to be split equally between the Directors on the Board. In addition to this emolument, an attendance fee will be issued for each meeting of the Board of Directors, in addition to reimbursement of proven, listed expenses incurred by their attendance.

The annual variable component, as described above, is so limited that it clearly does not constitute a significant portion of the total remuneration. Moreover, no financial-instrument-based incentive plans are provided.

Directors who are also members of board committees are paid an additional emolument with respect to that already received for their role as members of the Board of Directors (with the exception of those who are also managers of the Generali Group). Said additional remuneration is set according to the duties assigned to the relevant committees and the effort and time required of them, in terms of the number of meetings and preparation required.

The remuneration policy for the Chairman includes payment of emoluments for his role as member of the Board of Directors, as specified above, in addition to an annual fixed remuneration that is determined on the basis of comparative analyses with similar

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figures at both a national and international level. Just like all non-executive directors, the Chairman's variable remuneration does not involve his participating in short and medium/long-term incentive plans.

The policy for this role also entails the assignment of certain non-monetary benefits, such as insurance coverage against professional injury and disease, as well as healthcare and business and personal use of a company car with driver.

Reference is made to the sections below for information on the D&O insurance policy and concerning severance provisions in the event of termination of appointment.

## 6. REMUNERATION POLICY FOR MEMBERS OF THE SUPERVISORY BODY

The policy for these roles entails payment of a fixed gross annual remuneration for the entire duration of the appointment, increased by 50% for the Chairman of the Board of Statutory Auditors; there are no variable components to the remuneration.

Members of the body shall also have the right to receive a refund for all expenses incurred by virtue of their office and shall benefit from the D&O insurance policy as explained below.

## 7. REMUNERATION POLICY FOR THE APPOINTED ACTUARY, INSURANCE BROKERS AND SUPPLIERS OF OUTSOURCED SERVICES

There is no provision for the assignment of any variable component to the appointed actuary, for his work carried out in this role, as the role is held by an external professional.

The remuneration policy for insurance brokers is defined by the companies for which they work; it is based on the same principles as the Group Remuneration Policy, taking an approach that aims to ensure that for these figures too, remuneration is in line with the overall strategy, using targets and incentive systems that seek to compensate the contribution made towards achievement of the Group's goals.

The Company applied guidelines on outsourcing matters approved - in accordance with art. 31 of ISVAP regulation dated 26 March 2008, no. 20 - by the Board of Directors at 30 October 2008, coherently with the principles set by art. 4 of ISVAP regulations no. 39/2011.

## 8. D&O (DIRECTORS' AND OFFICERS') LIABILITY INSURANCE

The current terms of the insurance policy for the coverage of the civil liability of the Company's Directors and Auditors (Directors' and Officers' Liability Insurance - D&O), and that of the Executive in Charge of the Drafting of the Company's Accounting Documents, are as follows:

- Validity: from 1 May 2013 to 30 April 2014;
- Term: 12 months, renewable yearly, until revocation of authorization by the Shareholders' Meeting;
- Maximum: € 100 million per claim, aggregated per year and per period of cover;
- Cases of wilful misconduct and gross negligence are excluded from insurance cover.

On 1 May 2013, additional coverage was also provided for the GMC members, on the same terms as described above, apart from the maximum pay-out, which is € 25 million, aggregated per claim and per year. In 2014 such coverage will be also be extended to the first reporting roles to the Group CEO.

The Group has also started to work on the definition of a single, global policy that will cover all consolidated companies, considering the specific legal and economic requirements of the various different territories. This Group policy, in line with similar experience of competitor insurance groups, has the benefit of ensuring standardised cover conditions for all Group managers, allowing a central management of the policy and control of all related claims, thereby reducing the overall cost.

## 9. SEVERANCE PROVISIONS IN THE EVENT OF TERMINATION

The following severance provisions apply to the termination of office of directors who are not managers under an employment contract:

- In case of natural expiry of the office, no amount will be due;
- if case of early termination of the office, without cause, the party concerned may, in compliance with the law and where all legal requirements are met, be assigned an indemnity of up to the maximum remuneration due for the remainder of the term of office;
- conversely, in case of resignation (excluded the case of just cause), termination for cause, termination following a takeover bid or forfeiture (for any reason, including loss of professional, honour or independence requirements, or for situations of impediment or incompatibility) and in any case for any other event and/or cause beyond the Company's control, no amount shall be due;
- in the event of early termination of office on mutual consent, the amount to be paid to the individual concerned will be defined on a case-by-case basis, based on the relevant circumstances and grounds for termination (with specific reference to performance achieved, risks undertaken and the effective Company operating results, so that, in particular, no amount can be paid in the event of gross negligence or wilful misconduct).

Severance provisions in the event of termination of the Group CEO, also in his capacity as General Manager, and of managers with strategic responsibilities, shall be as follows:

- in the event of dismissal of the General Manager or of a manager with strategic responsibilities, the Company must necessarily apply - without prejudice to any changes that may be made to the legislative framework in the future - the mandatory provisions of applicable law and collective bargaining agreements.
- in the event of termination by mutual consent, the amount to be paid to the individual concerned will be defined on a case-by-case basis, based on the relevant circumstances and grounds for the termination (with specific reference to performance achieved, risks undertaken and effective Company operating results, so that, in particular, no amount can be paid in the event of gross negligence or wilful misconduct). The amount thus determined cannot exceed, under any circumstance, in addition to the legal and collective bargaining notice (where applicable) an amount equal to 24 months "recurring remuneration".

"Recurring remuneration" means the gross annual remuneration increased by the average of the amount effectively received by the individual by way of the short-term variable component in the last three years.

In accepting this amount, the individual waives all rights in any way directly and/or indirectly connected with employment by Assicurazioni Generali S.p.A. or any of its subsidiaries and termination thereof, in addition to all rights, claims and/or action with regards to other companies of the Group, in any way directly or indirectly connected with the employment and with its definitive, accepted, termination.

This waiver also extends to include compensation rights pursuant to Articles 2043, 2059, 2087 and 2116 of the Italian Civil Code and economic rights connected with the employment and its termination.

The above provisions also apply to directors additionally acting as General Manager or managers with strategic responsibilities; in this case - in order to calculate the amount that may be paid to the individual - also fixed and short-term variable consideration paid for the office as director (again on the basis of the average recorded for the last three years) must be considered.

In addition to the above-mentioned provisions, non-competition or confidentiality agreements may also be stipulated with Directors and managers with strategic responsibilities. Payment for any such agreements, which shall in any case have a limited term, is determined according to the relevant legal validity requirements and measured against the damages the Company and/or Group could suffer, should the party concerned work for competitors of the Company and/or Group or disclose information which could potentially harm the Company and/or Group; the role and responsibilities previously held by the party concerned will also be considered.

As to the effects of the termination on any rights that may have been assigned under the scope of share-based incentive plans, please see paragraph 3.3.2 on long-term incentives (LTI).

## 10. GOVERNANCE AND COMPLIANCE

Different bodies and/or functions are responsible for the definition, approval, implementation and subsequent verification of the remuneration policies, with tasks requiring the involvement and active contribution of different parties according to the policy recipients.

The main parties involved are:

- Shareholders' meeting;
- Board of Directors;
- Board of Statutory Auditors;
- Remuneration Committee and Control and Risk Committee;
- Group CEO;
- the Group HR & Organization function and the control functions.

In general, in addition to what specified in detail for each body, proposals relating to the definition of policies for corporate bodies and "personnel" (as defined in paragraph 2 above, "target population", in accordance with Art. 2, paragraph 1, letter f) of ISVAP Regulation no. 39/2011) are made with the support of the Group HR & Organization function, involving Internal Audit, Compliance and Group Risk Management, as relevant. The Group HR & Organization function also avails of the assistance of other Group structures and functions, such as Group Corporate Affairs, Group Legal Affairs and Group Strategic Planning & Control, collecting and coordinating the various contributions.

Proposals are then submitted to the Group CEO, who validates their content and formulation and, having first requested any supplements or amendments considered necessary, thereafter submits them to the Remuneration Committee, which issues its opinion before in turn submitting them to the Board of Directors.

Conversely, as concerns the remuneration policy for the Group CEO, the proposal is made by the Remuneration Committee, with the assistance of the HR & Organization function, and presented to the Board of Directors for all relevant assessments.

Once the Board has made its decisions, the policy is submitted for the approval of the Shareholders' Meeting.

Below is a presentation of the roles of the various parties involved in the definition, approval, implementation and subsequent verification of the remuneration policies.

### 10.1 Shareholders' Meeting

In accordance with the Company's Articles of Association, the Shareholders' Meeting:

- approves the remuneration policies for members of corporate bodies and "personnel", in addition to financial-instrument-based remuneration plans (Art. 19.1, letter d);
- determines the gross annual compensation due to the members of the Board of Directors and Auditors (Art. 19.1, letters f) and e)).

### 10.2 Board of Directors

The Board of Directors defines and regularly revises the remuneration policies for members of corporate bodies and "personnel" (as defined in paragraph 2 above, "target population", in accordance with Art. 2, paragraph 1, letter f) of ISVAP Regulation no. 39/2011), including financial-instrument-based remuneration plans, checking their correct application.

In relation to this, the Board resolves on the remuneration policies and subsequent revisions thereof, in order to obtain approval by the Ordinary Shareholders' Meeting, guaranteeing that they are kept constantly up-to-date, coherent with principles of sound and prudent management and in line with the stakeholders' interests. To this end, it makes regular use of benchmarks prepared both by the appointed company functions and by external consulting firms, specifically concerning the verification of remuneration with respect to the markets considered. It may also use external consultants, including for any amendment or preparation of the remuneration policy.

The Board is also responsible for ensuring the correct implementation of the remuneration policies approved by the Shareholders' Meeting.

For certain categories of recipients of the policy, this is achieved by the Board directly when determining the related remuneration; to that respect the Board of Directors, in compliance with the remuneration policies defined, after having first consulted with the Remuneration Committee, the Control and Risk Committee and the Board of Statutory Auditors, as necessary:

- determines the remuneration of the Executive Directors and other directors holding particular offices based on the proposal of the Remuneration Committee, and having consulted with the Board of Statutory Auditors;
- determines the compensation package of the GMC members based on the proposal of the Group CEO, and having consulted with the Remuneration Committee;
- determines the remuneration of the Head of Internal Audit, based on the proposal of the Chairman of the Control and Risk Committee, and having first sought the binding advice of the Control and Risk Committee and consulted with the Board of Statutory Auditors;
- determines the remuneration of the Managers in charge of the Risk Management and Compliance departments, based on the proposal of the Group CEO, and having first sought the opinion of the Control and Risk Committee and consulted with the Board of Statutory Auditors;
- designates the chairmen, the executive directors and the general managers (or members of senior management holding equivalent roles) of subsidiaries of strategic importance (as defined from time to time by the Board), also formulating proposals relating to their revocation and remuneration, and the non-executive directors, if selected from outside the Group based on the proposal of the Group CEO, and having first sought the opinion of the Corporate Governance and Appointments Committee;
- examines and approves the guidelines of the incentive system for managers belonging to the so called Global Leadership Group (as described before) on the proposal of the Group CEO.

As concerns the other first reporting roles to the Group CEO, who are not members of the GMC, remuneration is determined by the Group CEO in line with the policies defined by the Board of Directors for such roles.

Compensation of the direct reports of the Internal Audit Manager is proposed by the function manager and reviewed by the Group HR & Organization function, which then informs the Control and Risk Committee, in order that this latter may evaluate whether or not balance and coherence of compensation is thus assured within the function. Suitable reports are prepared by the Group HR & Organization function and submitted to the Board of Directors in order to verify that the remuneration policies defined for such professionals have been correctly implemented.

The Board of Directors prepares an annual report for the Shareholders' Meeting, complete with quantitative information, on the application of the remuneration policy. It is hereby specified that in preparing the Group remuneration policy, rather than using remuneration policies of other companies as reference, Assicurazioni Generali instead sought the advice of the consulting firm Aon Hewitt.

### 10.3 Remuneration Committee

The Remuneration Committee has consulting, advisory and preparatory functions in respect of the Board of Directors on remuneration issues. The Remuneration Committee also provides its opinion regarding transactions with related parties, where this refers to the remuneration of managers with strategic responsibilities. This is done in compliance with the procedures regarding transactions with related parties approved by the Board of Directors.

More specifically, the tasks of the Remuneration Committee include:

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- formulating non-binding opinions and proposals for the Board in terms of economic compensation for Directors;
- formulating opinions and proposals referring to the remuneration policies for members of corporate bodies and staff, including financial instrument-based remuneration plans and checking that these are correctly applied;
- providing the Board with proposals and/or opinions regarding the compensation in favour of Executive Directors and Directors holding other specific tasks or appointments according to the Articles of Association, as well as the definition of performance objectives related to the variable component of the remuneration and checking that performance objectives are effectively achieved: the opinions and proposals relating to Executive Directors are based on a discretionary assessment, made by taking into consideration, *inter alia*, the following parameters:
  - i) the significance of the responsibilities within the corporate organizational structure;
  - ii) the impact on corporate results;
  - iii) the financial results achieved;
  - iv) reaching specific objectives set beforehand by the Board;
- providing non-binding opinions and proposals for the Board regarding compensation for the General Manager and whoever covers an internal role within the Group that is significant in terms of membership of the Group Management Committee, based on a prior proposal by the Group CEO, and on a discretionary assessment according to the following criteria:
  - i) the level of responsibility and risks associated with the tasks carried out;
  - ii) the results achieved in relation to the assigned objectives;
  - iii) the performance in relation to extraordinary commitments;
- making periodical assessments on the criteria adopted for the remuneration of Directors and managers with strategic responsibilities, based on the information provided by the Group CEO and issuing general recommendations on this matter for the Board;
- checking on the proportionality of the Executive Directors' remunerations, if necessary among themselves, and in relation to the Company's personnel;
- providing an opinion on the Group CEO's proposal relating to the incentive system for managers belonging to the so-called Global Leadership Group (as described before).
- monitoring that the decisions taken by the Board based on the proposals that were presented, are in fact applied.

The Chairman of the Committee or another member of the Committee reports to the Shareholders' Meeting on how the Committee operates in relation to its functions.

In carrying out its functions, this body is entitled to access the corporate information and functions which are relevant for carrying out its tasks. The Chairman of the Statutory Auditors' Board regularly attends its meetings.

The Committee duly carries out the advisory and consulting functions it is responsible for, drawing up the relevant minutes and reports required for carrying out Company activities.

The current Committee was appointed by the Board of Directors during its meeting on 30 April 2013, and shall remain in office until the Shareholders' Meeting called for the approval of the Financial Statements as of 31 December 2015. It is composed as follows:

Office	First name, last name
Chairman	Paolo Scaroni
Non-executive and independent Director	
Member of the Committee	Lorenzo Pellicoli
Non-executive and independent Director	
Member of the Committee	Ornella Barra
Non-executive and independent Director	

The Board of Directors has verified that the Committee is made up entirely of independent non-executive Directors. Based on previous experience, the Board of Directors has also checked that not only based on the executive appointments they hold in other companies, but also on the role they cover in similar consulting committees, Mr Pellicoli and Mr Scaroni have sufficient knowledge regarding remuneration policies. Mr Scaroni has also been Chairman of this Committee in the previous two three-year periods (2007/2009 – 2010/2012).

Should one or more members of the Remuneration Committee declare that a correlation exists regarding a transaction under their review, the Committee is complemented, only for the purpose of reviewing said transaction, by other independent members of the Board of Directors, chosen starting from the oldest in terms of age. In the absence of at least two independent Directors of the Remuneration Committee, the opinion or proposal shall be given by an independent expert appointed by the Board.

The Group General Counsel Mr Antonio Cangeri acts as the Committee's Secretary.

When it is deemed appropriate by the Chairman, he/she may invite members from Top Management, the Head of the Group HR & Organization function and managers and employees of the Company to take part in the meetings, in case they have responsibilities regarding the matters that are submitted for the Committee's approval.

The convocation notice is sent to the Statutory Auditors' Board so as to allow this body to participate in the meeting.

During last year, non-members have taken part in the meetings of this Committee, based on an invitation from the Committee itself, some attending for the entire meeting and others with limited reference to single items on the agenda. The Committee has also made use of external consultants.

The members of the Remuneration Committee receive a fixed emolument (€ 20,000 for the Chairman and € 15,000 for the other members of the Committee), an attendance fee of € 2,000 per session, and the reimbursement of expenses incurred to participate in the meetings.

The Remuneration Committee appointed from 30 April 2013 has held seven meetings, lasting on average thirty minutes per meeting, and minutes were prepared for each meeting. All the members were always in attendance.

Five meetings have been held so far for 2014.

The Committee meeting held on 19 February 2014 set its budget for 2014 expenses at € 100,000, which was then approved by the Board of Directors at the meeting held on the same date.

## 10.4 Group CEO

Based on the mandates he has been granted with by the Board of Directors on human resources management and organization, the Group CEO makes proposals regarding the Company and Group's remuneration policies.

In addition, he formulates proposals regarding the remuneration policies for managers with strategic responsibilities that need Board decision; the Group CEO is specifically responsible for the proposals regarding the remuneration of members of the Group Management Committee, save the responsibilities of the Control and Risk Committee regarding the Group Chief Risk Officer.

The Group CEO is also responsible for setting the staff's compensation position at every level of the Company and the Group, except for those that fall under the responsibility of the Board of Directors.

## 10.5 Statutory Auditors' Board and Control and Risks Committee

Pursuant to Art. 36.1 of the Articles of Association, the Statutory Auditors' Board is responsible for providing an opinion on the remuneration of Directors holding specific offices; these opinions are also provided in respect of the remuneration of members of the Group Management Committee.

Furthermore, the Board also provides an opinion on the remuneration for the Head of the Internal Audit function, as well as the remuneration for the other managers in charge of control functions.

With regard to the Control and Risks Committee, this body provides its opinion regarding the calculation of the remuneration of the head of the Internal Audit function, which is binding; and for the other managers in charge of control functions, in which case these are submitted to the Board of Directors for approval. In the context of the policies set for the managers in charge of the control functions, the proposal for the head of the Internal Audit function is prepared by the Chairman of the Control and Risks Committee.

## 10.6 Control functions

The internal control functions that are involved and cooperate in various capacities in the setting and/or the subsequent checking of the correct implementation of the remuneration policies are:

- the **Compliance** function, which checks that the remuneration policies are consistent with the objectives of compliance with applicable regulations regarding remuneration, including the provisions of the Articles of Association, the Governance Code for listed companies and Code of Conduct, with a view to preventing the risk of incurring judicial sanctions and fines, asset losses and damage to the Company's reputation. The function reports to the relevant bodies regarding the outcomes of the checks carried out, and also proposes possible corrective measures;
- the **Internal Audit** function, which checks that the remuneration policies are being correctly applied, based on the directions set by the Board of Directors with a view to ensuring efficiency and safeguarding the Company's assets. Once again, the function reports to the Board of Directors and the bodies responsible for adopting possible corrective measures based on the outcomes of the audits conducted;
- the **Risk Management** function, which checks on the consistency of the criteria and relevant indicators used to assess performance; with regard to the risk management strategies set by the Board of Directors, it reports to the relevant functions responsible for adopting the relevant corrective measures.

Group Strategic Planning and other functions reporting to the **Group CFO** are involved in the remuneration policy process in order to identify and assess the quantitative parameters regarding the strategic objectives to which the variable component must be linked.

## 10.7 Group HR & Organization function

The Group HR & Organization function provides technical support (also in the form of reports), and prepares the preliminary support material for defining policies. Specifically, the functions involved are:

- Group Reward, for the implementation of the remuneration systems, for analyzing the remuneration levels and drawing comparisons with selected markets as well as monitoring remuneration dynamics;
- Organization & Change Management, for mapping and job grading;
- Talent Management, to support the performance management and calibration processes.

## 10.8 Guidelines on remuneration compliant with national and international regulatory requirements

In all countries where the Group operates, the implementation of the Group's remuneration policy is done in full compliance with the laws and regulations applicable to the country or the business sector in which the beneficiary operates.

In order to ensure consistency in remuneration at Group level, the implementation of the remuneration policy and short and long term incentive systems in the Group's companies are guaranteed through appropriate guidelines.

The purpose of these guidelines is to adequately calibrate the Group's policies to the specific local contexts, applying the principle of proportionality and ensuring that companies with their registered offices abroad also comply with the provisions of the remuneration policy, within the requirements set by the local regulatory framework.

The preparation of remuneration packages and systems takes due consideration of all the regulatory requirements of the country and business sectors in which the individual role has an impact: in addition to the local regulatory requirements complying with the applicable laws, certain transnational regulations also apply to specific business sectors.

Specifically, banking regulations and those relating to asset management companies (e.g. CRD IV, AIFMD), impact on the preparation of the remuneration packages of the managers working in these companies.

The process for setting global rules that apply to incentive plans begins with a detailed analysis of the potential implications from a tax and legal perspective, with special focus on labour law and regulations. Plans that require a cash payment are adapted where necessary to comply with deferral requirements, tax implications and provisions of national and individual contracts. Similarly, share incentive plans that require the approval of Shareholders' Meetings, have specific appendices in which the provisions that could potentially conflict with local legislation are introduced/ modified/ amended. The appendices are prepared on the basis of the mandates that the Shareholders' Meetings gives to the Board of Directors and/or the Group CEO. Therefore, it may be necessary to introduce, for managers of certain countries or business sectors, amendments in respect of the principles and mechanisms described in this report (with reference, as a mere example, to entry thresholds, minimum solvency levels, performance targets, lock-up and minimum holding periods, deferral, ex-post correction mechanisms, etc.).

The process for defining the remuneration policy is managed within the Group's Governance, taking into account the local characteristics and specific aspects, with a special focus on local practices in terms of levels, pay-mix and eligibility for incentive plans, with the ultimate objective of keeping our packages competitive and attracting the best talents.

For the roles that operate in the Group's foreign companies, the process extends to approval by the Board of Directors and relevant local bodies, based on the specific aspects of the relevant company law.

With regard to the chairmen, the executive directors and the general managers (or members of senior management holding equivalent roles) of subsidiaries of strategic importance (as defined from time to time by the Board), the individual remuneration is submitted for the Board of Directors' approval, as proposed by the Remuneration Committee, before the appointment and governance local approval process is carried out.

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# Section II – Report on the implementation of the remuneration policy

## INTRODUCTION

This section consists of:

- a first part, which provides a synthetic description of the compensation of the recipients of the remuneration policy for the 2013 financial period;
- a second part, which contains the above stated compensation in a tabular format, as well as the shareholdings held by the individuals in question with reference to the relevant financial period.

In this context and in compliance with applicable regulations, disclosure is made regarding the following recipients of the remuneration policy:

- the Chairman and other members of the Board of Directors;
- the Chairman and other members of the Board of Statutory Auditors;
- the Group CEO and General Manager;
- the managers with strategic responsibilities; up until 30.6.2013, this included the General Managers, Deputy General Managers and Assistant General Managers, and as from 1.7.2013, the members of the GMC and the first reporting roles to the Group CEO<sup>7</sup> included in last year's Remuneration Report. Disclosure on an individual basis is provided regarding the three General Managers, that ended their appointments on 30.6.2013, in respect of the entire financial period in question;
- the Heads of Control functions and their first reporting line managers included in last year's Remuneration Report.

2013 was the first year in which the new Generali remuneration policy was implemented, in line with a business and organization strategy based on the greater international integration of the Group.

Significant business results were achieved, higher compared to the previous financial period and in line with the expectations of the strategic plan.

These results were reflected in the pay-out of our incentive systems, characterised by a direct link between incentives and performance (at Group / Countries and businesses level).

All entry thresholds to the incentive plans set for 2013 were reached, and the remuneration results are detailed in the tables provided in this section.

The Board of Directors also verified, in execution of the long-term plan approved and assigned in 2011, the degree to which the three-year targets have been achieved. A cash payment was made in this regard with the mandatory obligation to co-invest a portion between 15% to 30% of the gross bonus amount in Assicurazioni Generali shares that must be held until the end of the plan in 2016.

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<sup>7</sup> Group General Counsel, Head of Group Strategy & Business Development, Head of Group HR & Organization. The role of Group Marketing & Communication was covered ad interim by the Group CEO during 2013.

## PART I

### 1. REMUNERATION OF NON-EXECUTIVE DIRECTORS

The Shareholders' Meeting reconfirmed the emoluments of the previous three-year period for the entire three-year period of office of the Board of Directors, appointed by the Shareholders' Meeting of 30 April 2013. Therefore, up until the effective approval of the Company's Financial Statements as of 31 December 2015, each Board member is entitled to:

- compensation of €100,000 gross annually, with a 50% increase for those that are members of the Executive Committee<sup>8</sup>;
- variable compensation equal to 0.01% of the consolidated profit, up to a maximum total limit of €300,000 to be divided equally among the Board members;
- an attendance fee for each meeting of the Board of Directors and Executive Committee of €4,000;
- the reimbursement of the out-of-pocket expenses incurred to participate in the sessions.

It should be further noted that there are no agreements in place with the directors regarding severance provisions in the event that their appointment is terminated.

Regarding **directors that are also members of Board committees**, the Board of Directors meeting of 9 May 2013 reconfirmed that the relevant emoluments and attendance fees were adequate, based also on a benchmark prepared by the consulting firm The European House Ambrosetti.

Compared to the previous period, it should be noted that:

- in respect of the Sub-committee for Transactions with Related Parties, in the event a meeting of the Control and Risks Committee and of the Sub-committee in question occur together, the Board of Directors resolved that a single attendance fee shall be paid of €5,000;
- in respect of the Committee for Social and Environmental Sustainability, its establishment was not reconfirmed.

Finally, the Board of Directors set the emoluments for the Supervisory Board (so-called "Organismo di Vigilanza") at €30,000 gross annually for the Chairman and €20,000 gross annually for the members.

Role	Gross yearly emolument (euro)	Attendance fee per session (euro)
Members of the Remuneration Committee	15.000	2.000
Chairman of the Remuneration Committee	20.000	2.000
Members of the Risk and Control Committee	30.000	2.000
Chairman of the Risk and Control Committee	50.000	2.000
Members of the sub-Committee for the evaluation of related party transactions	20.000	2.000
Chairman of the sub-Committee for the evaluation of related party transactions	25.000	5.000
Members of the Appointments and Corporate Governance Committee	15.000	2.000
Chairman of the Appointments and Corporate Governance Committee	20.000	2.000
Members of the Investments Committee	30.000	2.000
Chairman of the Investments Committee*	no emolument*	2.000
Members of the Social and Environmental Sustainability Committee (until 30.4.2013)	no emolument	2.000
Chairman of the Committee for the evaluation of related party transactions (until 30.4.2013)	no emolument	2.000
Members of the Supervisory Board (from 30.4.2013)	30.000	0
Chairman of the Supervisory Board (from 30.4.2013)	20.000	0

\* Office held by the Group CEO

<sup>8</sup> It should be noted that the Executive Committee is no longer in force since 1 May 2013 and any compensation has been paid for the relevant period only.

With regard to the remuneration for the **Chairman** of the Board of Directors, the Board resolved, from 30 April 2013, to pay the Chairman, in addition to the compensation due to the other non-executive directors, an emolument in relation to the powers conferred of €850,000.00 gross annually; compensation that is in line with the emoluments received by both Italian and foreign individuals covering similar roles in companies comparable to Assicurazioni Generali, in terms of their size and characteristics.

The following additional benefits were resolved upon:

- insurance cover relating to the event of death or permanent disability for accidents or illness;
- supplementary insurance cover for health expenses, with features similar to those provided for Group managers;
- the use of a Company car with driver.

The Chairman also received emoluments and attendance fees related to the offices as Chairman of the Appointments and Corporate Governance Committee and of the Committee for Social and Environmental Sustainability (the latest as of 30 April 2013).

No specific agreements are in place with the Chairman regarding severance provisions in the event of termination, on which, therefore, in accordance with the law, the relevant policy in place for the relevant year applies.

Details of the relevant emoluments are found in Table 1 below, while Table 4 contains the shareholdings of the individuals in question.

## 2. REMUNERATION FOR MEMBERS OF THE BOARD OF STATUTORY AUDITORS

The Shareholders' Meeting of 30 April 2011 approved the emoluments to be paid to the Board of Statutory Auditors, setting remuneration of € 100,000 gross annually for the effective Auditors for each of the financial periods 2011, 2012 and 2013, with a 50% supplement for the Chairman of the Board of Statutory Auditors.

Details of the relevant emoluments relating to 2013 are found in Table 1 below, while Table 4 contains the shareholdings of the individuals in question.

## 3. REMUNERATION OF THE GROUP CEO AND GENERAL MANAGER, GENERAL MANAGERS AND OTHER MANAGERS WITH STRATEGIC RESPONSIBILITIES

### Group CEO & General Manager

The current remuneration package for the Group CEO, set by the Board of Directors, is structured as follows:

1. an annual gross compensation as Group CEO of € 1,100,000, including the emoluments and attendance fees provided for members of the Board of Directors and Executive Committee, and as a member of internal Board Committees, and a gross annual salary as General Manager of € 200,000;
2. a short-term component of the variable remuneration: payment of a bonus linked to the annual goals (as described before) which is 100% of the fixed remuneration at target level, and can reach up to 200% in the event of over-performance;
3. a long-term component of the variable remuneration: subject to the achievement of the assigned targets (as described before), the Group CEO may be granted an incentive which is 200% of the fixed remuneration at target level, and can reach up to 250% in the event of over-performance;
4. a supplementary pension: as per the national collective and supplementary individual agreements, a contribution equal to 16.5% of the fixed remuneration and annual gross supplement by the Company of € 107,452.22;
5. other benefits as per applicable remuneration policy;
6. the economic terms of the Group CEO's termination are governed by an agreement set at the time of the relevant appointment. Specifically, in the event of dismissal without cause, or resignation with cause (including the cases of reduction, revocation or failure to renew the appointment and/or powers without cause, or assignment to third individuals of mandates or powers substantially equivalent to those of the Group CEO or such to have a significant impact on his position and top management role), the severance due to the Group CEO includes:
  - indemnity in lieu of notice (conventionally set at 12 months)

- 24 months remuneration (intended as the sum of the fixed remuneration and average of the short-term variable remuneration over the last three-year period, taking into account both the remuneration as manager and the emoluments for the appointment as director);
- release from lock-up of incentives in the form of financial instruments.

In 2013, the overall remuneration for the Group CEO was as follows:

- fixed remuneration: € 1,300,000 gross;
- short-term variable remuneration: based on the results achieved, the short-term variable remuneration amounts to € 1,412,335 gross. This amount was calculated based on the achievement of the targets in the individual scorecard set by the Board of Directors in relation to the Group economic, financial and operating results and to key Group strategic projects, in line with the expectations of the strategic plan for the relevant year.
- long-term variable remuneration: no amount was paid out in this regard as the first cycle of the LTI plan approved in 2013, in which the CEO participates, shall only be effective from 2016 (the maximum number of shares which could be granted to the Group CEO at the end of the performance period - subject to the achievement of all the targets and at the terms and conditions set out in said LTI plan - is shown in Table 3A below.).

Moreover, the hiring contract of the Group CEO provided for a *una tantum* grant (entry bonus), connected with the loss of incentives from the previous employer, in the form of 380,868 Assicurazioni Generali shares, 50% of which subject to a lock up period expiring on 1 August 2015, and the remaining 50% to a lock up period expiring on 1 August 2018. This grant, agreed and accrued in 2012, has been actually assigned in May 2013 after the necessary Shareholders' Meeting approval on 30 April 2013. A gross allowance of € 783,493.10 was also paid to cover tax consequences related to the timing of the share grant in respect to what was contractually agreed.

## Remuneration of managers with strategic responsibilities

The change in governance that occurred in 2013, with the related managerial turnover, resulted in a total of 24 people in the category of managers with strategic responsibilities<sup>9</sup> for the relevant financial period, either during the whole year or a portion thereof.

As regards to **General Managers**, the following is noted.

With reference to **Mr Balbinot**, who held the role of General Manager until 30 June 2013 and of manager with strategic responsibilities for the entire period, no changes were made to his remuneration package. With reference to 2013, his gross annual remuneration amounted to € 1,000,000. With reference to the variable remuneration, the bonus linked to the short-term incentive (STI) awarded to Mr Balbinot, based on the achievement of the target goals assigned, amounted to € 1,000,000.00 gross. As regards long-term variable remuneration, Mr. Balbinot: (i) has accrued, within the LTI Plan 2011, a cash incentive which, according to the rules of such plan, shall be invested in a percentage between 15 and 30% in shares of Assicurazioni Generali (as shown in Table 3B below), (ii) participates in the LTI Plan 2012, under which he may accrue a cash incentive in the 2014 financial period, which shall also be invested in shares (as shown in Table 3B below), (iii) participates in the LTI Plan 2013, in execution of which, subject to the achievement of the performance conditions and the minimum thresholds set out, he could be granted free shares at the end of the three-year performance period (the maximum number of shares that may potentially be granted to Mr Balbinot at the end of the performance period - subject to the achievement of the targets and the terms and conditions set out in such LTI plan - is shown in Table 3A below). With reference to benefit values, they refer to the company car with fuel card. His agreement in place regarding severance provisions in the event of termination is consistent with the policy set for the year of reference, providing for a maximum amount, in addition to the legal and collective bargaining notice, of 24 months "recurring remuneration" (where "recurring remuneration" means the gross annual remuneration increased by the average of the amount effectively received by the individual by way of the short-term variable component in the last three years).

With reference to **Mr Vagnone**, who held the role of General Manager until 30 June 2013 and of manager with strategic responsibilities for the entire period, no changes were made to his remuneration package. With reference to 2013, his gross annual remuneration amounted to € 800,000. With reference to the variable remuneration, the bonus linked to the short-term incentive (STI) awarded to Mr Vagnone, based on the achievement of the target goals assigned, amounted to € 450,000. With reference to long-term variable remuneration, Mr. Vagnone: (i) has accrued, within the LTI Plan 2011, a cash incentive which, according to the rules of such plan, shall be invested in a percentage between 15 and 30% in shares of Assicurazioni Generali (as shown in Table 3B

<sup>9</sup> The Group CRO, although counted in the category of managers with strategic responsibilities as for numbers (as he is a GMC member), is reported in terms of remuneration within the control functions section.

below), (ii) participates in the LTI Plan 2012, under which he may accrue a cash incentive in the 2014 financial period, which shall also be invested in shares (as shown in Table 3B below), (iii) participates in the LTI Plan 2013, in execution of which, subject to the achievement of the performance conditions and the minimum thresholds set out, he could be granted free shares at the end of the three-year performance period (the maximum number of shares that may potentially be granted to Mr Vagnone at the end of the performance period - subject to the achievement of the targets and the terms and conditions set out in such LTI plan - is shown in Table 3A below). With reference to benefit values, they refer to the company car with fuel card. His agreement in place regarding severance provisions in the event of termination is consistent with the policy set for the year of reference, providing for a maximum amount, in addition to the legal and collective bargaining notice, of 24 months "recurring remuneration" (where "recurring remuneration" means the gross annual remuneration increased by the average of the amount effectively received by the individual by way of the short-term variable component in the last three years).

With reference to **Mr Agrusti**, his gross annual remuneration for the year amounted to € 1,000,000 (of which € 766,667 gross calculated pro rata for the period in which he held the role of General Manager and manager with strategic responsibilities) while the benefit values refer to a mortgage at company conditions. Moreover, it is highlighted that in July 2013, the Company signed an agreement for the termination of employment with the former-General Manager, Mr Agrusti (the "Agreement").

In summary, the Agreement provided for: (i) the continuation of the relationship until 31 December 2013, in order to facilitate the handover, against payment of the ordinary remuneration items (namely fixed remuneration, fringe benefits, and, subject to the terms and conditions set in the relevant regulations being met, the annual bonus and long-term bonus); (ii) the termination of the relationship on 31 December 2013, with the payment of a total of € 6,116,008.62, calculated according to the Company's applicable remuneration policy (therefore 24 months remuneration in addition to the cost of notice); (iii) the waiver by Mr Agrusti of all rights resulting from the existing employment relationship. The Agreement did not provide for non-competition or confidentiality covenants, nor did it provide for waivers by the Company vis-à-vis Mr Agrusti.

However, based on certain new circumstances emerged with regard to Mr Agrusti's past conduct, the Company's Board of Directors, in its meeting held on 19 February 2014, decided to request that the Agreement be declared null and void before the competent Labour Judge (and therefore gave no implementation to its terms as well as to the incentive plans referred to in the Agreement), and to request at the same time compensation of damages suffered in respect of Mr Agrusti's conduct. On 24 February 2014, the Company filed an application in this regard before the Labour Division of the Court of Trieste.

In so far as the **other managers with strategic responsibilities** are concerned, remuneration packages were set for those appointed during the year, also providing for guaranteed variable incentives – relating exclusively to 2013 – and cash and/or equity based entry bonuses, also aimed at offsetting losses of similar incentives as a consequence of the resignation from previous employment relationships. Some of these entry bonuses are subject to lock up periods or continuance of service until a specific date. Benefits were also given regarding relocation and accommodation needs, children's education and the company car with fuel card.

There were no remuneration adjustments made in respect of those managers with strategic responsibilities that were already appointed during the financial period in question.

In addition to the normal fixed remuneration (see details in Table 1 below), the managers with strategic responsibilities, as the case may be: (i) accrued the STI subject to and based on the degree of achievement of the targets set for 2013 (see details in table 3B below), (ii) accrued amounts in cash on the basis of the LTI Plan 2011 (see details in Table 3B below), (iii) might be granted during the next financial years, based on the different LTI plans currently in course, and subject to achievement of the targets and the terms and conditions set out in such plans, a certain number of free shares (see details in Table 3A below).

Severance indemnities, calculated in compliance with the applicable policies, have been paid to the four managers with strategic responsibilities that terminated their employment during 2013. Based on a previous contract, one of these managers will receive 95,000 Generali France shares within a three-year period (2015-2017), for a total value of € 969,950.

As regard severance provisions for the other managers with strategic responsibilities in service (excluding the roles of General Managers reported before), agreements consistent with the policy applicable in the relevant year are in place for 8 managers (therefore providing for a maximum amount, in addition to the legal and collective bargaining notice, of 24 months "recurring remuneration") while no specific agreements are in place for the other 2 cases.

The details regarding the remuneration received by the Group CEO, General Managers and other managers with strategic responsibilities for the 2013 period are recorded in Table 1; Tables 3.A and 3.B refer to the incentive plans, while Table 4 provides details on the shareholdings of the individuals in question.

As regards detailed information relating to the long-term variable component, reference is made to the reports drafted pursuant to Art. 114 bis of the Consolidated Law on Finance [*T.U.F. Testo Unico Finanza*], which may be found on the Company's Internet site under the section "Governance\Remuneration Report".

#### **4. REMUNERATION OF HEADS AND FIRST REPORTING MANAGERS OF CONTROL FUNCTIONS**

During 2013, the managerial turnover in terms of appointments/dismissals and incoming/outgoing personnel regarded a total of 14 people<sup>10</sup>.

For the financial period in question, the heads of control functions and their first reporting line managers were paid a total of € 1,620,957 gross in terms of fixed remuneration component; it should be noted that the remuneration packages for two managers in charge of control functions were adjusted based on the outcomes of a benchmark analysis carried out by the consulting firm Aon Hewitt.

The total of the short-term variable component was € 561,800 gross. Two managers were also paid € 124,029 gross for the LTI 2011, connected with different roles that the managers covered in the past in other Group's companies. In terms of benefits, based on tax criteria, these amounted to € 17,576 gross; four of the managers received benefits linked to logistical/accommodation needs for a total amount of € 68,459 gross.

Two managers also received an entry bonus of € 75,000 aimed at offsetting losses of similar incentives as a consequence of the resignation from previous employment relationships, in line with the remuneration policy provisions.

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<sup>10</sup> This is referred to employees with existing work relationships with Assicurazioni Generali, even if partially or totally seconded to other subsidiaries. For those that were seconded for a portion of the relevant financial period from other controlled companies, the details of their remuneration will be provided in the disclosure reports of the relevant Shareholders' Meetings.

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## PART II

Table 1 - Remuneration paid to members of the management and control bodies, general managers and other managers with strategic responsibilities

Person Name and surname Office held	Period for which office was held	Office expiry	Emoluments (in Euro)						Total	Non monetary benefits	Fair value equity	Severance indem. for end of office or termination of employment
			Emoluments for the office held	Fixed emoluments	Variable emoluments <sup>1)</sup>	Attendance fees	Bonuses and other incentives	Other remuneration				
(1) Emoluments in the company that prepares the financial statement												
<b>Gabriele GALATERI DI GENOLA</b>			<b>Total</b>	<b>953.105,4</b>	<b>15.896,8</b>	<b>84.000</b>	<b>--</b>	<b>--</b>	<b>1.053.002,2</b>	<b>8.418,6</b>	<b>--</b>	<b>--</b>
Chairman	1.1-31.12.2013	Approved f.s. 2015		816.667,0	15.896,8				832.563,8	8.418,6		
Member of the Board of Directors	1.1-31.12.2013	Approved f.s. 2015		100.000,0		56.000			156.000,0			
Member of the Executive Committee	1.1-30.04.2013	Approved f.s. 2012		16.438,4		12.000			28.438,4			
Chairman of the Appointments and Corporate Governance Committee	1.1-31.12.2013	Approved f.s. 2015		20.000,0		14.000			34.000,0			
Chairman of the Social and Environmental Sustainability Committee	1.1-30.04.2013	Approved f.s. 2015		--		2.000			2.000,0			
<b>Francesco Gaetano CALTAGIRONE</b>			<b>Total</b>	<b>156.506,9</b>	<b>15.896,8</b>	<b>84.000</b>	<b>--</b>	<b>--</b>	<b>256.403,7</b>	<b>--</b>	<b>--</b>	<b>--</b>
Member of the Board of Directors	1.1-31.12.2013	Approved f.s. 2015		100.000,0	15.896,8	44.000			159.896,8			
Member of the Executive Committee	1.1-30.04.2013	Approved f.s. 2012		16.438,4		12.000			28.438,4			
Member of the Investment Committee	1.1-31.12.2013	Approved f.s. 2015		30.000,0		18.000			48.000,0			
Member of the Appointments and Corporate Governance Committee	30.4-31.12.2013	Approved f.s. 2015		10.068,5		10.000			20.068,5			
<b>Vincent BOLLORÉ</b>			<b>Total</b>	<b>97.835,7</b>	<b>11.933,5</b>	<b>44.000</b>	<b>--</b>	<b>--</b>	<b>153.769,1</b>	<b>--</b>	<b>--</b>	<b>--</b>
Member of the Board of Directors	1.1-30.10.2013	Approved f.s. 2015		75.068,5	11.933,5	32.000			119.002,0			
Member of the Executive Committee	1.1-30.04.2013	Approved f.s. 2012		16.438,4		8.000			24.438,4			
Member of the Appointments and Corporate Governance Committee	30.4-30.10.2013	Approved f.s. 2015		6.328,8		4.000			10.328,8			
<b>Mario GRECO</b>			<b>Total</b>	<b>1.300.000,0</b>	<b>--</b>	<b>--</b>	<b>1.412.335,0</b>	<b>783.493,1</b>	<b>3.495.828,1</b>	<b>110.398,2</b>	<b>282.964,0 *</b>	<b>--</b>
Group CEO	1.1-31.12.2013	Approved f.s. 2015		1.100.000,0			1.194.835,0	783.493,1 <sup>2)</sup>	3.078.328,1	110.398,2	282.964,0	
Member of the Board of Directors	1.1-31.12.2013	Approved f.s. 2015		--	--	--			--			
Member of the Executive Committee	1.1-30.04.2013	Approved f.s. 2012		--	--	--			--			
Chairman of the Investment Committee	1.1-31.12.2013	Approved f.s. 2015		--	--	--			--			
General Manager	1.1-31.12.2013			200.000,0			217.500,0		417.500,0			
<b>Petr KELLNER</b>			<b>Total</b>	<b>30.986,3</b>	<b>3.789,1</b>	<b>4.000</b>	<b>--</b>	<b>--</b>	<b>38.775,4</b>	<b>--</b>	<b>--</b>	<b>--</b>
Member of the Board of Directors	1.1-28.03.2013	Approved f.s. 2012		23.835,6	3.789,1	4.000			31.624,7			
Member of the Investment Committee	1.1-28.03.2013	Approved f.s. 2012		7.150,7		--			7.150,7			
<b>Cesare CALARI</b>			<b>Total</b>	<b>49.315,1</b>	<b>5.226,3</b>	<b>28.000</b>	<b>--</b>	<b>--</b>	<b>82.541,4</b>	<b>--</b>	<b>--</b>	<b>--</b>
Member of the Board of Directors	1.1-30.04.2013	Approved f.s. 2012		32.876,7	5.226,3	12.000			50.103,1			
Member of the Risk and Control Committee	1.1-30.04.2013	Approved f.s. 2012		9.863,0		6.000			15.863,0			
Member of the Committee for the Evaluation of Related Party Transactions	1.1-30.04.2013	Approved f.s. 2012		6.575,3		10.000			16.575,3			
<b>Carlo CARRARO</b>			<b>Total</b>	<b>49.315,1</b>	<b>5.226,3</b>	<b>30.000</b>	<b>--</b>	<b>--</b>	<b>84.541,4</b>	<b>--</b>	<b>--</b>	<b>--</b>
Member of the Board of Directors	1.1-30.04.2013	Approved f.s. 2012		32.876,7	5.226,3	12.000			50.103,1			
Member of the Risk and Control Committee	1.1-30.04.2013	Approved f.s. 2012		9.863,0		6.000			15.863,0			
Member of the Committee for the Evaluation of Related Party Transactions	1.1-30.04.2013	Approved f.s. 2012		6.575,3		10.000			16.575,3			
Member of the Social and Environmental Sustainability Committee	1.1-30.04.2013	Approved f.s. 2012		--		2.000			2.000,0			

Person Name and surname Office held	Period for which office was held	Office expiry	Emoluments (in Euro)						Non monetary benefits	Severance indem. for end of office or termination of employment
			Emoluments for the office held							
			Fixed emoluments	Variable emoluments (1)	Attendance fees	Bonuses and other incentives	Other remuneration	Total		
<b>Claudio DE CONTO</b>			<b>47.671,2</b>	<b>5.226,3</b>	<b>26.000</b>	--	--	<b>78.897,6</b>	--	--
Member of the Board of Directors	1.1-30.04.2013	Approved f.s. 2012	32.876,7	5.226,3	16.000			54.103,1		
Member of the Remuneration Committee	1.1-30.04.2013	Approved f.s. 2012	4.931,5		6.000			10.931,5		
Member of the Investment Committee	1.1-30.04.2013	Approved f.s. 2012	9.863,0		4.000			13.863,0		
<b>Angelo MIGLIETTA</b>			<b>59.177,7</b>	<b>5.226,3</b>	<b>34.000</b>	--	--	<b>98.404,1</b>	--	--
Member of the Board of Directors	1.1-30.04.2013	Approved f.s. 2012	32.876,7	5.226,3	16.000			54.103,1		
Member of the Executive Committee	1.1-30.04.2013	Approved f.s. 2012	16.438,0		12.000			28.438,0		
Member of the Risk and Control Committee	1.1-30.04.2013	Approved f.s. 2012	9.863,0		6.000			15.863,0		
<b>Alessandro PEDERSOLI</b>			<b>62.465,8</b>	<b>5.226,3</b>	<b>30.000</b>	--	--	<b>97.692,1</b>	--	--
Member of the Board of Directors	1.1-30.04.2013	Approved f.s. 2012	32.876,7	5.226,3	12.000			50.103,1		
Chairman of the Risk and Control Committee	1.1-30.04.2013	Approved f.s. 2012	16.438,4		6.000			22.438,4		
Chairman of the Committee for the Evaluation of Related Party Transactions	1.1-30.04.2013	Approved f.s. 2012	8.219,2		10.000			18.219,2		
Member of the Appointments and Corporate Governance Committee	1.1-30.04.2013	Approved f.s. 2012	4.931,5		2.000			6.931,5		
<b>Reinfried Helmut POHL</b>			<b>32.876,7</b>	<b>5.226,3</b>	<b>4.000</b>	--	--	<b>42.103,1</b>	--	--
Member of the Board of Directors	1.1-30.04.2013	Approved f.s. 2012	32.876,7	5.226,3	4.000		3)	42.103,1		
<b>Lorenzo PELLICCIOLI</b>			<b>146.438,0</b>	<b>15.896,8</b>	<b>98.000</b>	--	--	<b>260.334,8</b>	--	--
Member of the Board of Directors	1.1-31.12.2013	Approved f.s. 2015	100.000,0	15.896,8	52.000			167.896,8		
Member of the Executive Committee	1.1-30.04.2013	Approved f.s. 2012	16.438,0		12.000			28.438,0		
Member of the Remuneration Committee	1.1-31.12.2013	Approved f.s. 2015	15.000,0		20.000			35.000,0		
Member of the Appointments and Corporate Governance Committee	1.1-31.12.2013	Approved f.s. 2015	15.000,0		14.000			29.000,0		
<b>Clemente REBECCHINI</b>			<b>161.643,5</b>	<b>15.896,8</b>	<b>92.000</b>	--	--	<b>269.540,3</b> 4)	--	--
Member of the Board of Directors	1.1-31.12.2013	Approved f.s. 2015	100.000,0	15.896,8	56.000			171.896,8		
Member of the Executive Committee	1.1-30.04.2013	Approved f.s. 2012	16.438,0		8.000			24.438,0		
Member of the Investment Committee	30.4-31.12.2013	Approved f.s. 2015	20.137,0		16.000			36.137,0		
Member of the Appointments and Corporate Governance Committee	30.4-31.12.2013	Approved f.s. 2015	20.137,0		10.000			30.137,0		
Member of the Appointments and Corporate Governance Committee	1.1-30.04.2013	Approved f.s. 2012	4.931,5		2.000			6.931,5		
<b>Paola SAPIENZA</b>			<b>170.137,0</b>	<b>15.896,8</b>	<b>118.000</b>	--	--	<b>304.033,8</b>	--	--
Member of the Board of Directors	1.1-31.12.2013	Approved f.s. 2015	100.000,0	15.896,8	56.000			171.896,8		
Member of the Investment Committee	30.4-31.12.2013	Approved f.s. 2015	20.137,0		16.000			36.137,0		
Member of the Risk and Control Committee	1.1-31.12.2013	Approved f.s. 2015	30.000,0		16.000			46.000,0		
Member of the sub-Committee for the Evaluation of Related Party Transactions	1.1-31.12.2013	Approved f.s. 2015	20.000,0		30.000			50.000,0		
<b>Paolo SCARONI</b>			<b>141.575,3</b>	<b>15.896,8</b>	<b>85.000</b>	--	--	<b>242.472,1</b>	--	--
Member of the Board of Directors	1.1-31.12.2013	Approved f.s. 2015	100.000,0	15.896,8	44.000			159.896,8		
Chairman of the Remuneration Committee	1.1-31.12.2013	Approved f.s. 2015	20.000,0		20.000			40.000,0		
Member of the Appointments and Corporate Governance Committee	1.1-31.12.2013	Approved f.s. 2015	15.000,0		14.000			29.000,0		
Member of the Committee for the Evaluation of Related Party Transactions	1.1-30.04.2013	Approved f.s. 2012	6.575,3		5.000			11.575,3		
Member of the Social and Environmental Sustainability Committee	1.1-30.04.2013	Approved f.s. 2012	--		2.000			2.000,0		
<b>Alberta FIGARI</b>			<b>117.465,6</b>	<b>10.670,4</b>	<b>70.000</b>	--	27.932 5)	<b>226.067,5</b>	--	--
Member of the Board of Directors	30.4-31.12.2013	Approved f.s. 2015	67.123,3	10.670,4	40.000			117.793,7		
Chairman of the Risk and Control Committee	30.4-31.12.2013	Approved f.s. 2015	33.561,4		10.000			43.561,4		
Chairman of sub-Committee for the Evaluation of Related Party Transactions	30.4-31.12.2013	Approved f.s. 2015	16.780,8		20.000			36.780,8		

Person Name and surname Office held	Period for which office was held	Office expiry	Emoluments (in Euro)						Total	Non monetary benefits	Severance indemn. for end of office or termination of employment
			Fixed emoluments	Variable emoluments <sup>1)</sup>	Attendance fees	Bonuses and other incentives	Other remuneration	Emoluments for the office held			
<b>Sabrina PUCCI</b>			<b>100.684,9</b>	<b>10.670,4</b>	<b>70.000</b>	--	--	<b>181.355,4</b>	--	--	
Member of the Board of Directors	30.4-31.12.2013	Approved f.s. 2015	67.123,3	10.670,4	40.000			117.793,7			
Member of the Risk and Control Committee	30.4-31.12.2013	Approved f.s. 2015	20.137,0		10.000			30.137,0			
Member of sub-Committee for the Evaluation of Related Party Transactions	30.4-31.12.2013	Approved f.s. 2015	13.424,7		20.000			33.424,7			
<b>Ornella BARRA</b>			<b>77.191,8</b>	<b>10.670,4</b>	<b>54.000</b>	--	--	<b>141.862,2</b>	--	--	
Member of the Board of Directors	30.4-31.12.2013	Approved f.s. 2015	67.123,3	10.670,4	40.000			117.793,7			
Member of the Remuneration Committee	30.4-31.12.2013	Approved f.s. 2015	10.068,5		14.000			24.068,5			
<b>Jean René FOURTOU</b>			<b>6.849,3</b>	<b>1.088,8</b>	--	--	--	<b>7.938,1</b>	--	--	
Member of the Board of Directors	6.12-31.12.2013	Approved f.s. 2015	6.849,3	1.088,8	--	--	--	7.938,1			
<b>Eugenio COLUCCI</b>			<b>150.000,0</b>	--	--	--	--	<b>150.000,0</b>	--	--	
Chairman of the Statutory Auditors	1.1-31.12.2013	Approved f.s. 2013	150.000,0					150.000,0			
<b>Giuseppe Alessio VERNI<sup>1)</sup></b>			<b>100.000,0</b>	--	--	--	<b>113.933,0</b>	<b>213.933,0</b>	--	--	
Statutory Auditor	1.1-31.12.2013	Approved f.s. 2013	100.000,0				113.933,0 <sup>4)</sup>	213.933,0			
<b>Gaetano TERRIN</b>			<b>100.000,0</b>	--	--	--	<b>97.255,0</b>	<b>197.255,0</b>	--	--	
Statutory Auditor	1.1-31.12.2013	Approved f.s. 2013	100.000,0				97.255,0 <sup>7)</sup>	197.255,0			
<b>Sergio BALBINOT</b>			<b>1.000.000,0</b>	--	--	<b>2.012.500,0</b>	--	<b>3.012.500,0</b>	<b>1.923,3</b>	<b>156.718,0</b>	
General Manager <sup>8)</sup> (manager with strategic responsibilities)	1.1-30.06.2013 (1.7-31.12.2013)		1.000.000,0			2.012.500,0		3.012.500,0	1.923,3	156.718,0	
<b>Paolo VAGNONE</b>			<b>800.000,0</b>	--	--	<b>882.000,0</b>	--	<b>1.682.000,0</b>	<b>2.395,4</b>	<b>121.893,0</b>	
General Manager <sup>8)</sup> (manager with strategic responsibilities)	1.1-30.06.2013 (1.7-31.12.2013)		800.000,0			882.000,0		1.682.000,0	2.395,4	121.893,0	
<b>Raffaële AGRUSTI</b>			<b>1.000.000,0</b>	--	--	--	--	<b>1.000.000,0</b>	<b>4,2</b>	<b>6.116.008,6</b>	
General Manager <sup>9)</sup> (manager with strategic responsibilities)	1.1-30.06.2013 (1.7-6.10.2013)		1.000.000,0					1.000.000,0	4,2	6.116.008,6 <sup>10)</sup>	
<b>Other managers with strategic responsibilities<sup>11)</sup></b>			<b>5.726.057,1</b>	--	--	<b>10.728.176,0</b>	<b>50.958,7</b>	<b>16.505.191,8</b>	<b>141.239,0</b>	<b>6.179.343,0 **</b>	
<b>TOTAL</b>			<b>12.637.298,3</b>	<b>175.561,4</b>	<b>955.000,0</b>	<b>15.035.011,0</b>	<b>1.073.571,3</b>	<b>29.876.442,0</b>	<b>264.378,6</b>	<b>6.740.918,0</b>	

\* Fair value of the shares to be potentially granted in 2016 (at the end of performance period 2013 – 2015 subject to the achievement of the objectives and the terms and conditions of the Long-Term Incentive Plan 2013-2015) for the relevant portion accrued in the 2013 balance sheet based on international accounting standards

\*\* Sum of the fair value of the shares to be potentially granted in the future (within the long-term incentive plans in place, subject to the achievement of the objectives and the terms and conditions of the respective plans) for the relevant portion accrued in the 2013 balance sheet based on international accounting standards and the fair value of the una tantum grant at hiring, connected with the loss of incentives from previous employers

- The variable emoluments will be paid after the Financial Statements' approval by the Shareholders' Meeting
- Allowance paid to the Group CEO to cover tax consequences related to the timing of the shares granted as entry bonus as approved by the Shareholders' Meeting on 30 April 2013
- Mr. Pohl doesn't receive any emolument for the office in Aachen/Munchener Lebensversicherung; the emoluments for Generali Holding Vienna AG will be defined by the General Meeting of the company within this year
- The emolument is paid directly to Mediobanca
- Emolument for the office of member of the Supervisory Board, included attendance fees
- Emoluments for the office of Chairmen of the Board of Statutory Auditors of Alleanza Assicurazioni, Banca Generali, Europ Assistance Italy, Generali Horizon, Genertelife, Genid and Statutory Auditor of Europ Assistance Service, Genertel and UMS Immobiliare Genova
- Emoluments for the office of Statutory Auditor of Alleanza Toro, Alleanza Assicurazioni, Generali Immobiliare Italia SGR, Generali Italia. Emolument for the office of Statutory Auditor of DAS-Difesa Automobilistica Sinistri will be defined within this year
- Mr. Balbinot and Mr. Vagnone emoluments refer from 1.1 to 30.6.2013 to the position of General Manager and from 1.7 to 31.12.2013 to the position of manager with strategic responsibilities
- The amounts relating to the fixed component and benefits refer to the entire year 2013 (while for the actual term of office - as General Manager first and manager with strategic responsibilities then - the fixed component amounts to € 766,667 gross and benefits amount to € 3,4, both pro quota)
- The amount has not been paid out (see Section II, I part)
- During 2013 the other managers with strategic responsibilities were 21. Data include emoluments from subsidiaries and associates.

**Table 2 - Stock options granted to members of the board of directors, general managers and other managers with strategic responsibilities**

A	B	Options held at the start of the financial year							Options assigned during the financial year			Options exercised during the financial year		Options expired during the financial year	Options held at the end of the financial year	Options related to the financial year	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) = 245-11-14	(16)
Name and Surname	Office	Plan	Number of options	Exercise price	Possible exercise period	Number of options	Possible exercise price	Possible exercise period	Fair value at assignment date	Assignment date	Market price of the shares at the assignment date	Number of options	Exercise price	Market price of the shares at the assignment date	Number of options	Number of options	Fair value
(I) Emoluments in the company that prepares the financial statement																	
(II) Emoluments from subsidiaries and associates																	
<b>(III) Total</b>																	

This table has not been completed because there are no outstanding stock option plans

**Table 3A - Incentive plans based on financial instruments other than stock options for members of the board of directors, general managers and other managers with strategic responsibilities**

A	B	Financial instruments assigned during previous years and not vested during the year			Financial instruments assigned during the year			Financial instruments vested during the year and not assigned	Financial instruments vested during the year and able to be assigned	Financial instruments relevant to the year			
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Name and Surname	Office	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value on assignment date	Vesting period	Assignment date	Market price upon assignment	Number and type of financial instruments	Number and type of financial instruments	Value on maturity date	Fair value
<b>(I) Emoluments in the company that prepares the financial statement</b>													
Mario GRECO Group CEO and General Manager (1)		LTI 2013-2015 (resolution of the Shareholders' Meeting 30.04.2013) (2)			213.849 shares potentially granted	1.273.340	2013 - 2015	30.4.2013	14,01				282.964
		LTI 2011 (resolution of the Shareholders' Meeting 30.04.2011) (3)											
Sergio BALBINOT Dir. Gen.		LTI 2012 (resolution of the Shareholders' Meeting 30.04.2011) (4)											
		LTI 2013-2015 (resolution of the Shareholders' Meeting 30.04.2013) (2)			116.887 shares potentially granted	705.233	2013 - 2015	30.4.2013	14,01				156.718
		LTI 2011 (resolution of the Shareholders' Meeting 30.04.2011) (3)											
Paolo VAGNONE Dir. Gen.		LTI 2012 (resolution of the Shareholders' Meeting 30.04.2011) (4)											
		LTI 2013-2015 (resolution of the Shareholders' Meeting 30.04.2013) (2)			90.913 shares potentially granted	548.516	2013 - 2015	30.4.2013	14,01				121.893
		Allotment shares (resolution of the Shareholders' Meeting 30.04.2013) (5)									368.107 company shares	6.004.106	5.158.283
		LTI 2010-2015 (resolution of the Shareholders' Meeting 24.04.2010) (6)			10.340 shares potentially granted	35.324	2010 - 2015	24.4.2010	16,72				7.065
Other managers with strategic responsibilities*		LTI 2011 (resolution of the Shareholders' Meeting 30.04.2011) (3)											
		LTI 2012 (resolution of the Shareholders' Meeting 30.04.2011) (4)											
		LTI 2013-2015 (resolution of the Shareholders' Meeting 30.04.2013) (2)			756.281 shares potentially granted	4.562.976	2013 - 2015	30.4.2013	14,01				1.013.995
<b>(III) Total</b>					<b>1.188.270</b>	<b>7.125.389</b>				<b>368.107</b>	<b>6.004.106</b>	<b>6.740.918</b>	

\* Including emoluments from subsidiaries and associates

(1) Please note that during 2013, the Group CEO received a una tantum allocation of shares (n. 380.868 shares with an overall fair value of € 5,337,103), agreed and matured in 2012 in connection with the hiring and the loss of incentives from the previous employer, but actually allocated in 2013 after Shareholders' Meeting approval, as detailed at page 38

(2) Maximum number of shares to be potentially granted at the end of vesting period (2013 – 2015) subject to the achievement of the objectives and the terms and conditions of the plan, considering, with regard to 2013, the number of shares is calculated based on the level of performance achieved in the year

(3) The table has not been completed with data related to the 2011 LTI plan, as the plan has currently produced effects only in cash; please refer to table 3B

(4) The table has not been completed with data related to the 2012 LTI plan, as the plan will produce, in 2014, effects only in cash; please refer to table 3B

(5) Una tantum in shares provided at hiring, connected with the loss of incentives from previous employers

(6) Maximum number of shares to be potentially granted at the end of co-investment period (2013 – 2015) subject to the achievement of the objectives and the terms and conditions of the the plan

Further information related to the Plan are available in a specific document on the company web site, in the following section: "Governance", "Remuneration Report".

["Information document allotment shares to Group CEO and senior executives"](#)

**Table 3B - Monetary incentive plans for members of the board of directors, general managers and other managers with strategic responsibilities**

(A) Name and surname	(B) Office	(1) Plan	(2)			(3)			(4) Other bonuses
			Bonus of the year			Bonus of the previous years			
			(A) Payable/Paid	(B) Deferred	(C) Deferment period	(A) No longer payable	(B) Payable/Paid	(C) Still deferred	
(I) Emoluments in the company that prepares the financial statement									
Greco Mario	Group CEO and General Manager	STI 2013	1.412.335						
		STI 2013	1.000.000						
Balbinot Sergio	General Manager	LTI 2011 (resolution of the Shareholders' Meeting 30.04.2011) (1)	1.012.500						
		LTI 2012 (resolution of the Shareholders' Meeting 30.04.2011) (2)					2.250.000		
		STI 2013	450.000						
Vagnone Paolo	General Manager	LTI 2011 (resolution of the Shareholders' Meeting 30.04.2011) (1)	432.000						
		LTI 2012 (resolution of the Shareholders' Meeting 30.04.2011) (2)					960.000		
		STI 2013	5.486.186 *						
Other managers with strategic responsibilities**		LTI 2011 (resolution of the Shareholders' Meeting 30.04.2011) (1)	941.990						
		LTI 2012 (resolution of the Shareholders' Meeting 30.04.2011) (2)					2.182.500		
		Entry bonus						4.300.000	
<b>(II) Total</b>			<b>10.735.011</b>				<b>5.392.500</b>	<b>4.300.000</b>	

\* of which € 236.111 guaranteed pro quota at hiring date

\*\* including emoluments from subsidiaries and associates

(1) The amount represented must be reinvested by the Managers, within a range from 15% to 30%, in Assicurazioni Generali shares, with the opportunity to accrue, at the end of the co-investment period (2014-2016), up to nr. 2 free shares for each share purchased, subject to the achievement of the objectives and the terms and conditions of the plan

(2) The amount represented is not yet accrued. It is an estimate of the target amount to be potentially granted at the end of the performance period (2012 – 2014), subject to the to the achievement of the objectives and the terms and conditions of the plan. The amount considered, which can be higher in case of over-performance, once accrued, must be reinvested by the Managers, within a range from 15% to 30%, in Assicurazioni Generali shares, with the opportunity to accrue, at the end of the co-investment period (2015-2017), up to nr. 2 free shares for each share purchased, subject to the achievement of the objectives and the terms and conditions of the plan

Table 4 - Shareholdings of members of the board of directors, general managers and other managers with strategic responsibilities

Name and Surname Office	Investee Company	Number of shares held at the end of the previous year	Number of shares acquired	Number of shares sold	Number of shares held at the year-end
Gabriele GALATERI DI GENOLA <i>Chairman</i>	Generali	11.500			11.500
Francesco Gaetano CALTAGIRONE <i>Vice-Chairman</i>	Generali	34.750.000 <sup>1)</sup>			34.750.000 <sup>1)</sup>
Vincent BOLLORE' <i>Vice-Chairman</i>	Generali	2.028.352 <sup>2)</sup>			2.028.352 <sup>3)</sup>
Mario GRECO <i>Group CEO and General Manager</i>	Generali	0			380.868 <sup>4)</sup>
Petr KELLNER <i>Member of the Board of Directors</i>	Generali	10.000.000 <sup>2)</sup>		3.742.844 <sup>2)</sup>	6.257.156 <sup>3)</sup>
Paolo SCARONI <i>Member of the Board of Directors</i>	Generali	9.828			9.828
Eugenio COLUCCI <i>Chairman of the Board of Auditors</i>	Generali	1.979			1.979
Gaetano TERRIN <i>Statutory Auditor</i>	Generali	0			2.255 <sup>5)</sup>
Sergio BALBINOT <i>General Manager</i>	Generali	12.729			12.729
Paolo VAGNONE <i>General Manager</i>	Generali	2.500			2.500
Raffaele AGRUSTI <i>General Manager</i>	Generali	32.422			32.422
Other managers with strategic responsibilities	Generali	43.143	5.170	4.199	412.221 <sup>6)</sup>
	Generali France	347.169		20.000	327.169 <sup>7)</sup>
	Generali Vie	8			8
	Generali Iard	5			5
	Gen. France Assur.	1			1

<sup>1)</sup> of which 34.635.000 held through a subsidiary or affiliate company

<sup>2)</sup> shares held through a subsidiary or affiliate company

<sup>3)</sup> shares held through a subsidiary or affiliate company at the date of resolution of the office

<sup>4)</sup> shares granted by the Shareholders Meeting on the 30th April 2013 as entry bonus

<sup>5)</sup> heritage shares

<sup>6)</sup> of which 368.107 shares granted by the Shareholders Meeting on the 30th April 2013 as entry bonus

<sup>7)</sup> of which 80.001 free shares acquired definitively during the exercise 2013

# Control Functions verifications

## EX ANTE VERIFICATIONS OF THE COMPLIANCE AND RISK MANAGEMENT FUNCTIONS

### 1. Introduction

Regulation No. 39, adopted by ISVAP on 9 June 2011 ('ISVAP Regulation No. 39') provides that the implementation of the remuneration policies adopted by the company is subject, at least annually, to a review by the internal control functions, in accordance with the scope of their authority. Group Compliance, in particular, pursuant to Article 23 of the above-mentioned ISVAP Regulation, is responsible for checking that these policies comply with the provisions of ISVAP Regulation No. 39, the Company By-laws as well as any codes of ethics or other standards of conduct applicable to the company in order to prevent and control legal and reputational risks.

In this context, following the approval of the remuneration policy at the Shareholders' Meeting of 30 April 2013, the Compliance and Risk Management functions have put in place, each within the scope of their authority, the actions necessary to ensure compliance of corporate conduct with the mentioned regulatory context, supporting the Group HR and Organization through ex ante assessments concerning the compliance of the actions/documents implementing the policy approved at the Shareholders' Meeting (having also regard to the Code of Conduct and its implementing provisions).

### 2. Verification of the remuneration policy

With particular reference to the remuneration policy, the Compliance and Risk Management functions have examined, for the aspects of their competence, the new version that will be submitted to the Board of Directors and to the Shareholders in the General Meeting.

There is a substantial continuity between the new policy and the one approved in 2013. The changes concern mainly:

- a closer comparison with the market in evaluating any decision relating to remuneration;
- a strengthened link between remuneration and risk with the introduction of Return on Risk Capital (RORC) as targets and limits in the framework of the incentive systems;
- the adaptation to the new organizational structure of the Group in applying the criteria for the identification of the recipients of the policy (the "personnel" in ISVAP Regulation. 39);
- the exclusion of the control functions from the long-term stock incentive plan and its replacement with a cash plan;
- the introduction of a compliance assessment (also considering ethical standards) when determining the variable component of the remuneration and the malus or claw-back clauses.

In this context, the Risk Management function has verified the consistency of the identified criteria and related indicators used to evaluate the performance with respect to the strategies for risk management established by the Board of Directors and considers them appropriate.

The Compliance Department has verified the compliance of the policy with the external and internal regulatory environment, including the letter addressed to the market by IVASS on April 9, 2013.

## Conclusions

As a result of the above evaluations:

- The Risk Management function, with particular reference to the criteria and parameters adopted for determining the variable remuneration, deems that the new remuneration system is consistent with the Group risk management strategies;
- The Compliance function deems that the remuneration system described in the remuneration policy complies with the IVASS provisions, the Company's Articles of Association, the Corporate Governance Code for Listed Companies and the Group Code of Conduct.

Both functions will in any case ensure that the implementing acts of the new remuneration policy comply with the provisions of the same policy as well as with ISVAP Regulation no. 39, the Company Bylaws, the Corporate Governance Code for Listed Companies and the Code of Conduct and related implementing provisions.

## EX POST VERIFICATIONS OF THE INTERNAL AUDIT FUNCTION

This report has been prepared pursuant to art. 23 of ISVAP Regulation 39/2011 which provides that the internal audit function verifies the correct application of the remuneration policies based on the guidelines established by the Board of Directors for the sake of efficiency and safeguarding of company assets. These audit integrates those ones carried out by other control functions (Compliance and Risk Management).

The audit has covered both the verification of the correct settlement and payment of the variable component attributed to the recipients based on remuneration policies for 2012, and the verification of the correct application of the 2013 remuneration policy. Both types of checks are subsequent and consequent to the various resolutions taken by the Shareholders' Meeting on April 30, 2013 on remuneration and on the approval of the financial statements 31 December 2012. In fact the said approval is the fundamental prerequisite for the delivery of the 2012 variable part of the remuneration to the recipients of the policies.

The results of these checks, based in some cases on the analysis of a significant sample of transactions, if the target population was particularly extensive, did not reveal any notable exceptions, having been able to observe a constant acknowledgement of the suggestions made for the improvement of policies and the reliability and effectiveness of the underlying processes.

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## **EDITING**

**Group Reward**

The document is available on:

[www.generali.com](http://www.generali.com)

## **CO-ORDINATION**

**Group Premises & Facility Management - General Services Trieste**

## **GRAPHIC CO-ORDINATION**

**Group Marketing & Communication**

## **GRAPHIC DESIGN**



**MERCURIO<sub>GP</sub>**  
[www.mercuriogp.eu](http://www.mercuriogp.eu)

## **EDITING**

LUCAPRINT S.p.A. - Division Sa.Ge.Print

## **FOTO**

The photos used in the internal title pages, covers and key elements of this report represent the countries where Generali operates.

The other images are photos of buildings owned by the Group.





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

## ORDINARY BUSINESS

6. **Adoption of a new Long Term Incentive Plan pursuant to s. 114-bis of the CFBA: related and ensuing resolutions; delegation of powers.**
7. **Authorisation to purchase and dispose of the Company's own shares for the purposes of the Long Term Incentive Plan: related and ensuing resolutions; delegation of powers.**

## EXTRAORDINARY BUSINESS

8. **Proposed delegation to the Board of Directors pursuant to s. 2443 of the Civil Code, for the period of 5 years from the date of the resolution, of power to increase the share capital by means of a free issue in instalments, pursuant to s. 2439 of the Civil Code, for the purposes of the new Long-Term Incentive Plan: related and ensuing resolutions; delegation of powers.**

Dear Shareholders,

## ORDINARY BUSINESS

6. **Adoption of a new Long Term Incentive Plan pursuant to s. 114-bis of the CFBA: related and ensuing resolutions; delegation of powers.**

The remuneration policy approved with respect to the top management of Assicurazioni Generali S.p.A. (hereinafter "Generali" or "the Company") and for the executives of the same Company and of the Generali Group (the "Group") - meaning the companies directly and indirectly controlled by Generali pursuant to article 2359 of the civil code - provides a fixed remuneration and a variable remuneration, the latter being composed of a short term incentive (STI) and a long term incentive (LTI). These provisions are compliant with the best and most common international practices.

The Shareholder's meeting held on 30 April 2013, approved a long term incentive plan that, after the first allotment period was terminated, by a resolution of the Board adopted on 12 March 2014. Such plan, therefore, shall continue to be effective only with respect to the first allotment period, and consequently until the end of the three-year period 2013-2015, whilst afterwards no further three year allotment period will start with reference to such plan.

During the meeting held on 12 March 2014, the Board of Directors has also approved the proposal of the Remuneration Committee to submit to the Shareholder's Meeting a new Long Term Incentive Plan referred only to the three-year performance period 2014-2016.

Such plan for which the approval of the meeting is hereby requested (the "Plan"), is compliant with applicable regulation and with the best practice for such topic (including the recommendations of the Code of Conduct of Borsa Italiana S.p.A.), is intended to pursue the increase of value of Generali's shares while, at the same time, aligning the economic interest of the beneficiaries to the one of the shareholders.

The Plan pursues to:

- enhance the link between the long term variable remuneration component and value creation for shareholders, in any case taking into consideration the sustainability of the Group and the results actually achieved;
- develop a performance culture at a group level;
- contribute to the creation of a balanced mix between the fixed remuneration and the variable remuneration of the beneficiaries;
- retain the management at a Group level.

In particular, the Plan enhances the link between

the management remuneration and the expected performance under the Group Strategic Plan (absolute performance), preserving the link between remuneration and value generation vs. a peer group (relative performance).

As for the structure of the Plan, the main terms and conditions (better specified in the Information Document) are the following:

- the Plan has a performance duration of three years beginning from 2014;
- for no consideration the beneficiaries shall be granted free ordinary shares of Generali by virtue of the Plan, as long as the relevant performance targets and gate are exceeded;
- the targets for the share grant are established by the Board of Directors of the Company at the beginning of the three-year period of the Plan. The targets are based on objectively measurable performance parameters and consistent with the strategic targets of the Group, such as for example the relative Total Shareholders' Return (so called rTSR) or the Return on Equity (ROE)
- the maximum number of shares to be granted is set by the Board of Directors of the Company at the beginning of the three-year period of the Plan;
- a three-year vesting period applies;
- malus and claw back clauses apply;
- the grant of shares is conditional upon the exceeding of a specific threshold (so called gate).

Furthermore even if the gate is exceeded and the objectives have been achieved, Generali may not grant all or part of the shares to the beneficiaries in case the Generali Return on Risk Capital index is below 9,5% or below the different percentage defined time by time by the Board of Directors. The beneficiaries of the Plan, as identified by the Board of Directors of Generali, are the Group CEO, the Directors with executive and/or managerial powers, the executives with strategic responsibilities including among others, the executives directly reporting to the Group CEO who are members of the Group Management Committee (GMC), the other executives of the first reporting line (not members of the GMC) and the remaining executives belonging to the Global Leadership Group (GLG), as well as the employees of Generali or the Group.

The beneficiaries are identified by the Board of Directors in compliance with the Group's strategic objectives, in terms of value creation, as well as in compliance with the objectives of

the remuneration policy set out in the Report on the Remuneration Policy.

While identifying the beneficiaries, the Board of Directors shall also assess whether the role or activities carried out by the staff of Generali and Generali Group may have a significant impact on the risk profile of the Company or the Group, taking into account the position held, the tasks, the relevance of the activity performed, the powers granted, the remuneration, the ability to take risks, generate profits or anyhow affect any entries in the balance sheet for significant amounts.

The beneficiaries of the Plan will be, in compliance with applicable regulations, disclosed to the public and to the shareholders.

The shares granted to the beneficiaries are freely disposable under the following terms and conditions:

- 50% of the shares are immediately disposable;
- 25% of the shares are locked up for one year
- the remaining 25% of the shares are locked up for two years.

After the expiry of the above mentioned lock up periods, the Directors, who have been granted the shares, in compliance with the recommendations of the Code of Conduct and the regulations of IVASS, must hold continuously, until the termination of their mandate as directors a certain percentage of the allotted shares, the amount of which is determined by the Board of Directors.

For the purpose of implementing the Plan, the shares to be granted for no consideration to the beneficiaries, at the relevant conditions, will be taken, in whole or in part, from the reserves of treasury shares that the Company may have bought in line with the relevant Shareholders' Meeting resolutions pursuant to article 2357 and 2357-ter of the Italian Civil Code and/or from profit reserves pursuant to article 2349, paragraph 1, of the Italian Civil Code, as described in the following paragraphs.

Further information on the Plan is provided to Shareholders and to the financial community with the publication of an Information Document, pursuant to article 114-bis of the Code on Financial Intermediaries and article 84-bis of the Issuers' Regulation.

Therefore, the draft resolution of the Shareholders'

Meeting, suitable to reflect the above proposal, is the following:

“The Shareholders’ Meeting of Assicurazioni Generali S.p.A., held at the Conference Hall at the Stazione Marittima in Trieste, Molo dei Bersaglieri 3, lawfully convened and empowered to pass resolutions, in ordinary session, pursuant to article 2369 of the Italian Civil Code and article 21 of the Articles of Association,

- pursuant to Article 114-bis of Legislative Decree 24 February 1998. 58;
- having regard to the Report of the Board of Directors on this item of the agenda;
- having regard to the favorable opinion of the Board of Auditors;

**hereby resolves**

- to approve the Incentive Plan for the management of the Company and of the Group, denominated “LTI Plan 2014” (the “Plan”), as outlined in the Report of the Board of Directors and in the related Information Document;
- to grant the Board of Directors with the broadest powers to implement the Plan, in particular, including the power to prepare regulations for the Plan implementation, any power to identify: the beneficiaries, the performance targets and the gate, determine the number of shares to be granted to each beneficiary, allot the shares and carry out any action, communication or formality needed or appropriate for the management and /or implementation of the Plan, with the right to delegate its powers, duties and responsibilities with respect to the implementation of the Plan to the CEO and Group CEO, as the consequence of the power of attorneys granted to it.

**7. Authorisation to purchase and dispose of the Company’s own shares for the purposes of the Long Term Incentive Plan: related and ensuing resolutions; delegation of powers.**

The General Meeting is called upon to examine and adopt, in ordinary session, the proposal for authorisation, pursuant to articles 2357 and 2357-ter of the Italian Civil Code, to the purchase and disposal of the Company’s shares, according to the following limits and procedures.

The Report approved by the Board of Directors

in the session of 12 March 2014 describes the proposal to authorise, under articles 2357 and 2357-ter of the Italian Civil Code and 132 of the T.U.I.F., a plan for the purchase and disposal, in one or several transactions, of up to 7,000,000 ordinary shares of Assicurazioni Generali S.p.A. (the “Company”), corresponding, as of today, to 0,45% of the share capital of the Company.

The purchase and disposal plan to which this Report relates is for the purposes of the Gruppo Generali long term incentive plan denominated “LTIP 2014”, the approval of which is likewise submitted for the approval of today’s meeting, under section 6 of the ordinary session section of today’s agenda. The purchase and disposal plan is also, in continuity with the purchase and disposal plan approved by the meeting of 30 April 2013, for the purposes of the incentive plan approved by that meeting, considering the forthcoming expiry of the term for the purchase of Company’s shares authorised by that meeting (henceforth, the “Plans”).

The present Report describes the reasons for the authorisation request, as well as the limits and procedures under which it is intended to implement the new share purchase and disposal plan.

**7.1 Reasons for the request for authorisation of the share purchase and disposal**

As outlined above, the authorisation to the share purchase and disposal plan is required exclusively to provide, in whole or in part, the Company with the necessary reserve to implement the Plan.

**7.1.1 Maximum number, category and par value of the shares to which the authorisation relates; compliance with the provisions of article 2357, paragraph 3, of the Italian Civil Code**

The purchase for which the authorisation is required, which may be implemented in one or several transactions, refers to ordinary shares of the Company having a par value of €1.00 each.

With reference to the above-mentioned shares, to be allotted to the beneficiaries of the Plan, the maximum number of shares to be purchased pursuant to the proposal plan, also in several transactions, may not exceed 7,000,000 shares.

In this respect, the Company and its subsidiaries have a portfolio of 593,582 Generali shares, i.e.

corresponding to 0.038% of the share capital of the Company. Therefore, even in the event that the requested authorisation - together with the authority granted last year which is about to expire - are fully utilised, the number of shares that the Company would own directly and indirectly would be considerably below the limit specified in article 2357, paragraph 3, of the Italian Civil Code (currently 20% of the share capital).

The purchases will be implemented within the limits of the distributable profits and distributable reserves as per the latest duly adopted financial statements.

Pursuant to article 2357-ter, paragraph 3, of the Italian Civil Code, the Company will set up an undistributable reserve, equal to the total value of the purchased shares, by means of a corresponding transfer from distributable reserves. Such reserve will be kept until the own shares purchased are transferred.

In the event of assignment of the purchased shares, the above mentioned reserve will revert to the reserves from which it was transferred.

#### 7.1.2 Duration of the authorisation

The purchase authorisation is requested for a period of 18 months from the related date of the resolution of the General Meeting.

The disposal authorisation in respect of the shares already in the portfolio of the Company, and of those that will be purchased in due course, is requested without time limit, in the light of the absence of legal restrictions in that regard and of the need for maximum flexibility in transfers.

#### 7.1.3 Minimum and maximum consideration

The minimum purchase price for ordinary shares may not be below the par value €1.00, while the maximum purchase price may not exceed 5% of the reference price of the share at the close of trading on the day before each purchase transaction.

#### 7.1.4 Purchase procedures

The share purchase transactions will be implemented pursuant to Article 144-bis, paragraph 1, sub-paragraphs b) and c) of the Issuers' Regulations that CONSOB adopted with its resolution no. 11971 of 14 May 1999,

as amended, in line with market standard and practices, to ensure equal treatment among Shareholders. Therefore, purchases will be implemented exclusively, including in several alternative transactions:

- on the regulated market organized and operated by Borsa Italiana S.p.A., in line with operating procedures established by Borsa Italiana S.p.A. that do not permit the direct matching of purchase offers with predetermined sale offers;
- through the purchase and sale of derivatives traded on the relevant regulated market organised and operated by Borsa Italiana S.p.A., whose regulation prescribes procedures pursuant to the provisions of Article 144-bis, paragraph 1, sub-paragraph c) of the Issuers' Regulation.

In light of the aims behind the present request for authorisation, with reference to the disposal of Company shares purchased in accordance with the authorised plan, the Board of Directors proposes that the General Meeting authorise the transfer of such shares, free of charge, to the Plan beneficiaries, in accordance with the conditions set forth in the relevant regulations. The same will also apply to shares already held in the Company's portfolio.

Therefore, the draft resolution of the General Meeting on the above proposal, in line with the Report to the Shareholders, is the following:

“The **Shareholders' Meeting** of Assicurazioni Generali S.p.A., held at the Stazione Marittima in Trieste, Molo dei Bersaglieri 3, lawfully convened and empowered to pass resolutions, in ordinary session, pursuant to article 2369 of the Italian Civil Code and article 21 of the Articles of association,

- pursuant to articles 114-bis and 132 of the Legislative Decree no. 58 dated 24 February 1998, as amended;
- pursuant to articles 2357 and 2357-ter of the Italian Civil Code;
- whereas the Company and its subsidiaries currently hold Generali shares well below one fifth of the share capital of the Company;
- having regard to the Report of the Board of Directors on this item of the agenda;
- having regard to the just-approved financial statements as of 31 December 2013;
- having regard to the favourable opinion of the Board of Statutory Auditors;

**hereby resolves**

- to authorise, pursuant to articles 2357 and 2357-ter of the Italian Civil Code, the purchase of up to 7,000,000 ordinary shares of the Company having a par value of €1.00, and the disposal of the shares purchased on the basis of such authorisation as well as on the basis of previous purchase plans, on the following conditions:
  - the authorisation is limited to purchases to be implemented for the purpose of the Plans, net of shares that may be issued for the same purpose by implementing the authority granted to the Board of Directors, pursuant to article 2443 of the Italian Civil Code, to approve and carry out capital increase for the purposes of the same Plans;
  - the minimum purchase price of the ordinary shares may not be below their par value €1.00, while the maximum purchase price may not exceed 5% of the reference price of the share at the close of trading on the day before each purchase;
  - the purchase authorisation is granted for a period of 18 months from the date of this resolution of the General Meeting, while the disposal authorisation is granted for an indefinite period of time for the purposes of the implementation of the Plans;
  - the purchases will be implemented within the limits of the distributable profits and distributable reserves as calculated from the latest duly adopted financial statements;
  - the share purchase transactions will be implemented, pursuant to Article 144-bis, paragraph 1, sub-paragraphs b) and c), of CONSOB Issuers' Regulations in line with market standard and practices, to ensure equal treatment among Shareholders. Therefore, purchases will be implemented exclusively, including in several alternative transactions:
    - on the regulated market organized and operated by Borsa Italiana S.p.A., in line with operating procedures established by Borsa Italiana S.p.A. that do not permit the direct matching of purchase offers with predetermined sale offers;
    - through the purchase and sale of derivatives traded on the relevant regulated market organised and operated by Borsa Italiana S.p.A., whose regulation prescribes procedures pursuant to the provisions of Article 144-bis, paragraph 1, sub-paragraph c) of the Issuers' Regulation;
- own shares may be allotted without any time limits, and on a free-of-charge basis, to the beneficiaries of the Plans, without prejudice to the provisions of any applicable law and regulations from time to time in force;
- to appoint the Group CEO, with a power of sub-delegation, in line with the powers delegated to him:
  - to implement today's resolutions, arranging, among other things, the reserve to be used for the purchase and for setting aside undistributable reserve pursuant to the third paragraph of article 2357-ter of the Italian Civil Code, on the observance of legal provisions regarding the full availability of existing reserves, as well as to be able to have available, to guarantee the best implementation of the present resolution, shares which are currently available in the Company's assets;
  - to determine procedures, timescale and implementation and ancillary conditions to properly implement this resolution, using for that purpose all requisite valuations and verifications, and to comply with any applicable requirements and procedures."

**EXTRAORDINARY BUSINESS**

- 8. Proposed delegation to the Board of Directors pursuant to s. 2443 of the Civil Code, for the period of 5 years from the date of the resolution, of power to increase the share capital by means of a free issue in instalments, pursuant to s. 2439 of the Civil Code, for the purposes of the new Long-Term Incentive Plan: related and ensuing resolutions; delegation of powers.**

**8.1 Reasons and procedures on the authority to increase the share capital for the proposes of the Plan**

The Shareholders' Meeting, in ordinary session, was called upon to approve the Plan for the top management of the Company and the Group and the relevant authorisation to purchase Company shares for the purposes of such Plan, at the terms and conditions and in line with the procedures described in the sections 1 and 2 of this report. With a view to ensuring enhanced flexibility in the implementation of the Plan, under this proposal,

the Shareholders' Meeting is called upon to approve a delegation to the Board of Directors to increase the share capital of the Company, with no subscription price, to the purpose of the Plan pursuant to articles 2443 and 2349 of the Italian Civil Code.

This further opportunity to implement the Plan will grant the Board of Directors with enhanced flexibility to select, in due time, the means to provide or issue shares for the purposes of the Plan in line with the utmost effectiveness criteria.

However, the maximum number of shares that will be purchased or issued, with no subscription price, for the purposes of the Plan cannot be higher than 7,000,000 ordinary shares, having a par value of €1.00 each, because of the maximum number of shares that can be granted under the Plan, and the issued ordinary shares will be allotted to the Beneficiaries of the Plan that, pursuant to article 2349, first paragraph, of the Italian Civil Code are employees of the Company or its subsidiaries and who qualify for such allotment in accordance with the Plan's Regulation.

The delegation required pursuant to article 2443 of the Italian Civil Code will have a duration up to 5 years and may be implemented one or several times up to a nominal value of € 7.000.000 with the emission of up to 7,000,000 ordinary shares having a par value of €1.00 each.

The implementation of the delegation to the Board under this proposal will be based on actual profits or profit reserves that the Board of Directors will select from time to time under the applicable regulations to cover the free capital increase up to the value of the shares to be allotted to the beneficiaries of the Plan. In this respect, the Board of Directors may take any decision on the implementation of the purchase authorisation and dismissal measures of the Company shares and/or, in whole or in part, the delegation under this resolution to ensure the implementation of the Plan at the applicable terms and conditions.

## 8.2 Termination clause

This draft resolution does not ground the exercise of any withdrawal right under the applicable regulations.

Therefore, the draft resolution of the General Meeting on the above proposal, in line with the Report to the Shareholders, is the following:

“The **Shareholders' Meeting** of Assicurazioni Generali S.p.A., held at the Conference Hall at the Stazione Marittima in Trieste, Molo dei Bersaglieri 3, lawfully convened and empowered to pass resolutions, in extraordinary session, pursuant to article 2369 of the Italian Civil Code and article 21 of the Articles of Association,

- pursuant to article 114-bis of the Legislative Decree no. 58 dated 24 February 1998, as amended;
- pursuant to article 2443 and 2349, paragraph 1, of the Italian Civil Code,

### hereby resolves

- to grant to the Board of Directors, pursuant to articles 2443 and 2349, paragraph 1, up to a period of five years from the date of this resolution, with the authority to increase the share capital with no subscription price, in one or several transactions, by using profits and/or profit resources up to a nominal amount of € 7.000.000 with the issue of 7,000,000 ordinary shares having a par value of €1.00 each, providing ordinary rights, net of the shares bought in the framework of the authorisation to purchase of Company shares adopted in the above item 7 of the agenda of the Shareholders' Meeting, in ordinary session, to be allotted, for no consideration, to the beneficiaries of the Plan approved today by the Shareholders' Meeting;
- to amend art. 8 of the Company's By-laws, adding a last paragraph, as follows: “**8.3** “On 30 April 2014, the Shareholders' Meeting provided the Board of Directors, pursuant to articles 2443 and 2349, paragraph 1, of the Italian Civil Code, for up to five years from the date of this resolution, with the authority to increase the share capital, with no subscription price, in one or several transactions, using profits and/or profit reserves up to a nominal amount of € 7.000.000, with the issue of 7,000,000 ordinary shares having a par value of €1.00 each, providing ordinary rights, to be allotted for no consideration to the beneficiaries of the incentive plan, i.e. the LTI Plan 2014 approved by the Shareholders' Meeting on 30 April 2014, who qualify for such allotment”, as outlined in the following table:

CURRENT TEXT	DRAFT AMENDMENTS
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## Article 8

## Article 8

## 8.3 [...]

*“On 30 April 2014, the Shareholders’ Meeting provided the Board of Directors, pursuant to articles 2443 and 2349, paragraph 1, of the Italian Civil Code, for up to five years from the date of this resolution, with the authority to increase the share capital, with no subscription price, in one or several transactions, using profits and/or profit reserves up to a nominal amount of € 7.000.000, with the issue of 7,000,000 ordinary shares having a par value of €1.00 each, providing ordinary rights, to be allotted for no consideration to the beneficiaries of the incentive plan, i.e. the LTI Plan 2014 approved by the Shareholders’ Meeting on 30 April 2014, who qualify for such allotment”*

- to grant the Board of Directors with the authority to select, from time to time, the profits and/or profit reserve to the purpose of increasing the share capital, with no subscription price, under this resolution, with the authority to implement the relevant measures on the accounting items of the Company pursuant to the applicable regulations;
- to appoint the Group CEO, with the right to sub-delegate, with every power:
  - to amend art. 8 of the Company’s By-Laws in line with this resolution, the implementation and the completion of the delegated capital increase and to carry out any activity concerning the registration at the Companies’ Register, with any power to implement any formal change that may be required;
  - to determine any procedure, timetable implementation and ancillary conditions to properly implement this resolution, to perform any necessary assessment and reviews and to comply with any applicable requirement and procedures.

Milan, 12 March 2014

THE BOARD OF DIRECTORS

## **ASSICURAZIONI GENERALI S.P.A.**

Registered office: Piazza Duca degli Abruzzi no. 2, Trieste

Share capital: € 1,556,873,283.00, fully paid-up

Tax Identification Number and Trieste Companies Registry Number: 00079760328

Insurance and Reinsurance Companies Register No. 1.00003

Parent company of the Generali Group,

listed in the Insurance Groups Register under no. 026

# INFORMATION DOCUMENT

## **ON THE GENERALI'S GROUP LONG-TERM INCENTIVE PLAN**

**12 MARCH 2014**

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## Introductory note

With this information document, Assicurazioni Generali S.p.A. (“GENERALI” or the “COMPANY”), in compliance with what is provided for by Article 114-bis T.U.F. and 84-bis, paragraph 1, of the ISSUERS’ REGULATION, and by Scheme no. 7 of Annex 3A to the ISSUERS’ REGULATION, hereby provides its shareholders and the financial community with a broad informative framework on the medium-long-term incentive plan, “LTI Plan 2014” (henceforth, the “PLAN”) for the free allocation of ordinary shares in GENERALI to the GROUP CEO, to the most important management positions and other key figures of GENERALI and of the GENERALI GROUP, as identified by the BOARD OF DIRECTORS within the structure of the COMPANY and of the GENERALI GROUP among those who are vested with strategic responsibilities for the achievement of corporate goals.

The PLAN aims to enhance and reflect the medium-long-term objectives of the GENERALI

GROUP in the definition of the variable remuneration of the aforementioned parties, for the purposes described in detail in the REMUNERATION REPORT of GENERALI.

In order to implement the PLAN, the SHARES that are to be freely allocated to the BENEFICIARIES will be acquired, either wholly or in part, from the provision of treasury shares that the COMPANY may acquire in application of the shareholders' meeting authorisation, pursuant to Articles 2357 and 2357-ter of the Civil Code and/or from any specific share capital increase with no subscription price - using the profits and/or profit reserves - pursuant to Article 2349, paragraph 1, of the Civil Code, in the terms illustrated below.

This information document is at public disposal at the registered office of GENERALI, Piazza Duca degli Abruzzi, n. 2, at the Borsa Italiana S.p.A. and on the COMPANY’s website: [www.generalicom.com](http://www.generalicom.com).

### DEFINITIONS

1. DIRECTORS  
the directors of GENERALI and GENERALI GROUP, having executive and/or managerial powers;
2. SHAREHOLDERS' MEETING  
the meeting of GENERALI SHAREHOLDERS that shall approve the PLAN;
3. SHARES  
the “Assicurazioni Generali S.p.A. ordinary shares”, listed on the screen-based stock exchange managed by Borsa Italiana S.p.A., each with a par value of 1.00 (one) Euro;
4. BENEFICIARIES  
the DIRECTORS and the employees of GENERALI or of GENERALI GROUP specified as recipients of this PLAN by the ADMINISTRATIVE BODY, at its sole discretion, among the individuals with strategically significant functions at GENERALI;
5. CORPORATE GOVERNANCE CODE  
the code of conduct for listed companies published by Borsa Italiana S.p.A.

- 6. REMUNERATION COMMITTEE** the committee recommended by the CORPORATE GOVERNANCE CODE whose composition and functions are described in the Report on Corporate Governance and Ownership Structures, as referred to in Article 123-bis T.U.F., and in the CORPORATE GOVERNANCE CODE, approved by the ADMINISTRATIVE BODY and made public annually;
- 7. APPROVAL DATE** the date of approval of the present PLAN by the SHAREHOLDERS' MEETING;
- 8. EMPLOYEES** the directors and employees who currently work on either open-ended or fixed-term contracts, excluding all forms of independent contractor or consultant, for GENERALI or a company of GENERALI GROUP;
- 9. INFORMATION DOCUMENT** this information document, drawn up pursuant to Article 84-bis, paragraph 1, of the ISSUERS' REGULATION;
- 10. GATE** the minimum objective specified by the ADMINISTRATIVE BODY, on the achievement of which the share transfers are conditional, and which will be set out for each BENEFICIARY in the relevant PARTICIPATION FORM;
- 11. GENERALI or the COMPANY** Assicurazioni Generali S.p.A., whose registered office is at Trieste, Piazza Duca degli Abruzzi numero 2, enrolled in the Registry of Insurance and Reinsurance Businesses with registered number 1.00003, parent company of GENERALI GROUP, enrolled in the Insurance Group Registry with registered number 026;
- 12. GROUP CEO** the principal manager of GENERALI and GENERALI GROUP, in his capacity as Chief Executive Officer and Managing Director of GENERALI;
- 13. GRUPPO GENERALI** GENERALI and the companies under Italian and foreign law subject, directly or indirectly, to the control of GENERALI, pursuant to Article 2359 of the Italian Civil Code;
- 14. OBJECTIVES** the performance indicators specified in the REMUNERATION REPORT and/or by the ADMINISTRATIVE BODY and set out in the PARTICIPATION FORM of each BENEFICIARY, on the achievement of which - and subordinated to the overriding of the GATE - the SHARE transfers to each BENEFICIARY are conditional, as well as the determination of the respective total number of shares;

- |  |   |
|--|---|
| <b>15. ADMINISTRATIVE BODY</b>           | the Board of Directors of GENERALI;   |
| <b>16. REMUNERATION REPORT</b>           | the report prepared by GENERALI in compliance with Article 123-ter of the T.U.F., as well as with Article 6 of ISVAP Regulation 39/2011;  |
| <b>17. ISSUERS' REGULATION</b>           | the regulations adopted by CONSOB by Resolution 111971 of 14 May 1999, as amended;  |
| <b>18. RELATIVE TSR</b>                  | total return on shareholder investment calculated as an increase in the market price of the shares, in which distributions or dividends reinvested in the shares are included, as compared to the peer group represented by the STOXX Euro Insurance index;   |
| <b>19. RETURN ON EQUITY (ROE)</b>        | operative net result net financial burden and taxes divided by the average of the adjusted capital, as defined in the "Methodological note on alternative performance indicators" in the management report;   |
| <b>20. RETURN ON RISK CAPITAL (RORC)</b> | the relationship between the operative result net of tax and the mean risk capital as defined in the current Internal Model Methodology of GENERALI GROUP (as required by Solvency II);   |
| <b>21. PARTICIPATION FORM</b>            | the form given by GENERALI to BENEFICIARIES, (i) indicating the GATE and the OBJECTIVES - whether linked to GENERALI GROUP and/or to the individual BENEFICIARIES - on the achievement of which the transfers of the SHARES are conditional; (ii) subscription to which and return to GENERALI on behalf of the BENEFICIARIES will constitute full and unconditional adherence to the PLAN; |
| <b>22. PLAN ADMINISTRATOR</b>            | Banca Generali S.p.A. with registered offices in Trieste, at Via Niccolò Machiavelli number 4, Tax Code and the Trieste Registry of Businesses no.00833240328;  |
| <b>23. T.U.F.</b>                        | legislative decree 58 of 24 February 1993.  |

## 1. BENEFICIARIES

### 1.1 The name of the beneficiaries who are members of the board of directors or of the management board for the company issuing financial instruments, the company controlling the issuer and the companies that the issuer either directly or indirectly controls.

The PLAN's BENEFICIARIES are the GROUP CEO and, in general, the DIRECTORS with executive and managerial functions, together with the employees of GENERALI or of the GENERALI GROUP, as identified by the ADMINISTRATIVE BODY coherently with the strategic objectives of GENERALI GROUP in terms of value creation, as well as with the objectives of the remuneration policy set out in the REMUNERATION REPORT.

In the process of identifying the BENEFICIARIES, the ADMINISTRATIVE BODY also takes into account the suitability of the assumed function, or of the activities carried out by the GENERALI GROUP's EMPLOYEES, to have a significant impact on the risk profile of GENERALI or of the GENERALI GROUP, considering the position held, the degree of responsibility, the hierarchical level, the activity carried out, the powers granted, the amount of remuneration paid, the ability to take risks, generate profits or impacts on other accounting entries for significant amounts.

The indication of the names of the BENEFICIARIES identified by the ADMINISTRATIVE BODY and the other information required by paragraph 1 of the Scheme no. 7, Annex 3A of the ISSUERS' REGULATION, will be provided pursuant to article 84-bis, paragraph 5, point a), of the ISSUERS' REGULATION.

### 1.2 The categories of employees or staff of the issuer of the financial instruments and of the parent company or the subsidiaries of that issuer

Among the potential BENEFICIARIES of the PLAN are included, apart from the DIRECTORS, the managers with strategic responsibilities as well as the EMPLOYEES selected at the discretion of management, in consideration of the significance of their role in the achievement of the strategic objectives of GENERALI GROUP.

The indication of the names of the BENEFICIARIES identified by the ADMINISTRATIVE BODY and

the other information required by paragraph 1 of the Scheme no. 7, Annex 3A of the ISSUERS' REGULATION, will be provided pursuant to article 84-bis, paragraph 5, point a), of the ISSUERS' REGULATION.

### 1.3 The indication of the names of the parties who will benefit from the plan belonging to the following groups:

- *general managers of the financial instrument issuer;*

Among the PLAN's BENEFICIARIES are comprehended, in addition to the above mentioned subjects, also GENERALI's general managers, whose names' indication, after the ADMINISTRATIVE BODY's identification, together with the other information provided by paragraph 1 of the Scheme no. 7, Annex 3A of the ISSUERS' REGULATION will be provided pursuant to article 84-bis, paragraph 5, point a), of the ISSUERS' REGULATION.

- *other managers with strategic responsibilities of the financial instrument issuer who are not of a "lesser significance", pursuant to Article 3, point 1, letter f), of Regulation n. 17221 of 12 March 2010, in the event that they have received overall compensation during the last fiscal year (obtained by adding their monetary compensation and the compensation based on financial instruments) greater than the highest overall compensation among those paid to the members of the board of directors or the management board, and of the General Managers of the financial instrument issuer;*

Not applicable: there are no managers with strategic responsibilities who have received overall compensation during the last fiscal year, greater than the highest total compensation assigned to the relevant member as per this paragraph 1.3 (the GROUP CEO).

- *physical persons controlling the issue of shares, who are employees or who work as staff in the issue of shares.*

Not applicable: GENERALI is not under the control of any person according to the applicable law.

### 1.4 Description and numerical indication, separated by categories:

- of the managers with strategic responsibilities different from those indicated in letter b) of Section 1.3;

Among the PLAN's BENEFICIARIES are included, in addition to the GROUP CEO, the managers with strategic responsibilities defined in the REMUNERATION REPORT.

- for the "smaller sized" companies, pursuant to Article 3, point 1, letter f), of Regulation n. 17221 of 12 March 2010, the indication in aggregate of all managers with strategic responsibilities of the issuer of financial instrument;

Not applicable: GENERALI is not a "smaller sized" company.

- of any other possible categories of employees or staff for which differentiated plan characteristics have been provided for (e.g. senior managers, middle managers, other employees, etc.).

Not applicable: there are not categories for which different characteristics are envisaged for the PLAN

## 2. REASONS FOR ADOPTION OF PLAN

### 2.1 The objectives intended to be achieved by awarding the plans

The PLAN, in line with the applicable regulations as well as the best practices (including the recommendations of the CORPORATE GOVERNANCE CODE), intends to pursue the objective of increasing the value of GENERALI SHARES meanwhile aligning, the economic interest of its BENEFICIARIES to those of the SHAREHOLDERS. The PLAN has the following objectives:

- to determine a connection with the component of variable remuneration linked to the medium-long term objectives and the value's creation for the SHAREHOLDER, taking into account the group's sustainability and the results actually achieved;
- to develop culture of performance in accordance with Group philosophy;
- contribute to the creation of a balanced mix between fixed and variable elements of the BENEFICIARIES' remuneration;
- obtain management's loyalty at GENERALI GROUP's level.

In particular, The PLAN aims to strengthen the link between the remuneration of the potential BENEFICIARIES and expected performance under the GENERALI GROUP's strategic plan (so-called absolute performance), also retaining the link between remuneration and the creation of value relative to a peer group (so-called relative performance).

To achieve these objectives, it was decided to:

- pay the incentive in the form SHARES only at the achievement of specific OBJECTIVES;
- link the incentive to the share value resulting from the average price of the SHARES in the three months prior to approval, by the ADMINISTRATIVE BODY, of the draft financial statements and the consolidated financial statements relating to the financial year related to the preceding year;
- define a three years' time vesting period;
- provide specific malus and claw-back clauses;
- establish a minimum access threshold for the SHARES' assignment (GATE).

### 2.2 Key variables, also in the form of performance indicators considered for the purposes of awarding the plans based on financial instruments

The PLAN provides that the number of SHARES actually assigned is directly linked to achieving the OBJECTIVES identified in the GENERALI REMUNERATION REPORT and/or by the ADMINISTRATIVE BODY.

The levels of achievement expected for such OBJECTIVES remain unchanged for the entire duration of the PLAN's three-year period.

In determining the OBJECTIVES, the BOARD OF DIRECTORS' focuses on the identification of at least two OBJECTIVES to be achieved simultaneously in order to allocate the SHARES. They are defined using performance indicators related to the results of GENERALI and/or the GENERALI GROUP. These indicators correspond to objectively measurable parameters, such as the relative Total Shareholders' Return (rTSR) or the Return on Equity (ROE).

The SHARES allocation is also subject to the annual check of the GATE's overriding achievement. The GATE is predetermined by the ADMINISTRATIVE BODY and it is defined referring to measurable parameters, coherent with the activity and the strategic objectives of

GENERALI and/or GENERALI GROUP. These parameters correspond to the group's Solvency Ratio, calculated according to the Solvency I criteria.

At the end of the PLAN's three years' period, the allocated SHARES will be permanently assigned to the BENEFICIARIES in a single solution, provided that their employment or management relationship with the COMPANY, or with another company pertaining to GENERALI GROUP, is not over yet as at the allocation date.

**2.3 Factors on which the scale of compensation based on financial instruments is determined, or the criteria for determining this.**

The maximum number of SHARES which can be assigned at the end of the PLAN's three years' period is calculated by dividing the maximum award amount by the SHARE value, calculated as the average of the three months prior to the approval by the ADMINISTRATIVE BODY of the financial statements' and consolidated financial statements' draft of the year before the beginning of the PLAN's three years' period.

The number of SHARES can be reduced to a minimum level (this also calculated as a percentage of base salary), below which no SHARE shall be assigned.

The SHARES that can be assigned are divided into three tranches, one for each of the three years of the PLAN, and which are determined at respective percentage rates of 30%-30%-40%.

Each year the OBJECTIVES' level of achievement is verified, in order to determine the SHARES' number to be allocated for each tranche.

Actual allocation of the SHARES is also dependent on an annual check on the GATE's overriding achievement. This was identified in the Group's Solvency Ratio calculated in accordance with the Solvency I criteria. For the purposes of the provision of the first actual tranche the Solvency Ratio shall not be less than 141%. As per the second and third tranche, regarding 2015 and 2016, this level shall not be less than 160%, with the chance to review this level if the mandatory method Solvency II is enforced.

The sum of the SHARES set aside in each of the three years will be finally assigned only at the end of the PLAN's three year period, after the evaluation of the achievement of the OBJECTIVES.

The BENEFICIARIES and the number of SHARES that can be assigned to each of them are determined by the ADMINISTRATIVE BODY at its sole discretion. The BENEFICIARIES can be identified also in different dates, before the expiry of the first year of the PLAN's three years' period.

GENERALI can decide not to assign to the BENEFICIARIES, in whole or in part, the SHARES, if there is a significant deterioration in the GENERALI's financial position, ascertained by GENERALI's ADMINISTRATIVE BODY. GENERALI further reserves the right to ask BENEFICIARIES to return the SHARES, in whole or in part, where the results turn out not to be sustainable or to result from negligent or seriously culpable conduct ascribable to the BENEFICIARIES

Besides, also in case of GATE's overriding and OBJECTIVES' achievement, GENERALI can decide not to assign to the BENEFICIARIES, in whole or in part, the Shares if the GENERALI's RETURN ON RISK CAPITAL index is placed below 9.5% or the different percentage time to time determined by the BOARD OF DIRECTORS.

**2.4 The reasons behind any decision to ascribe compensation plans based on financial instruments not issued by the issuer of financial instruments, such as financial instruments issued by subsidiaries or parent companies or third party companies in respect of the group they belong to; when the aforesaid instruments are not traded on regulated markets, information on the criteria used to determine the value ascribable to them.**

Not applicable. The PLAN does not envisage recourse to such financial instruments.

**2.5 Assessments concerning significant tax and accounting implications which have affected the decision taken on the plans**

Not applicable: there are no significant tax and accounting implications affecting the definition of the PLAN

**2.6 Any support for the plan by the Special Fund for Incentivising the Participation of Workers in Businesses, as at article 4, paragraph 112, of Law no. 350 of 24 December 2003**

Not applicable: the PLAN does not receive

support from the Special Fund for Incentivising the Participation of Workers in Businesses, as at article 4, paragraph 112, of Law no. 350 of 24 December 2003.

### **3. APPROVAL PROCEDURE AND INSTRUMENT ASSIGNMENT SCHEDULE**

#### **3.1 Context of powers and functions delegated by the Shareholders' Meeting to the Board of Directors in order to implement the plan**

The SHAREHOLDERS' MEETING is called to approve the PLAN that provides for the free allocation of SHARES to the BENEFICIARIES by the ADMINISTRATIVE BODY.

The maximum number of SHARES that can be assigned under the PLAN is 7.000.000.

The SHARES pertaining to the PLAN will be taken, in whole or in part:

- from the treasury stocks' supply eventually purchased by the COMPANY in execution of Shareholders' meetings' authorizations pursuant to Articles 2357 and 2357-ter of the Italian Civil Code; and/or
- from any special capital increases with no subscription price - through the use of profits and/or profit reserves - pursuant to Article 2349, paragraph 1, of the Italian Civil Code.

For this purpose the SHAREHOLDERS' MEETING which was called to approve the PLAN, will also decide on a treasury stock purchase plan and on the delegation of powers to the Board of Directors to freely increase the share capital, pursuant to Article 2349, paragraph 1, of the Italian Civil Code.

What precedes, addresses the need to provide greater flexibility, in implementing the PLAN, assuring to the ADMINISTRATIVE BODY the ability to identify the methods of procurement or issue of the SHARES pertaining to the PLAN that better comply with maximum efficiency criteria.

#### **3.2 Indication of the parties appointed to administer the plan and their functions and powers**

The ADMINISTRATIVE BODY is the party appointed to administer the PLAN. The ADMINISTRATIVE BODY may rely on the business

functions to the extent of their competence and also delegate its powers to the GROUP CEO or to other board members.

Within the ADMINISTRATIVE BODY, the REMUNERATION COMMITTEE advances the proposals concerning remuneration matters - even in its variable element deriving from the PLAN - of the GROUP CEO and, in general, of the DIRECTORS with executive and managerial functions. Furthermore, the REMUNERATION COMMITTEE provides its opinion regarding the remuneration in favor of the other managers with strategic responsibilities, after the relative proposal of the GROUP CEO is presented.

#### **3.3 Any existing procedures to review plans, also in respect of any changes in basic objectives.**

In the first year of the PLAN's three years' period, the ADMINISTRATIVE BODY defines the OBJECTIVES and the GATE, in consideration of - inter alia - GENERALI GROUP's strategic plans.

The ADMINISTRATIVE BODY can amend and integrate the PLAN, the PLAN's Regulations and/or the PARTICIPATION FORMS, autonomously and without any further approval by the SHAREHOLDERS' MEETING. These amendments and integrations are those deemed necessary or appropriate as a consequence of events that may affect the SHARES, GENERALI and/or GENERALI GROUP or the PLAN (including, but not limited to the extraordinary transactions regarding GENERALI and/or GENERALI GROUP, regulatory changes or to the group's perimeter), in order to maintain unchanged - to the extent permitted by the applicable law from time to time - the substantive and financial aspects of the PLAN.

#### **3.4 Description of the procedures whereby the availability and assignment of the financial instruments on which the plans are based are determined (e.g.: free assignment of shares, increases in capital excluding the option right or right to purchase or sell own shares).**

In order to guarantee greater flexibility, the SHARES free allocation in implementing the PLAN will be obtained through: (i) treasury stocks deriving from purchases authorized by the SHAREHOLDERS' MEETING, pursuant to Articles 2357 and 2357-ter of the Italian Civil Code; or (ii) shares deriving from capital increases

with no subscription price - through the use of profits and / or profit reserves - pursuant to Article 2349, first paragraph, of the Italian Civil Code.

The ADMINISTRATIVE BODY decides, according to the specific requirements for implementing the PLAN, which - among the above mentioned financial instruments - is submitted to the SHAREHOLDERS' MEETING approval and actually used, in order to ensure the best resource efficiency of GENERALI and/or of GENERALI GROUP.

**3.5 The role played by each director in determining the characteristics of the plans as mentioned; any recurrence of conflict of interest concerning the directors in question**

Nessun AMMINISTRATORE di GENERALI o del GRUPPO GENERALI concorre all'assunzione delle deliberazioni adottate dall'ORGANO AMMINISTRATIVO per la parte di PIANO che lo riguarda.

**3.6 As required by Art. 84-bis, paragraph 1, the date of the decision adopted by the body with authority to submit the plans and any Compensation Committee proposal for approval by the General Shareholders' Meeting**

The REMUNERATION COMMITTEE, examined the PLAN, at its meeting on 12 March 2014 and resolved to submit it to the ADMINISTRATIVE BODY's approval.

The ADMINISTRATIVE BODY, at its meeting on 12 March 2014, on proposal of the REMUNERATION COMMITTEE, resolved to approve the PLAN's proposal and to submit the same to the SHAREHOLDERS' MEETING approval

**3.7 As required by Art. 84-bis, paragraph 5, letter a), the date of the decision adopted by the body with authority over the granting of the instruments and of any proposal made to the said body by the Remuneration Committee, if any**

The PLAN is submitted for approval to the SHAREHOLDERS' MEETING called on 28 April 2014 (ordinary meeting, on first call) and, if necessary, on 30 April 2014 (ordinary meeting, on second call) in Trieste. The SHARES' assignment is resolved by the ADMINISTRATIVE BODY, once the OBJECTIVES' achievement and the GATE's

overriding has been verified (as detailed in the above paragraph 2.2).

**3.8 The market price, registered on previous dates, for the financial instruments on which the plan is based, if traded on regulated markets**

Not applicable.

**3.9 In the case of plans based on financial instruments traded on regulated markets, in what time periods and according to what terms does the issuer take possible coincident timing into account between the following in identifying the timing of the granting of the instruments in implementing the plan:**

- said grant or any decisions adopted in this regard by the Remuneration Committee; and
- the disclosure of any relevant information pursuant to Art. 114, paragraph 1, for example in cases in which such information is:
  - a. not already public and suitable for positively influencing market prices, or
  - b. already public and suitable for negatively influencing market prices

Some of the PLAN's BENEFICIARIES are subjected to the obligations under the so-called internal dealing discipline, Articles 114 T.U.F. and 152-sexies of the ISSUERS' REGULATION. They are therefore required, upon the occurrence of the cases mentioned in the T.U.F. and by the ISSUERS' REGULATION, to provide timely information to the market on relevant transactions - pursuant to the said regulations - made on the SHARES.

That having been said, the provisions of the "Internal Dealing Regulations", which GENERALI has adopted, provide that such parties may not carry out relevant transactions on SHARES within some blackout periods, i.e. within 15 days prior to the date of board meetings at which:

- the draft separate and consolidated financial statements of GENERALI or the semi-annual financial reports are examined;
- a dividend distribution proposal is made;
- the interim management report at 31 March and 30 September of each year are examined.

The text of the "Internal Dealing Regulations" identifying the internal dealers of the COMPANY

is available on the COMPANY's website at [www.generali.com](http://www.generali.com).

#### 4. FEATURES OF THE ASSIGNED INSTRUMENTS

**4.1 Description of the manner in which financial instrument-based compensation plans are structured, for example, indicating whether the plan is based on the granting of: financial instruments (i.e. restricted stock awards); the increase in value of such instruments (i.e. phantom stock), the granting of option rights that allow for subsequent purchase of the financial instruments (i.e. option grant) with settlement by physical delivery (i.e. stock option) or in cash based on a differential (i.e. stock appreciation right)**

Granting of SHARES to PLAN BENEFICIARIES in the form of restricted stock.

**4.2 Indication of the effective period for implementation of the plan with reference also to any different cycles planned**

The PLAN is implemented starting from the DATE OF APPROVAL.

The PLAN has a three year performance period 2014-2016 and an additional sale restriction period on the granted shares as described above.

**4.3 The term of the plan**

The effective period of the PLAN shall run from the DATE OF APPROVAL until the end of the PLAN's three years' period.

**4.4 The maximum number of financial instruments, including in the form of options, granted in any financial year in relation to parties identified by name or in the categories indicated**

The maximum number of SHARES that may be assigned to the BENEFICIARIES of the PLAN is 7,000,000.

The number of SHARES that can be assigned to each BENEFICIARY is determined by the ADMINISTRATIVE BODY.

The actual number of SHARES to be assigned to each BENEFICIARY will depend on the GATE's overriding being achieved and on the OBJECTIVES' for each year being met.

The SHARES' assignment will take place only at the end of the PLAN's third year.

The SHARES assigned during the implementation of the PLAN shall be communicated pursuant to art. 84-bis, paragraph 5, point a), of the ISSUERS' REGULATION.

**4.5 The terms and clauses for implementation of the plan, specifying whether the actual granting of the instruments is subject to the occurrence of conditions or to the achievement of given results, including performance results, describing such conditions and results**

Please refer to paragraph 2.2.

**4.6 Indication of any disposal restrictions encumbering the instruments granted or the instruments deriving from the exercise of options, with particular reference to the time periods during which subsequent transfer to the company itself or to third parties is allowed or prohibited**

The SHARES granted to the BENEFICIARIES will be freely sellable under the following terms and conditions:

- 50% will be immediately sellable;
- 25% will be subject to sale restrictions for a period of two years;
- the other 25% will be subject to sale restrictions for a period of two years.

The sale restrictions will begin on the date on which the SHARES are registered in the current account in the name of the BENEFICIARIES at the PLAN ADMINISTRATOR.

After the expiry date of the periods in which sales are restricted as described above, the DIRECTORS who are granted SHARES, in compliance with the recommendations of the CORPORATE GOVERNANCE CODE, shall have the obligation of continuously holding - until the end of the directors' mandate in progress at the end of the periods in which sales are restricted - a percentage of the SHARES assigned them, the amount of which shall be set subsequently by the ADMINISTRATIVE BODY. These SHARES will be subject to non-transferability restrictions - and therefore may not be sold, assigned, exchanged, carried forward, or otherwise be transferred to any living person - until the end of the abovementioned time periods, unless authorised by the ADMINISTRATIVE BODY, which

may also order SHARES to remain in custody. In the event that the employment relationship or the administrative relationship is terminated, the ADMINISTRATIVE BODY can re-define the terms and conditions of all of the above-mentioned restrictions of sales, possibly also considering the overall remuneration of the interested BENEFICIARY, or also by referring to SHARES granted in execution of other incentive plans.

**4.7 Description of any resolutive conditions in relation to plan grants in the event that the beneficiaries engage in hedging transactions which allow for neutralising any prohibitions on the sale of the financial instruments granted, including in the form of options, or of the financial instruments deriving from the exercise of such options**

Not applicable. There are no resolutive conditions in relation to the assignment of SHARES.

**4.8 Description of the effects caused by termination of the employment relationship**

In the event that the employment relationship or the administration relationship is terminated before GENERALI has received the PARTICIPATION FORM from the potential BENEFICIARY duly signed in acceptance or before the expiry of the PLAN's three years' period, the BENEFICIARIES shall forfeit the chance to receive SHARES upon the occurrence of the conditions described above. In the event of death or disability with the right to receive a disability pension which entails the termination of the employment relationship or of the administration relationship, if such events occur after the first year of the PLAN's three years' period, the BENEFICIARIES, or the respective heirs in the event of death, may retain the right to receive SHARES, under the terms and conditions described above, proportionately to the duration of the employment relationship or the administration relationship relative to the duration of the PLAN's three years' period.

In all cases of termination of a relationship other than those described above, the BENEFICIARIES shall lose their entitlement, as well as the future chance to receive SHARES upon the fulfillment of the conditions described above. As a partial exception to the above, if the employment relationship and/or the administration relationship have a defined term and an expiry period prior to the expiry of the PLAN's three-year period, the BENEFICIARIES for whom the expiry of

the employment or administration relationship occurs after the first year of the PLAN's three-year period, shall retain the right to receive SHARES, on the terms and conditions described above, proportionately to the duration of the employment relationship or the administration relationship relative to the duration of the PLAN's three-year period.

If a GENERALI GROUP's company ceases to be part of the group, the employment relationship and/or the administration relationship shall be considered as having terminated for the purposes of the PLAN on the date on which such event occurs. However, BENEFICIARIES for whom such event occurs after the first year of the PLAN's three-year period maintain the right to receive SHARES, on the terms and conditions described above, proportionately to the duration of the company's membership of the GENERALI GROUP with regard to the duration of the PLAN's three-year period.

Finally, if GENERALI or a GENERALI GROUP's company is transferred to another GENERALI GROUP's company and/or in the case of termination of the relationship and concurrent creation of a new relationship within GENERALI GROUP, the BENEFICIARY will retain, mutatis mutandis, every right possessed under the PLAN and in accordance with the PARTICIPATION FORM.

The ADMINISTRATIVE BODY has the power to amend the above terms, on condition that the amendment is more favourable to the BENEFICIARIES.

If the same BENEFICIARY has an employment relationship and an administrative relationship, only the termination of the employment relationship will be taken into account.

**4.9 Indication of any other causes for plan cancellation**

No additional clauses are provided for cancellation of the PLAN.

**4.10 Reasons for any planned "redemption" by the company of the financial instruments involved in the plans, provided for pursuant to Article 2357 et seq. of the Italian Civil Code, with the redemption beneficiaries indicating whether it is intended only for certain categories of employees and the effect of termination of the employment relationship on such redemption**

Not applicable: redemption by the company of the SHARES involved in the PLAN has not been provided for.

**4.11 Any loans or other facilities intended to be granted for the purchase of shares pursuant to Art. 2358 of the Italian Civil Code**

Not applicable: the granting of any loans or other facilities for the purchase of shares, pursuant to Article 2358 of the Civil Code, has not been provided for.

**4.12 Indication of the valuation of the expected expense for the company on the respective grant date, as may be determined based on the terms and conditions already defined, as an overall amount and in relation to each plan instrument**

On the DATE OF APPROVAL of the PLAN, the award under the PLAN appears as a SHARE-based payment.

The PLAN expense is equal to the sum of the real cost of each of the PLAN's three years' period, calculated as the product of the fair value of the entitlement to receive SHARES (calculated on the grant date) multiplied by the estimated number of rights to be granted at the end of the PLAN's three years' period.

The cost will be distributed proportionately over the three years' vesting period and re-estimated/adjusted at the end of each year during the vesting period as a cross-entry to the appropriate balance sheet reserve.

**4.13 Indication any equity dilution effects as a result of the compensation plans**

If the PLAN is financed by a capital increase, the maximum dilution - taking into account the maximum number of SHARES that can be assigned - effect could be 0.45%.

**4.14 Any limitations provided for the exercise of voting rights and for the granting of dividend rights**

Not applicable. Even during sale restriction periods, BENEFICIARIES who have received SHARES shall be entitled to the dividends accrued during such periods, as well as to voting rights.

**4.15 In the event that the shares are not traded on regulated markets, any information**

**useful for a complete evaluation of the value attributable to them**

Not applicable.

**4.16 Number of underlying financial instruments for each option**

Not applicable.

**4.17 Expiry of options**

Not applicable.

**4.18 Method (American/European), timing (e.g. valid periods of exercise) and exercise clauses (for example knock-in and knock-out clauses)**

Not applicable.

**4.19 The option strike price or the method and criteria for its determination, with particular reference to:**

- the formula for calculating the strike price in relation to a given market price (i.e. fair market value) (for example: strike price of 90%, 100% or 110% of the market price), and
- the method for determining the reference market price for determining the strike price (for example: last price on the day prior to the grant, daily average, average for the last 30 days, etc.)

Not applicable.

**4.20 In the event that the strike price is not the same as the market price determined as indicated in point 4.19.b (fair market value), reasons for this difference**

Not applicable.

**4.21 Criteria on the basis of which different strike prices are provided for different parties or several categories of beneficiaries**

Not applicable.

**4.22 In the event that the underlying financial instruments for options are not traded on regulated markets, indication of the value attributable to the underlying instruments or the criteria for determining such value**

Not applicable.

**4.23 Criteria for the adjustments necessary after an extraordinary capital transaction or other transactions that entail a change in the number of underlying instruments (capital increases, extraordinary dividends, merger and spin-off, transactions for conversion into other classes of shares, etc.)**

Not applicable.

**4.24 Share issuers are to attach the enclosed Table No. 1 to the information document, filling out:**

- in any case section 1 of boxes 1 and 2 in the fields of specific interest;
- section 2 of boxes 1 and 2, filling out the fields of specific interest, based on the characteristics already defined by the Board of Directors.

For the members of the Board of Directors or the Management Board, the General Managers and other managers with strategic responsibilities of the listed issuer may be provided by reference to material published pursuant to Art. 84-quater for the data in section 1, Table No. 1 and the information requested in paragraph 1, including:

- point 1.1;
- letters a) and b), in point 1.3;
- letters a) and b), in point 1.4.

