



6/11/2013

**PRESS
RELEASE**

Trieste - With regard to the disclosure already provided in the Interim Consolidated Financial Statements at 30 June 2013, the following additional information relating to the in-depth analysis carried out on some past investments in private equity and hedge funds, which showed some irregularities in the internal governance, is further diffused to the market, pursuant to the request of Consob.

The former CEO, Mr. Giovanni Perissinotto, and the former General Manager, Chief Financial Officer of the Group and Executive responsible for preparing the financial reports, Mr. Raffaele Agrusti, played major decision-making roles or were actively involved in the management of the transactions under investigation.

Upon completion of the investigation activities, the Board of Directors verified whether the conditions to bring legal actions against the two managers mentioned above in order to defend the interests of the Company would be met, concluding as follows:

- a) on the basis of the relevant legal advice obtained, any grounds for criminal liability in respect of the conduct of the two managers were excluded;
- b) as regards the action for damages, the analysis led, consistently with the legal advice obtained, to the decision not to proceed against the managers, mainly because of the difficulty to prove causation between the breach and consequential damages (and, in respect of the latter, they may be recovered, according to the applicable provisions, only to the extent that plaintiff is able to prove their foreseeability, existence, and quantification), taking into account, *inter alia*, that some of the investments under investigation are not yet due (even though, in light of the foreseeable losses and potential reputational impacts, relevant depreciation allowances were entered into the financial statements).

In addition, the Board of Directors, on the basis of an overall assessment of the interests of the Company, resolved to arrange an agreed mutual termination of the employment contract with Mr. Raffaele Agrusti. This result was achieved through an agreement which took into account (i) the risk that litigation would lead to more costly consequences for the Company, and (ii) the need to set the exit of the manager in a way that would ensure his temporary collaboration, as per timing and conditions agreed upon with the Company.

The agreement provides for the following main contents:

- (a) that Mr. Raffaele Agrusti, in addition to the normal salary and end-of-service allowance and as consideration for the Company's withdrawal as of 31 December 2013 as well as for his waiver of the right to challenge such withdrawal, would be entitled to receive the following amounts:
 - (i) a gross amount of € 1,810,681.00, as 12-months' notice indemnity, corresponding to a global cost for the Company of € 2,728,622.62;
 - (ii) an additional gross amount of € 3,387,386.00 as "*incentivo all'esodo*" (i.e. incentive to termination), calculated in accordance with the remuneration policy of the Company, that is an amount equal to 24 monthly installments of the so-called "*retribuzione ricorrente*". A part of such amount (equal to € 100,000 gross) has been deemed as consideration for Mr. Raffaele Agrusti's waiver of any action or claim related to the execution and termination of the employment contract and related positions held upon designation of the Company;
- (b) that Mr. Raffaele Agrusti would be granted the right to opt, for the same total cost to the Company, for a mutual termination (with effect from 31 December 2013) - instead of the unilateral dismissal - with the consequent right to an overall incentive to termination including the value of the cost (for the Company) of the notice indemnity, so that, being the termination effective, the total amount due for such termination, and the ensuing cost for the Company, will be equal to € 6,116,008.62 gross (corresponding to the sum of the abovementioned amounts of € 2,728,622.62 and € 3,387,386.00). On 11 October 2013, Mr. Raffaele Agrusti notified the Company to have exercised such right;
- (c) that the health care protections in favor of the outgoing personnel holding managing positions, pursuant to the company collective agreement in force, would be confirmed;
- (d) that mutual confidentiality obligations, also concerning the contents of this agreement, would be due by the parties.

No waivers or sureties in favor of Mr. Agrusti, other than those normally provided for by the NCBA, and/or non-compete covenants were provided for in the agreement.

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With regard to what is stated above, the Company provided timely information to the competent authorities.

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Without prejudice to the decisions falling within the competence of the Board of Directors, the Board of Statutory Auditors has carried out a careful monitoring of the process followed by the Company in relation to possible legal actions against the two managers mentioned, and has verified the carefulness, transparency and consistency thereof with the conclusions reached under the external opinions acquired. The Board of Statutory Auditors has considered it appropriate to carry out, with the assistance of independent legal advisors, its own in-depth examination having regard to the concurrent competence that the same Board of Statutory Auditors is given as to the possible taking of legal action for the directors' corporate liability pursuant to Article 2393, third Paragraph, of the Italian Civil Code.

With the assistance of its legal advisors so appointed, the Board of the Statutory Auditors has concluded that, in order to bring a possible legal action for the directors' corporate liability, upon the Company would have rested a complex burden of proof, characterized by aspects of uncertainty in the light of the outcomes of the investigations as carried out by the Company also with the assistance of its advisors. The Board of Statutory Auditors has consequently unanimously resolved that, on the basis of the information available, there was not the necessary ground to autonomously take legal action for directors' corporate liability against Mr. Giovanni Perissinotto and Mr. Raffaele Agrusti.

In any case, the Board of Statutory Auditors (i) has resolved to keep tabs on the development of the matter, (ii) has officially invited the Board of Directors to pursue also on its own the monitoring activity started, (iii) has reserved any further assessment in this respect in case new evidence and significant information presently unavailable should emerge in the future.

With regard to the Company's decision to terminate the employment relationship with Mr. Raffaele Agrusti, the Board of Statutory Auditors has reckoned as reasonable, as confirmed by the opinion of the Company's external advisors, the decision of the Company to ensure a mutually agreed exit of the manager from the Group.

In addition the Board of Statutory Auditors has verified, by acquiring information from the competent corporate departments and carrying out its own independent review, the process which led to the conclusion of the agreement with Raffaele Agrusti, and has obtained confirmation that the economic terms of the agreement concluded with the manager are in compliance with what set forth on such matter by the remuneration policy adopted by the Company and approved by the Shareholders' Meeting.

As regards the faculty granted to Raffaele Agrusti to opt for a mutually agreed termination of his employment relationship in lieu of a rescission thereof by the Company, the Board of Statutory Auditors has obtained clarifications as to the fact that similar provisions be usually provided for in such kind of agreements and that, in any case, the exercise of the option to resign by Raffaele Agrusti, which indeed occurred on 11 October, 2013, did not entail any other additional cost for the Company.

Finally, the Board of Statutory Auditors has pointed out that the agreement doesn't provide for any kind of waiver or indemnity on the part of Assicurazioni Generali in favour of Raffaele Agrusti in relation to any possible liability for damages he may have caused to the Company.

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Notice is hereby finally given that on 30 October 2013, IVASS sent the Company a communication, which, pursuant to the request of IVASS itself, was brought to the attention of the Board of Directors during the meeting held on 6 November 2013, which was also attended by the Board of Statutory Auditors. In order to take into account such communication, following the request of the Company, Consob extended up to the date hereof the deadline for the diffusion of this notice, originally scheduled for 31 October 2013.

By means of the communication mentioned above, IVASS requested:

- (a) that the Risk and Control Committee would express a new assessment, to be submitted for its examination to the Board of Directors, which shall pronounce again

on the possible action for the directors' corporate liability against Mr. Giovanni Perissinotto and Mr. Raffaele Agrusti, providing appropriate grounds for the decision;

- (b) that, in light of the investigation requested with regard to the so-called alternative investments, the Board of Directors, following the opinion of the Remuneration Committee, would express its opinion on the adequacy of the end-of-service allowance granted to Mr. Raffaele Agrusti, also considering the possibility to apply the claw-back clauses;
- (c) that the Board of Directors, having consulted the Remuneration Committee, would evaluate the adequacy of the end-of-service allowance granted to Mr. Giovanni Perissinotto, considering the possibility to apply either the claw-back clauses or other recovery devices;
- (d) that the Board of Statutory Auditors would express its own independent assessment on the aforementioned resolutions of the Board of Directors.

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