

2022
ASSEMBLEA
DEGLI AZIONISTI
SHAREHOLDERS'
MEETING



29 April 2022

**Report of the Board of Directors
to the General Meeting**

**Item 5 on the Agenda
GROUP LONG TERM
INCENTIVE PLAN (LTIP) 2022-2024**

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Group Long Term Incentive Plan (LTIP) 2022-2024.

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Report of the Board of Directors to the Annual General Meeting

5. Group Long Term Incentive Plan (LTIP) 2022-2024.

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Shareholders,

- a) **Approval of the 2022-2024 LTIP pursuant to article 114-bis of CLFI. Relevant and ensuing resolutions. Delegation of powers.**

The remuneration system for the top management of Assicurazioni Generali S.p.A. (“Generali” or the “Company”) and the executives of the Company and Generali Group (“Group”) – i.e. direct and indirect subsidiaries of Generali pursuant to Art. 2359 of the Italian Civil Code – includes a fixed remuneration and a variable remuneration with an annual component (STI) and a deferred component (LTI). This is in line with the best and prevalent international practices.

In today meeting, the Board of Directors, with the endorsement of the Appointments and Remuneration Committee, resolved to submit to the Annual General Meeting the incentive plan LTI 2022-2024 (the “LTI Plan”) for approval, referred to the overall three-year performance period 2022-2024.

The LTI Plan, in implementation of the remuneration policy – covered in the Report on remuneration policy and payments – and in line with the applicable regulations and the best practices (including the recommendations of the Corporate Governance Code), is intended to pursue the increase of value of Generali’s shares, – with a view to the medium / long term and to sustainable development – aligning the economic interests of the beneficiaries to the interests of the stakeholders.

The LTI Plan aims at:

- establishing a link between the variable component of the remuneration, based on mid and long term goals, and value creation for Shareholders, with a view to the sustainability for the Group and actual results;
- developing the culture of performance in accordance with the Group philosophy;
- contributing to the creation of a balanced mix between fixed and variable components of the beneficiaries remuneration;
- fostering management retention at a Group level.

In particular, the LTI Plan aims at reinforcing the link between the remuneration of potential beneficiaries and the performance expected according to the business priorities of the Group (the so called absolute performance), while retaining the link between remuneration, sustainability and value generation in place as concerns the peer group (relative performance).

As for the structure of the LTI Plan, the main terms and conditions (as detailed in the Information Document) are the following:

- the Plan provides for a first three-year performance evaluation period, starting in 2022, at the end of which (i) all beneficiaries are granted 100% of the accrued shares, while (ii) the Managing Director/ Group CEO and the other beneficiaries who are members of the GMC are granted 50% of the shares calculated on the basis of the performance in the first three-year period (while the next 50% is granted at

the end of an additional two-year period, subject to the assessment of further conditions);

- under the LTI Plan, the beneficiaries will receive ordinary shares of Generali free of charge, as long as the defined performance targets and thresholds are exceeded, with the possibility of the granting, for such beneficiaries, of an additional number of shares depending on the overall dividends distributed during the first three-year performance period (or during the additional period of deferral provided for some categories beneficiaries, as specified *infra*) (so called dividend equivalent mechanism);
- the goals for the granting of shares are defined by the Board of Directors. They are based on the following objectively measurable performance and sustainability criteria in line with the Group strategy and business priorities: relative Total Shareholders' Return (rTSR), Net Holding Cash Flow (NHCF), and ESG indicators (New Green & Sustainable Bond Investments and % women in strategic positions) as described in more detail in the first section of the Report on remuneration policy and payments;
- even in the event performance targets are achieved, Generali may not grant shares to the beneficiaries, if the Regulatory Solvency Ratio of Generali is below 130% or other percentage of the so called "hard limit", that the Board of Directors may determine from time to time (furthermore, the Administrative Body may eventually define a reduction of the number of shares to be definitely granted in the event the Regulatory Solvency Ratio is higher than the level of "hard limit", but below the level of "soft limit" determined from time to time by Risk Appetite Framework of the Company and currently set at 150%);
- the maximum number of shares to be granted at the end of the three-year period is determined by the Board of Directors;
- the shares are granted to each beneficiary after the end of the three-year performance period after the final evaluation of the achievement of the defined goals, under times of granting and terms differentiated based on the clusters of the beneficiary population (it being understood that, the Managing Director/Group CEO and the other beneficiaries members of the GMC, who shall be subject to the additional two-year deferral period, the actual granting of the second tranche of Shares and the actual

number thereof shall depend on the conditions as better specified below);

- malus and claw back mechanisms apply and hedging strategies are prohibited.

Within the limits allowed by the time-by-time applicable regulations and in accordance with the Report on remuneration policy and payments (as possibly temporarily waived in accordance with Article 123-ter CLFI), approved by the Annual General Meeting, the Administrative Body can amend the LTI Plan, autonomously and without any further approval by the Annual General Meeting, any amendments and integrations (including by way of example also the early granting of shares free of charge or the elimination or modification of any restriction or the amendment of the objectives) deemed necessary or appropriate as a consequence of extraordinary factors that are likely to influence in any way shares, Generali and/or the Group, or the LTI Plan and/or its goals, (e.g., by way of example and not limited to, extraordinary transactions concerning Generali and/or the Group, transactions on the share capital, amendments to regulations or to remuneration policies, indications or recommendations made by regulatory authorities or changes to the Group scope, takeover or exchange bid or change of control, or extraordinary transactions or events related to the so-called peer companies and which therefore have an impact on the objective of Relative TSR¹, compliance with industry-specific or foreign regulations applicable to single companies of Generali Group, significant changes in the macroeconomic conditions or in the monetary international policy, changes of the multi-year strategic plans) to preserve – within the limits of the time-by-time applicable regulations and in accordance with the Report on remuneration policy and payments – the substantial and economic contents of the LTI Plan, including the authority of the Board to pay to individual beneficiaries, instead of – in whole or in part – the granting of shares a cash amount calculated on the value of shares in the month

¹ Thus, by way of example only, transactions such as takeover offers or delistings relating to peer companies, which make the comparison with the peer non-significant and/or inadequate for the purposes of the objective of Relative TSR, so that it is necessary or appropriate to exclude it from the so-called peer group (as indicated in the Report on remuneration policy and payments).

before the granting, notwithstanding compliance with the other relevant and applicable terms and conditions of the LTI Plan.

Where necessary and/or appropriate, the Administrative Body may also adjust the provisions of the Plan to the applicable Italian and foreign regulations, if these provisions are incompatible or goes against the above mentioned regulations. Furthermore, in the event of exceptional discontinuity (for example if significant changes in the macroeconomic conditions occur or if the financial scenario worsens) the Administrative Body, in line with the remuneration related governance procedures and in any case within the limits of the time-by-time applicable regulations and in accordance with the Report on remuneration policy and payments, may reassess the overall consistency and correctness of the incentive system, including this LTI Plan putting in place the necessary corrections, and this also and in particular with reference to the relevant goals, the related metrics and evaluation methods to the extent needed to keep unvaried – within the limits of the time-by-time applicable regulations and in compliance with the limits and general principles of the Report on remuneration policy and payments – the economic and substantial contents of the LTI Plan maintaining its main incentive purposes (so called “Clause of adverse change of the conditions”).

The potential beneficiaries of the LTI Plan, as identified by the Board of Directors, are the Managing Director/Group CEO, some positions included in the relevant personnel category (including the executives who are members of the Group Management Committee (GMC), the other executives of the first reporting line of the Managing Director/Group CEO, and the Administrative Body of the Company) and the remaining executives of the Global Leadership Group (GLG) – as well as other directors or employees of Generali or the Group identified by the Board of Directors under the LTI Plan.

The potential beneficiaries are identified by the Administrative Body in line with the Group's strategic goals, in terms of value creation, as well as in line with the purpose of the remuneration policy set out in the Report on remuneration policy and payments presented to the Annual General Meeting.

In the identification process of the potential beneficiaries, the Administrative Body will also assess whether the role or activities performed by the staff of Generali and the Group may have a significant impact on the risk and strategic profile of the Company or the Group taking into account, *inter alia*, the position, the responsibilities, the hierarchical level, the tasks performed, the delegation of powers, the remuneration paid, the possibility to take risks, generate profits or anyhow to affect any entries in the balance sheet for significant amounts.

The beneficiaries of the LTI Plan, once identified by the Board of Directors, will be, in compliance with applicable regulations, disclosed to the public and to Shareholders.

The shares (calculated based on the level of achievement of the goals) will be granted to the beneficiaries at the end of the overall above-mentioned period provided that the defined performance targets and levels are exceeded.

Timing and conditions of the grant are differentiated by the different population clusters. In particular:

- for the Managing Director/Group CEO, the beneficiaries belonging to the Group Management Committee (GMC) and for the other beneficiaries with a target variable component equal to at least 70% of the overall remuneration:
 - i. at the end of the first three-year performance period, 50% of the shares accrued based on the results achieved is granted: more specifically, 25% (i.e. half of the shares of this first tranche) is immediately available (to allow the participants to pay the tax charges connected with the granting), whereas the remaining 25% (i.e. the remaining half of the shares of this first tranche) will be subject to a lock-up period of one year starting from the granting;
 - ii. the remaining 50% of the accrued shares will be subject to an additional deferral period of two years in which the vested shares may be reset to zero in the event the threshold level of the Regulatory Solvency Ratio provided by the LTI Plan has not been achieved or a malus condition has been activated as provided in the Rules of the LTI Plan. Once verified that the threshold level has been

achieved, malus conditions have not been activated and, ultimately, the employment relationship (sub-ordinate and/or administrative) and/or relationship of collaboration with the Company (or another company of the Group) is still in force, the remaining 50% of the vested shares will be granted: 25% (i.e. half of the shares of this second tranche) will be immediately available (to allow the participants to pay the tax charges connected with the granting), whereas the remaining 25% (i.e. the remaining half of the shares of this second tranche) is subject to a lock-up period of one year starting from the granting;

- for the remaining beneficiaries (including GLGs, talents and other key roles selectively identified): at the end of the three-year performance period, 100% of the shares accrued on the basis of the results achieved is granted: 50% is immediately available (to allow the participants to pay the tax charges connected with the granting), whereas the remaining 50% will be subject to a lock-up period of two years starting from the granting.

The lock-up restrictions – as specified above – also apply after the termination of the employment relationship with the beneficiary, without prejudice to the power of the Board of Directors, or one of its delegated members, to redefine the terms and conditions of all restrictions specified above, potentially also taking into account the overall remuneration

of the beneficiary, also with reference to shares granted under different incentive systems.

The shares under lock-up restrictions cannot be transferred to third parties – i.e. they cannot be sold, transferred, traded in, carried forward and they cannot be the object of disposal – until the end of the above terms, without prejudice to the authorisation of the Board of Directors, which may also resolve that the shares must be held in custody.

After the expiry date of the lock-up restriction periods as described above, further restrictions on granted shares (pursuant to the subsequent resolution by the Administrative Body) may apply to Directors recipients of shares in compliance with the recommendations of the Corporate Governance Code.

In order to implement the LTI Plan, shares that are to be granted free of charge to the beneficiaries will be acquired from the provision of own shares that the Company may acquire in application of the Annual General Meeting authorisations, pursuant to Articles 2357 and 2357-ter of the Civil Code.

Further information on the LTI Plan is provided to Shareholders and to the financial community in the Information Document, pursuant to Art. 114-bis of CLFI and s. 84-bis of CONSOB notice no. 11971 of 14 May 1999, as amended (Issuers' Regulation).

In light of the foregoing, the following is the proposed resolution of the Annual General Meeting, which reflects, in terms of expression of the meeting's will, what has been described above.

“The Annual General Meeting of Assicurazioni Generali S.p.A., at Assicurazioni Generali S.p.A. offices located in Trieste piazza Luigi Amedeo Duca degli Abruzzi 1, lawfully convened and empowered to pass resolutions, in ordinary session, pursuant to Art. 2369 of the Italian Civil Code and Art. 21 of the Company's Articles of Association,

- pursuant to Article 114-bis of Legislative Decree 24 February 1998 no. 58 and the relevant implementing provisions;
- having regard to the report of the Board of

Directors on this item of the agenda and the relevant Information Document;

hereby resolves

1. to approve the incentive plan for the management of the Company and of the Group, denominated “LTI Plan 2022-2024” (the “**LTI Plan**”), as outlined in the report of the Board of Directors and in the relevant Information Document;
2. to grant the Board of Directors with the broadest powers to implement the LTI Plan, in par-

ticular, by way of example and not limited to, the power to define LTI Plan rules for implementation, any power to identify beneficiaries, the performance goals and thresholds, to determine the number of shares to be granted to each beneficiary, allot the shares or the cash equivalent and carry out any action, communication or formality needed or

appropriate for the management and/or implementation of the LTI Plan, with the right to delegate its powers, duties and responsibilities with respect to the implementation of the LTI Plan to the Chairman of the Board of Directors and Managing Director/Group CEO, even severally, under the delegation of powers."

b) Approval of the authorisation to purchase own shares for the purposes of remuneration and incentive plans and to freely dispose of them. Relevant and ensuing resolutions. Delegation of powers.

This report approved by the Board of Directors on the date hereof (i.e. 14 March 2022) outlines the proposal to authorise, pursuant to articles 2357 and 2357-ter of the Italian Civil Code and 132 of the CLFI and in accordance with article 5 of Regulation (EU) no. 596/2014 (the "MAR Regulation") and EU Delegated Regulation 2016/1052 (the "Delegated Regulation"), a plan for the purchase, in one or several transactions, of up to 10,500,000 ordinary shares of Generali, corresponding, as of the date hereof, to 0.66% of the share capital of the Company, and the possible subsequent disposal, in one or more times, of own shares in portfolio and/or purchased under this authorisation.

The authorisation to purchase and dispose of own shares under this report is instrumental to the execution of: (i) the Generali Group's long term incentive plan denominated the "LTI Plan 2022-2024," the approval of which is likewise submitted for the approval of today's meeting as item a) of the agenda of the ordinary session, as well as (ii) all remuneration and incentive plans approved prior by the Annual General Meeting and still being implemented (hereinafter, the incentive plans under (i) and (ii), jointly known as the "Plans").

Moreover, the own shares purchased under this authorisation, or in any case held in the Company's portfolio, in addition to being used for the Plans, may be used, with reference to the surplus, for other remuneration and incentive plans approved by the Annual General Meeting and/or sold on the market

or outside of it, possibly also through the transfer of real and/or personal rights, including by way of example, the loan of securities, for the purposes permitted by law and with terms, methods and conditions of disposition of own shares deemed most appropriate in the interest of the Company.

This report outlines the reasons for the authorisation request, as well as the terms and procedures under which it is intended to implement the new plan of own share purchase and disposal.

b.1. Reasons for the request for authorisation of own share purchase and disposal

As pointed out above, the authorisation to the own share purchase plan, which may be implemented in one or several transactions, is required exclusively to provide the Company with the necessary reserve to implement the Plans.

With reference to the disposal of the shares thus acquired, considering the purposes underlying this request for authorisation, the Board of Directors proposes that the Annual General Meeting authorises the allocation of these shares, for free, to the beneficiaries of the Plans, obviously subject to the conditions provided under the relevant regulations, specifying that these procedures will also apply to the own shares already held in the Company's portfolio. Moreover, the Annual General Meeting is asked to authorise the Board of Directors to use any share exceeding those that will actually be used for the Plans also for other remuneration and incentive plans approved

by the Annual General Meeting and/or sold on the market or outside of it, possibly also through the transfer of real and/or personal rights.

b.1.1. Maximum number, category and par value of the shares under the authorisation; compliance with the provisions of s. 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, is related to the ordinary shares of the Company.

With reference to the above mentioned, regarding the amount of shares to be overall allotted to the beneficiaries of the Plan, the maximum number of shares to be purchased, also in several transactions, cannot exceed 10,500,00 shares.

In this respect, as of the date hereof, the Company and its subsidiaries have a portfolio of 6,559,872 Generali shares, i.e. 0.415% of the share capital of the Company. Therefore, even in the event that the requested authorisation is fully used the number of shares that the Company would own directly and indirectly would be well below the limit specified in s. 2357, paragraph 3, of the Italian Civil Code (currently 20% of the share capital).

The purchases will be implemented within the limits of the available profits and available reserves resulting from the latest duly adopted financial statements.

b.1.2. Duration of the authorisation

With the prior authorisation of the Annual General Meeting, own shares may be purchased, in one or more times, within a maximum term of 18 months from the date of the Annual General Meeting resolution.

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 pursuant to the authorisation of the Annual General Meeting, is requested without time limit, in the light of the absence of legal restrictions in that regard and of the need for maximum flexibility also in terms of time to transfer them.

b.1.3. Minimum and maximum price

The Board of Directors proposes that purchases of own shares are carried out in accordance with trading terms established by article 3 of the Delegated Regulation, implementing the current provisions of the MAR Regulation, as well as the applicable provisions of the Italian Civil Code and, therefore, at a minimum purchase price of the ordinary shares not less than the implied nominal value of the ordinary share at the time of purchase and at a maximum purchase price not more than 5% compared to the reference price that the share shall have recorded in the stock exchange session on the day prior to the completion of each individual purchase transaction.

b.1.4. Purchase procedures

The share purchase transactions will be implemented pursuant to article 144-bis, paragraph 1, letter b) of the Issuers' Regulations, in one or more times on regulated markets or multi-lateral trading systems, in accordance with the operating procedures established by the regulations governing the markets' organisation and management, so as to ensure equal treatment among Shareholders. Therefore, purchases will be implemented in line with operating procedures established that do not permit the direct matching of purchase offers with predetermined sale offers.

This own share purchase authorisation proposal is not instrumental to reduce the share capital.

In relation to the foregoing, the following is the proposed resolution of the Annual General Meeting, which reflects, in terms of the expression of the meeting's will, what has been described above.

"The Annual General Meeting of Assicurazioni Generali S.p.A., held at the offices of Assicurazioni Generali S.p.A. located in Trieste, piazza Luigi Amedeo Duca degli Abruzzi 1, validly convened and empowered to pass resolutions, in ordinary session, pursuant to article 2369 of the Italian Civil Code and article 21 of the Company's Articles of Association,

- with regard to articles 114-*bis* and 132 CLFI and subsequent supplements and amendments;
- with regard to articles 2357 and 2357-*ter* of the Italian Civil Code;
- acknowledging the terms of article 5 of the MAR Regulation and article 3 of the Delegated Regulation;
- acknowledging that, as at the date hereof, the Company and its subsidiaries hold in portfolio a number of Generali shares significantly lower than the fifth part of the Company's share capital;
- with regard to the report of the Board of Directors on this item of the agenda;
- with regard to the report for the year ended on 31 December 2021, hereby approved;

hereby resolves

1. to revoke the current authorisation to purchase own shares approved by the Annual General Meeting on 29 April 2021 and to authorise, pursuant to articles 2357 and 2357-*ter* of the Italian Civil Code and article 132 of the CLFI and article 144-*bis* of the Issuers' Regulation and in accordance with the terms for trading established by article 3 of the Delegated Regulation in the implementation of the MAR Regulation, the purchase of up to 10,500,000 ordinary shares of Assicurazioni Generali S.p.A., and the disposal of the shares purchased on the basis of such authorisation as well as on the basis of previous purchase plans, at the following conditions:
 - a) the authorisation is limited to purchases to be made in order to give effect to: (i) the Generali Group's Long Term Incentive plan denominated the "LTI Plan 2022-2024," as well as (ii) any remuneration and incentive plan approved prior by the Annual General Meeting and still being implemented (hereinafter, the "**Plans**");
 - b) the minimum purchase price of ordinary shares may not be lower than the implied par value of the ordinary share at the time of purchase, 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;
 - c) the Company may purchase own shares, in one or several transactions, by 18 months from the date of this resolution;
 - d) the purchases will be implemented within the limits of the distributable profits and distributable reserves as calculated from the latest duly adopted financial statements;
 - e) the share purchase transactions will be implemented, pursuant to article 144-*bis*, paragraph 1, letters b), of the Issuers' Regulations, in one or more times on regulated markets or multilateral trading systems, in accordance with the operating procedures established by the regulations governing the markets' organisation and management, so as to ensure equal treatment among Shareholders. Therefore, purchases will be implemented exclusively and also in several times, on the regulated market, in line with operating procedures established by the regulations governing the organisation and management of markets that do not permit the direct matching of purchase offers with predetermined sale offers;
 - f) own shares may be granted 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;
2. to authorise, without time restrictions, the allocation of the own shares purchased under this authorisation, or otherwise held in portfolio by Generali, for the Plans, as well as - for any excess - for other remuneration and incentive schemes approved by the Annual General Meeting and/or to their disposal on the market or outside of it, possibly also by means of the assignment of real and/or personal rights, including, without limitation, securities lending, for the purposes permitted by law and in accordance with the terms, methods and conditions of the deed of disposal of own ordinary shares deemed most appropriate in the interests of the Company;

3. To appoint the Chairman of the Board of Directors and the Managing Director/Group CEO, even severally among themselves and with the power of sub-delegation, in line with the powers delegated to him:
- a) to implement this resolution, arranging, *inter alia*, the identification of the reserve fund to be used for the own share purchase and for proceeding with the resulting accounting entries in accordance with the law as well as to be able to dispose, in order to properly implement the present resolution, also of own shares which are already currently available in the Company's assets;
 - b) to determine the manner, time frame and definitive and ancillary terms to properly implement this resolution, using all of the appropriate evaluations and verifications for such purpose, and to comply with any applicable requirements and procedures, without exclusions; as well as
 - c) to provide for all other formalities relating to the transactions referred to in this resolution, including the possible assignment of tasks to qualified intermediaries in accordance with the law and with the power to appoint special attorneys."

Milan, 14 March 2022

THE BOARD
OF DIRECTORS

