



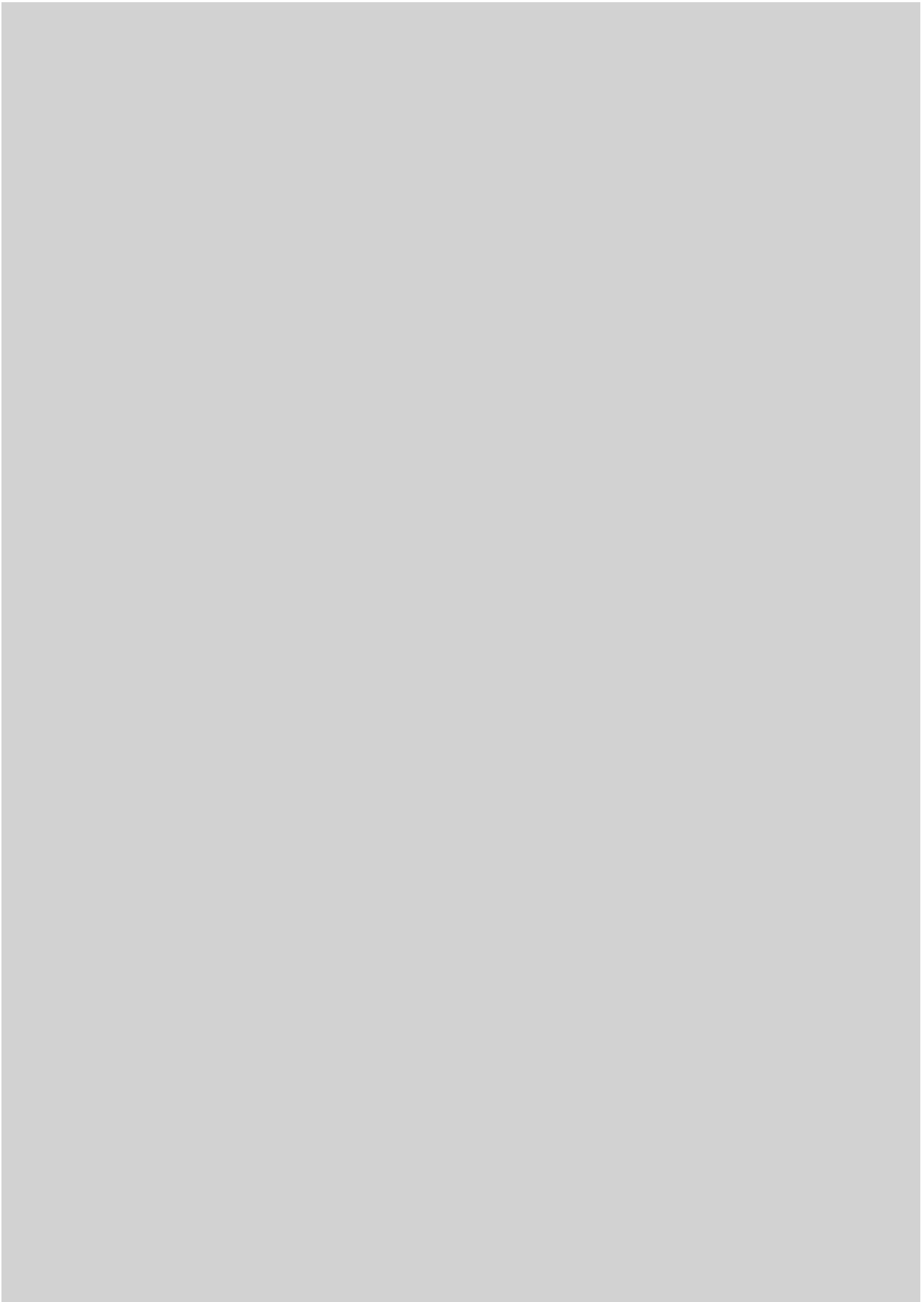
Reports and Proposals on the Items of the Agenda



181<sup>st</sup> year of activity







# Reports and Proposals on the Items of the Agenda

2012

Ordinary and Extraordinary Shareholders' Meeting  
27-29-30 April 2013



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

## CONTACTS

### **Assicurazioni Generali S.p.A.**

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

#### **Investor Relations**

Tel. +39 040 671402

Fax + 39 040 671338

[Generali\\_ir@generali.com](mailto:Generali_ir@generali.com)

Head: *Spencer Horgan*

#### **Media relations**

Tel. +39 040 671085

Fax + 39 040 671127

[press@generali.com](mailto:press@generali.com)

Head: *Giulio Benedetti*

#### **Shareholders Department - Relations with retail shareholders**

Tel. +39 040 671621

Fax + 39 040 671660

[azionisti@generali.com](mailto:azionisti@generali.com)

[shareholders@generali.com](mailto:shareholders@generali.com)

Head: *Michele Amendolagine*

#### **Corporate Social Responsibility and Group Sustainability**

Tel. +39 040 671060

[csr@generali.com](mailto:csr@generali.com)

Head: *Marina Donati*



# GENERALI

## Assicurazioni Generali S.p.A.

Registered Office and Central Head Office in Trieste  
Head Office for Italian Operations in Mogliano Veneto  
Capital (fully paid in) Euro 1,556,873,283.00  
Fiscal code and Trieste Companies Register 00079760328  
Company entered in the Register of Italian Insurance and Reinsurance Companies under no. 100003  
Parent Company of Generali Group, entered in the Register of Insurance Groups under no. 026

Gabriele Galateri di Genola **CHAIRMAN**

Vincent Bolloré, **VICE-CHAIRMEN**  
Francesco Gaetano Caltagirone

Mario Greco **GROUP CEO**  
as General Manager  
and Managing Director

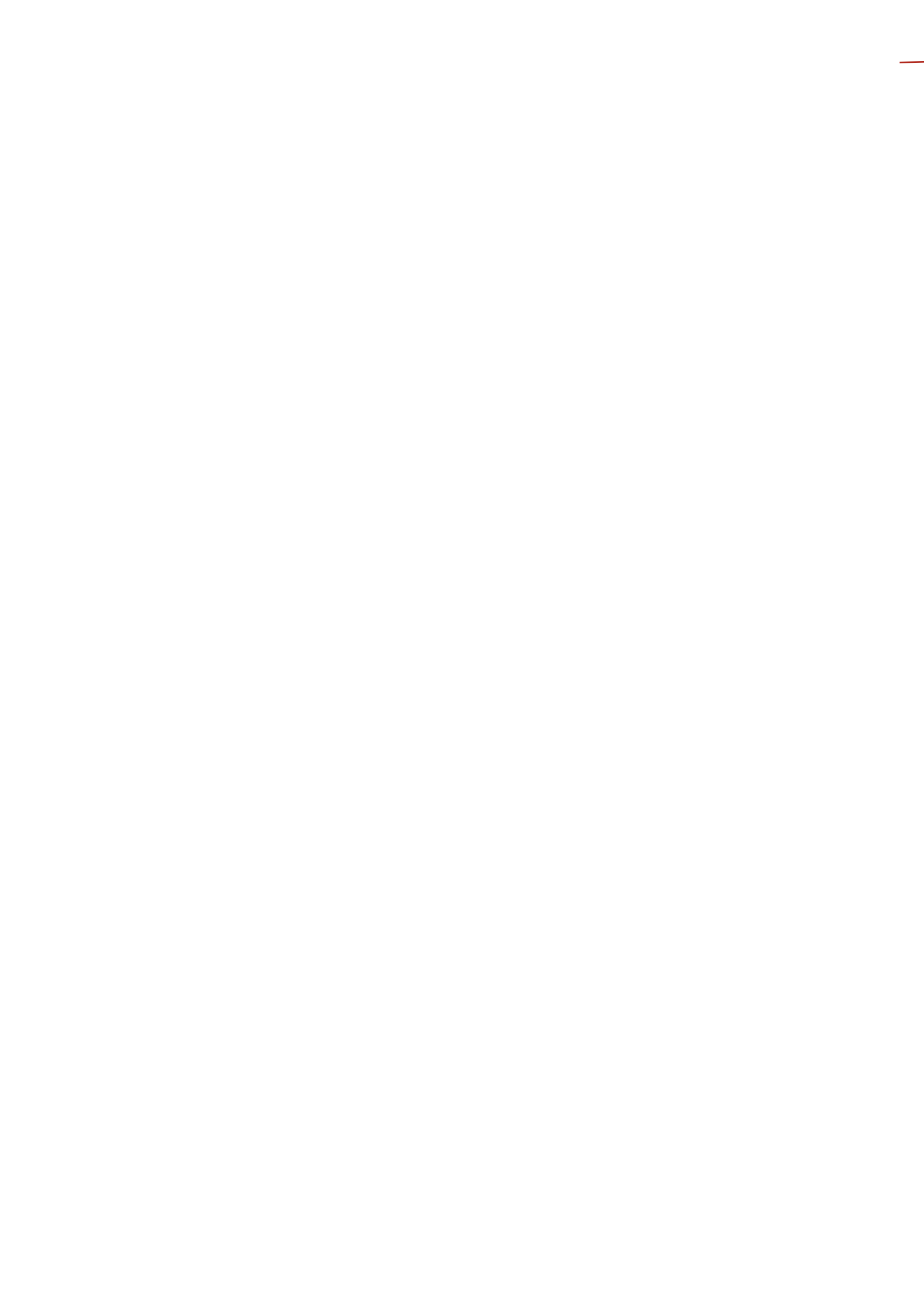
**DIRECTORS**  
Cesare Calari,  
Carlo Carraro,  
Claudio De Conto,  
Petr Kellner,  
Angelo Miglietta (\*),  
Alessandro Pedersoli,  
Lorenzo Pellicoli (\*),  
Reinfried Pohl,  
Clemente Rebecchini (\*),  
Paola Sapienza,  
Paolo Scaroni

(\* Directors who, together with the Chairman,  
Vice-Chairmen and the Managing Director,  
form the Executive Committee

Eugenio Colucci, Chairman **BOARD OF AUDITORS**  
Giuseppe Alessio Verni,  
Gaetano Terrin  
Maurizio Dattilo (substitute),  
Francesco Fallacara (substitute)

Antonio Cangeri **SECRETARY OF THE BOARD  
OF DIRECTORS**

**CORPORATE BODIES  
AS OF 13 MARCH 2013**





## Notice of call of General Meeting

|   |     |
|---|-----|
| Assicurazioni Generali S.p.A. ....  | 11  |
| 1. Financial statements as at 31 December 2012, use of profit for year and distribution of dividend: related and ensuing resolutions; delegation of powers<br>Directors' Report to the General Meeting .....  | 13  |
| 2. Appointment of Board of Directors for the financial years ending on 31 December 2013, 2014 and 2015, after determination of the number of Directors to be appointed: related and ensuing resolutions;<br>Directors' Report to the General Meeting .....  | 15  |
| Advice for Shareholders on the size and composition of the board of directors to be appointed for the three-year period 2013-2015 .....   | 17  |
| 3. Determination of fees payable to members of the Board of Directors for the financial years ending on 31 December 2013, 2014 and 2015: related and ensuing resolutions;<br>Directors' Report to the General Meeting .....   | 21  |
| 4. Remuneration report pursuant to s. 123-ter of Legislative Decree no. 58/1998 (CFBA) and art. 24 of ISVAP Regulation no. 39/2011: related and ensuing resolutions;<br>Directors' Report to the General Meeting .....  | 23  |
| Remuneration report .....   | 25  |
| 5. Allocation of financial instruments to the Group CEO and some company's managers, with the relevant authorization to buy own shares and to perform acts of disposal of such shares for said allocation: related and consequent resolutions; delegation of powers;<br>Directors' Report to the General Meeting .....  | 67  |
| Information Document .....  | 71  |
| 6. Approval of a new Long-Term Incentive Plan pursuant to s. 114-bis of the CFBA: related and ensuing resolutions; delegation of powers;<br>Directors' Report to the General Meeting .....  | 85  |
| Information Document .....  | 93  |
| 7. Authorization 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;<br>Directors' Report to the General Meeting .....   | 85  |
| 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 tranches, 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.<br>Directors' Report to the General Meeting .....   | 85  |
| 9. Amendment of articles 3 ( <i>Company's registered office</i> ), 4 ( <i>Implementation of IVASS supervisory provisions</i> ), 32 ( <i>Sole responsibilities of the Board of Directors</i> ), 39 ( <i>Representation of the Company</i> ) and 40 ( <i>Company Signature</i> ); deletion of art. 38 ( <i>Management</i> ) of the Articles of Association; consequent renumbering of the amended Articles of Association; related and ensuing resolutions; delegation of powers.<br>Directors' Report to the General Meeting ..... | 111 |
| Articles of Association .....   | 118 |





## NOTICE OF CALL OF GENERAL MEETING

Shareholders are called to attend the General Meeting to be held at Palazzo dei Congressi, Stazione Marittima, Molo Bersaglieri 3, Trieste, on

- 27 April 2013, at 9.00 a.m.** for an Ordinary and Extraordinary General Meeting (first call), and if necessary on  
**29 April 2013, at 9.00 a.m.** for an Extraordinary General Meeting (second call), and if necessary on  
**30 April 2013, at 9.00 a.m.** for an Ordinary General Meeting (second call) and an Extraordinary General Meeting (third call)

to discuss the following

### agenda

#### Ordinary business:

1. Financial statements as at 31 December 2012, use of profit for year and distribution of dividend: related and ensuing resolutions; delegation of powers;
2. Appointment of Board of Directors for the financial years ending on 31 December 2013, 2014 and 2015, after determination of the number of Directors to be appointed: related and ensuing resolutions;
3. Determination of fees payable to members of the Board of Directors for the financial years ending on 31 December 2013, 2014 and 2015: related and ensuing resolutions;
4. Remuneration report pursuant to s. 123-ter of Legislative Decree no. 58/1998 (CFBA) and art. 24 of ISVAP Regulation no. 39/2011: related and ensuing resolutions;
5. Allocation of financial instruments to the Group CEO and senior executives of the Company, with related authorisation for the purchase and disposal of the Company's own shares for the purpose of the said allocation: related and ensuing resolutions; delegation of powers;
6. Approval 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 tranches, 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.
9. Amendment of articles 3 (*Company's registered office*), 4 (*Implementation of IVASS supervisory provisions*), 32 (*Sole responsibilities of the Board of Directors*), 39 (*Representation of the Company*) and 40 (*Company Signature*); deletion of art. 38 (*Management*) of the Articles of Association; consequent renumbering of the amended Articles of Association; related and ensuing resolutions; delegation of powers.

#### Additions to the agenda

Shareholders who, either individually or jointly, represent at least one-fortieth of the share capital may, within ten days of the publication of this notice of call, i.e. by 25 March 2013, request additions to the list of items to be discussed, indicating in their application the additional subjects they propose, or submit motions regarding items already on the agenda. The request must be submitted in writing and delivered to the registered office, for the attention of the Group Corporate Affairs Manager. Ownership of shares by the applicant Shareholders and of the shareholding necessary to request additions to the agenda must be proved by a specific certificate produced by the intermediary depository and e-mailed to [azioni@pec.general.com](mailto:azioni@pec.general.com). Additions to the list of items on the agenda are not allowed in the case of subjects which the General Meeting is required by law to discuss on the proposal of the Directors or on the basis of a project or report prepared by them. Information about any additions to the agenda or the submission of further motions relating to items already on the agenda will be given in the statutory forms laid down for the notice of call, within the periods specified in the applicable legislation. Shareholders who request additions to the agenda must prepare a report stating the reasons for the motions regarding the new items they propose, or the reason for the further motions presented on items already on the agenda, and the said report shall be delivered to the Board of Directors by the deadline for submission of requests, i.e. not later than 25 March 2013. The report will be made available to the public, accompanied by any evaluations by the Board of Directors, when the notice of additional items is published.

#### Appointment of Directors

For the appointment of the Board of Directors, which will be performed on the basis of lists of candidates, reference should be made to art. 28 of the Articles of Association, published in the "Governance" section of the Company's website. The following provisions should be noted:

- **Entitlement to submit lists.** Lists may be submitted by shareholders who, either alone or jointly with others, represent 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 intending to submit minority lists are reminded to deposit, together with the list and the additional documentation required by art. 28 of the Articles of Association, a declaration that they have no direct or indirect connection, as defined in s. 147-ter.3 of the CFBA and art. 144-quinquies of the Issuers' Regulation, with the shareholder that owns the relative majority holding (Mediobanca S.p.A.). The said declaration must also specify any relations (if significant) with the shareholder that owns the relative majority holding, if identifiable, and the reasons why such relations are not considered to constitute the said connections; alternatively, the absence of the said relations shall be indicated.



**GENERALI**  
Assicurazioni Generali S.p.A.

**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 art. 28 of the Articles of Association, must be deposited at the Company's registered office, marked for the attention of the Group Corporate Affairs Manager, or e-mailed to [azioni@pec.generalicom](mailto:azioni@pec.generalicom), not later than the twenty-fifth calendar day before the date of the first call of the General Meeting, namely by 2 April 2013. The lists will be made available to the public by 6 April 2013 at the registered office, at Borsa Italiana S.p.A. ([www.borsaitaliana.it](http://www.borsaitaliana.it)) and on the Company's website ([www.generalicom](http://www.generalicom)), in the *Investor Relations – 2013 Annual General Meeting* section. The certificate demonstrating ownership of the minimum holding required to submit lists must be evidenced by a specific communication produced by the intermediary depository and e-mailed to [azioni@pec.generalicom](mailto:azioni@pec.generalicom), which can also be produced after the said deposit, but not later than the closing date for the publication of the lists, namely 6 April 2013, failing which the list will be deemed not to have been submitted.

#### Documentation

The full text of the motions and the reports by the Board of Directors on the items on the agenda, the financial statements for the 2012 financial year with all schedules and declarations signed by the Manager in charge of Preparation of the Company's Financial Reports, the Information Documents relating to (i) the allocation of financial instruments to the Group CEO and senior executives of the Company and (ii) the new incentive plan for the management of the Generali Group, together with the Annual Report on Corporate Governance and Ownership and the Remuneration Report, will be deposited 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.generalicom](http://www.generalicom) in the *Investor Relations – 2013 Annual General Meeting* section, together with forms which shareholders can 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 of the number and categories of the shares into which it is divided.

#### Right to submit questions

Those entitled to vote may ask questions about the items on the agenda even before the General Meeting, but not later than the end of the third day before the date set for the first call of the Meeting (i.e. by 24 April 2013), by delivering them to the Company's registered office, marked for the attention of the Group Corporate Affairs Manager, or e-mailing them to [azionisti@generalicom](mailto:azionisti@generalicom), by the dates and in accordance with the procedures published on the Company's website. Questions received before the General Meeting will be answered before or during the Meeting. The Company may give a single answer to all questions with the same contents.

#### Attendance at General Meeting

Entitlement to attend the General 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 (18 April 2013), namely the seventh market trading day before the date set for the first call of the General 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 General Meeting; parties shown as the owners of shares only after that date shall therefore not be entitled to attend or vote at the General Meeting. The owners of shares which have not yet been dematerialised may only attend the General 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 General Meeting is governed by the applicable legislation and regulations, and by the provisions of the current Articles of Association and the General Meeting Regulation, which are available on the Company's website. Those holding voting rights may appoint a proxy to represent them at the General Meeting by the statutory procedures. Shareholders may appoint the Company's designated representative Servizio Titoli S.p.A. as proxy with voting instructions, free of charge, pursuant to s. 135-undecies of the CFBA. The proxy shall be appointed by signing the proxy form which will be available on the Company's website, in the *Investor Relations – 2013 Annual General Meeting* section, from 6 April 2013 at the latest. The proxy form must be received by Servizio Titoli S.p.A. not later than 26 April 2013, according to the procedure specified in para. 1 of the "Compilation and transmission instructions" contained in the said form.

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

The certificate issued to the Company by the intermediary, demonstrating that the shareholder is entitled to attend the General Meeting and exercise voting rights, is also necessary if the designated representative is appointed as proxy: in the absence of the said certificate, the proxy form shall be 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 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.generalicom](mailto:azioni@pec.generalicom)), 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 shall retain the original proxy form, and keep details of any voting instructions received, for one year after the end of the General Meeting.

#### Logistical information

Attendees will be given the opportunity to follow the proceedings of the General Meeting by a simultaneous interpreting service from Italian to some foreign languages (English, French, German and Spanish). The headphones needed to use the said service can be obtained on specific request from the desk at the entrance to Stazione Marittima. Further information or clarification about shareholders' attendance at the General Meeting can be obtained by e-mailing [azionisti@generalicom](mailto:azionisti@generalicom) or contacting telephone no. +39040671621 or +39040671352 or fax no. +39040671300 or +39040671660. Others interested in attending the General 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)

#### 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  
Registered in the Insurance and Reinsurance Companies Register under no. 1.000003  
Parent company of the Generali Group, listed in the Insurance Groups Register under no. 026



# Directors' Report to the General Meeting

## 1. FINANCIAL STATEMENTS AS AT 31 DECEMBER 2012, USE OF PROFIT FOR YEAR AND DISTRIBUTION OF DIVIDEND: RELATED AND ENSUING RESOLUTIONS; DELEGATION OF POWERS

*Dear Shareholders,*

Profit for the financial year was € 130.7 million; the non-life segment show a loss of € 5.9 million, the life segment record a profit of € 136.6 million.

We propose the following allocation of the net profit for the 2012 financial year:

| (in euro)                             |                    |
|---------------------------------------|--------------------|
| <b>profit for the year</b>            | <b>130,664,164</b> |
| to restricted reserve                 | 22,095,973         |
| withdrawal from extraordinary reserve | 202,806,466        |
| to dividend                           | 311,374,657        |

The profit for the year will be partially allocated to restricted reserves in accordance with Article 2426 paragraph 1, no. 4 of the Italian Civil Code.

The dividend proposed for each share is of € 0.20, for a total maximum payout of a € 311,374,657. The amount of dividend relative to the shares currently on the market is € 310,556,237 and it will be taken from the Profit for the year, net of the allocations to reserves.

The dividend will be paid, net of applicable withholding taxes, as from 23 May 2013 at the appointed intermediaries by means of the Monte Titoli S.p.A. central depository system.


The draft resolution of the Shareholders' Meeting, in line with the Shareholders' intentions, as outlined above, is the following:

"The **General Meeting** of Assicurazioni Generali S.p.A., held at the Conference Hall of Stazione Marittima, Molo dei Bersaglieri 3, Trieste, lawfully convened and entitled 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 31 December 2012, 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**

- 1) to adopt the financial statements as at 31 December 2012;
- 2) to allocate the net profit for the 2012 financial year, amounting to € 130,664,164, as follows:
  - a) € 22,095,973 as Restricted Reserve pursuant to article 2426.1.4 of the Italian Civil Code;

- 
- b) dividends for the 2012 financial year to Shareholders, payable as from 23 May 2013, net of statutory withholding taxes, i.e. a cash payment of € 0.20 per share. The total pay-out will amount to a maximum of € 311,374,657 will be paid for Euro 108,568,191 from profit for the year. The remainder, amounting to Euro 202,806,466, will be paid from the extraordinary reserve, consisting of earnings from previous years;
- 3) 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, 13 March 2013

THE BOARD  
OF DIRECTORS

# Directors' Report to the General Meeting

## 2. APPOINTMENT OF BOARD OF DIRECTORS FOR THE FINANCIAL YEARS ENDING ON 31 DECEMBER 2013, 2014 AND 2015, AFTER DETERMINATION OF THE NUMBER OF DIRECTORS TO BE APPOINTED: RELATED AND ENSUING RESOLUTIONS.

*Dear Shareholders,*

The term of office of the Company's Board of Directors, granted by the General Meeting on 24 April 2010 for the three-year period 2010-2012, expires on approval of the financial statements as at 31 December 2012.

You are therefore called on to resolve, pursuant to art. 28 of the Articles of Association, on the appointment of the new Board of Directors, which will hold office until the date on which the General Meeting called to approve the financial statements for the financial year ending on 31 December 2015 is held.

Members of the outgoing Board of Directors are warmly thanked for their invaluable work performed to date in the Company's interests. Pursuant to article 28 of the Articles of Association, the Board consists of a minimum of eleven (11) to a maximum of twenty-one (21) members, and appointments to the Board are made on the basis of lists.

Candidates must meet the requirements of professionalism, respectability and independence laid down by the legislation applicable to the industry and must present no incompatibility as defined by the applicable legislation, including s. 36 of Statute no. 214 of 22 December 2011. According to the Articles of Association, candidates over 77 years old cannot be elected. Candidates nominated in more than one list are disqualified.

At least one-third of the directors must meet the statutory independence requirements for Statutory Auditors. If the number of members of the Board of Directors established by the General Meeting is not a multiple of three, the number of Independent Directors called on to serve on the Board is rounded down to the nearest unit.

The composition of the Board must reflect the gender balance required by the applicable legislation; for the next three-year term of office, at least one-fifth of directors must therefore be selected from persons of the less represented gender. If the number is a fraction, it must be rounded up to the nearest unit. The lists, except for those containing less than three candidates, shall contain a number of candidates that meets the gender balance requirement, not exceeding the number of members to be elected, listed in accordance with a sequential number.

Lists may be submitted by shareholders who, either alone or jointly with others, represent at least 0.5% of the share capital. No shareholder may submit or vote for more than one list, even through an intermediary or trust company, and no candidate may be present in more than one list, on pain of disqualification.

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.

Pursuant to CONSOB notice no. DEM/9017893 of 26 February 2009, shareholders intending to submit minority lists are reminded to deposit, together with the list and the additional documentation required by art. 28 of the Articles of Association, a declaration that they have no direct or indirect connection, as defined in s. 147-ter.3 of the CFBA and art. 144-quinquies of the Issuers' Regulation, with the shareholder that owns the relative majority holding (Mediobanca S.p.A.). The said declaration must also specify any relations (if significant) with the shareholder that holds the relative majority holding, if identifiable, and the reasons why such relations are not considered to constitute the said connections; alternatively, the absence of the said relations shall be indicated.

The lists must be deposited at the Company's registered office by the twenty-fifth day before the date of the first call of the General Meeting, namely not later than Tuesday 2 April 2013, and must be accompanied by information about the shareholders who submitted them, indicating the total percentage of share capital held by them, and by the following documentation:

- a) the curriculum vitae of each candidate, containing detailed information about the candidate's personal and professional characteristics and the skills acquired by him/her in the insurance, financial and/or banking field;
- b) statements in which the candidates accept the nomination, undertake to accept the office if appointed, and further declare, under their own responsibility, that no grounds for incompatibility or disqualification exist, and that they meet the requirements of respectability, professionalism and, if applicable, independence, required by current legislation;
- c) copy of the intermediaries' certificates certifying ownership of the percentage of share capital required for submission of lists.

The lists deposited by shareholders will be published by Generali by the twenty-first day before the date of the first call of the General Meeting, namely not later than 6 April 2013, by which date the documentation proving the shareholders' entitlement must also be received.

The election of the Directors shall be conducted as specified in art. 28.10 of the Articles of Association, and if only one list is submitted, the provisions of art. 21.3 thereof shall apply.

Lists which do not comply with the requirements of art. 28 of the Articles of Association shall be deemed not to have been submitted.

The Listed Companies' Self-regulatory Code, which our Company has ratified, recommends that Boards of Directors should issue advice to shareholders on the size and composition of the Board, taking account of the results of the annual self-assessment process.

The Code recommends that at the time of submission of lists and subsequent appointment of directors, shareholders should evaluate the professional characteristics, managerial and other experience and gender of the candidates in relation to the size of the issuer, the complexity and specificity of the field in which it operates, and the size of the Board of Directors, taking account of the Board's opinion.

The Code also indicates that it is good practice for the shareholders that control the issuer or, if none, those able to exercise considerable influence over it, to inform the public, a reasonable time in advance, of any proposals they intend to submit to the General Meeting on subjects as to which no specific proposals have been made by the directors.

After receiving the results of the self-assessment process of the Board of Directors and its Sub-committees, and hearing the favourable opinion of the Appointments and Corporate Governance Committee, the Board has issued Advice for Shareholders on the size and composition of the future Board of Directors, which is annexed to this report (Annex 1).

You are therefore invited to vote on the appointment of the members of the Board of Directors, after establishing their number, expressing your preference for one of the lists submitted by authorised parties in accordance with the aforesaid Articles of Association.

Milan, 13 March 2013

THE BOARD  
OF DIRECTORS

Schedule 1:

Advice for shareholders on the size and composition of the Board of Directors to be appointed for the three-year period 2013-2015



## ADVICE FOR SHAREHOLDERS ON THE SIZE AND COMPOSITION OF THE BOARD OF DIRECTORS TO BE APPOINTED FOR THE THREE-YEAR PERIOD 2013-2015

The Listed Companies' Self-regulatory Code recommends that Boards of Directors should issue advice to shareholders on the size and composition of the Board, taking account of the results of the annual self-assessment process.

The Code recommends that at the time of submission of lists and subsequent appointment of directors, shareholders should assess the professional characteristics, managerial and other experience and gender of the candidates in relation to the size of the issuer, the complexity and specificity of the field in which it operates, and the size of the Board of Directors, taking account of the Board's opinion.

The Code also indicates that it is good practice for the shareholders that control the issuer or, if none, those able to exercise considerable influence over it, to inform the public, a reasonable time in advance, of any proposals they intend to submit to the General Meeting on subjects as to which no specific proposals have been made by the directors. For example, the Code states that at the time of submission of the list of candidates, the market could be notified of the opinions of these shareholders on subjects such as the number of members of the Board of Directors, and the duration and remuneration of that body.

Similarly, the banking legislation regarding organisation and corporate governance states that the optimum qualitative and quantitative composition of the Board of Directors, to be identified on the basis of the characteristics of the individual companies, should be established in advance by the Board (assisted by the Appointments Committee, if any) and subjected to periodic self-assessment. It also states that the appointment procedures must be transparent and ensure suitable representation of the various shareholders on the company's governing bodies. The results of the analysis must be notified to shareholders in sufficient time to ensure that the choice of candidates to be submitted takes account of the assessments performed.

### Size of Board

In 2010 the Company's General Meeting set the number of members of the Board of Directors at 19. Subsequently, during its three-year term of office, it reduced the number to 17, and now, as a result of further events affecting the composition of the Board, the number of its members has fallen to 15. When evaluating the adequacy of the number of its members, the Board has found that the present number allows the tasks for which the Board of Directors is responsible, in the context of the Company's governance, to be performed more efficiently and effectively than when it had 19 members.

The correct size of the Board is also based on the composition of its sub-committees, in which a decisive role is played by members who meet the independence requirements. The presence of sub-committees with consultative, recommendatory and preparatory functions represents an organisational procedure that reflects the best national and international practice, and increases the efficiency and efficacy of the Board's work.

A Board with a large number of members does not always allow effective interaction at meetings, and the contribution made by each member of a large Board is not always optimum. The presence of numerous directors requires the setting-up of an Executive Committee, a body unknown in many countries, whose presence is not always synonymous with good corporate governance.

However good the level of information given to the Board about the activities of the Executive Committee may be, it goes without saying that directors' involvement is likely to differ between members and non-members of the Executive Committee.

During the self-assessment process the Board of Assicurazioni Generali, supported in this respect by the favourable opinion of the Appointments and Corporate Governance Committee, decided to recommend that shareholders who submit lists for the appointment of the new Board should reduce the number of the directors to an even lower

number than the present 15. The Articles of Association specify that the Board must have a minimum of 11 directors and maximum of 21.

The best international practice does not indicate an ideal number for the composition of the boards of listed issuers, merely stating that it must be adequate for the conduct of the issuer's business activities. On that basis, in order to formulate its proposal, with the support of the Appointments and Corporate Governance Committee, the Board of Assicurazioni Generali has examined a basket of issuers, consisting of international peers in the insurance industry, comparable Italian issuers, and other international companies considered to represent the "best in class" in corporate governance. The analysis indicated a variety of situations, with Boards having a minimum of 9 members (ENI) to a maximum of 18 (Unicredit). The peers have an average of 13.25 members, the national issuers considered have 13.50 (as against an average for the PTSE Mib index of around 13 in the three-year period 2009-2011), and the other best-in-class companies 14.

In view of all these factors, the Board of Directors advises that the number of directors to be elected for the three-year period 2013-2015 should be between 11 and 13, and a clear majority of that number should be independent directors, so that the Board can be supported by sub-committees consisting of independent directors, in accordance with the best national and international practice.

## Composition of Board

The Self-regulatory Code recommends that the composition of the Board of Directors should adequately reflect, in relation to the business conducted by the issuer, the different types of director (executive, non-executive and independent) and their professional and managerial skills, including those of an international nature, also taking account of the benefits that can derive from the presence on the Board of different genders, age groups and seniorities. It is also recommended that the number, skills and authoritativeness of the non-executive directors, and the amount of time they are able to devote to their duties, should be sufficient to ensure that their opinion has significant influence when Board decisions are taken.

According to the best practice, the presence of independent directors on the Board is the most suitable solution to guarantee that the interests of all shareholders, both majority and minority, are represented. In this respect, in the correct exercise of the right to appoint directors, independent directors may be nominated by the controlling shareholders or shareholders that exercise considerable influence.

The Code recommends that the lists of candidates for directorships should be accompanied by information as to whether the candidates can be classed as independent pursuant to art. 3 of the Code, provided that in any event, it is the responsibility of the Board of Directors as a whole to assess the independence of its members. The Code also recommends that directors who state that they can be classed as independent must maintain this status throughout their term of office, failing which they must resign, without prejudice to the power of the Board of Directors to co-opt the same director immediately.

Acceptance of a directorship of companies which, like Assicurazioni Generali, have adopted the Self-regulatory Code, requires a prior evaluation as to whether the candidate will be able to devote the necessary time to diligent performance of the tasks of a director, taking account of the number of directorships or appointments as statutory auditor held in other companies listed on Italian or foreign regulated markets, or in finance, banking or insurance companies or other large companies, and of the other professional activities performed by the person concerned. Companies with a turnover exceeding € 10 billion are considered large.

The Board considers that a limit of two offices for executive directors and five for non-executive directors is compatible with effective performance of a directorship with the Company. Multiple offices held in companies in the same Group will be considered as a single office.

At present, Generali's Board of Directors consists of 93.3% non-executive directors (with a single Managing Director, namely the Group CEO), and 60% independent directors. This level appears to comply with the best national and international practices. As a result of the reduction in the number of directors nominated by the majority list during the Board's term of office, directors elected by minorities currently represent 20% of Board members (as against 16% at the beginning of the Board's three-year term of office). The percentage of foreign members is identical, while

women account for 6.7% of members (a percentage identical to the national average indicated in the analysis published by Assonime and Emittenti Titoli in February 2012), reflecting the presence of a single member of the less represented gender.

As from the next Board renewal, the percentage of the less represented gender must be increased to the minimum threshold of 20%, and then to at least 33% for the next two terms of office. It should be noted in this context that Generali's corporate governance provides that this threshold can be exceeded, because the 20% threshold must already be reached through members elected in the majority list. Any additional members of the less represented gender originating from the minority list can therefore only increase the minimum threshold specified by the applicable legislation. In general, despite that legislative innovation, it is still considered useful to ensure the continuous presence of an adequate number of the directors now in office when the lists are presented.

The mean age of the Board members is about 58 at present. The Company's corporate governance specifies an age limit of 77 for access to the Board and a lower limit, of 70 and 65, for holding the offices of Chairman and Managing Director respectively.

The present Board's members reflect the presence, either directly or through representatives, of some of the most important shareholders, operating in a variety of business sectors, executives of major Italian and foreign companies, university lecturers on economic and financial subjects, representatives of the Company's business partners, and members of the professions. The level of professional experience found in the current composition of the Board appears to be adequate in relation to the business carried on by the Company and the Group. Having regard to their membership of the Board in the last 12 years, the average term of office of the current members is 4.11 years.

At the end of the recent self-assessment process, which took account of the background scenario set out above, it was found that having regard to the business carried on by the Company, its current structure generally reflects, in a correct and balanced way, the different types of director (executive, non-executive and independent) and their professional and managerial skills, including international skills, also taking account of the benefits that can derive from the presence on the Board of different genders (for which suitable rebalancing mechanisms in favour of the less represented gender are provided, taking account of the factors already indicated), age groups and seniorities in office.

Milan, 13 March 2013

THE BOARD  
OF DIRECTORS



# Directors' Report to the General Meeting

## 3. DETERMINATION OF FEES PAYABLE TO MEMBERS OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEARS ENDING ON 31 DECEMBER 2013, 2014 AND 2015: RELATED AND ENSUING RESOLUTIONS.

*Dear Shareholder,*

You have been convened not only to designate a Board of Directors for the period 2013-15 but also, pursuant to Article 2389.1 of the Civil Code, to determine the amount of compensation due to the company directors over their entire term of office.

As you will also recall, pursuant to Article 19.1f) of the company Bylaws, variable forms of compensation may also be applied, linked to profit results and/or to others indices of company and/or group performance. Of course, the competence of the Board of Directors as set forth in the first sentence of Article 2389.3 of the Civil Code remains unaltered.

In this regard, please note that the compensation package of the company directors is currently composed of a gross annual fixed component of € 100,000 (with a 50% increase for members of the Executive Committee), a variable component equal in total to 0.01% of the consolidated net profit (with a maximum limit of € 300,000), to be divided equally among the Board of Directors members, and, lastly, an attendance fee of € 4,000 for each Board of Directors and Executive Committee meeting. In addition, each director is reimbursed for any out-of-pocket expenses incurred to participate in the meetings.

With regard to the above, the competent administrative offices of the company have analyzed the state of the art in this area, including a consideration of benchmarking versus a panel of peers. That study confirmed that the current compensation package is still adequate, considering the characteristics and standing of the Generali group.

We therefore propose, for the three-year term of the Board of Directors designated in today's general meeting of shareholders, and thus until the date of approval of the financial statements for the financial year ending 31 December 2015, that each member of the Board of Directors receive the following, in addition to reimbursement of the out-of-pocket expenses incurred for participating in the meetings:

- gross annual fixed compensation of € 100,000, with a 50% increase for members of the Executive Committee;
- variable compensation equal in total to 0.01% of the consolidated net profit, with a maximum limit of € 300,000, to be distributed in equal parts to the members of the Board;
- an attendance fee of € 4,000 for each meeting of the Board of Directors and Executive Committee.

With regard to this last aspect, the following is the general draft of the shareholders resolution that would reflect the content of the foregoing proposal as the decision of the shareholders.

"The **General Meeting** of Assicurazioni Generali S.p.A., meeting today, 30 April 2013, at the Stazione Marittima of Trieste, Molo degli Bersaglieri 3, with a quorum to deliberate in general session pursuant to Article 2369 of the Civil Code and Article 21 of the company Bylaws,

- considering Article 2389 of the Civil Code;
- considering articles 19 and 36 of the company Bylaws;
- considering the Board of Directors Report on this point of the agenda;

**hereby resolve**

- 1) that the annual compensation for each member of the Board of Directors shall be determined as follows:
  - a) gross annual fixed compensation of € 100,000, with an increase of 50% for Executive Committee members;
  - b) variable compensation, equal in total to 0.01% of the consolidated net profit, with a maximum of € 300,000, to be apportioned in equal amounts to all the directors;
  - c) a gross attendance fee € 4,000 for each meeting of the Board of Administration and the Executive Committee;
- 2) that this resolution shall be applicable, as indicated by the resolution passed today by the shareholders with reference to the second item on the agenda, for the three-year term of the Board of Directors just designated by the shareholders, and therefore until approval of the financial statements for the financial year ending on 31 December 2015."

Milan, 13 March 2013

THE BOARDS  
OF DIRECTORS

# Directors' Report to the General Meeting

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

*Dear Shareholder,*

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 (Issuer Regulation).

In particular, pursuant to ISVAP Regulation no. 30 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 13 May 2013, which is available to the public pursuant to the applicable regulations. The contents of the first section of the Report on the Company and the Group remuneration policies as well as the relevant procedures on their adoption and implementation are reported in the following paragraphs. As for the second section, pursuant to the applicable regulations, a report will be presented to the Shareholders' Meeting.

The draft resolution of the Shareholders' Meeting, in line with the Shareholders' will, as outlined above, 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 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;
- Having regard to the Remuneration Report, drafted pursuant to article 123-ter of the Legislative Decree no. 58 dated 24 February 1998 and article 24 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, 13 March 2013

THE BOARDS  
OF DIRECTORS

Schedule:

1) Remuneration Report





# REMUNERATION REPORT

Budapest - Hungary



# CONTENTS

- Introduction .....29
- Section I – Remuneration policy**
- 1. The basics, the principles, the measures .....30
- 2. Recipients of the remuneration policy ..... 32
- 3. Bodies assigned/involved in the definition, approval, implementation and verification of the remuneration policy – Decision-making processes ..... 33
- 4. Remuneration policies for the members of corporate bodies and “personnel” ..... 38
- 5. Internal communication of remuneration policy and related processes ..... 48
- 6. Remuneration policies of the insurance group ..... 48
- Section II – Information about the implementation of the remuneration policy**
- Part One**
- 1. Remuneration of the members of the Board of Directors ..... 49
- 2. Remuneration of the Chairman, the Group CEO, and management personnel with strategic responsibilities .... 49
- 3. Remuneration of the members of the control body ..... 52
- 4. Remuneration of the managers and their first reports in control functions ..... 53
- Part Two**
- Table 1 - Remuneration paid to members of the management and control bodies, general managers and management personnel with strategic responsibilities ..... 54
- Table 1A - Fees for members of advisory committees – financial year 2012 ..... 58
- Table 2 - Stock options granted to members of the board of directors, general managers and management personnel with strategic responsibilities ..... 58
- Table 3A - Incentive plans based on financial instruments other than stock options for members of the board of directors, general managers and management personnel with strategic responsibilities ..... 59
- Table 3B - Monetary incentive plans for members of the board of directors, general managers and management personnel with strategic responsibilities ..... 60
- Table 4 - Holdings of members of the management and control bodies, general managers and management personnel with strategic responsibilities ..... 61
- Section III – Control functions verifications**
- A. *Ex ante* verifications of the Compliance and Risk Management functions..... 62
- B. *Ex post* verification of Internal Audit ..... 65



## INTRODUCTION

In the current economic and financial context, in which stakeholders are extremely conscious of matters relating to risk management and to profitability, matters relating to remuneration and how it is managed in a company setting continue to be of great concern.

It should be remembered that ISVAP, through Regulation No. 39 of 9 June 2011, requested that insurance and reinsurance firms adopt remuneration policies consistent with the sound and prudent management of the risk, profitability and equilibrium of the business in the long term, and the development of transparent decision-making processes, thereby also giving the Shareholders' Meeting an active role in defining the policies in question.

The Supervisory Authority also entrusted the Parent Company with the task of ensuring overall consistency and the appropriate alignment of the remuneration policies within the insurance groups, ensuring compliance with the above-mentioned regulation by all group companies.

In relation to this and also with the purpose of aligning the individual performance of managers with strategic responsibilities in the Group even closer with the strategic targets defined, the current remuneration systems were re-examined, being evaluated in terms of efficiency in relation to the overall prospects of the Group; the results led to the establishment of a new incentive scheme to be applied to the above persons in all countries where the Group has a presence.

The adoption of this new incentive scheme, aimed primarily at more effectively addressing the actions of managers with strategic responsibilities in pursuing the strategic targets of the Group from a perspective of maximising overall performance, will, at the same time, allow their contribution to be valued and the Group culture to be promoted.

The implementation of the system, supported by a suitable communication plan and the involvement of the managers concerned, will be launched during the current year with the goal of it becoming fully operational in 2014, in compliance with industry and local regulations in force and taking existing situations into account.

The remuneration policies illustrated in this Report, which will be submitted to the Shareholders' Meeting in April for approval, respond to the regulations on the subject, both in terms of the main aspects and from the point of view of consistency. In this sense, the Generali Group's constant commitment to the topics of transparency, consistent risk management and guaranteeing profitability in the long term should be stressed, which will continue to be one of the Group's main focuses with regard to the subject of remuneration.

# Section I -Remuneration policy

## 1. The basics, the principles, the measures

### 1.1 The basics

In determining the payment strategy it is imperative to align with:

- our mission, in particular as far as the will to generate constant and excellent results for our stakeholders in the short and medium-to-long term is concerned, at the same time ensuring the sound and prudent management of risk, alignment with strategic targets and equilibrium of the company;
- our values, specifically responsibility, reliability and commitment to the community, which must be adhered to as much by top management as by our employees in achieving the objectives assigned to them;
- our governance, a company/organisational model and set of rules that guide the operations towards:
  - a precise and constant adherence to the rules,
  - compliance with the ways in which relations are managed between the governing bodies and various corporate structures,
  - observance and adequacy of the existing risk management and control processes;
- our sustainability policy, the main priorities of which include the pursuit of sustainable growth over time and making the most of people who work within the Group, recognising individual contributions to the success of the organisation, including appropriate remuneration, and, at the same time, discouraging conduct which fosters excessive exposure to risk.

The remuneration policy thus defined in turn supports our mission, values, governance and sustainability, giving rise to a continuous interaction that allows, on the one hand, a steady improvement of the remuneration practices adopted and, on the other hand, the consolidation of the elements considered above, whilst meeting the needs of our stakeholders in a more satisfactory manner.

### 1.2 The principles

The objective of our remuneration policy is to guarantee adequate remuneration in the light of sustainable performance.

With this goal in mind, our actions are governed by the following cardinal rules:

- internal equity: remuneration should be consistent with the role and responsibilities assigned as well as the skills and abilities demonstrated. This is true for the top positions as well as for other bands, with the latter coordinating with the provisions of national collective agreements and corporate regulations in effect;
- competitiveness: remuneration must be balanced in relation to that of the reference markets; it is for this reason that monitoring and regular remuneration analyses are performed for different professional families and/or roles, business types and geographic areas. For the top positions, the Remuneration Committee identifies direct competitors, which make up a panel of peers to be used as a reference for forming remuneration benchmarks; for the remainder of the employees, comparisons are made through participation in remuneration surveys, both within the industry and in general;
- consistency: meaning the ability to agree across the whole Group similar remuneration for professionals who can be considered similar, taking into account business type, geographic area and other factors which could influence the rate of remuneration. At the same time, this encourages the development of human resources, through both national and international mobility;

- meritocracy: meaning a system used to consistently reward results and the behaviour used to achieve them. This behaviour should involve constant compliance with regulations and procedures in place, a detailed risk assessment and a suitable reorganisation of the relevant actions on the basis of a longer time span, so as to facilitate the achievement of results in the short and medium-to-long term.

The application of these principles strengthens the motivation and loyalty of employees, particularly those considered strategic or having potential, and enables Generali to continue to establish itself as one of the best employers, both in Italy and internationally, capable of attracting the best talent.

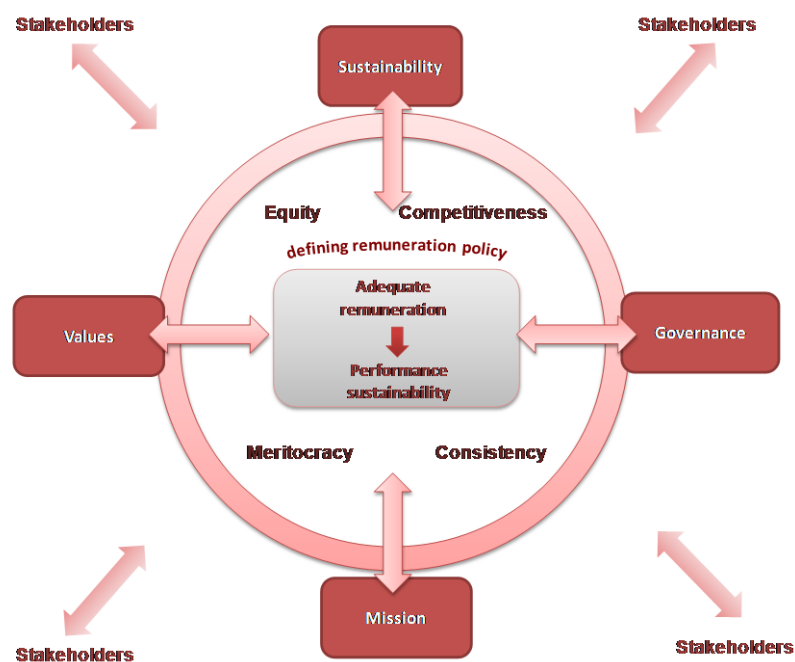
### 1.3 The measures

On the basis of these principles, the following measures should be put in place in order to establish remuneration policies and levels:

- defining a balanced remuneration package. Specifically:
  - defining a comprehensive remuneration package proportional in its fixed components, variable components and benefits, and guaranteeing a correct balance, including with regard to the variable remuneration, between short-term and medium-to-long-term contracts, in order to avoid the adoption of conduct that favours short-term results over medium-to-long-term goals;
  - defining a comprehensive remuneration package that is fair and competitive, including by adopting alternative or additional solutions to monetary remuneration, such as benefits, with a view to optimising the efficiency of interventions in financial terms;
- ensuring a linear connection between remuneration and performance, whilst adopting a flexible and differentiated approach. More specifically, adopting reward schemes that fulfil the requirements/elements listed below:
  - using measures for determination of the variable component that incorporate – in setting the objectives, target values and parameters and in the subsequent correlation between results and incentives – pre-determined goals, clarity, unambiguous interpretation, transparency and measurability;
  - setting maximum and minimum limits on bonuses, beyond which the incentives are not given;
  - deferral of a proportion of variable remuneration, whose size and duration must be consistent with the characteristics of our activities and our risk management practices, through the adoption of long-term incentive schemes;
  - differentiation of the incentives, on the basis of a meritocratic approach that takes into account the role and the specific sector in which the recipients operate, and other distinguishing factors that may be relevant from time to time;
  - flexibility, so that individuals can be rewarded whilst also considering the overall performance of the structure/company/group and the economic and financial context at that time;
- aligning the performance of the recipients with shareholder interests, adopting a multi-annual and multi-dimensional approach. Specifically:
  - defining *a priori* objectives directly related to the creation of shareholder value both in the short and medium-to-long term;
  - defining short-term annual remuneration objectives consistent with those fixed for the medium-to-long term;

- evaluating performance over time, both in absolute and in relative terms, measuring the impact of performance over the year and over a longer period of time;
- evaluating performance on the basis of other factors, such as risk management and the cost of company capital, with a view to sustainability;
- foreseeing, where possible, non-financial and -economic objectives, in order to ensure an effective reward system which also recognises the ways in which results are achieved, such as sustainable behaviour supporting the company in terms of customer engagement, growth of internal resources, improvement in procedures, and compliance with internal and external regulations, whilst remaining consistent with the Group strategy in terms of sustainability;
- acting in compliance with procedures and regulations. Specifically, guaranteeing:
  - quick access to data confirming the results for the bodies entrusted with control;
  - independence for the roles involved in the preparation of the incentive schemes and those that perform the necessary evaluations and subsequent checks;
  - the effectiveness over time, as far as possible, of plans for regulatory purposes, taking into account possible future developments.

#### Our approach in determining remuneration policy



## 2. Recipients of the remuneration policy

Based on the above and taking into account the diversity of the roles considered, remuneration policies are developed with a view to remunerating the various contributions made by the recipients in different ways. Specifically, the policies illustrated later on in this Report refer to members of corporate bodies (the Board of Directors, including the Managing Director and Group CEO (hereafter the “Group CEO”<sup>1</sup>) and the Board of Statutory Auditors), as well as Company “personnel”<sup>2</sup> identified on the basis of the criteria indicated in Article 2.1 f) of ISVAP

<sup>1</sup> Who also holds the office of General Manager.

<sup>2</sup> The category of “personnel” significant for the purpose of ISVAP Regulation No. 39/2011, in addition to general managers, also includes management personnel with strategic responsibilities, i.e. deputy general managers and assistant general managers. The



Regulation No. 39/2011, i.e. “general managers, management with strategic tasks, managers and top level personnel in the internal control functions and other categories of personnel whose activity may have a significant impact on the risk profile of the business”.

This having been stated, it should be pointed out that the definition and identification of managers with strategic responsibilities is in the process of being reviewed using new criteria aimed at placing greater importance on the following factors:

- the strategic nature of the activities conducted;
- the possibility that they will have an impact on risk;
- their capacity to influence the achievement of business results.

In relation to this, with a view also to adopting specific guidelines for the Group for managing these roles, a process has been launched to review the Group's corporate titles, with the aim of defining a new qualification model for managerial positions which is applicable both across Assicurazioni Generali and in all countries where the Group has a presence.

Therefore, in anticipation of the definitive model for corporate titles becoming operational, it is expected that in Assicurazioni Generali managers with strategic responsibilities will be members of the Group Management Committee (hereafter “GMC”)<sup>3</sup>, as well as the top executives reporting to the Group CEO with the characteristics described above, i.e.:

- Group Chief Insurance Officer,
- Group Chief Financial Officer,
- Group Chief Investments Officer,
- Group Chief Operations Officer,
- Group Chief Risk Officer,
- Country Manager for Italy,
- Country Manager for France,
- Country Manager for Germany,
- Global Business Lines Manager,
- Group HR & Organization Manager,
- Group General Counsel,
- Group Strategy & Business Development Manager,
- Group Marketing & Communication Manager.

In addition to these roles there are the heads of the Compliance, Internal Audit and Risk Management functions, as well as their first reports.

### 3. Bodies assigned/involved in the definition, approval, implementation and verification of the remuneration policy - Decision-making processes

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heads of the Compliance, Internal Audit and Risk Management functions are also added to these roles, as well as top executives reporting to the latter. Therefore, on the basis of the above-mentioned criteria, it should be pointed out that within Assicurazioni Generali the following positions are present: Group Chief Insurance Officer, Country Manager for Italy and Global Business Lines Manager, as General Managers; the 13 managers who hold the office of Deputy General Manager or Assistant General Manager; under management personnel with strategic responsibilities we have not counted the Group Chief Risk Officer, even though he comes under this category, since – on the basis that at the same time he also holds the role of head of the Risk Management function – this has been included in the category of “personnel” under control function managers. As well as the above persons, there are the 3 heads of the control functions, respectively Group Internal Audit, Compliance and Risk Management, and the 4 top executives operating under the scope of these functions.

<sup>3</sup> It should be noted that the establishment of the GMC took place through the resolutions first of the Executive Committee on 19 October 2012 and later of the Board of Directors on 8 November 2012. This body was assigned the fundamental task of identifying the strategic priorities of the Group and ensuring operational consistency.

As far as the Country Managers for France and Germany are concerned, it should be pointed out that these managers are not employees of Assicurazioni Generali S.p.A.; therefore, for these persons the remuneration and governance policies illustrated in this Report will be subject to application in compliance with the respective governance and in compliance with local rules and regulations.

Determining, approving, implementing and then verifying the remuneration policy falls under the remit of various bodies and/or functions and requires the involvement and/or support of different individuals depending on the recipients to whom they are addressed.

As far as the definition of policies aimed at corporate bodies and “personnel” are concerned, based on the guidelines issued by the Board of Directors and with the favourable opinion of the Remuneration Committee, the related proposals are drawn up by Human Resources (Group Development & Reward function), involving, according to the skills required, the Group Internal Audit, Compliance and Risk Management departments. Human Resources can also take advantage of the contribution of other Group functions and structures, such as the Group Legal Affairs Department, the Group Corporate Affairs Department, the Group Strategic Planning & Control Department and the Group Organisation Service, bringing together and coordinating their respective contributions.

The proposals are then put to the Group CEO, who vets their contents and form and, having requested any additions and amendments, submits them to the Remuneration Committee, which expresses its opinion and, in turn, submits them to the Board of Directors. As far as the remuneration policy for the Group CEO is concerned, the proposal is formulated by the Remuneration Committee, with the support of the Group Development & Reward function, and is put to the Board of Directors for discussion.

Once approved by the Board, the policies are then submitted for approval by the Shareholders’ Meeting.

The roles of the various individuals involved in the definition, approval, implementation and subsequent verification of the remuneration policy are illustrated below.

### **3.1 Shareholders’ Meeting**

Pursuant to the Bylaws, the Shareholders’ Meeting:

- a) approves the remuneration policy for members of the corporate bodies and “personnel”, in addition to the remuneration plans based on financial tools (Article 19.1, d));
- b) determines the annual gross pay due to members of the Boards of Directors and Statutory Auditors (see Article 19.1, f) and e)).

### **3.2 Board of Directors**

The Board of Directors defines the remuneration policy for members of the corporate bodies and “personnel”. In relation to this, it decides on remuneration policies, or subsequent revisions, for approval by the ordinary Shareholders’ Meeting.

The Board of Directors also ensures that the remuneration policy is regularly reviewed in order to ensure that it is constantly updated and remains consistent with the principles of sound and prudent management, as well as in line with the interests of stakeholders. For this purpose it periodically uses benchmarks designed by both corporate functions and external consultants, specifically as far as verifying the positioning of remuneration in relation to the reference markets is concerned. External consultants can also be used for changing or preparing the remuneration policy.

In this context it should be noted that Assicurazioni Generali has used the consultancy services of Aon Hewitt for the preparation of the new remuneration policy to be applied to the Group CEO and managers with strategic responsibilities starting from this year, and has not used the remuneration policy of other companies as a reference.

Lastly, under the scope of activities related to the definition of remuneration policy, the Board of Directors takes note of the evidence presented by the Remuneration Committee with regard to the proportionality of the remuneration of the Group CEO in relation to company personnel.

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

For some categories of recipients this translates directly into determining the related remuneration; on that basis, this body determines, with regard to the remuneration policy it has defined and having obtained the opinion of the Board of Statutory Auditors, the remuneration due to directors with special responsibilities (Article 36.1 of the Company Bylaws), directors who are also members of advisory committees (Article 34.1 of the Company Bylaws), and, currently, the General Managers and the Deputy General Managers. This having been stated, it should be pointed out that on 22 February 2013 the Board of Directors resolved that the responsibility for defining the remuneration of the members of the GMC pertains to the latter, upon the proposal of the Group CEO and having obtained the opinion of the Remuneration Committee, without prejudice to the powers of the Control and Risk Committee with reference to the Group Chief Risk Officer. The decision to determine the remuneration of the individuals listed above was taken by the board taking into consideration the fundamental role assigned to this body and therefore to its members<sup>4</sup>.

The board also defines the remuneration of the head of the Internal Audit function, having obtained the opinion of the Control and Risks Committee, which is binding, and consulted the Board of Statutory Auditors, on the proposal of the Chairman of the Control and Risk Committee. It also defines the remuneration of the heads of the Compliance and Risk Management functions, on the proposal of the Group CEO and having obtained the opinion of the Control and Risk Committee, having also consulted the Board of Statutory Auditors.

As far as the remuneration of the remaining control function personnel is concerned, this is determined by the Group CEO in line with the policies defined by the Board of Directors for these individuals.

With regard to the other categories of recipients, for which the Board of Directors is not responsible for determining remuneration, a report produced by the competent function operating under the scope of Human Resources is submitted annually, to enable checks as to whether the remuneration policy defined for the above-mentioned individuals is correctly implemented.

The Board of Directors also submits an annual report, in turn, on the application of the remuneration policies to the Shareholders' Meeting, accompanied by quantitative data.

Lastly, under the scope of the activities designed to ensure overall consistency of remuneration policies within the insurance group, the Board of Directors issues appropriate guidelines on the subject of remuneration for the insurance group companies, in compliance with the provisions of ISVAP Regulation No. 39/2011, as specified in Chapter 6 below.

### **3.3 Remuneration Committee**

The Remuneration Committee was set up by the Board of Directors as a body with consultative, proposal and investigative powers, based on Article 34.1 of the Company Bylaws.

The current Committee will remain in office until the Shareholders' Meeting that will approve the financial statements for 2012 and is made up of the following members:

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<sup>4</sup> This new structure of responsibilities will temporarily operate alongside the existing one until the new Group corporate titles model comes into operation.

## Remuneration Committee

| Office   | First name, last name |
|--|-----------------------|
| Chairman   | Paolo Scaroni         |
| <u>Non-executive and independent Director</u>          |                       |
| Member of the Committee                                | Lorenzo Pellicoli     |
| <u>Non-executive and independent Director</u>          |                       |
| Member of the Committee                                | Claudio De Conto      |
| <u>Non-executive Director and independent Director</u> |                       |

The responsibilities of the Committee are:

- providing opinions and proposals to the Board of Directors on the definition of remuneration policy aimed at members of corporate bodies and “personnel”, as identified in Chapter 2;
- providing opinions and proposals, which are not binding, to the Board on the subject of determining the remuneration due to Directors;
- providing opinions and proposals to the Board on the subject of the amount of pay due to the Chairman of the Board of Directors and the Group CEO and members of the Board who also hold special offices or who are also members of the board committees; providing opinions and proposals, which are not binding, on the subject of the amount of pay due to those who have important roles within the Group and belong to the GMC<sup>5</sup>, upon the proposal of the CEO, without prejudice to the powers of the Control and Risk Committee relating to the Group Chief Risk Officer;
- regular evaluation of the criteria adopted for the remuneration of Directors and management personnel with strategic responsibilities, making use, in the latter case, of information provided by the Group CEO, and giving general recommendations on the subject to the Board of Directors;
- monitoring the implementation of the decisions taken by the Board of Directors based on the proposals submitted;
- verifying the proportionality of the remuneration of the Group CEO in relation to Company personnel;
- verifying the independence of any external consultants used for consultancy services regarding remuneration.

In order to report to the Shareholders' Meeting on the methods of performing the Committee's functions, the Chairman of the Committee or another member of the Committee itself is always present at the annual Meeting.

In performing its duties, this body has the right to access the information and corporate functions necessary to carry out the tasks entrusted to it. The Chairman of the Board of Statutory Auditors routinely attends these meetings.

The above body regularly carries out the proposal and consultation activities under its remit, and writes the minutes and reports required by the Company.

### 3.4 Group CEO

Based on the powers assigned to him by the Board of Directors on the subject of the management of human resources and organisation, the Group CEO provides proposals regarding guidelines on the subject of company and Group remuneration policies.

Besides this, he formulates proposals regarding remuneration policies for management personnel with strategic responsibilities; the Group CEO, in particular, provides proposals on the remuneration of GMC members, without prejudice to the powers of the Control and Risk Committee with regard to the Group Chief Risk Officer.

He is also responsible for the definition of the financial position of personnel of every level within the Company in Italy, without prejudice to the powers of the Board of Directors<sup>6</sup>.

<sup>5</sup> Alongside this role, still on a provisional basis, as explained previously in Chapter 3.2, is that of providing opinions and formulating proposals, which are not binding, for the Board of Directors, upon the proposal of the Group CEO, on the subject of the remuneration of the Deputy General Managers who do not have one of the roles included in the GMC. In addition, as far as transactions with related parties regarding the payment of Directors, Standing Statutory Auditors and management personnel of the Company at a level of at least Assistant General Manager are concerned, the Remuneration Committee, which is composed of independent directors only, performs the functions assigned to the Committee for the evaluation of Transactions with Related Parties.

<sup>6</sup> With the exception, therefore, of GMC members and management personnel who currently occupy the roles of General Manager and Deputy General Manager and the heads of the control functions. With regard to the General Managers and Deputy General Managers, he submits proposals to the Board of Directors; with regard to the heads of the control functions, he provides proposals on the remuneration of the Head of Compliance and the Head of Risk Management.

He also submits proposals to the Executive Committee in relation to the top positions in companies of strategic importance to the Generali Group. In relation to the last point and as detailed in Chapter 3.2, the Group CEO has responsibility for formulating the remuneration proposals for the members of the GMC<sup>7</sup>, without prejudice to the powers of the Control and Risk Committee with reference to the Group Chief Risk Officer.

### **3.5 Board of Statutory Auditors and Control and Risk Committee**

The Board of Statutory Auditors has the task, pursuant to Article 36.1 of the Company Bylaws, of providing opinions on the remuneration of directors invested with special offices; these opinions are also provided on the remuneration of members of the GMC.

It also gives its opinion about the remuneration of the head of the Internal Audit department, as well as the remuneration of other heads of control functions.

On the other hand, as far as the Control and Risk Committee is concerned, this body gives its opinion on determining the remuneration of the head of the Internal Audit function, binding in this case, and the other heads of the control functions, respectively, which are put to the Board of Directors. Under the scope of the policies defined for the heads of control functions, the proposal for the head of the Internal Audit function is formulated by the Chairman of the Control and Risk Committee.

### **3.6 Control functions and Human Resources**

The internal functions which are involved and collaborate in various ways in the definition and/or later verification of the correct implementation of the remuneration policies are:

- the Compliance function, which verifies that the remuneration policies are consistent with the objectives of complying with existing regulations on the subject of remuneration, including the provisions of the Bylaws, Corporate Governance Code for listed companies and Code of Conduct, from a standpoint of preventing the risk of incurring judicial or administrative sanctions, capital losses or reputational damage. This function refers proposals to the relevant bodies on the outcome of the checks carried out and indicates any corrective measures;
- the Internal Audit function, which verifies the correct application of the remuneration policies based on the guidelines set out by the Board of Directors with a view to efficiency and safeguarding the capital of the business. In this case, too, the function is called upon to report to the Board of Directors and the bodies responsible for the adoption of any corrective measures on the outcome of the checks conducted;
- the Risk Management function, which verifies the suitability of the criteria and relevant indicators used for the evaluation of performance in relation to the risk management strategies established by the Board of Directors; it also reports to the bodies responsible for the adoption of corrective measures;
- the Human Resources Department, which provides technical assistance, including in terms of reporting, and provides support material for the definition of policies; more specifically, the functions involved are Group Development & Reward, for the implementation of remuneration systems, analysis of remuneration levels in terms of internal equity and compared to the markets selected, and monitoring remuneration dynamics, and the Group Organisation Service for the evaluation of roles using the Hay method.

Other functions, pertaining to the Group CFO, are involved in the definition of remuneration policies for the identification of quantitative parameters relating to the strategic targets to be linked to the variable component and for determining the expenses budget.

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<sup>7</sup> As a result of this, the proposals with regard to determining the remuneration of chairmen, managing directors and general managers (or members of the top management who hold similar roles) of subsidiaries which are of strategic importance who hold one of the positions in the GMC are formulated by the Group CEO and put to the Board of Directors rather than to the Executive Committee.

## 4. Remuneration policies for the members of corporate bodies and “personnel”

### 4.1. Remuneration policies for the Group CEO and management personnel with strategic responsibilities

The Group CEO and Management Personnel with strategic responsibilities receive an overall remuneration package (so-called total compensation), made up of a fixed component, a short- and medium-/long-term variable component and benefits.

In order to give a correct representation of this compensation package, the new Group remuneration policies that the Company intends to introduce for managers considered strategic and personnel who, due to their role and position, could have a direct impact on the achievement of Group results are illustrated below. The aims of these revisions are as follows:

- to align the behaviour and expectations of management with the overall Group targets and results under the scope of shared risk policies;
- to reinforce the culture of the Group, linking the incentive scheme more closely with Group results;
- to consolidate the Group philosophy of total compensation;
- to ensure the consistency of the remuneration packages from a Group perspective.

The guiding principles are:

- the remuneration package for those who are considered as having key roles in the Group is clearly defined and directed at the long term;
- the structure and the level of total compensation are aligned with Group risk policies and risk taking capacities;
- expected performance is clearly defined through a structured performance management system;
- variable remuneration is related to Group performance indicators, business sector, divisions/business units and functions, as well as individual results;
- variable remuneration is determined through short- and long-term incentive schemes related to Group performance indicators, both absolute and relative, and the overall cost of the variable system is related to the results of the Group in the long term;
- the structure of the long-term incentive scheme connects remuneration with the development of performance and future risks.

During the course of 2013, the remuneration packages for the personnel in question will be reviewed in order to make them more consistent with the above-mentioned principles.

As far as the current positioning versus the external markets of the remuneration packages of the recipients of the remuneration policies is concerned, such positioning is generally oriented towards reflecting the median level of the international market for the GMC roles and the median level of the domestic market for all the other roles.

#### 4.1.1 Fixed pay

Remuneration for a role and in particular for the responsibilities assigned to the role, taking into account experience, quality of the contribution made to the business results and excellence shown in the conduct of the assigned functions.

The weighting of the fixed component must affect the total remuneration to an appropriate extent in order to attract and retain staff and, at the same time, reward the role to a suitable extent, even in the case of failure to meet the incentives and insufficient results, in order to discourage conduct that is not proportional to the degree of risk undertaken by the Company in achieving its desired results in both the short and medium-to-long term. Lastly, it should allow for the variable pay component to be expanded, especially when particularly strong results are achieved.

### 4.1.2 Variable pay

Variable pay is aimed at motivating management to achieve both short- and long-term business goals, relating them to the creation of value for shareholders.

Performance is evaluated through a multidimensional approach which, depending on the time scale taken into consideration, takes into account results achieved by individuals, those achieved by the structures in which they operate and the results of the Group in its entirety, as well as those of the competitors which make up the reference peer panel.

Below is a summary of the tools that will be used from this financial year in determining variable pay.

#### A. *Short-Term Incentive (STI)*

Individual performance is evaluated on the basis of both absolute performance, measured through the achievement of annual targets, and relative performance, evaluated under the scope of a calibration meeting during which the individual performance levels are evaluated both in relation to those of other Group key strategic managers and in the context of the respective reference markets.

At the start of each financial year a funding pool is defined, consisting of the total amount available for payment of the STI in relation to Group performance. The funding target level, calibrated on the performance target, is given by the sum of the individual bonus target levels.

The Board of Directors approves the STI matrix, which connects the business performance to the potential funding pool.

The funding planned for the STI pool, as a percentage of the target pool, is defined at the end of the reference year for the measurement of performance. Taking into account the business results and risk indicators, the Group CEO proposes the final funding pool to the Remuneration Committee, which gives its opinion for the purpose of approval by the Board of Directors<sup>8</sup>. Having verified that the Group Solvency I Ratio has been achieved, based on the level of achievement of Group targets (operating profit and net profit), the funding pool can vary from a minimum of 60% to a maximum of 150% of the target level. There is no funding or payment of bonuses below the minimum results. However, the Board of Directors can authorise a proportion with the objective of rewarding any particularly significant performance.

For the year 2013, the Group Solvency I Ratio level to be achieved has been fixed at 140% (hurdle).

The evaluation of the Group results to which the funding is related and of the results achieved by individual recipients with regard to the targets fixed in the Balanced Scorecards takes into account the necessary considerations on the subject of current and future related risks as a priority.

This process is aimed at ensuring that the STI rewards effective performance, evaluation consistency at Group level and individual contribution towards achieving Group results.

The allocation of the short-term component of variable pay to participants is determined in relation to the capacity of the funding pool available and the level of individual performance, measured through a Group performance management process. This process uses an individual performance indicator on a scale of 1 to 5 (where 5 is the maximum value) and is related to Group guidelines for determining the incentive related to each performance level.

The cascading of targets is defined through the use of a Balanced Scorecard (BSC), which the individual recipients are notified of. The BSC structure includes the following categories with weightings of not less than 10%:

- Strategic Progress;
- Business Delivery & Financial Performance;

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<sup>8</sup> It should be noted that the short-term portion of the variable remuneration of the Group CEO does not come under the calculation of the funding, because it is determined by the Board of Directors.



- Process Effectiveness, Risk and Control;
- Customer Engagement;
- People Management.

With regard to the current financial year, which is the first year the new incentive scheme has been operational, all of the above may not be evaluated for the BSCs of the members of the GMC, as calibration will only take place in 2014.

The BSC involves the definition of the expected target level for each objective; the target level achieved (not reached, reached, exceeded) is defined on the basis of the effective target level percentage achieved.

For the *Group CEO* the assessment of results achieved and the consequent *bonus* determination is rolled out by the Board of Directors on a Remuneration Committee proposal; for the other GMC members, such assessment and the consequent bonus definition is rolled out by the Board of Directors based on the Group CEO proposal, having obtained the opinion of the Remuneration Committee; finally, as far as the other strategic roles are concerned, the results obtained in this way are discussed by the GMC at a calibration meeting, during which individual performances are evaluated in order to determine definitive performance, taking into account results achieved by other Group key strategic personnel and the overall performance of reference markets. The relevant bonus amounts are determined on the basis of individual performance. The payment, both for those who work in Assicurazioni Generali and in other Group Companies, are then paid out after the Board of Directors has certified the level of achievement of the objectives.

The various categories contain predetermined, measurable targets, both quantitative and qualitative, which allow multiple aspects of company performance to be monitored; these targets are also differentiated according to the various skills and operational environments of the recipients. The targets mainly used are operating profit, net profit, combined ratio and General Expenses.

### *B. Long-Term Incentive (LTI)*

This system, whose use is in line with the most widespread practice at international level, pursues the goal of growth in value of company shares, at the same time aligning the financial interest of the recipients of the LTI with that of the shareholders.

In this sense, in order to improve the correlation between company performance and the contribution to the generation of value for shareholders, it has been decided to interrupt the current Long-Term Incentive Plan and adopt a new one, more in line with these expectations.

The incentive plan is aimed at strengthening the bond between the remuneration of management and expected performance in accordance with the Group strategic plan (so-called absolute performance), as well as the bond between remuneration and the generation of value in comparison with a peer group (so-called relative performance).

The Plan is also aimed at inducing loyalty in management at Group level.

The performance of the participants in the plan will, in this way, be even more focused on the achievement of the targets set in the Generali Group strategic plan, in order to ensure growth in results, cash flows and balance sheet for the Company and the Group.

In this framework, the Plan complies with the regulations and principles on the subject at national and transnational level, also taking into account the recommendations on remuneration policy for directors and management personnel with strategic responsibilities set out in the Corporate Governance Code for listed companies. It is also in line with the internationally adopted best practices.

The Plan is based on the following fundamental aspects:

- the plan is a rolling plan, with each year triggering a new cycle lasting three years;
- the incentive for reaching the targets is provided through the allocation of Assicurazioni Generali S.p.A. ordinary



- shares;
- the targets to which the provision of the incentive are subject are defined at the beginning of the three-year period of each cycle;
  - the number of shares to be granted is also determined at the start of each three-year period;
  - a three-year vesting period has been defined;
  - malus and claw back clauses are in place;
  - a minimum access threshold for every tranche has been identified;
  - the objectives that drive the incentive payment for the cycle 2013-2015 are RoE and relative TSR compared to a group of peers. As far as the heads of the control functions are concerned, the Board of Directors, based on the Control and Risk Committee proposal for the Head of Group Audit and on the Group CEO proposal for the heads of Compliance and Risk Management, will define year by year the qualitative objectives, having heard the opinion of the Board of Statutory Auditors and, for the heads of Compliance and Risk Management, the opinion of the Control and Risk Committee.

In detail, the maximum number of target shares that can be assigned at the end of each cycle is calculated based on the ratio between the maximum bonus (calculated as a percentage of gross annual recurring remuneration) and the value of the share, calculated as its average value over the 3 months prior to the Board of Directors meeting which approves the draft balance sheet and the consolidated balance sheet referred to the exercise prior to the one in which the cycle starts. The number of shares can go down to a minimum level (also calculated as a percentage of the gross annual recurring remuneration), below which no shares are granted.

The maximum number of shares to be granted will be divided into three tranches, each relating to one of the three years of the cycle, and considered to represent 30%, 30% and 40% respectively. Each year the level of achievement of the targets set for the three-year period will be monitored to determine the number of shares to be set aside for each tranche. The actual provision of the shares set aside is also subject to the annual verification of whether the individual in question has exceeded the minimum access threshold, which, for the cycle which starts in the current financial year, has been identified in the Group Solvency Ratio calculated using Solvency I criteria. In order to allow the actual provision of the first tranche, the Solvency Ratio level should not be lower than 140%. For the second tranche, in 2014, this level should not be lower than the higher value between 140% and the level reached in the previous year. Finally, for the provision of the third tranche, in 2015, this level should not be lower than 160%.

The total of the shares set aside in each of the three years will only be definitively granted at the end of the three-year period, after verifying that the targets for the third year have been reached.

The targets to which the provision of the shares should be related are the total shareholders' return (rTSR, compared with a peer group identified in the *STOXX Euro Insurance Index*) and the return on equity (ROE). The expected levels of achievement for these targets will be identified at the start of each cycle and will remain as such for the entire duration of the three-year period. The performance level and the corresponding incentive level are determined by the evaluation of the simultaneous achievement of the two targets described above. The level of performance is represented in a matrix which identifies the ROE ranges and the relative rTSR quadrants and, according to the intersection of the respective results, defines the percentage of shares in relation to the maximum value.

According to the reference matrix, no incentive is provided if at least one of the targets is reached at a level below the minimum (threshold). If the ROE result is between the maximum band and the minimum band, the value of the incentive follows a progressive trend equal to  $\pm 25\%$ . If the rTSR result is between the maximum quadrant and the threshold, the incentive follows a progressive trend equal to  $\pm 25\%$ . The effective incentive levels are determined by the corresponding percentage with reference to the ROE achievement bands and simultaneous achievement of the related TSR quadrant. For levels above the ROE target, an overperformance cap is imposed.

At the end of the third year, the shares set aside are definitively granted to the recipients in a single instalment, as long as the employment relationship with the Company or with another Group company has not ceased as at the grant date. 50% of the total will be available immediately, 25% will be subject to a lock-up period lasting one year, and the remaining 25% to a lock-up period lasting two years, without prejudice to the fact that directors who participate in the Plan can keep an appropriate number of shares granted until the end of their term of office.

For the purpose of implementing the Plan, the shares to be granted to the recipients of the Plan for free, under the conditions set out therein, for the first cycle will be taken, in full or in part, from the stock of treasury shares that may be purchased by the Company in the execution of the relevant authorisation of the Shareholders' Meeting

pursuant to Articles 2357 and 2357-ter of the Italian Civil Code and/or from a possible dedicated free share capital increase through the use of profits and/or reserves pursuant to Article 2349, paragraph one, of the Italian Civil Code.

#### 4.1.3 Consistency between remuneration policies and the pursuit of the Company's long-term interests and the risk management policy

The remuneration policy illustrated above ensures, in its entirety, consistency with the pursuit of the company's and the Group's long-term interests, as well as with the Group's risk management policy.

Specifically, as far as the variable component is concerned, the combined use of the Short-Term Incentive Plan (STIP) for the short-term component and the Long-Term Incentive Plan (LTIP) for the medium-/long-term component is designed to direct the activities of recipients towards pursuing equilibrium and profitability for the business in the medium/long term, through a series of *ex-ante* and *ex-post* measures – partly described above – which impact on the process of determining and supplying the variable pay component.

The measures adopted are summarised below, with regard in particular to the Group CEO and other Management Personnel with strategic responsibilities.

#### B. *Balancing remuneration components*

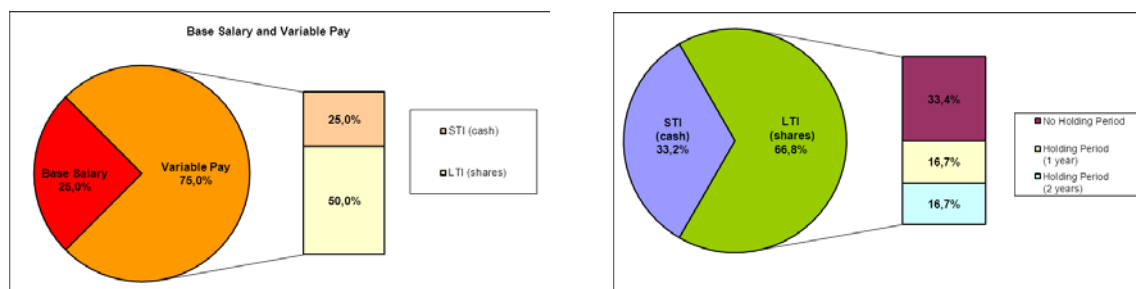
With regard firstly to the amount of fixed pay and variable pay as a proportion of total pay, and secondly to the weighting of the short-term and long-term components of the variable remuneration on the total of the latter, the balance setoff these components is designed to facilitate the pursuit of the interests of the company and the Group in the medium-to-long term, while the fixed component is designed to reward the role even in the absence of results.

In effect, in the first case there is a direct correlation between the responsibilities allocated and the proportion accounted for by the variable pay component, whereby as the former increases there is a corresponding substantial increase in the weighting of the latter. In the second case, too, the balance between the two variable pay components, the proportion accounted for by the long-term component, broadly speaking, increases as the responsibilities increase.

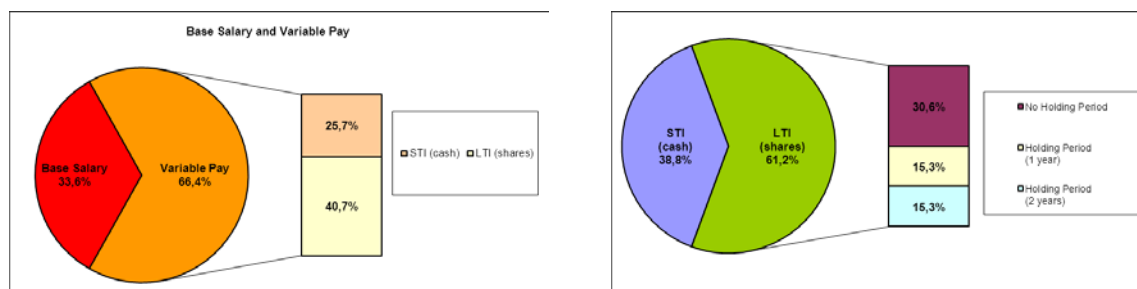
It should be pointed out that the balance in question has been devised based on the hypotheses set out in the methodology note mentioned below and on the assumption that the scheme is fully operational (taking into account the potential effects that the LTI in question will have starting from 2016).

#### **Hypothetical amount of fixed pay and variable pay components as a proportion of the total, with an indication of the weighting of the short-term and long-term components and the amount of the short-term and long-term components as a proportion of total variable pay**

##### Group CEO



## Members of the GMC



**Methodology note:** performance estimated at the target; STI: annual payment in cash. LTI: payment after 3 years in shares; 50% without constraints; 25% frozen for a year; 25% frozen for two years. The hypothesis is based on the value of the shares remaining constant during the reference period.

### B. Measuring performance – annual and three-year goals

Given that the Company has annual and three-year targets, performance evaluation is based on a multi-year time frame. This ensures a strict correlation with the expected performance levels for the year in progress and for the next three-year period based on the business plans.

### C. Payment of the variable component: minimum access levels, maximum limits, deferment and share holding period, malus and claw-back clauses; conditions precedent

As far as the payment of the variable component is concerned, minimum access levels and maximum limits in the case of overperformance have been identified, for both STIPs and LTIPs, and a share of the incentive will be deferred.

In effect, the payment of variable remuneration is diluted over a 5-year period: after the first annual accrual period linked to the targets in the STIP being reached, an initial cash portion is provided. At the same time, under the scope of the LTIP, and after the initial accrual period, a portion of shares is set aside, equal to 30% of the target, based on the annual performance in relation to the three-year targets. After the second accrual period, a further portion of shares is set aside, again equal to 30% of the target based on the performance level for the second year in relation to the three-year targets. The same happens at the end of the third year for a number of shares equal to 40% of the target. The shares are all granted in the third year; part of them is subject to a further period of non-availability of one or two years.

Conditions precedent have also been adopted: specifically, for both the STI and the LTI, there is the possibility of not paying the bonus, in full or in part, if the minimum level for the targets deemed by the Board of Directors to be strategic is not reached at Group level. Besides this, the STI will not be paid out if the Group Solvency Ratio level, calculated based on the Solvency I criteria, is lower than 140%, and the three tranches of the LTI will not be set aside if the level of the Group Solvency Ratio, calculated based on the Solvency I criteria, is below the levels described in Chapter 4.1.2 B).

Finally, claw-back clauses have been adopted which allow the Company to reclaim all or part of the short- and medium-long-term variable components paid on the basis of results which proved to be non-lasting due to wilful misconduct or gross negligence by the recipients. Malus clauses have also been adopted, according to which all or part of the shares that have been set aside may not be granted if the Company's financial position or asset situation has noticeably deteriorated, as certified by the Board of Directors.

### D. Risk Management

With a view to developing remuneration policies consistent with sound and prudent risk management, the Group Solvency Ratio, calculated using the Solvency I criteria, is deemed the most appropriate parameter with regard to risk management.

#### 4.1.4 Further remuneration

##### *A. Remuneration as directors of subsidiary and associated companies*

The remuneration received by the Group CEO and management personnel with strategic responsibilities as directors of subsidiary and associated companies must be transferred to the Parent Company, except in exceptional cases, which must be duly formalised and justified, as authorised on a case-by-case basis by the competent bodies.

##### *B. Exceptional remuneration and supplementary payments/improved terms*

These are elements of remuneration which, in particular situations (described in more detail below), can be granted on a one-off, ad hoc basis to certain top level individuals, without prejudice to their extraordinary nature.

More specifically, this involves entry bonuses, guaranteed variable components, extraordinary bonuses, retention bonuses, both in cash and in financial instruments, or additional payments or more favourable terms compared with those governed by the policy, as in the case of benefits. They are paid extraordinarily to promote the engagement of these top level people, during the start-up of particularly important projects, if exceptional results are achieved or if there is a risk of losing key employees who would be difficult to replace.

These remuneration elements are paid under the scope of governance processes on the subject of remuneration, and precise information is given in compliance with the provisions of existing regulations.

#### 4.1.5 Benefits

This is a valuable component of the remuneration package – with a view to total compensation – in addition to the monetary payment.

The benefits generally differ depending on the recipient categories, both in total value and in type, and consist mainly of supplementary pension and health care plans for employees and their families. Supplementary pension and health care plans for the Group CEO and management personnel with strategic responsibilities are governed by industry contractual regulations and by the regulations for Generali Group directors, which contain several provisions for improvements. At supplementary agreement level, there are also provisions for additional insurance cover, such as long-term care in the case of permanent disability, and guarantees in case of death and permanent total invalidity as a result of an accident or illness, whether work-related or not, and for the case of partial permanent invalidity as a result of an accident or illness.

More favourable contract terms are also provided for subscription to insurance and banking products, while improved terms are granted in access to loans/mortgages for purchasing a home or a car.

The benefit package for the Group CEO and management personnel with strategic responsibilities also includes a mixed use company car and a fuel card.

Lastly, help might be offered with logistic and housing arrangements.

It should be noted that there is a D&O policy for the Group CEO and the Group CFO, in his capacity as the Director Responsible for Financial Reporting. Chapter 4.5 contains the details.

To sum up, the remuneration structure for the Group CEO and management personnel with strategic responsibilities, because it is centred on the sound and prudent management of risk, as well as the need to guarantee profitability and equilibrium for the business in the long term, conforms to the principles that inspired the regulations and, in the main, complies with the regulations governing the remuneration structure.

With regard to the amendments that have been made to the remuneration policies described above and have already been defined by the Board of Directors, no significant changes are expected during the course of this year.

## 4.2 Remuneration policies for directors without executive powers

Existing remuneration policies for directors without executive powers, independent directors and the Vice Chairmen of the Board of Directors require the remuneration to include a fixed component, with a 50% increase for those who are members of the Executive Committee, and a variable component equal, in total, to 0.01% of consolidated profit, up to a maximum limit of Euro 300,000.00, to be distributed equally among the members of the Board of Directors. In addition to the above-mentioned remuneration, an attendance fee is paid for each meeting of the Board of Directors and the Executive Committee, as well as payment of documented out-of-pocket expenses incurred for attending meetings.

As far as the variable component is concerned, this represents an insignificant part of the total remuneration, given that the related calculation mechanism, as defined above, involves a limited proportion of the fixed compensation, and an even smaller proportion if the total package is taken into consideration (including attendance fees and any payments for sitting on advisory committees). There are no incentive plans based on financial instruments for directors without executive powers.

This having been stated, taking into consideration that the term of office of the directors will expire during the course of this year, the Shareholders' Meeting on 30 April 2013 will be called upon to appoint the members of the Board of Directors and determine their gross annual pay; with regard to this, at the Board Meeting of 22 February 2013, the consultants The European House – Ambrosetti were engaged to conduct an analysis in terms of the overall adequacy of the current existing remuneration components, including with reference to a group of major Italian companies, which was identified taking into consideration the characteristics and standing of the Generali Group.

The results of the analysis in question have been put by the Remuneration Committee to the Board of Directors last March 13<sup>th</sup>, and, on the basis of the shown evidence, has decided not to introduce any change to the policy presently in force. Therefore, for the three-year mandate of the Board of Directors, this meaning until the date of actual approval of the balance sheet related to the exercise which will finish on 31<sup>st</sup> December 2015, the following proposal will be presented to the Shareholders' Meeting for the appointment of the members of the Board:

every member of the Board of Directors is entitled to a fixed component with a 50% increase for those who are members of the Executive Committee, and a variable component equal, in total, to 0.01% of consolidated profit, up to a maximum limit of Euro 300,000.00 to be distributed equally among the members of the Board of Directors. In addition to the above-mentioned remuneration, an attendance fee is paid for each meeting of the Board of Directors and the Executive Committee as well as payment of documented out-of-pocket expenses incurred for attending meetings.

A similar benchmark has also been requested in relation to additional payments currently made to directors who are members of board committees.

It should be noted that in the meeting held on 22 February 2013, the Remuneration Committee verified that there were no impediments that would prevent the consultancy firm The European House – Ambrosetti from taking up the appointment.

Directors who are also members of advisory committees (other than the Executive Committee mentioned above) are paid additional fees with regard to what they already receive as members of the Board of Directors (with the exception of those who are also management personnel of the Generali Group), according to the roles assigned to these committees and the commitment required for taking part in their tasks in terms of numbers of meetings and preparatory activities.

The remuneration policy regarding the Chairman involves the payment of fees as a member of the Board of Directors and the Executive Committee, as indicated above, and a fixed annual remuneration determined on the basis of comparative analysis with similar national and international positions. As far as variable remuneration is concerned, the Chairman – like all the directors without executive powers – is not part of the short- and medium-to-long-term incentive plans.

The policy for this position also includes several non-monetary benefits, such as insurance cover against occupational accident and illness and health care plans. Further benefits, similar to those in place for the Group CEO and the managers with strategic responsibilities, can also be included.

With regard to payment of sums by way of termination indemnity or payment for early termination of office for the above-mentioned directors, including the Chairman of the Board of Directors, please refer to the policy on the subject as explained in detail in Chapter 4.3.

Lastly, it should be noted that a D&O policy for the aforementioned individuals has been agreed, as illustrated in Chapter 4.5.

### **4.3 Severance pay – Amounts paid in the case of early termination of office**

The policy defined last year by the Company for payment of sums by way of termination indemnity or payment for early termination of office includes:

- a) if the term of office expires naturally, no sum will be paid;
- b) if the office of a director finishes early, he/she may receive a payment by way of indemnity, depending on legal requirements, of an amount up to the maximum remuneration due for the remainder of the period of office. No sum will be paid to the director if he/she resigns or is dismissed for just cause, or if the relationship ends following an IPO, is revoked (for any reason whatsoever, including failure to fulfil the necessary requirements concerning professional qualifications, good character and independence, or the existence of impediments or incompatible situations) or ends due to any other fact and/or cause that is not attributable to the Company.

If the Director also holds the office of General Manager of the Company<sup>9</sup>, the following arrangements apply. Specifically, if the employment relationship of a General Manager or management personnel with strategic responsibilities is terminated early, the payment they will receive, in line with existing regulatory and contractual provisions, will be equivalent to that provided for by way of notice pursuant to applicable regulatory and/or national collective agreements, plus an amount equivalent to the twenty-fourth monthly recurring payment. This refers to the annual gross payment increased by the average effectively received by way of the short-term component of the variable remuneration for the last three-year period.

By accepting this sum, the employee, generally speaking, renounces all other rights related, directly and/or indirectly, to the employment relationship with Assicurazioni Generali S.p.A. and to the termination thereof, as well as any right, claim and/or action against other Group Companies for any reason directly or indirectly connected with the employment relationship and the definitive acceptance that it has ceased.

The renouncement extends to rights of a compensatory nature pursuant to Articles 2043, 2059, 2087 and 2116 of the Italian Civil Code, as well as rights of a financial nature related to the employment relationship and its termination.

For the purpose of calculating the amount that could be paid to the individual involved, it is necessary to take into account the total amount due by way of gross annual pay, the fee for the office of director and the average of what is actually received by way of the short-term component of variable remuneration in the last three-year period relating to each of the offices.

In addition to the above provisions, both directors and management personnel with strategic responsibilities can enter into non-compete or confidentiality agreements. The consideration for these agreements, which have a limited duration, is commensurate with the prejudice that could arise for the Company and/or the Group if the individual were to carry out activities in competition to those of the company and/or Generali Group or divulge information which could cause harm to the Company and/or the Group, and also takes into account the role previously held and, specifically, the responsibilities assigned to the person in question.

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<sup>9</sup> This is the case for the Group CEO.

#### **4.4 Remuneration policies for the members of the control body**

The policies for these parties involve the payment of a fixed gross annual sum for the entire duration of their term of office, with a 50% increase for the Chairman of the Board of Statutory Auditors. There are no variable remuneration components.

The individuals in question are also reimbursed for expenses incurred in carrying out their office, pursuant to Article 37.4 of the Bylaws.

The members of the control body also benefit from the D&O policy illustrated in Chapter 4.5.

#### **4.5 D&O Policy (Directors' and Officers' Liability Insurance)**

In line with best practice in the financial markets and taking into account the nature of the business activity of the company and the Group, an insurance policy is in place covering the civil liability of Company Directors and Statutory Auditors (Directors' and Officers' Liability Insurance – D&O), as well the manager in charge of preparing the financial reports. The current terms, which are valid from 1 May 2012 until 30 April 2013, are as follows:

- i) Duration: 12 months, renewable annually, until the authorisation from the Shareholders' Meeting is revoked;
- ii) Maximum amount: Euro 100 million per claim, as an annual aggregate and for the period of cover;
- iii) Annual taxable premium: Euro 843,525;
- iv) Cases of willful misconduct and gross negligence are excluded from the insurance cover.

From 1 May 2013, without prejudice to the renewal of the cover described above, members of the GMC will be awarded further cover under the same terms as above, with the exception of the maximum amount, which will be Euro 20 million per claim, as an annual aggregate and for the period of the cover.

#### **4.6 Remuneration policies for managers and their first reports in control functions**

The remuneration package for the individuals mentioned above comprises a fixed component and a variable component. The fixed portion is adjusted in relation to the level of responsibility and the commitment required, and is appropriate to guarantee the autonomy and independence required from these positions.

The targets on the basis of which the short-term component of the variable remuneration is determined are defined based on the specific activities of each of the functions and do not take financial performance into consideration.

There are also provisions for control function managers, although to a lesser extent, for participation in the medium-/long-term incentive plan (LTIP). Multi-year targets are assigned in this context, related exclusively to the effectiveness and quality of the control action, after verifying that they are not a source of conflict of interest.

For this purpose, the annual check on the achievement of the above-mentioned qualitative targets and the actual assignment of shares at the end of each three-year period are approved by the Board of Directors, having obtained the opinion of the Control and Risk Committee and the Board of Statutory Auditors, as described in the paragraph 3.2 above. Only if the Board of Directors believes that the results achieved and the quality of the control action are satisfactory can the control functions access the incentives, which, in any case, depend on the results established for all participants of the LTIP being achieved.

Conditions precedents and malus and claw-back clauses similar to those defined in Chapter 4.1.3 C) will also be applicable for both the short- and long-term components of the variable pay.

Lastly, the persons considered cannot receive remuneration and attendance fees for other tasks carried out on the instruction of the Parent Company in subsidiary or associated companies, bodies or associations, except with special exemption from the Board of Directors, which must be suitably justified and formalised.



## 5. Internal communication of remuneration policy and related processes

The general criteria of the remuneration policies and the evaluation processes must be appropriately formalised and the related documentation should be sent, in advance, to the personnel involved, in order to ensure that they have appropriate information, in compliance with confidentiality rights and without prejudice to the application of the regulation governing employment relationships; with regard to this, the adequacy of the communication process and of the related timetable is being verified in order to comply more adequately with the above regulations.

## 6. Remuneration policies of the insurance group

Under the scope of its management and coordination powers, the Parent Company has the task of ensuring the overall consistency of the insurance Group remuneration policies, guaranteeing adequate calibration and their correct application.

This having been stated, the new incentive scheme illustrated in Chapter 4.1, intended for strategic managers for the entire Group, as identified based on the corporate title model, will gradually be extended from this financial year to all Group companies, both in Italy and abroad; this will allow the consistency of policies at Group level to be strengthened further and their calibration to be refined depending on the characteristics of the company, as well as directing the actions of the above-mentioned individuals more effectively towards pursuing the targets deemed strategic by the Company from a standpoint of maximising overall performance.

With regard in general to determining the remuneration due to members of the Board of Directors and the control body of Generali Group companies with registered offices in Italy, each company applies the arrangements established on the subject by the Italian Civil Code and the relevant bylaws, in light of the instructions provided by the Parent Company.

In addition, the Board of Directors of the company, under the scope of the guidelines issued by the Parent Company, determines and approves the fixed component of remuneration due to directors vested with special powers (Chairman, Vice Chairman and CEO) and also establishes the variable components, both short-term and long-term, for directors with executive powers.

A similar governance arrangement is replicated for Generali Group companies with registered offices abroad, in compliance with the peculiarities of the companies and local jurisdictions.

With the aim of allowing the Parent Company to check the consistency of the remuneration policies at Group level *a posteriori* and ensure they are correctly applied, the above-mentioned companies will make the necessary documentation relating to them and their subsidiaries available annually to the Parent Company.



# Section II – Information about the implementation of the remuneration policy

## PART ONE

### 1. Remuneration of the members of the Board of Directors

The Shareholders' Meeting has resolved that, with reference to the entire three-year period that the Board of Directors appointed by the Shareholders' Meeting of 24 April 2010 is in office, and therefore until the effective date of approval of the financial statements for the year ending on 31 December 2012, each member of the Board of Directors will receive:

- 1) reimbursement of documented out-of-pocket expenses incurred for attending the meetings;
- 2) a payment equal to Euro 100,000.00 gross per year, with an increase of 50% for those who are members of the Executive Committee;
- 3) a variable payment, equal in total to 0.01% of the consolidated profit, up to a maximum total limit of Euro 300,000.00, to be distributed equally among the members of the Board of Directors;
- 4) an attendance fee for each meeting of the Board of Directors and the Executive Committee of Euro 4,000.00.

The fees of the members of the Board of Directors for the financial year 2012 are given in table 1.

As far as directors who are also members of the advisory committees are concerned, on 24 March 2012, the Board of Directors resolved to award to the members of the Appointments and Corporate Governance Committee – because of the increased commitment in terms of meetings and related activities – gross annual fees of respectively Euro 20,000 for the Chairman and Euro 15,000 for the members of the committee, as well as attendance fees of Euro 2,000 for each meeting. On the basis of similar considerations, the Board also approved, during the course of the same meeting, the payment of an attendance fee of Euro 2,000 to the Chairman and members of the Social and Environmental Sustainability Committee.

Details of the fees defined for the financial year 2012 for directors who are also members of advisory committees are given in table 2.

### 2. Remuneration of the Chairman, Managing Directors, General Managers and management personnel with strategic responsibilities

Chairman: taking into account the fact that the Shareholders' Meeting on 28 April 2012 was called upon to approve the reconfirmation of Mr Galateri di Genola as a member of the Board of Directors, the latter body re-appointed him to the office of Chairman, also redetermining the related fees.

Therefore, Mr Galateri di Genola, without prejudice to what is due to him as a member of the Board of Directors and Executive Committee, i.e.:

- 1) a fixed payment equal to Euro 100,000.00 gross as a member of the Board of Directors, increased by 50% as a member of the Executive Committee;
- 2) a portion of the variable payment received by the members of the Board of Directors, equal in total to 0.01% of the consolidated profit, up to a maximum total limit of Euro 300,000.00, to be distributed equally among all the Directors;
- 3) an attendance fee for each meeting of the Board of Directors and the Executive Committee of Euro 4,000.00;

by reason of the powers assigned to him, was awarded a further payment of Euro 750,000 gross per year, a payment in line with those received by both Italian and foreign individuals who perform comparable roles in similar companies to Assicurazioni Generali in terms of size and characteristics.

The following previous benefits were also reconfirmed:

- insurance cover relating to occupational accidents and illness, in the case of death or total and permanent invalidity;
- supplementary insurance cover for health expenses, with features equivalent to that provided for Group executives. Lastly, the Chairman received payments and attendance fees related to the offices of Chairman of the Appointments and Corporate Governance Committee and of the Social and Environmental Sustainability Committee.

It should be noted that in relation to severance indemnity or payment of compensation if his office finishes prematurely, the Chairman is subject to the policy defined by the Company during 2012 described in Chapter 4.3. For the purpose of calculating the amount of any payment if the office finishes prematurely, all payments due to the person involved at that time will be taken into consideration.

The details of fees relating to the financial year 2012 are given in table 1.

Managing Directors: the change at the top concerning the Group CEO and the subsequent changes made to the organisational structure of the Company have involved the following:

Mr Giovanni Perissinotto: on 2 June 2012, his managerial powers were revoked and at the same time his offices under the scope of the Executive Committee and the Investment Committee came to an end. On 12 June, his employment relationship was terminated by mutual consent, while Mr Perissinotto ceased to be a director from 20 July 2012. By reason of this and in compliance with the policy defined by the Company on the premature termination of office, Mr Perissinotto was paid a total gross amount of Euro 9,073,024.89.

More specifically, the following was paid to Mr Perissinotto:

- compensation for the remaining period of office, equal to 11 months, calculated based on the related fees, in the amount of Euro 1,475,398.22, for the premature termination of his office as director;
- an amount, by way of notice, as set out by the national collective bargaining agreement for directors of insurance firms, equal to 12 months' pay, calculated based on the gross annual remuneration received as General Manager, equal to Euro 1,459,525.33, with regard to the termination of the employment relationship;
- an amount equivalent to 24 months' remuneration, understood as emoluments for the offices of Managing Director and member of the Board of Directors and the Executive Committee, the gross annual remuneration received as General Manager and the average of the variable component provided in the last three-year period of each of the offices; the amount is equal to Euro 6,138,101.33.

It should be pointed out that the premature termination of the office involved the loss of Mr Perissinotto's rights as a participant in long-term incentive plans.

Mr Perissinotto also signed a non-compete agreement, pursuant to which the Company is required to pay him, in 18 monthly instalments until 31 December 2013, a gross overall amount of Euro 1,584,362.55.

The D&O policy in favour of Mr Perissinotto is also in place, as set out in the coverage, with regard to his previous work in Assicurazioni Generali, under the existing conditions, until the expiry date (set at 30 April 2013).

The Company has also made a pro rata gross payment by way of a reward for seniority, as set out under the collective bargaining agreement, of Euro 117,040.

Lastly, Mr Perissinotto was granted the use until 31 December 2013 of the home in Milan that he used previously, under the same conditions, and a partial deduction of legal expenses was agreed.

Mr Mario Greco: on 1 August 2012 Mr Mario Greco was appointed Managing Director and Group CEO of the Company, and an employment relationship in the role of General Manager was established.

Mr Greco was granted the following remuneration package:

- fixed remuneration: a gross annual payment for the office of Managing Director equal to Euro 1,100,000, including the emoluments and attendance fees provided for members of the Board of Directors and Executive Committee and those for the office of member of the internal advisory committees, as well as a gross annual remuneration for the office of General Manager equal to Euro 200,000;
- short-term component of the variable remuneration: for achieving the targets assigned, he will receive an amount for the target that is equal to 100% of the fixed remuneration;
- long-term component of the variable remuneration: for achieving the targets assigned, he will receive an amount for the target that is equal to 200% of the fixed remuneration;
- supplementary pension: pursuant to national and supplementary collective agreements, with the Company responsible for a contribution of 16.5%, a fixed remuneration and annual supplement from the Company equal to Euro 107,452.22 gross;
- other benefits: as per the existing remuneration policies.

In addition, in order to facilitate the establishment of the employment relationship between the Company and Mr Greco, some more favourable conditions were granted to the latter, as summarised below:

- in relation to the short-term component of the variable pay, Mr Greco will receive a gross payment of Euro 1,300,000 for 2012 only;
- a one-off payment was agreed, following approval by the Shareholders' Meeting, in the form of 380,868 Assicurazioni Generali shares, with 50% subject to a lock-up period which will end on 1 August 2015 and the remaining 50% subject to a lock-up period which will end on 1 August 2018. For further details, please refer to the information document produced pursuant to Article 114 *bis* of the T.U.F., which is available on the Company website under the section "Governance, Remuneration Report";
- with regard to severance indemnity and compensation paid for premature termination of office, without prejudice to the relevant policy in force, in the case of dismissal without just cause or resignation with just cause, the following additional provisions have been defined:
  - a) notice period: conventionally determined as 12 months;
  - b) if the relationship ceases in the first year (prior to the vesting date of the short-term variable component) the indemnity is calculated including in the calculation base the amount of the short-term variable component in the amount of 100% of the fixed component of the remuneration;
  - c) conventional hypotheses of just cause for resignation include cases of reduction, revocation or lack of renewal of the office and/or powers (without just cause) and/or the allocation of mandates or power to

- other persons which are, overall, essentially equivalent to those attributed or due to the person in question, or in any case of such importance as to have a substantial impact on the overall position and on the senior role of the person in question under the scope of the Company and the Group;
- d) incentives in the form of financial instruments subject to lock-up; automatically released.

Mr Sergio Balbinot: with regard to the organisational structure of the Company, on 8 November 2012, Mr Balbinot's office as director ended prematurely, along with the offices of Managing Director and member of the Executive Committee of the Company, without prejudice to his employment relationship as General Manager. With regard to this and in compliance with the policy on the subject, Mr Balbinot was paid a sum of Euro 790,596 gross, equivalent to 6 months' emoluments for the offices mentioned above plus the average of the short-term component for the last three-year period (as Managing Director). Besides this, in light of the termination of the aforementioned offices and his simultaneous appointment to the role of Group Chief Insurance Officer, the fixed component of his remuneration was reset at Euro 1,000,000 gross per annum, with effect from 9 November 2012.

With regard to Mr Raffaele Agrusti and Mr Paolo Vagnone, who in 2012, respectively, took on the roles of Country Manager for Italy and Head of Global Business Lines, it should be pointed out that these changes did not involve changes as far as the structure and size of the respective remuneration packages are concerned.

In relation to management personnel with strategic responsibilities, the existing remuneration packages have been reconfirmed or adapted following changes in role, and the total remuneration of the new Group Chief Financial Officer has been determined. In particular, it should be pointed out that in order to incentivise entry into the Company, an agreement was stipulated with the latter, based on which, following approval from the Shareholders' Meeting, he will be given a one-off payment, in the form of shares, as detailed in the information document on the Company website in the section "Governance, Remuneration Report".

Lastly, again during the course of 2012, two managers with strategic responsibilities left the Company by mutual consent and both were paid for the premature termination of the office in line with the policy on the subject. It should also be pointed out that one of the persons in question signed a confidentiality agreement for a period of one year until 31 October 2013, while there is a consultancy agreement in force with the other person which will end on 31 May 2013.

As far as the detailed information relating to the long-term variable component with reference to 2012 is concerned, please refer to the special information document produced pursuant to Article 114 *bis* of the T.U.F., which is available on the Company website in the section "Governance, Remuneration Report".

Details of the remuneration of the Managing Directors, General Managers and management personnel with strategic responsibilities relating to 2012 are given in table 1; tables 3A and 3B refer to the LTIP; tables 2 and 4 respectively list the stock options and the holdings of the Managing Directors, General Managers and management personnel with strategic responsibilities.

### 3. Remuneration of the members of the control body

Given that the expiry of the term of office for the Board of Statutory Auditors coincided with the 2010 financial year, the Board of Directors, through the Remuneration Committee, verified the adequacy of the fees paid at that time and their positioning in relation to the fees paid to the control bodies of the most significant competitors that can be considered comparable in size and complexity to Assicurazioni Generali, whilst taking into account further and important tasks that were assigned to the control body through the entry into force of Legislative Decree No. 39 of 27 January 2010 on the subject of auditing annual and consolidated financial statements.

On 30 April 2011, the Shareholders' Meeting reconfirmed the adequacy of the fees paid to the Board of Statutory Auditors, deciding on Euro 100,000 as the gross annual fee due to standing statutory auditors for each of the financial years 2011, 2012 and 2013, with an increase of 50% for the Chairman of the Board of Statutory Auditors.

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The details of fees relating to the financial year 2012 are given in table 1.

#### 4. Remuneration of the managers and their first reports in control functions

During 2012, remuneration packages for control function managers were adequate in the light of the information that emerged from the benchmarking requested from Hewitt for these positions at the end of 2011, and the overall remuneration of the Group Chief Risk Officer was determined *ex novo*, including a long-term variable component.

For the year in question, the heads of the control functions and their first reports received a fixed remuneration component of Euro 1,297,613.00 gross in total; the total variable component of the remuneration is equal to € 321.961,67.

As far as benefits are concerned, according to the policy of tax liability, these come to Euro 21,585.04; one of the above-mentioned managers also received an allowance of Euro 20,000.00 gross per annum.

## PART TWO

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

| Person<br>Name and surname   | Period<br>covered by<br>the mandate | End of<br>mandate     | Emoluments (in Euro)           |                                       |                   |                |                     |                             |                                    |                     |   |
|--|-------------------------------------|-----------------------|--------------------------------|---------------------------------------|-------------------|----------------|---------------------|-----------------------------|------------------------------------|---------------------|---|
|  |                                     |                       | Emoluments for the office held |                                       |                   |                | Total<br>emoluments | Non<br>monetary<br>benefits | Bonuses<br>and other<br>incentives | Other<br>emoluments | Severance pay or<br>amounts paid<br>in case of<br>early termination |
|  |                                     |                       | Fixed<br>emoluments            | Variable<br>emoluments <sup>(1)</sup> | Attendance<br>fee |                |                     |                             |                                    |                     |   |
| <b>Gabriele GALATERI DI GENOLA</b>                                   |                                     |                       | <b>Total</b>                   | <b>855.000</b>                        | <b>554,34</b>     | <b>110.000</b> |                     | <b>965.554</b>              | <b>3.480</b>                       |                     |   |
| Chairman   | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 685.000                        | 554,34                                | -                 |                | <b>685.554</b>      | 3.480                       |                                    |                     |   |
| Member of the Board of Directors                                     | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 100.000                        |                                       | 44.000            |                | <b>144.000</b>      |                             |                                    |                     |   |
| Member of the Executive Committee                                    | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 50.000                         |                                       | 48.000            |                | <b>98.000</b>       |                             |                                    |                     |   |
| Chairman of the Appointments and<br>Corporate Governance Committee   | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 20.000                         |                                       | 12.000            |                | <b>32.000</b>       |                             |                                    |                     |   |
| Chairman of the Social and Environmental<br>Sustainability Committee | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | -                              |                                       | 4.000             |                | <b>4.000</b>        |                             |                                    |                     |   |
| Chairman of the Investment Committee<br><i>ad interim</i>            | 2.6-1.8.2012                        | Approved<br>f.s. 2012 | -                              |                                       | 2.000             |                | <b>2.000</b>        |                             |                                    |                     |   |
| <b>Vincent BOLLORE'</b>  |                                     |                       | <b>Total</b>                   | <b>150.000</b>                        | <b>554,34</b>     | <b>80.000</b>  |                     | <b>230.554</b>              |                                    |                     |   |
| Member of the Board of Directors                                     | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 100.000                        | 554,34                                | 36.000            |                | <b>136.554</b>      |                             |                                    |                     |   |
| Member of the Executive Committee                                    | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 50.000                         |                                       | 44.000            |                | <b>94.000</b>       |                             |                                    |                     |   |
| <b>Francesco Gaetano CALTAGIRONE</b>                                 |                                     |                       | <b>Total</b>                   | <b>180.000</b>                        | <b>554,34</b>     | <b>102.000</b> |                     | <b>282.554</b>              |                                    |                     |   |
| Member of the Board of Directors                                     | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 100.000                        | 554,34                                | 44.000            |                | <b>144.554</b>      |                             |                                    |                     |   |
| Member of the Executive Committee                                    | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 50.000                         |                                       | 44.000            |                | <b>94.000</b>       |                             |                                    |                     |   |
| Member of the Investment Committee                                   | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 30.000                         |                                       | 14.000            |                | <b>44.000</b>       |                             |                                    |                     |   |
| <b>Giovanni PERISSINOTTO</b>   |                                     |                       | <b>Total</b>                   | <b>774.216</b>                        |                   | <b>44.000</b>  |                     | <b>818.216</b>              | <b>72.138</b>                      | <b>117.040</b>      |   |
| Managing Director and Group CEO                                      | 1.1-2.6.2012                        | Approved<br>f.s. 2012 | 337.778                        |                                       | -                 |                | <b>337.778</b>      |                             |                                    | 10.657.387          |   |
| Member of the Board of Directors                                     | 1.1-20.7.2012                       | Approved<br>f.s. 2012 | 55.342                         |                                       | 20.000            |                | <b>75.342</b>       |                             |                                    |                     |   |
| Member of the Executive Committee                                    | 1.1-2.6.2012                        | Approved<br>f.s. 2012 | 21.096                         |                                       | 16.000            |                | <b>37.096</b>       |                             |                                    |                     |   |
| Chairman of the Investment Committee                                 | 1.1-2.6.2012                        | Approved<br>f.s. 2012 | -                              |                                       | 8.000             |                | <b>8.000</b>        |                             |                                    |                     |   |
| General Manager  | 1.1-12.6.2012                       |                       | 360.000                        |                                       | -                 |                | <b>360.000</b>      | 72.138                      |                                    | 117.040             |   |
| <b>Mario GRECO</b>   |                                     |                       | <b>Total</b>                   | <b>541.666</b>                        |                   |                |                     | <b>541.666</b>              | <b>44.771</b>                      | <b>1.300.000</b>    |   |
| Managing Director and Group CEO                                      | 1.8-31.12.2012                      | Approved<br>f.s. 2012 | 458.333 <sup>2)</sup>          |                                       | -                 |                | <b>458.333</b>      | 44.771                      | 1.100.000                          |                     |   |
| Member of the Board of Directors                                     | 1.8-31.12.2012                      | Approved<br>f.s. 2012 | -                              |                                       | -                 |                |                     |                             |                                    |                     |   |
| Member of the Executive Committee                                    | 1.8-31.12.2012                      | Approved<br>f.s. 2012 | -                              |                                       | -                 |                |                     |                             |                                    |                     |   |
| Chairman of the Investment Committee                                 | 1.8-31.12.2012                      | Approved<br>f.s. 2012 | -                              |                                       | -                 |                |                     |                             |                                    |                     |   |
| General Manager  | 1.8-31.12.2012                      |                       | 83.333                         |                                       | -                 |                | <b>83.333</b>       |                             | 200.000                            |                     |   |
| <b>Sergio BALBINOT</b>   |                                     |                       | <b>Total</b>                   | <b>1.555.018</b>                      | <b>474,06</b>     | <b>84.000</b>  |                     | <b>1.639.492</b>            | <b>1.838.961</b>                   | <b>790.596</b>      |   |
| Managing Director  | 1.1-8.11.2012                       | Approved<br>f.s. 2012 | 596.944                        | 474,06                                | -                 |                | <b>597.418</b>      |                             |                                    | 790.596             |   |
| Member of the Board of Directors                                     | 1.1-8.11.2012                       | Approved<br>f.s. 2012 | 85.753                         |                                       | 40.000            |                | <b>125.753</b>      |                             |                                    |                     |   |
| Member of the Executive Committee                                    | 1.1-8.11.2012                       | Approved<br>f.s. 2012 | 42.877                         |                                       | 44.000            |                | <b>86.877</b>       |                             |                                    |                     |   |
| General Manager  | 1.1-31.12.2012                      |                       | 829.444                        |                                       | -                 |                | <b>829.444</b>      |                             | 1.838.961                          |                     |   |

| Person<br>Name and surname<br>Office held                                     | Period<br>covered by<br>the mandate | End of<br>mandate     | Emoluments (in Euro)           |                                       |                   |                |  |                     |                             |                                    |   |
|---|-------------------------------------|-----------------------|--------------------------------|---------------------------------------|-------------------|----------------|--|---------------------|-----------------------------|------------------------------------|---|
|   |                                     |                       | Emoluments for the office held |                                       |                   |                |  | Total<br>emoluments | Non<br>monetary<br>benefits | Bonuses<br>and other<br>incentives | Severance pay or<br>amounts paid<br>in case of<br>early termination |
|   |                                     |                       | Fixed<br>emoluments            | Variable<br>emoluments <sup>(1)</sup> | Attendance<br>fee |                |  |                     |                             |                                    |   |
| <b>Cesare CALARI</b>  |                                     |                       | <b>Total</b>                   | <b>150.000</b>                        | <b>554,34</b>     | <b>97.000</b>  |  |                     |                             | <b>247.554</b>                     |   |
| Member of the Board of Directors  | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 100.000                        | 554,34                                | 44.000            |                |  |                     |                             | 144.554                            |   |
| Member of the Risk and Control Committee                                      | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 30.000                         |                                       | 18.000            |                |  |                     |                             | 48.000                             |   |
| Member of the Committee for the<br>Evaluation of Related Party Transactions   | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 20.000                         |                                       | 35.000            |                |  |                     |                             | 55.000                             |   |
| <b>Carlo CARRARO</b>  |                                     |                       | <b>Total</b>                   | <b>150.000</b>                        | <b>554,34</b>     | <b>96.000</b>  |  |                     |                             | <b>246.554</b>                     |   |
| Member of the Board of Directors  | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 100.000                        | 554,34                                | 44.000            |                |  |                     |                             | 144.554                            |   |
| Member of the Risk and Control Committee                                      | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 30.000                         |                                       | 18.000            |                |  |                     |                             | 48.000                             |   |
| Member of the Committee for the<br>Evaluation of Related Party Transactions   | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 20.000                         |                                       | 30.000            |                |  |                     |                             | 50.000                             |   |
| Member of the Social and Environmental<br>Sustainability Committee            | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | -                              |                                       | 4.000             |                |  |                     |                             | 4.000                              |   |
| <b>Claudio DE CONTO</b>   |                                     |                       | <b>Total</b>                   | <b>93.101</b>                         | <b>354,41</b>     | <b>50.000</b>  |  |                     |                             | <b>143.455</b>                     |   |
| Member of the Board of Directors  | 11.5-31.12.2012                     | Approved<br>f.s. 2012 | 64.208                         | 354,41                                | 32.000            |                |  |                     |                             | 96.562                             |   |
| Member of the Remuneration Committee  | 11.5-31.12.2012                     | Approved<br>f.s. 2012 | 9.631                          |                                       | 12.000            |                |  |                     |                             | 21.631                             |   |
| Member of the Investment Committee  | 11.5-31.12.2012                     | Approved<br>f.s. 2012 | 19.262                         |                                       | 6.000             |                |  |                     |                             | 25.262                             |   |
| <b>Petr KELLNER</b>   |                                     |                       | <b>Total</b>                   | <b>130.000</b>                        | <b>554,34</b>     | <b>32.000</b>  |  |                     |                             | <b>162.554</b>                     |   |
| Member of the Board of Directors  | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 100.000                        | 554,34                                | 24.000            |                |  |                     |                             | 124.554                            |   |
| Member of the Investment Committee  | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 30.000                         |                                       | 8.000             |                |  |                     |                             | 38.000                             |   |
| <b>Angelo MIGLIETTA</b>   |                                     |                       | <b>Total</b>                   | <b>180.000</b>                        | <b>554,34</b>     | <b>110.000</b> |  |                     |                             | <b>290.554</b>                     |   |
| Member of the Board of Directors  | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 100.000                        | 554,34                                | 44.000            |                |  |                     |                             | 144.554                            |   |
| Member of the Executive Committee   | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 50.000                         |                                       | 48.000            |                |  |                     |                             | 98.000                             |   |
| Member of the Risk and Control Committee                                      | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 30.000                         |                                       | 18.000            |                |  |                     |                             | 48.000                             |   |
| <b>Alessandro PEDERSOLI</b>   |                                     |                       | <b>Total</b>                   | <b>190.000</b>                        | <b>554,34</b>     | <b>132.000</b> |  |                     |                             | <b>322.554</b>                     |   |
| Member of the Board of Directors  | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 100.000                        | 554,34                                | 44.000            |                |  |                     |                             | 144.554                            |   |
| Chairman of the Risk and Control<br>Committee                                 | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 50.000                         |                                       | 18.000            |                |  |                     |                             | 68.000                             |   |
| Chairman of the Committee for the<br>Evaluation of Related Party Transactions | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 25.000                         |                                       | 35.000            |                |  |                     |                             | 60.000                             |   |
| Member of the Appointments and<br>Corporate Governance Committee              | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 15.000                         |                                       | 35.000            |                |  |                     |                             | 50.000                             |   |
| <b>Lorenzo PELLICOLI</b>  |                                     |                       | <b>Total</b>                   | <b>180.000</b>                        | <b>554,34</b>     | <b>110.000</b> |  |                     |                             | <b>290.554</b>                     |   |
| Member of the Board of Directors  | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 100.000                        | 554,34                                | 40.000            |                |  |                     |                             | 140.554                            |   |
| Member of the Executive Committee   | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 50.000                         |                                       | 44.000            |                |  |                     |                             | 94.000                             |   |
| Member of the Remuneration Committee  | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 15.000                         |                                       | 16.000            |                |  |                     |                             | 31.000                             |   |
| Member of the Appointments and<br>Corporate Governance Committee              | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 15.000                         |                                       | 10.000            |                |  |                     |                             | 25.000                             |   |

| Person<br>Name and surname<br>Office held                                   | Period<br>covered by<br>the mandate | End of<br>mandate     | Emoluments (in Euro)           |                                       |                   |               |       | Non<br>monetary<br>benefits | Bonuses<br>and other<br>incentives | Other<br>emoluments | Severance pay or<br>amounts paid<br>in case of<br>early termination |
|---|-------------------------------------|-----------------------|--------------------------------|---------------------------------------|-------------------|---------------|-------|-----------------------------|------------------------------------|---------------------|---|
|   |                                     |                       | Emoluments for the office held |                                       |                   |               | Total |                             |                                    |                     |   |
|   |                                     |                       | Fixed<br>emoluments            | Variable<br>emoluments <sup>(1)</sup> | Attendance<br>fee | emoluments    |       |                             |                                    |                     |   |
| <b>Reinfried Helmut POHL</b>  |                                     |                       | <b>Total</b>                   | <b>100.000</b>                        | <b>554,34</b>     | <b>24.000</b> |       |                             |                                    | <sup>3)</sup>       |   |
| Member of the Board of Directors  | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 100.000                        | 554,34                                | 24.000            | 124.554       |       |                             |                                    |                     |   |
| <b>Clemente REBECCHINI</b>  |                                     |                       | <b>Total</b>                   | <b>105.943</b>                        | <b>354,41</b>     | <b>70.000</b> |       |                             |                                    | <sup>4)</sup>       |   |
| Member of the Board of Directors  | 11.5-31.12.2012                     | Approved<br>f.s. 2012 | 64.208                         | 354,41                                | 32.000            | 96.562        |       |                             |                                    |                     |   |
| Member of the Executive Committee   | 11.5-31.12.2012                     | Approved<br>f.s. 2012 | 32.104                         |                                       | 32.000            | 64.104        |       |                             |                                    |                     |   |
| Member of the Appointments and<br>Corporate Governance Committee            | 11.5-31.12.2012                     | Approved<br>f.s. 2012 | 9.631                          |                                       | 6.000             | 15.631        |       |                             |                                    |                     |   |
| <b>Paola SAPIENZA</b>   |                                     |                       | <b>Total</b>                   | <b>150.000</b>                        | <b>554,34</b>     | <b>97.000</b> |       |                             |                                    |                     |   |
| Member of the Board of Directors  | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 100.000                        | 554,34                                | 44.000            | 144.554       |       |                             |                                    |                     |   |
| Member of the Risk and Control Committee                                    | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 30.000                         |                                       | 18.000            | 48.000        |       |                             |                                    |                     |   |
| Member of the Committee for the<br>Evaluation of Related Party Transactions | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 20.000                         |                                       | 35.000            | 55.000        |       |                             |                                    |                     |   |
| <b>Paolo SCARONI</b>  |                                     |                       | <b>Total</b>                   | <b>155.000</b>                        | <b>554,34</b>     | <b>98.000</b> |       |                             |                                    |                     |   |
| Member of the Board of Directors  | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 100.000                        | 554,34                                | 36.000            | 136.554       |       |                             |                                    |                     |   |
| Chairman of the Remuneration Committee                                      | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 20.000                         |                                       | 16.000            | 36.000        |       |                             |                                    |                     |   |
| Member of the Appointments and<br>Corporate Governance Committee            | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 15.000                         |                                       | 12.000            | 27.000        |       |                             |                                    |                     |   |
| Member of the Committee for the<br>Evaluation of Related Party Transactions | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | 20.000                         |                                       | 30.000            | 50.000        |       |                             |                                    |                     |   |
| Member of the Social and Environmental<br>Sustainability Committee          | 1.1-31.12.2012                      | Approved<br>f.s. 2012 | -                              |                                       | 4.000             | 4.000         |       |                             |                                    |                     |   |
| <b>Diego DELLA VALLE</b>  |                                     |                       | <b>Total</b>                   | <b>43.014</b>                         | <b>237,79</b>     | <b>12.000</b> |       |                             |                                    |                     |   |
| Member of the Board of Directors  | 1.1-5.6.2012                        | Approved<br>f.s. 2012 | 43.014                         | 237,79                                | 12.000            | 55.252        |       |                             |                                    |                     |   |
| <b>Alberto Nicola NAGEL</b>   |                                     |                       | <b>Total</b>                   | <b>51.986</b>                         | <b>174,18</b>     | <b>26.000</b> |       |                             |                                    | <sup>4)</sup>       |   |
| Member of the Board of Directors  | 1.1-24.4.2012                       | Approved<br>f.s. 2012 | 31.507                         | 174,18                                | 8.000             | 39.681        |       |                             |                                    |                     |   |
| Member of the Executive Committee   | 1.1-24.4.2012                       | Approved<br>f.s. 2012 | 15.753                         |                                       | 16.000            | 31.753        |       |                             |                                    |                     |   |
| Member of the Appointments and<br>Corporate Governance Committee            | 1.1-24.4.2012                       | Approved<br>f.s. 2012 | 4.726                          |                                       | 2.000             | 6.726         |       |                             |                                    |                     |   |
| <b>Francesco Saverio VINCI</b>  |                                     |                       | <b>Total</b>                   | <b>45.685</b>                         | <b>174,18</b>     | <b>18.000</b> |       |                             |                                    | <sup>4)</sup>       |   |
| Member of the Board of Directors  | 1.1-24.4.2012                       | Approved<br>f.s. 2012 | 31.507                         | 174,18                                | 8.000             | 39.681        |       |                             |                                    |                     |   |
| Member of the Investment Committee  | 1.1-24.4.2012                       | Approved<br>f.s. 2012 | 9.452                          |                                       | 6.000             | 15.452        |       |                             |                                    |                     |   |
| Member of the Remuneration Committee  | 1.1-24.4.2012                       | Approved<br>f.s. 2012 | 4.726                          |                                       | 4.000             | 8.726         |       |                             |                                    |                     |   |



| Person<br>Name and surname<br>Office held                          | Period<br>covered by<br>the mandate | Emoluments (in Euro)           |                     |                                       |                   |  |                     |                             |                                    |  |                  |
|--|-------------------------------------|--------------------------------|---------------------|---------------------------------------|-------------------|--|---------------------|-----------------------------|------------------------------------|--|------------------|
|  |                                     | Emoluments for the office held |                     |                                       |                   |  | Total<br>emoluments | Non<br>monetary<br>benefits | Bonuses<br>and other<br>incentives | Severance pay or<br>amounts paid<br>in case of<br>Other<br>emoluments<br>early termination |                  |
|  |                                     | End of<br>mandate              | Fixed<br>emoluments | Variable<br>emoluments <sup>(1)</sup> | Attendance<br>fee |  |                     |                             |                                    |  |                  |
| <b>Eugenio COLUCCI</b>   |                                     | <b>Total</b>                   | <b>150.000</b>      |                                       |                   |  | <b>150.000</b>      |                             |                                    |  |                  |
| Chairman of the Statutory Auditors                                 | 1.1-31.12.2012                      | Approved<br>f.s. 2013          | 150.000             |                                       |                   |  | 150.000             |                             |                                    |  |                  |
| <b>Giuseppe Alessio VERNI<sup>1</sup></b>                          |                                     | <b>Total</b>                   | <b>100.000</b>      |                                       |                   |  | <b>100.000</b>      |                             | <b>111.300<sup>5)</sup></b>        |  |                  |
| Statutory Auditor  | 1.1-31.12.2012                      | Approved<br>f.s. 2013          | 100.000             |                                       |                   |  | 100.000             |                             |                                    |  |                  |
| <b>Gaetano TERRIN</b>  |                                     | <b>Total</b>                   | <b>100.000</b>      |                                       |                   |  | <b>100.000</b>      |                             | <b>88.000<sup>6)</sup></b>         |  |                  |
| Statutory Auditor  | 1.1-31.12.2012                      | Approved<br>f.s. 2013          | 100.000             |                                       |                   |  | 100.000             |                             |                                    |  |                  |
| <b>Raffaele AGRUSTI</b>  |                                     | <b>Total</b>                   | <b>1.000.000</b>    |                                       |                   |  | <b>1.000.000</b>    | <b>6</b>                    | <b>806.579</b>                     |  |                  |
| General Manager  | 1.1-31.12.2012                      |                                | 1.000.000           |                                       |                   |  | 1.000.000           | 6                           |                                    |  |                  |
| <b>Paolo VAGNONE</b>   |                                     | <b>Total</b>                   | <b>800.000</b>      |                                       |                   |  | <b>800.000</b>      | <b>1.997</b>                | <b>441.206</b>                     |  |                  |
| General Manager  | 1.1-31.12.2012                      |                                | 800.000             |                                       |                   |  | 800.000             | 1.997                       |                                    |  |                  |
| <b>Other managers with strategic responsibilities<sup>7)</sup></b> |                                     | <b>Total</b>                   | <b>3.248.917</b>    |                                       |                   |  | <b>3.248.917</b>    | <b>28.695</b>               | <b>1.918.232</b>                   | <b>16.000</b>  | <b>1.685.000</b> |

1) The variable emoluments will be paid after the Financial Statements' approval by the Shareholders' Meeting

2) The emolument for the position of managing director and Group CEO includes the emoluments and attendance fees as board member and as member of the Executive Committee, as well as the emoluments and the attendance fees for the participation in the internal committees

3) Mr. Pohl doesn't receive any emolument for the office in AachenM ünchener Lebensversicherung; the emoluments for Generali Holding Vienna AG will be defined by the General Meeting of the company during the current year

4) The emolument was paid directly to Mediobanca

5) Emoluments for the office of Chairman of the Board of Statutory Auditors of Banca Generali, Europ Assistance Italy, Generali Horizon, Genertelle, Genfid and Effective Auditor of Europ Assistance Service, Genertel and UMS Immobiliare Genova

6) Emolument for the office of Effective Auditor for Alleanza Toro, Generali Immobiliare Italia SGR and Ina Assitalia

7) During 2012, the other managers with Strategic Responsibilities were 13

**Table 1A - Fees for members of advisory committees – financial year 2012**

| 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 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*                 | 2000*                             |
| Members of the Committee for the evaluation of related party transactions  | 20.000                        | 5.000                             |
| Chairman of the Committee for the evaluation of related party transactions | 25.000                        | 5.000                             |
| Members of the Social and Environmental Sustainability Committee           | no emolument                  | 2.000                             |
| Chairman of the Social and Environmental Sustainability Committee          | no emolument                  | 2.000                             |

\*The office of Chairman of the Committee for Investments has been held, respectively, by the former Group CEO and current Chairman and Group CEO. For the former Group CEO and the Chairman attendance fees were paid, for the current Group CEO attendance fees are included under the remuneration defined by the Board of Directors for the role of managing director.

**Table 2 – Stock options granted to members of the board of directors, general managers and management personnel with strategic responsibilities**

| A  | B         | Options held at the start of the financial year |                   |              |                          |                   | Option granted 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) = 2+5-11-14                      | (16)       |
| Name and Surname                               | Role      | Plan  | Number of options | Strike price | Possible exercise period | Number of options | Strike price                             | Possible exercise period | Fair value at grant date | Grant date | Market price of the shares at the grant date | Number of options                           | Strike price | Market price of the shares at the grant date | Number of options                             | Number of options                     | Fair value |
| Giovanni                                       | Group CEO |   |                   |              | 10/05/2009               |                   |  |                          |                          |            |  |   |              |  |   |                                       |            |
| Perissinotto                                   | Gen. Man. | 2006  | 500.000           | 30,127       | 10/05/2012               |                   |  |                          |                          |            |  |   |              |  | 500.000                                       | 0                                     | 0          |
| Sergio   | Man. Dir. |   |                   |              | 10/05/2009               |                   |  |                          |                          |            |  |   |              |  |   |                                       |            |
| Balbino  | Gen. Man. | 2006  | 500.000           | 30,127       | 10/05/2012               |                   |  |                          |                          |            |  |   |              |  | 500.000                                       | 0                                     | 0          |
| Raffaele                                       | General   |   |                   |              | 23/03/2009               |                   |  |                          |                          |            |  |   |              |  |   |                                       |            |
| Agrusti  | Manager   | 2006  | 500.000           | 31,37        | 23/03/2012               |                   |  |                          |                          |            |  |   |              |  | 200.000                                       | 0                                     | 0          |
| Other Managers with strategic responsibilities |           |   | 205.000           | 31,37        | 22/03/2012               |                   |  |                          |                          |            |  |   |              |  | 205.000                                       | 0                                     | 0          |

**Table 3A - Incentive plans based on financial instruments other than stock options for members of the board of directors, general managers and management personnel 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 |
| (I) Emoluments in the company that prepares the financial statement |                 |   |  |                |  |  |                |   |  |  |  |                        |            |
| Balbinot Sergio   | General Manager | LTIP 2010 resolution of the Board of Directors 17/3/2010                            |  |                |  |  |                |   |  |  |  |                        |            |
| Agrusti Raffaele  | General Manager | LTIP 2010 resolution of the Board of Directors 17/3/2010                            |  |                |  |  |                |   |  |  |  |                        |            |
| Vagnone Paolo   | General Manager | LTIP 2010 resolution of the Board of Directors 17/3/2010                            |  |                |  |  |                |   |  |  |  |                        |            |
| Other managers with strategic responsibilities                      |                 | LTIP 2010 resolution of the Board of Directors 17/3/2010                            |  |                |  |  |                |   |  |  |  |                        |            |
| (II) Emoluments from subsidiaries and associates                    |                 |   |  |                |  |  |                |   |  |  |  |                        |            |
|   |                 | Plan A (data of the relevant resolution)  |  |                |  |  |                |   |  |  |  |                        |            |
|   |                 | Plan B (data of the relevant resolution)  |  |                |  |  |                |   |  |  |  |                        |            |
| <b>(III) Total</b>  |                 |   |  |                |  |  |                |   |  |  |  |                        |            |

This table has not been completed because the 2010 LTIP produced effects in cash; please refer, therefore, to table 3B.

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

| (A)<br>Name and<br>surname   | (B)<br>Office              | (1)<br>Plan   | (2)                 |                 |                            | (3)                         |                     |                       | (4)<br>Other bonuses |
|--|----------------------------|---|---------------------|-----------------|----------------------------|-----------------------------|---------------------|-----------------------|----------------------|
|  |                            |   | Bonus of the year   |                 |                            | Bonus of the previous years |                     |                       |                      |
|  |                            |   | (A)<br>Payable/Paid | (B)<br>Deferred | (C)<br>Deferment<br>period | (A)<br>No longer<br>payable | (B)<br>Payable/Paid | (C)<br>Still deferred |                      |
| <b>(I) Emoluments in the company that prepares the financial statement</b> |                            |   |                     |                 |                            |                             |                     |                       |                      |
| Greco<br>Mario   | Man. Dir. and<br>Group CEO |   |                     |                 |                            |                             |                     | 1.300.000             |                      |
| Balbinot<br>Sergio   | General<br>Manager         | BSC 2012  | 1.838.961           |                 |                            |                             |                     |                       |                      |
|  |                            | LTIP 2010<br>resolution of the<br>Board of Directors<br>17/3/2010 | 0                   |                 |                            |                             |                     |                       |                      |
| Agrusti<br>Raffaele  | General<br>Manager         | BSC 2012  | 806.579             |                 |                            |                             |                     |                       |                      |
|  |                            | LTIP 2010<br>resolution of the<br>Board of Directors<br>17/3/2010 | 0                   |                 |                            |                             |                     |                       |                      |
| Vagnone<br>Paolo   | General<br>Manager         | BSC 2012  | 441.206             |                 |                            |                             |                     |                       |                      |
|  |                            | LTIP 2010<br>resolution of the<br>Board of Directors<br>17/3/2010 | 0                   |                 |                            |                             |                     |                       |                      |
| Other managers with<br>strategic responsibilities                          |                            | BSC 2012  | 1.630.000           |                 |                            |                             |                     |                       |                      |
|  |                            | LTIP 2010<br>resolution of the<br>Board of Directors<br>17/3/2010 | 288.232             |                 |                            |                             |                     |                       |                      |
| <b>(II) Emoluments from subsidiaries and associates</b>                    |                            |   |                     |                 |                            |                             |                     |                       |                      |
|  |                            | Plan A (data of the<br>relevant resolution)                       |                     |                 |                            |                             |                     |                       |                      |
|  |                            | Plan B (data of the<br>relevant resolution)                       |                     |                 |                            |                             |                     |                       |                      |
| <b>(III) Total</b>   |                            |   |                     |                 |                            |                             |                     |                       |                      |

**Table 4 - Holdings of members of the management and control bodies, general managers and management personnel with strategic responsibilities**

| Name and Surname  | Companies in which shares are held | Number of shares held at the end of the previous year | Number of shares purchased | Number of shares sold   | Number of shares held at the year-end |
|---|------------------------------------|---|----------------------------|-------------------------|---------------------------------------|
| Gabriele GALATERI DI GENOLA<br><i>Chairman</i>                                      | Generali                           | 11.500  |                            |                         | 11.500                                |
| Sergio BALBINOT<br><i>Managing Director<br/>General Manager</i>                     | Generali                           | 12.729  |                            |                         | 12.729                                |
| Giovanni PERISSINOTTO<br><i>Managing Director and Group CEO<br/>General Manager</i> | Generali<br>Banca Generali         | 88.922<br>25.000                                      | 11.078                     |                         | 100.000<br>25.000                     |
| Vincent BOLLORE'  | Generali                           | 2.028.352 <sup>1)</sup>                               |                            |                         | 2.028.352 <sup>1)</sup>               |
| Francesco Gaetano CALTAGIRONE   | Generali                           | 35.300.000 <sup>2)</sup>                              | 3.000.000 <sup>1)</sup>    | 3.550.000 <sup>1)</sup> | 34.750.000 <sup>3)</sup>              |
| Petr KELLNER  | Generali                           | 17.684.342 <sup>1)</sup>                              |                            | 7.684.342 <sup>1)</sup> | 10.000.000 <sup>1)</sup>              |
| Paolo SCARONI   | Generali                           | 9.828   |                            |                         | 9.828                                 |
| Francesco Saverio VINCI   | Generali                           | 1.372 <sup>1)</sup>                                   |                            |                         | 1.372 <sup>1)</sup>                   |
| Eugenio COLUCCI<br><i>Chairman of the Board of Auditors</i>                         | Generali                           | 1.979   |                            |                         | 1.979                                 |
| Raffaele AGRUSTI<br><i>General Manager</i>  | Generali                           | 32.422  |                            |                         | 32.422                                |
| Paolo VAGNONE<br><i>General Manager</i>   | Generali                           | 2.500   |                            |                         | 2.500                                 |
| Other managers<br>with strategic responsibilities                                   | Generali<br>Generali France        | 35.268<br>53.464                                      | 10.000<br>13.332           | 13.333                  | 45.268<br>53.463                      |

(1) Shares held through a subsidiary or affiliate company.

(2) Of which 35,185,000 held through a subsidiary or affiliate company.

(3) Of which 34,635,000 held through a subsidiary or affiliate company.

# Section III – Control Functions verifications

## A. *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 implementation of the remuneration policies adopted by the company is reviewed, at least annually, by the internal control functions, in accordance with the scope of their authority. The Compliance Function, in particular, pursuant to Article 23 of the above-mentioned ISVAP Regulation, is responsible for checking that these policies comply with the rules 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.

Within this scope and following approval of the remuneration policy by the Shareholders' Meeting of 28 April 2012, each of the Company's internal control functions, according to its area of authority, initiated the action necessary to ensure compliance of corporate conduct under the cited regulatory framework, supporting the Human Resources Department through *ex ante* assessments of compliance. Starting on 14 December 2012, these assessments also refer to the new Code of Conduct and the related Group Rules.

The Group CEO encouraged the review of the existing remuneration systems for the purpose of aligning the individual performance of managers with key roles in the Group more closely with the Group's strategic objectives.

The outcome of this review led to the formulation of a new Group incentive model and to the redrafting of the criteria for identifying "*personnel*"<sup>1</sup>, taking into consideration also the establishment of the Group Management Committee, which has been entrusted with the task of defining the Group's strategic priorities and ensuring that they are operationally coherent.

Summarised below are the main new features of the latest model, reflected in the Remuneration Report, and the controls conducted by the Compliance Function and the Risk Management Function.

### 2. The new remuneration system

The main new features of the latest remuneration system are listed below.

#### 2.1. - Recipients

The Company's executives who will participate in the new remuneration system include the members of the above-mentioned Group Management Committee and *personnel* who, through their job, position, level of responsibility, activities and authority, may have a direct impact on the Group's results.

The new remuneration system will also include head of internal control functions and relevant top-level lines, who come under the regulatory definition of "*personnel*". In this case there are specific governance rules and criteria for the allocation of objectives designed to avoid possible situations of conflict of interest.

<sup>1</sup> Refer to the definition in Article 2, paragraph 1(f) of ISVAP Regulation No. 39.

## 2.2. - Structure of the new remuneration package

The overall remuneration package awarded under the new system comprises a fixed part and a short- and medium- to long-term variable component.

As far as the short-term component is concerned (the so-called '*Short Term Incentive*' or STI), granted in cash, the main new features introduced involve:

- a) A more direct correlation between the financing of the short-term remuneration system and the achievement of the Group's annual results;
- b) The possibility of not awarding this component if the minimum level of the Group's Solvency Ratio, understood as a hurdle and calculated in accordance with the Solvency I criteria (hereinafter known as the "*Solvency I Ratio*"), or the minimum level of the Group's targets to which the financing of the STI is connected (for 2013, the Operating Result and Net Profit) is not reached;
- c) The expectation of achieving five categories of targets in individual Balanced Scorecards, divided into objectives, aligned with the Group's strategic objectives: 1) Strategic Progress, 2) Business Delivery & Financial Performance, 3) Process Effectiveness, Risk & Control, 4) Customer Engagement, 5) People Management. Payment of the STI remains subject to reaching the targets selected at the beginning of the year, which can be easily measured, with each having a specific weighting;
- d) Evaluation of the performance achieved by individual recipients of the STI at the end of each year is carried out based on a process which sees the involvement of the Group Human Resources Department and, later on, the Group CEO and members of the Group Management Committee. The process of assigning the targets and evaluating to what extent they have been achieved, which includes discretionary factors, supported by reasons, is adequately set down in writing.

The medium- to long-term component (the "*Long Term Incentive*" or LTI), unlike the previous 2011 Long Term Incentive Plan, is granted exclusively in Assicurazioni Generali S.p.A. shares. This is a rolling plan, in other words it is based on three-year cycles, which start every year, without affecting the possibility that the Board of Directors of the Parent Company may stop the cycles after the first one.

Each participant in the LTI is a potential recipient of a maximum number of shares of the Parent Company, which is calculated, at the beginning of each cycle, on the basis of a ratio between (i) the maximum amount of the bonus which may be received by the individual recipient (equal to a percentage of their recurring gross annual remuneration), and (ii) the value of the share, calculated as an average of the share price recorded in the three months prior to the meeting of the Board of Directors at which the financial statements and the consolidated financial statements for the year ended 31 December of the previous year are approved. The maximum number of shares is allocated in three annual tranches equal, respectively, to 30% of the maximum number of shares which can be awarded for the first tranche, 30% for the second tranche and 40% for the third tranche.

The allocation of each tranche of shares is subject to verification, on an annual basis, that the Group objectives have been achieved (for 2013 they were identified as the rTSR (relative Total Shareholder Return), that is the positioning of the Generali Group in relation to a set group of peers, and the ROE (Return on Equity) of the Group). The targets which these annual objectives must achieve are set at the beginning of each cycle and remain the same for all three reference years.

The granting of each tranche is also subject to verification that an access threshold ("*gate*") has been exceeded, indicated in the Company's Remuneration Report. In particular, for the cycle which starts in 2013, the access threshold has been identified as the Solvency I Ratio, which should not be lower than: (i) 140% for the first tranche; (ii) 140% for the second tranche or not lower than the higher Solvency I Ratio level, if the Solvency I Ratio achieved in the previous year was more than 140%; (iii) 160% for the third tranche.

The granting of the share component is, lastly, subject to the condition precedent that the recipient shall remain at the Generali Group for the entire duration of the cycle and until the date of the actual shares granting, according to the Board of Directors resolution that verifies the level of objectives achievement at the end of the third year of each cycle.

After the allocation of the first tranche (at the end of the first year), the portion of shares assigned is subject to a two-year deferral period; the second tranche (at the end of the second year) is awarded after verification of the achievement of the targets on the second year and is then subject to a deferral period of one year. Following this, the third tranche (at the end of the third year) is awarded after verification of the achievement of the targets on the third year.

Half the shares acquired at the end of the three-year period are available immediately for the recipient, 25% are subject to a one-year lock-up period, and 25% are subject to a two-year lock-up period.

Further one-off payments may also be granted such as, for example, entry bonuses. This type of remuneration is paid in compliance with the governance procedures on remuneration and precise information about them is given in compliance with the provisions of existing regulations.

### 3. Controls conducted

With regard to the above, the Risk Management Function has examined the coherence of the criteria identified and the related indicators used for performance evaluation in relation to the risk management strategies established by the Board of Directors.

The Compliance Function has also verified the compliance of the variable remuneration components (STI and LTI), described in the Remuneration Report, with the regulatory context and makes the following comments:

- a) The new system provides for alignment with the strategic objectives of the Company and the Generali Group;
- b) Measurement of the results takes place over an adequate timescale;
- c) Maximum limits have been set for the granting of the variable component;
- d) Payment of the variable component is subject to pre-set and objective results being achieved, which are also easy to measure;
- e) The setting of these targets also takes into account non-financial criteria which contribute to the creation of value for the Company, such as "People Management" and "Customer Engagement";
- f) Steps have been taken to ensure that the amount received by each recipient is based on a suitable combination of results achieved by the individual and the overall results achieved by the Company and the Group, also within the scope of the so-called 'calibration meetings';
- g) It is possible not to grant a bonus if the minimum levels to which the financing of the system is related are not reached (Group objective and Solvency I Ratio), and the bonus will not be paid, in full or in part, if individual targets are not achieved;
- h) The application of so-called *malus* and claw-back clauses is provided for;
- i) There is a minimum deferral period for part of the variable component;
- j) There are adequate periods for the assignment and retention of the component paid in shares.

The Compliance Function also noted that, with regard to the policy illustrated in the Remuneration Report approved in 2012 by the Shareholders' Meeting, the new remuneration policy remains essentially unaltered with regard to the following aspects, already deemed substantially compliant with the provisions of ISVAP Regulation No. 39:

- a) The basis, the principles and the measures from which the Company remuneration policy generally draws its inspiration;
- b) The procedures aimed at internal communication of the remuneration policy and related procedures;
- c) The remuneration policy for members of the Company's Board of Directors who do not have executive powers, including the Chairman and the two Vice Chairmen;
- d) The policy on severance pay and the amounts paid to members of the Board of Directors for early termination of office;
- e) The remuneration policy for members of the Board of Statutory Auditors;
- f) General policies on the fixed component of remuneration and benefits.



## 4. Conclusions

The Compliance Function considers that the new remuneration system described in the Remuneration Report substantially complies with the provisions of ISVAP Regulation No. 39, the Company By-laws, the Code of Conduct of listed companies and the new Code of Conduct.

The Risk Management Function, with particular reference to the criteria and parameters adopted for determining variable remuneration, considers that the new remuneration system is substantially consistent with the Group risk management strategies.

Both departments will take care to verify that the implementation procedures of the new remuneration policy conform with the latter as well as the provisions of ISVAP Regulation No. 39, the Company Bylaws, the Code of Conduct of listed companies and the Code of Conduct and related implementation arrangements.

### A. *Ex post* verification of the Internal Audit function

#### **Group Audit – Operational Audit Model of the Remuneration Policies**

Internal Audit report on the proper implementation of the Remuneration policies for 2012

This report is prepared pursuant to Art. 23 of ISVAP Regulation No. 39/2011, which requires the Internal Audit Function to verify the proper implementation of the remuneration policies based on the guidelines established by the Board of Directors to ensure the efficient use and safeguarding of the company's assets. Such audit supplements those that have already been performed by other control departments (i.e. Compliance and Risk Management).

The audit has been performed on the basis of a Operational Audit Model that was previously presented by the Internal Audit Function to the Risk and Control Committee on 14 December 2012. Based on such Model, structured activities shall be carried out on all the companies that fall within the identified product type or geographical area. These activities include both the phase of definition of the policies and their implementation, as well as the actual payment of the main remuneration components. With regard to the latter, the final quantification and payment of the variable components of the remuneration will be audited after the approval of the financial statements as at 31 December 2012 by the Shareholders' Meeting, which is an essential precondition for the quantification and payment of the variable components of the remuneration.

The results of the activities carried out show that a few compensation packages are an exception to the remuneration policies approved by the Shareholders' Meeting held on 28 April 2012. These exceptions are attributable to the evolution of the remuneration policies, partly due to a different organizational structure adopted by the Group following the changes in the top management during the course of 2012. These changes are clearly visible in the new version of the policies that will be submitted to the approval of the Shareholders' Meeting that is currently being convened. In any event, the identified exceptions have been approved by the Board of Directors.

The audit also revealed that the business processes that fall within the responsibility of the Group HR Function need to be fine-tuned to guarantee wider coordination and control activities, particularly in the phase of implementation of the policies in question. In this regard, although complexities have emerged during the first year of implementation of the policies, arising from the deep diversity of the geographies and regulatory environments where they have been adopted, the audit has highlighted the need to complete the dissemination of these policies across all the entities of the Group, at the same time ensuring that adequate support and control activities are in place.



# Directors' Report to the General Meeting

## 5. ALLOCATION OF FINANCIAL INSTRUMENTS TO THE GROUP CEO AND SOME COMPANY'S MANAGERS, WITH THE RELEVANT AUTHORISATION TO BUY OWN SHARES AND TO PERFORM ACTS OF DISPOSAL OF SUCH SHARES FOR SAID ALLOCATION: RELATED AND CONSEQUENT RESOLUTIONS; DELEGATION OF POWERS.

*Dear Shareholder,*

the remuneration system established for the Top Management of Assicurazioni Generali (hereinafter "the **Company**" and "the **Parent Company**") and the managers of the Company and the Generali Group ("the **Group**") is based on fixed fees and variable fees, the latter divided into various components. In addition to that, the system can be integrated with further one-off and ad hoc payments made to strategic positions under particular conditions, as detailed below. These payments are not governed by policies due to their extraordinary nature.

In particular, reference is made to entry bonuses in financial instruments that can be paid exceptionally to promote the engagement of top positions under particular circumstances.

In this context, with a view to attracting and motivating highly qualified resources from the external market and including them into the Head Office - whose organisation is very discontinuous - the Company has decided to pay an entry bonus in Company's shares on an extraordinary basis.

This remuneration tool aims at attracting the best professionals on the market to assign them the Group's "key positions" in order to achieve three different results:

- align beneficiaries' interests with shareholders' interests;
- achieve increasingly challenging business results;
- contribute to increasing value creation for shareholders.

With reference to managers coming from other companies, these components can also be paid as a compensation for the shares given by the company of origin, whose right to dividends expires after changing the employer.

The entry bonus has been used for the following strategic positions:

- Group Chief Executive Officer (Group CEO)
- Group Chief Financial Officer (Group CFO)
- Group Chief Investment Officer (Group CIO)
- Group Chief Operating Officer (Group COO)
- Commercial & Corporate Manager.

The payment of such remuneration fees is governed by governance processes in the field of remuneration; prompt information is provided under the legislation in force.

With reference to the above, a draft allocation of financial instruments to the Group CEO and the Company's managers is hereby submitted for your examination and approval.

The beneficiaries and number of shares to be allocated on an individual basis are related to the:

- importance of the position in terms of impact on business results and/or Group governance;
- need for attracting and motivating high potential talents that are searched by market competitors;
- level of implementation skills required.

Each beneficiary shall be allocated Assicurazioni Generali free shares with no right of transfer.

\* \* \* \* \*

In order to implement all of the above, a proposal to issue the authorisation - under sections 2357 and 2357-ter of the Italian Civil Code - for the purchase and the performance of acts of disposal of the Company's own shares under the following terms and conditions is hereby submitted for your examination and approval.

### 1. Reasons why authorisation to purchase and dispose of the Company's own shares is requested

As indicated above, this authorisation is requested only to provide the Company with the necessary means to allocate Assicurazioni Generali shares to the Group CEO and the above-mentioned Company's managers.

### 2. Maximum number, category and par value of the shares to which the authorisation relates; compliance with the terms of section 2357, paragraph three, of the Italian Civil Code

The purchase for which authorisation is requested, which may be performed on one or more occasions, relates to the Company's ordinary shares with a par value of € 1.00 each.

In view of the factors set out above regarding the amount of shares to be allocated in total to beneficiaries, the maximum number of shares to be purchased shall not exceed 800,000 shares (corresponding, at present, to 0.051% of the share capital).

The Company and its subsidiary companies currently have 16,129,841 Generali shares in their portfolios, which represent 1.036% of the Company's share capital. Consequently, even in the event of full use of the requested authorisation, the number of the Company's own shares which would be directly or indirectly owned by Generali - amounting to approximately 1.087% of the share capital at the time of writing - would fall well below the threshold specified in the third paragraph of section 2357 of the Italian Civil Code (now corresponding to 20% of the share capital).

The purchases shall be made within the limits of the distributable profits and the available reserves shown in the last duly approved accounts.

Pursuant to section 2357-ter.3 of the Italian Civil Code, the Company shall set up an unavailable reserve equal to the amount of own shares purchased, by deducting the same amount from the available reserves. The reserve thus constituted shall be maintained until the own shares purchased have been disposed of.

As for the assignment of own shares purchased, said reserve shall be returned to the reserves from which it was deducted.

### 3. Duration of authorisation

The authorisation for the purchase is requested for the period of 18 months from the date on which the Shareholders Meeting adopts the corresponding resolution; the authorisation for disposal is requested without any time limit.

### 4. Minimum and maximum price

The minimum purchase price of the ordinary shares shall be not less than the par value of the shares, namely € 1.00, while the maximum purchase price shall not exceed 5% of the reference price recorded by the shares on the stock market trading day before the day of each purchase operation.

## 5. Procedure whereby shares may be purchased

Own share purchase operations shall be performed, pursuant to section 144-bis.1.b and c of the Issuers' Regulation issued by CONSOB by resolution no. 11971 of 14 May 1999, as amended, according to the operating procedures established in the market organisation and management regulations, so as to ensure equality of treatment between shareholders. Purchases shall therefore be performed, if necessary on more than one occasion for each method, solely,

- on the regulated market organised and managed by Borsa Italiana S.p.A., according to operational procedures established by the latter which do not allow direct matching of purchase and sale offers, or
- by the purchase and sale of derivative instruments traded on the corresponding regulated market organised and managed by Borsa Italiana S.p.A. whose regulations specify procedures complying with the terms of the said section 144-bis.1.b) and c) of the Issuers' Regulation.

\* \* \* \* \*

In conclusion, for the reasons set out above, the Shareholders Meeting is requested to approve the allocation of financial instruments to the Group CEO and the above-mentioned Company's managers as outlined above, and further authorise the purchase of the Company's own shares and the performance of acts of disposal thereof, on the terms and conditions set out above.

Further information on such allocation shall be made available to the Shareholders and the financial community through the publication of a specific Information Document, pursuant to section 114-bis of TUIF (Consolidated Law on Finance) and section 84-bis of the Issuers' Regulation.

\* \* \* \* \*

The following text is the draft resolution of the Shareholders Meeting in line with the will of the Shareholders in terms of contents, as outlined above.

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

- having regard to sections 114-bis and 132 of Italian Legislative Decree no. 58 of 24 February 1998, as amended and supplemented;
- having regard to sections 84-bis and 144-bis of CONSOB resolution no. 11971 of 14 May 1999, as amended and supplemented (the "**Issuers' Regulation**");
- having regard to sections 2357 and 2357-ter of the Italian Civil Code;
- considering that, as at today's date, the Company and its subsidiaries own an amount of Generali shares which is well below one fifth of the Company's share capital;
- having regard to the Directors' Report on this item on the agenda;
- having regard to the Financial Statements as at 31 December 2012, just approved;
- having heard the Board of Auditors' favourable opinion;

**hereby resolves**

- 1) to approve the allocation of financial instruments to the Group CEO and the Company's managers as outlined in the Directors' Report, under the terms and conditions therein set out, while authorising the implementation of all related and consequent actions;

- 2) to authorise, pursuant to sections 2357 and 2357-ter of the Italian Civil Code, the purchase of maximum 800,000 ordinary shares issued by the Company with a par value of € 1.00 each, and the performance of acts of disposal of said shares under the following conditions:
- a) the authorisation shall only concern purchases to be made for the allocation;
  - b) the minimum purchase price of the ordinary shares shall be not less than the par value of the shares, namely € 1.00, while the maximum purchase price shall not exceed 5% of the reference price recorded by the shares on the stock market trading day before the day of each purchase operation;
  - c) the authorisation for the purchase shall be given for the period of eighteen months as from the adoption of this resolution: the authorisation for disposal shall be given without any time limit;
  - d) the purchases shall be made within the limits of the distributable profits and the available reserves shown in the last duly approved accounts;
  - e) own share purchase operations shall be performed, pursuant to section 144-bis.1.b and c of the Issuers' Regulation, according to the operating procedures established in the market organisation and management regulations, so as to ensure equality of treatment between Shareholders. Purchases shall therefore be performed, if necessary on more than one occasion for each method, solely,
    - i. on the regulated markets organised and managed by Borsa Italiana S.p.A., according to operational procedures established by the latter which do not allow direct matching of purchase and sale offers, or
    - ii. by the purchase and sale of derivative instruments traded on the corresponding regulated market organised and managed by Borsa Italiana S.p.A. whose regulations specify procedures complying with the terms of the said section 144-bis.1.b) and c) of the Issuers' Regulation;
- 3) to give mandate to the Group CEO, given the powers conferred to him:
- a) to identify reserve funds to be used for the purchase and setting up of the unavailable reserve under paragraph three of section 2357-ter of the Italian Civil Code, in compliance with the law and with an aim to ensuring the full availability of existing reserves, as well as to dispose of own shares already available in the Company's share capital to fully implement this resolution;
  - b) to set the rules, deadlines and terms required for a full implementation of this resolution, by making all necessary assessments and controls and fulfilling all necessary formal requirements, none excluded or excepted."

Milan, 13 March 2013

THE BOARDS  
OF DIRECTORS

Schedule:

- 1) Information Document

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# INFORMATION DOCUMENT

DRAWN UP PURSUANT TO THE COMBINED PROVISIONS OF S. 114-BIS OF LEGISLATIVE DECREE 58/1998 AND S. 84-BIS.1 OF CONSOB RESOLUTION NO. 11971 OF 14 MAY 1999, AS AMENDED, RELATING TO THE ALLOTMENT OF FINANCIAL INSTRUMENTS TO THE GROUP CEO AND SENIOR EXECUTIVES OF THE COMPANY

|   |        |
|---|--------|
| Introductory note _____   | 73     |
| Definitions _____   | 74     |
| 1. Beneficiaries _____  | 76     |
| Reasons for the Allotment of financial instruments to the Group CEO<br>and senior executives of the Company _____     | 77     |
| 2. Approval procedure and timing of allotment of instruments _____  | 78     |
| 3. Characteristics of instruments allotted _____  | 80     |
| <br>Annex "A" – Table 1, Section 2 of Part 2 annexed to Layout no. 7 of Annex 3A<br>to the Issuers' Regulations _____ | <br>83 |



## INTRODUCTORY NOTE

In this information document (hereinafter called “the INFORMATION DOCUMENT”, Assicurazioni Generali S.p.A., as required by art. 84-bis.1 of the Issuers’ Regulation, provides its Shareholders and the financial community with information about the allotment of financial instruments to the GROUP CEO and some Company executives (hereinafter called “the ALLOTMENT”).

The General Meeting to be held in Trieste on 27 April 2013 (for ordinary and extraordinary business on first convocation) and, if necessary, on 29 April (for extraordinary business on second convocation) and, again if necessary, on 30 April 2013 (for ordinary business on second convocation and extraordinary business on third convocation), will be called on (*inter alia*) to approve the ALLOTMENT with related authorisation for the purchase and disposal of the Company’s own shares for the purpose of the said ALLOTMENT.

In addition to the information contained in this INFORMATION DOCUMENT, further explanatory details of the ALLOTMENT are contained in TABLE 1, Section 2 of Part 1 together with Layout No. 7 of Annex 3A to the ISSUERS’ REGULATION (Annex “A” hereto).

The INFORMATION DOCUMENT is made available to the public at the registered office of Assicurazioni Generali S.p.A. at Piazza Duca degli Abruzzi 2, Trieste, on the Company’s website ([www.generali.com](http://www.generali.com) in the *Investor Relations – 2013 General Meeting* section) and on the Borsa Italiana S.p.A. website, as required by current legislation and regulations.

## DEFINITIONS

|                                |  |
|--------------------------------|--|
| GENERAL MEETING:               | the General Meeting of Assicurazioni Generali S.p.A., to be held on 27 April 2013 (for ordinary and extraordinary business on first convocation) and, if necessary, on 29 April (for extraordinary business on second convocation) and, again if necessary, on 30 April 2013 (for ordinary business on second convocation and extraordinary business on third convocation), called on ( <i>inter alia</i> ) to approve the ALLOTMENT |
| ALLOTMENT:                     | the one-off free allotment of FREE SHARES, in the form of an entry bonus, to the GROUP CEO and COMPANY EXECUTIVES  |
| FREE SHARES:                   | "Assicurazioni Generali S.p.A. ordinary shares", listed on the Screen-based Trading Market with a par value of € 1.00 (one euro) each, acquired and subject to disposal pursuant to ss. 2357 and 2357-ter of the Civil Code, and allotted free of charge by GENERALI to the BENEFICIARIES  |
| DATE OF APPROVAL OF ALLOTMENT: | the date on which the GENERAL MEETING is actually held   |
| BENEFICIARIES:                 | the recipients of FREE SHARES: the GROUP CEO and the EXECUTIVES listed in the TABLE who, on the DATE OF APPROVAL OF THE ALLOTMENT, are employees or key executives of GENERALI.  |
| INFORMATION DOCUMENT:          | this information document, drawn up pursuant to s. 84-bis.1 of the ISSUERS' REGULATION   |
| GENERALI OR THE COMPANY:       | Assicurazioni Generali S.p.A., whose registered office is situate at Piazza Duca degli Abruzzi no. 2, Trieste, registered in the insurance and reinsurance companies' register under number 1.00003, and parent company of the Generali Group, listed in the Insurance Groups Register under no. 026   |
| GENERALI GROUP:                | GENERALI and the Italian and foreign companies subject to its control, pursuant to s. 93 of Legislative Decree no. 58 of 24 February 1998  |
| GROUP CEO:                     | the person mainly responsible for the management of GENERALI and the GENERALI GROUP, as Director and Managing Director of GENERALI, namely the Chief Executive Officer (CEO) of the GENERALI GROUP   |
| EXECUTIVES                     | Generali's Group Chief Financial Officer (CFO), Group Chief Investment Officer (CIO) and Group Chief Operations Officer (COO) and the Commercial & Corporate Manager.  |
| ADMINISTRATIVE BODY:           | GENERALI'S Board of Directors  |
| ISSUERS' REGULATION:           | the Regulation passed by Consob by Resolution no. 11971 of 14 May 1999, as amended   |
| RESPONSIBLE PARTY:             | Banca Generali S.p.A., whose registered office is situate at Via Niccolò Machiavelli no. 4, Trieste, tax identification number and Trieste Companies Registry number 00833240328   |

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TABLE:

the document drawn up in accordance with Table 1, Section 2 of Part 1 together with Layout no. 7 of Annex 3A to the ISSUERS' REGULATION, annexed to the INFORMATION DOCUMENT as Annex "A"

## 1. BENEFICIARIES

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### 1.1 The names of beneficiaries who are members of the Board of Directors or Management Board of the issuer of financial instruments, the issuer's controlling companies, and companies directly or indirectly controlled by the issuer.

The names of the BENEFICIARIES included in the said category are specified in the TABLE. It lists by name the only director benefiting from the ALLOTMENT, namely the Group CEO, and collectively the other four senior executives, none of whom is a member of the Board of Directors.

### 1.2 Categories of employees or self-employed personnel of the issuer of financial instruments and the said issuer's controlling companies or subsidiaries

The EXECUTIVES specified in the TABLE who, on the DATE OF APPROVAL OF THE ALLOTMENT, are employees or key executives of GENERALI.

### 1.3 Names of beneficiaries of the plan belonging to the following groups:

a) *General Managers of the issuer of financial instruments;*

The names of the BENEFICIARIES included in the said category are specified in the TABLE. They include the Group CEO, who is both General Manager and Managing Director of GENERALI.

b) *other key management personnel of a share issuer which is not of "small size", as defined in article 3.1. f) of Regulation no. 17221 of 12 March 2010 if, during the financial year, they have received overall remuneration (calculated as the sum of monetary remuneration and remuneration based on financial instruments) exceeding the highest total remuneration attributed to members of the Board of Directors or the Board of Management, and to the General Managers of the issuer of financial instruments;*

Not applicable: none of the four key management personnel other than the Group CEO is a member of the Board of Directors or receives remuneration higher than that of the party relevant for the purpose of paragraph 1.3 (the Group CEO).

c) *natural persons controlling the share issuer who are employed by or otherwise work for the share issuer.*

Not applicable: GENERALI is not subject to control by any party as defined in the applicable legislation.

### 1.4 Description and numerical indication, broken down by category:

a) *key management personnel other than those indicated in paragraph 1.3.b);*

The TABLE annexed to this INFORMATION DOCUMENT collectively indicates the BENEFICIARIES included in the said category

b) *in the case of companies of "small size" as defined in article 3.1. f) of Regulation no. 17221 of 12 March 2010, the aggregate of all the key management personnel of the issuer of financial instruments;*

Not applicable: GENERALI is not a company of small size.

c) *the other categories of employees or self-employed personnel for whom differentiated characteristics are specified in the plan (e.g. senior executives, junior executives, clerical staff, etc.).*

Not applicable: no other categories of parties are involved in the ALLOTMENT apart from the five specified in the TABLE.

## 2. REASONS FOR ADOPTION OF PLAN

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### 2.1 Objectives to be achieved by attribution of the plans

The ALLOTMENT is designed to attract and motivate highly skilled resources from the external market, to be appointed to key positions in the Generali Group during a stage of extensive reorganisation of the Head Office. In this context, Generali has decided, on an extraordinary basis, to offer an entry bonus paid in the Company's shares.

This remuneration instrument is designed to achieve a triple result:

- a) to align the BENEFICIARIES' interests with those of the Shareholders;
- b) to achieve increasingly challenging business results;
- c) to contribute to creating increasing value for Shareholders.

### 2.2 Key variables, including performance indicators, considered for the purpose of attribution of plans based on financial instruments

The ALLOTMENT is not based on performance indicators.

### 2.3 Elements used to determine the amount of the remuneration based on financial instruments, or the criteria for its determination.

In order to determine the number of FREE SHARES to be allotted to each of the BENEFICIARIES, account has been taken of the following factors, with differentiation between the various BENEFICIARIES:

- ✓ the strategic nature of the role and the characteristics of the BENEFICIARIES, with the above-mentioned aim of attracting the best professionals present on the market;
- ✓ the remuneration structure assigned in their previous company;
- ✓ the share packages granted in their previous company, the enjoyment of which terminates following the change of employer, the ALLOTMENT being granted to compensate for their loss;
- ✓ ownership of share packages in companies not belonging to the GENERALI GROUP that the BENEFICIARIES have lost or undertaken to sell, following their hiring by the COMPANY and due to the positions held in it. In this case the ALLOTMENT is made to compensate for any loss of value of the said shares that the BENEFICIARIES have lost or undertaken to sell.

### 2.4 The reasons for any decision to grant remuneration plans based on financial instruments not issued by the financial instrument issuer, such as financial instruments issued by subsidiaries or controlling companies, or companies not belonging to the group; if the said instruments are not traded on regulated markets, information about the criteria used to determine the value attributable to them;

Not applicable: the ALLOTMENT consists of financial instruments issued by the COMPANY.

### 2.5 Evaluations regarding significant tax and accounting implications which influenced the design of the plans

Not applicable: No significant tax or accounting implications influenced the ALLOTMENT.

### 2.6 Any support for the plan by the Special Fund to encourage shareholdings by company workers, referred to in s. 4.112 of Statute no. 350 of 24 December 2003

Not applicable: the ALLOTMENT is not supported by the Special Fund to encourage shareholdings by company workers, referred to in s. 4.112 of Statute no. 350 of 24 December 2003.

### 3. APPROVAL PROCEDURE AND TIMING OF ALLOTMENT OF INSTRUMENTS

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#### 3.1 Scope of the powers and functions delegated by the General Meeting to the Board of Directors to implement the plan

The GENERAL MEETING is called on to approve the ALLOTMENT, with related authorisation to purchase the Company's own shares for the purpose of the allotment, on the basis of the report submitted by the ADMINISTRATIVE BODY, and simultaneously to implement it. The GROUP CEO will be instructed to implement the resolution passed by the GENERAL MEETING, including the task of identifying the reserve funds to be used for the purchase and for the constitution of the unavailable reserve required by s. 2357-ter.3 of the Civil Code.

#### 3.2 Parties responsible for administering the plan, and their tasks and duties

The ADMINISTRATIVE BODY is responsible for administering the ALLOTMENT.

#### 3.3 Any procedures for review of the plans, including in relation to variations in the basic objectives.

Not applicable: this is an atypical instrument which the COMPANY has decided to use on an extraordinary basis for the first time, for the purposes explained in paragraph 2.1 hereof. In view of the factors set out above, the procedures already existing for review of the existing incentive plans are not extendable to the ALLOTMENT.

#### 3.4 Description of the procedures whereby the availability and allotment of the financial instruments on which the plans are based is determined (e.g. free issues, increases in capital excluding option rights, purchase and sale of own shares).

The ALLOTMENT will be implemented by the purchase of the company's own shares, authorisation for which, pursuant to ss. 2357 and 2357-ter of the Civil Code and s. 132 of Legislative Decree no. 58 of 24 February 1998, will be submitted for examination and approval by the GENERAL MEETING.

#### 3.5 The part played by each director in establishing the characteristics of the said plans; whether the directors concerned have any conflict of interest

GENERALI'S GROUP CEO does not vote on resolutions of the ADMINISTRATIVE BODY relating to his ALLOTMENT

#### 3.6 For the purposes of s. 84-bis.1, the date of the decision taken by the body with power to submit the plans for approval by the General Meeting, and the proposal of the Remuneration Committee (if any)

The proposed ALLOTMENT was examined by the COMPANY'S Remuneration Committee at the meeting held on 11 March 2013, which approved the proposal relating to the Group CEO and expressed a favourable opinion as regards the other BENEFICIARIES of the proposal formulated by the Group CEO. The ADMINISTRATIVE BODY subsequently approved the proposals submitted at the meeting held on 13 March 2013, in the absence of the Group CEO as regards the proposal relating to him.

#### 3.7 For the purpose of s. 84-bis.5.a), the date of the decision by the body with power to allot the instruments and of the proposal formulated by the Remuneration Committee (if any) to the said body

The ALLOTMENT will be submitted for examination and approval by the GENERAL MEETING, whose decision will entail implementation of the ALLOTMENT on the same date.

#### 3.8 The market price of the financial instruments on which the plans are based, recorded on the said dates, if traded on regulated markets

Not applicable: the ALLOTMENT will be submitted for examination and approval by the GENERAL MEETING.

#### 3.9 In the case of plans based on financial instruments traded on regulated markets, the terms and procedures according to which the issuer takes account, when identifying the timing of allotment of the instruments to implement the plans, of the possible time overlap between:

- i) the said allotment or decisions taken by the Remuneration Committee, and*
- ii) the disclosure of any relevant Information as defined in s. 114.1; for example, if this information is:*
  - a. not already public and liable to influence market prices favourably, or*
  - b. already published and liable to influence market prices unfavourably.*

All the BENEFICIARIES of the ALLOTMENT (except for the Corporate & Commercial Manager) fall into the category of Relevant Parties, governed by s. 152-sexies.1.c.1) and c.2) of the ISSUERS' REGULATION, as they are internal

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dealers of the Company. If the pre-requisites specified in the ISSUERS' REGULATION are met, they are therefore required to provide prompt information to the market about significant transactions, as defined by the said legislation, performed on the SHARES. The terms dictated by GENERALI'S "Internal Dealing Regulation" state that these parties shall not perform significant transactions on SHARES within some blocking periods, namely within the 15 days prior to the date of Board meetings at which:

- GENERALI'S draft annual and consolidated financial statements or half-yearly financial report are examined;
- the proposal to distribute the dividend is formulated;
- the intermediate management statement as at 31 March and 30 September of each year is examined.

The text of the Internal Dealing Regulation, identifying the COMPANY'S internal dealers, is available on the COMPANY'S website [www.generali.com](http://www.generali.com)

## 4. CHARACTERISTICS OF INSTRUMENTS GRANTED

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- 4.1 Description of the forms in which the remuneration plans based on financial instruments are structured; for example, state whether the plan is based on the grant of: financial instruments (known as allotment of restricted stock); increased value of the said instruments (phantom stock); option rights that allow subsequent purchase of the financial instruments (option grant) with settlement by physical delivery (stock option) or in cash on the basis of a differential (stock appreciation right);**

The ALLOTMENT of FREE SHARES to the BENEFICIARIES takes the form of restricted stock.

- 4.2 Period of actual implementation of the plan, with reference to any different cycles planned**

The ALLOTMENT will be implemented on a one-off basis during the current financial year, and no different and/or further cycles are planned.

- 4.3 Period of the plan**

The ALLOTMENT will be terminated by the end of the current financial year, which closes on 31 December 2013.

- 4.4 The maximum number of financial instruments, including options, allotted in each tax year in relation to the parties identified by name or to the categories indicated**

A maximum of 800,000 FREE SHARES are to be allotted to the BENEFICIARIES by the end of the current financial year, which closes on 31 December 2013.

- 4.5 The procedures and terms of implementation of the plan, specifying whether the allotment of the instruments is subject to certain conditions being met or conditional on achieving given results, including meeting performance targets; description of these conditions and results;**

The ALLOTMENT is subject to the condition that the BENEFICIARIES are employees or key executives of GENERALI on the date of the grant. The ALLOTMENT is not subject to any specific performance conditions.

- 4.6 Any disposal restrictions affecting the instruments allotted or instruments deriving from the exercise of options, with special reference to the periods within which subsequent transfer to the same company or third parties is allowed or prohibited**

The FREE SHARES allotted are subject to the following restriction periods:

- GROUP CEO: 50% until 1.8.2015 and the remaining 50% until 1.8.2018;
- EXECUTIVES: the FREE SHARES allotted are subject to different restriction periods, diversified by BENEFICIARY and for the reasons underlying the ALLOTMENT, which cover a five-year period from 2013 to 2017.

- 4.7 Description of any conditions subsequent relating to grant of the plans if the beneficiaries perform hedging operations that circumvent any prohibition on sale of the financial instruments allotted, including in the form of options, or of the financial instruments obtained by exercising the said options;**

Not applicable.

- 4.8 Description of the effects caused by termination of the contract of employment**

In the event of cessation of the contract of employment or key executive office after the date of allotment of the FREE SHARES, the restriction periods specified for each allotment listed in paragraph 4.6 above will remain in force

- 4.9 Any other grounds for cancellation of the plans**

Not applicable.

- 4.10 Reasons for including a "right of redemption" (if any) by the company of the financial instruments to which the plans relate, pursuant to arts. 2357 et seq. of the Civil Code; beneficiaries of the redemption, indicating whether it is destined solely for particular categories of employees; effects on the said redemption of termination of the contract of employment**

Not applicable.



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

Not applicable

**4.12 Valuations of the expected cost to the company on the allotment date, as determined on the basis of the terms and conditions already established, for the total amount and in relation to each instrument of the plan**

The ALLOTMENT takes the form of a payment based on shares. The cost is equal to the fair value of the FREE SHARES calculated on the grant date multiplied by the number of shares allotted. The grant date is identifiable as the time when the agreement between the company and the individual BENEFICIARIES of the entry bonus is signed. All the terms and conditions of the ALLOTMENT are already known to both parties on that date.

The ALLOTMENT does not impose any conditions to be met for the purpose of the GRANT, apart from those specified in paragraph 4.5 above. The cost must therefore be recorded immediately as a contra item in the specific equity reserve.

**4.13 Possible diluting effects on capital as a result of the remuneration plans**

Not applicable.

**4.14 Limitations on the exercise of voting rights and attribution of equity rights**

Not applicable

**4.15 If the shares are not traded on regulated markets, all information useful to effect a full valuation of their value**

Not applicable.

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

Not applicable.

**4.17 Expiry of options**

Not applicable.

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

Not applicable.

**4.19 Exercise price of the option, or the procedures and criteria for its determination with special reference to:**

a) the formula for calculating the exercise price in relation to a given market *price (fair market value) (for example: exercise price 90%, 100% or 110% of market price), and*

b) *the procedures for determining the market price taken as reference for the determination of the exercise price (for example: last price on the day before the allotment, average of day, average of last 30 days, etc.)*

Not applicable.

**4.20 If the exercise price is not equal to the market price determined as indicated in point 4.19.b (fair market value), the reasons for that difference**

Not applicable.

**4.21 Criteria on the basis of which the exercise prices differ between the various beneficiaries or categories of beneficiaries;**

Not applicable.

**4.22 if the financial instruments underlying the options are not traded on regulated markets, indication of the value attributable to the underlying instruments or the criteria used to determine their value;**

Not applicable

**4.23 Criteria for adjustments necessitated by extraordinary capital operations and other operations involving a change in the number of underlying instruments (capital increases, extraordinary dividends, grouping and splitting of the underlying shares, mergers and demergers, conversion to different share categories, etc.).**

Not applicable

**4.24 The share issuers attach the annexed table no. 1 to the information document, filling in:**

*a) in all cases section 1 of boxes 1 and 2 in the fields of specific interest;*

*b) section 2 of boxes 1 and 2, filling in the fields of specific interest on the basis of the characteristics already established by the Board of Directors.*

For members of the Board of Directors or Board of Management, the General Managers and other key management personnel of the listed issuer, the data for section 1, table no. 1 and the information required for paragraph 1, can be supplied by referring to the information published pursuant to art. 84-quater:

- point 1.1;
- points 1.3 a) and b);
- points 1.4 a) and b).

## REMUNERATION PLANS BASED ON FINANCIAL INSTRUMENTS

Table 1 of schedule 7, Appendix 3A to Regulation 11971/1999

| Name and surname or category                | Position (only for the people whose name is indicated) | CHART 1  |                        |  |  |                    |      |         |
|---|--|--|------------------------|--|--|--------------------|------|---------|
|   |  | Financial instruments other than stock options   |                        |  |  |                    |      |         |
|   |  | <b>Section 2</b><br>Newly allocated instruments based on the decision<br><input type="checkbox"/> of the BoD submitted to the Shareholders Meeting<br><input type="checkbox"/> of the body responsible for the implementation of the Shareholders Meeting resolution |                        |  |  |                    |      |         |
| Date of Shareholders Meeting resolution (1) | Type of financial instruments                          | Number of financial instruments allocated (2)  | Date of allocation (4) | Purchase price of instruments (if any) | Market price at allocation date                    | Vesting period (6) |      |         |
| Mario Greco                                 | Group CEO  |  | Company's shares       | 190.500                                | 11 March 2013 (Rem. Comm.) and 13 March 2013 (BoD) | n.a.               | n.a. | N/A (5) |
| Mario Greco                                 | Group CEO  |  | Company's shares       | 190.500                                | 11 March 2013 (Rem. Comm.) and 13 March 2013 (BoD) | n.a.               | n.a. | N/A     |
| MANAGER (3)                                 |  |  | Company's shares       | 419.000                                | 11 March 2013 (Rem. Comm.) and 13 March 2013 (BoD) | n.a.               | n.a. | N/A     |

### Notes

- (1) GENERALI Shareholders Meeting called in Trieste on 27 April 2013 for an Ordinary and Extraordinary Shareholders Meeting (first call), and if necessary on 29 April for an Extraordinary Shareholders Meeting (second call), and if necessary on 30 April 2013 for an Ordinary Shareholders Meeting (second call) and an Extraordinary Shareholders Meeting (third call).
- (2) The maximum number of FREE SHARES that can be allocated
- (3) That is the Group Chief Financial Officer (CFO), the Group Chief Investment Officer (CIO), the Group Chief Operations Officer (COO) and the Commercial & Corporate Manager of GENERALI.
- (4) The draft allocation was examined by the Company's Remuneration Committee in its meeting of 11 March 2013, in which it agreed on the proposal for the Group CEO and gave a favourable opinion for the other beneficiaries as proposed by the Group CEO. In its meeting of 13 March 2013, the Board of Directors then approved the proposals submitted for the Group CEO (in his absence).
- (5) N/A = Not Applicable
- (6) The right accrues at allocation date.



# Directors' Report to the General Meeting

## ORDINARY SESSION

6. APPROVAL 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 POWER.

## EXTRAORDINARY SESSION

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 TRANCHES, 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 SESSION

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

The remuneration system for members of the top management of Assicurazioni Generali (" **Company**" or "**Parent Company**") and executives of the Company and the Generali Group ("**Group**") includes a fixed remuneration and a variable remuneration with a short term component (**STI**) and a long term component ("**LTI**"). This is in line with the prevailing best international practices.

The Shareholders' Meeting of 30 April 2011 adopted a Long Term Incentive Plan which, after the second cycle, was terminated with a resolution of the Board of Directors dated 13 March 2013. The Plan will continue to be fully effective until the end of the second three-year cycle, i.e. until 31 December 2017.

In this framework, the Shareholders' Meeting must adopt a new incentive plan for the following reasons:

- to enhance the link between the long term remuneration variable component and value creation for shareholders;
- to develop a performance-based approach at Group level.

The new Incentive Plan ("**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).

The Plan also aims at achieving management fidelisation at Group level.

As a result, the performance of beneficiaries will be more targeted to achieving objectives with a view to ensuring economic, financial and asset development of the Company and the Group.

In this framework, the Plan that is presented to the Shareholders for approval is based both on regulatory and self-regulatory requirements (Code of Conduct of Italian Listed Companies) and any applicable international principles on current best practices.

In the light of the above, the Plan is hereby presented to the Shareholders' Meeting for debate and approval. This Plan covers the Group CEO and the Group executives who, as a result of their roles and positions, may have a direct impact on the achievement of Group results.

The Plan is based on the following fundamental assumptions:

- it's a rolling plan and it is based on cycles having a duration of three years each;
- the incentive resulting from achieved targets, at the following conditions, includes the allotment of ordinary shares of Assicurazioni Generali S.p.A.;
- the Board of Directors will define the targets for the allotment of the incentive at the beginning of each three-year cycle;
- the Board of Directors will define the maximum target number of shares for the allotment of the incentive at the beginning of each three-year cycle.
- a vesting period of three years has been introduced;
- malus and claw-back clauses have been introduced
- a minimum access threshold has been defined for each instalment;
- the targets for the allotment of the incentive is conditional up the RoE and the relative TSR vs. a peer group for the cycle 2013-2015. As for the Heads of the Control Function, the Board of Directors, upon the proposal of the Control and Risk Committee on the Head of the Group Audit Function and upon the proposal of the Group CEO on the Heads of the Compliance and Risk Management Functions, will define the quality targets for the Heads of the Compliance and Risk Management Functions on an annual basis upon the opinions of the Control and Risk Committee and the Board of Statutory Auditors.

Such determinations will be included in the Remuneration Report of the Company.

Specifically, the maximum target number of shares that may be allotted at the end of each cycle is calculated on the basis of the ratio between the maximum target bonus amount (calculated as a percentage of the actual gross annual remuneration) and the share value, calculated as average on the three previous months by the Board of Directors calling the Shareholders' Meeting. The number of shares may decreased at a minimum threshold. (calculated as a percentage on the actual gross remuneration) and below such threshold, shares are not allotted.

The target number of shares will be allotted in three instalments for each of the three years of the cycle as a percentage, i.e. 30%-30%-40% respectively. Each year, the target achievement level for the cycle will be determined with a view to calculating the number of shares to allot for each instalment. The actual determination of shares to be allotted is also conditional upon the annual assessment on the achievement of the minimum threshold which is identified for each year of the cycle in the Remuneration Report of the Company.

The sum of the shares calculated for each year of the cycle will be actually allotted at the end of the three year cycle upon the evaluation of the target achievement level in the third year.

Targets for share allotment and their relevant weight will be disclosed on a yearly basis in the Remuneration Report of the Company. Expected target achievement levels will be defined at the beginning of the cycle for the whole duration of each three year period. The percentage of shares to be allotted is defined depending on the target achievement level on the basis of the maximum target number.

The actual determination of shares for each annual instalment is subject to the following events of condition precedent:

- the actual employment/management position with the Parent Company or with one of the Group companies;
- the achievement of the minimum level for each target specified in the Remuneration Report of the Company;

At the end of the third year, shares will be allotted to the beneficiaries in a single transaction, provided the employment/management position with the Company or one of the Group companies has not ceased at the allotment date. Fifty per cent of the total of the reserved shares that are to be allotted to the beneficiaries at the relevant conditions will be immediately available, 25% will be indisponible for a year, 25% will be indisponible for two years, without prejudice for the requirement for directors involved in the Plan to keep an adequate number of shares until the end of their office, such number will be defined in a future resolution of the Board of Directors.

Further information on the Plan will be made available to the Shareholders and to the financial community with the publication of an Information Report, pursuant to article 114-bis of the Code on Financial Intermediaries and article 84-bis of the Issuers' Regulation.

For the Plan implementation, the shares to be allotted on a free basis to the beneficiaries, at the relevant conditions, will be transferred, either totally or in part, from the reserves of own 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 profit reserves pursuant to article 2349, paragraph 1, of the Italian Civil Code, as described in the following paragraphs.

\* \* \* \* \*

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 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 the Legislative Decree no. 58 dated 24 February 1998, as amended;
- having regard to the Report of the Board of Directors on this item of the agenda;
- considering the favourable opinion of the Board of Auditors;

**hereby resolves**

- 1) to adopt the Incentive Plan for the management and the Group, as outlined in the Report of the Board of Directors, i.e. the Long Term Incentive Plan ("**Plan**") authorising any relevant measures and directing the execution of the Plan at today's date;
- 2) to appoint the Group CEO, as a result of his powers, to determine any procedure, timetable and 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."

\* \* \* \* \*

## 2. 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

In the light of the above, the Shareholders' Meeting is called upon to adopt, in ordinary session, the draft authorisation pursuant to articles 2357 e 2357-ter of the Italian Civil Code, on the purchase and any related measures concerning own shares of the Company within the following limits and procedures.

\* \* \* \* \*

## **2.1. Reasons for the request for authorisation on the purchase and related measures concerning own shares**

As outlined above, the authorisation on the purchase of own shares is required exclusively to provide, totally or in part, the Company with the necessary reserve to implement the Plan.

### **2.1.1 Maximum number, category and par value of shares concerning the authorisation; compliance with the provisions of article 2357, paragraph 3, of the Italian Civil Code**

The purchase requiring the authorisation - which may be implemented in one or several transactions - refers to ordinary shares of the Company having a par value of € 1,00 each.

Therefore, as for the total number of shares to be allotted to the beneficiaries of the Plan, it must be noted that the maximum number of shares to be purchased, also with several transactions, may not exceed 7.000.000 shares (currently 0,45 % of the share capital).

In this respect, at today's date, the Company and its subsidiaries have a portfolio of 16.129.841 Generali shares, i.e. 1,036 % of the share capital of the Company. Therefore, also in the event that the required authorisation was fully applied, the number of own shares that Generali would hold directly - i.e. 1,49% of the share capital at today's date - would largely be below the limit specified in article 2357, paragraph 3, of the Italian Civil Code (currently 20% of the share capital).

The purchase will be implemented within the limit of the profit for the year as resulting from the latest duly adopted financial statements.

Pursuant to article 2357-ter, paragraph 3, of the Italian Civil Code, the Company will set up an indisposable reserve equal to the amount of the purchased own shares from an equal transfer from profit reserves. Such reserve will be kept until these own shares are transferred.

In the event of assignment of the purchased own shares, the reserve will revert to the reserves from which it was drawn.

### **2.1.2 Duration of the authorisation**

The purchase authorization is requested for a period of 18 months from the date of the resolution of the Shareholders' Meeting, while the authorization on the disposal measures is requested for a period of time in line with the implementation of the Plan.

### **2.1.3 Minimum and maximum consideration**

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

### **2.1.4 Purchase procedures**

The purchase transactions on own shares will be implemented, pursuant to Article 144-bis, paragraph 1, of the Issuers' Regulations that CONSOB adopted with its resolution no. 11971 of 14 May 1999, as amended, in line with the operating procedures under the organization and operating regulations of the markets, so as to ensure equal treatment to Shareholders. Therefore, purchase transactions will be implemented exclusively, including with 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 organized and operated by Borsa Italian S.p.A., whose regulation prescribes procedures pursuant to the provisions of Article 144-bis.,



paragraph 1, points b) and c), of the Issuers' Regulation.

\* \* \* \* \*

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 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 the Legislative Decree no. 58 dated 24 February 1998, as amended;
- pursuant to article 2357 and 2357 of the Italian Civil Code;
- whereas the Company and its subsidiaries currently hold Generali shares well below one-fifth of the company share capital;
- having regard to the Report of the Board of Directors on this item of the agenda;
- having regard to the financial statements as at 31 December 2012, that were just;
- having regard to the favourable opinion of the Board of Auditors;

**hereby resolves**

- 1) to authorize, 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 each, and all the relevant disposing measures on such shares and on the shares that will be purchased on the basis of previous plans on the purchase of own shares, at the following conditions:
  - a) the authorization is limited to purchase to be implemented as part of the Plan adopted today by the Shareholders' Meeting, net of shares that may be issued to the same purpose in line with the delegation to the Board of Directors pursuant to article 2443 of the Italian Civil Code, as outlined in item 8 of the agenda of today's Shareholders' Meeting, in extraordinary session;
  - b) 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% the reference price of the share at the close of trading on the day before each purchase transaction.
  - c) the purchase authorization is granted for a period of 18 months from the date of this resolution of the Shareholders' Meeting, while the authorization on the disposal measures is granted for an indefinite period of time to the purpose of the implementation of the Plan.
  - d) the purchase transactions will be implemented within the limit of the profit for the year as resulting from the latest duly adopted financial statements.
  - e) the purchase transactions on own shares will be implemented, pursuant to Article 144-bis, paragraph 1, points b) and c), of the Issuers' Regulations in line with the operating procedures under the organization and operating regulations of the markets, so as to ensure equal treatment to Shareholders. Therefore, purchase transactions will be implemented exclusively, including with several alternative transactions,
    - i. 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, or
    - ii. through the purchase and sale of derivatives traded on the relevant regulated market organized and operated by Borsa Italiana S.p.A., whose regulation prescribes procedures pursuant to the provisions of Article 144-bis., paragraph 1, points b) and c), of the Issuers' Regulation.
  - f) own shares may be allotted without any deadline and on a free-of-charge basis, to the beneficiaries of the LTIP, without prejudice for the provisions of any applicable regulations;
- 2) to appoint the Group CEO, in line to his delegated powers:
  - c) to select the reserve funds to be used to the purchase the shares and set up the indisposable reserve specified in Article 2357-ter.3 of the Italian Civil Code, in compliance with the provisions of law governing full availability of the existing reserves, and also to use, to properly implement this resolution, the own shares available in the net equity;
  - d) to determine any procedure, timetable and 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."

\* \* \* \* \*

## EXTRAORDINARY SESSION

- 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 tranches, 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.

### 3.1 Reasons and procedures on the authority to increase the share capital to the purpose of the Plan

The Shareholders' Meeting, in ordinary session, was called upon to adopt the Plan for the top management of the Company and the Group and the relevant authorisation to purchase own shares to the purpose 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 adopt a delegation to the Board of Directors to increase the share capital of the Company, on a free-of-cost basis, 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 to the purpose of the Plan in line with the utmost effectiveness criteria. However, the maximum number of shares that will be purchased or issued, free of cost, to the purpose of the Plan is equal to up to 7.000.000.

The delegation required pursuant to article 2443 of the Italian Civil Code will have a duration up to 5 years and it may be implemented one or several times up to a nominal amount of € 7.000.000 with the issue of up to 7.000.000 ordinary shares of the Company having a par value of € 1,00 each, providing ordinary benefit, to be allotted, on a free-of-cost basis, to the beneficiaries of the Plan at the terms and conditions and in line with the procedures described in the Plan.

Clearly, any use of this delegation under this proposal must be based on actual profit 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 shares to be allotted to the beneficiaries of the Plan.

In this respect, the Board of Directors may take any decision on the application of the purchase authorisation and dismissal measures on own shares and/or, totally or in part, the delegation under this resolution to ensure the implementation of the Plan at the applicable terms and conditions.

### 3.2 Termination clause

This draft resolution does not include any termination clause under the applicable regulations.

\* \* \* \* \*

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 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 of the Italian Civil Code;

hereby resolves

- 1) to grant the Board of Directors, pursuant to article 2443 and 2349, paragraph 1, of the Italian Civil Code, up to a period of five years from date of this resolution, with the authority to increase the share capital on a free-of-cost basis, in one or several transactions, by using profit and/or profit resources up to a total nominal amount of € 7.000.000 with the issue of up to 7.000.000 ordinary shares having a par value of € 1,00 each, providing ordinary benefit, net of the shares bought in the framework of the purchase of own shares as adopted in the above item 7 of the agenda of the Shareholders' Meeting, in ordinary session, to be allotted, on a free-of-cost basis, to the beneficiaries of the incentive, i.e. the Long Term Incentive Plan ("**Plan**") adopted today by the Shareholders' Meeting;
- 2) to amend article .... o the Articles of Association of the Company, adding a paragraph as follows: "**8.3** *The allotment of profits and/or profit reserves to employees of the Company or its subsidiaries by the issue of shares is permitted pursuant to article 2349, paragraph 1, of the Italian Civil Code. On 30 April 2013, the Shareholders' Meeting, in extraordinary session 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, on a free-of-cost basis, in one or several transactions, using profits and/or profit reserves up to a nominal amount of € 7.000.000 with the issue of up to 7.000.000 ordinary shares having a par value of € 1,00 each, providing ordinary benefits, to be allotted on a free-of-charge basis to the beneficiaries of the incentive plan, i.e. the Long Term Incentive Plan ("**Plan**") adopted by the Board of Directors on 13 April 2013", as outlined in the following table:*

| Article 8    |  |
|--------------|--|
| CURRENT TEXT | DRAFT AMENDMENTS   |
| [...]        | <p>[...]</p> <p><i>"8.3 The allotment of profits and/or profit reserves to employees of the Company or its subsidiaries by the issue of shares is permitted pursuant to article 2349, paragraph 1, of the Italian Civil Code. On 13 April 2013, the Shareholders' Meeting, in extraordinary session 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, on a free-of-cost basis, in one or several transactions, using profits and/or profit reserves up to a nominal amount of 7.000.000 with the issue of up to 7.000.000 ordinary shares having a par value of € 1,00 each, providing ordinary benefits, to be allotted on a free-of-charge basis to the beneficiaries of the incentive plan, i.e. the Long Term Incentive Plan ("<b>Plan</b>") adopted by the Board of Directors on ....."</i></p> |

- 3) 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, free-of-charge, under this resolution, with the authority to implement the relevant measures on the accounting items of the Company pursuant to the applicable regulations;
- 4) to appoint the Group CEO, with every power
  - (i) to amend article 9 of the Articles of Associations in line with the resolution, the implementation and the execution of the delegated capital increase and to implement any measures concerning the registration at the Company Registry, with any power to implement any formal change that may be required; and

(ii) to determine any procedure, timetable and 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, 13 March 2013

THE BOARDS  
OF DIRECTORS

Schedule:

1) Information Document

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# INFORMATION DOCUMENT

ON THE GENERALI GROUP'S LONG-TERM INCENTIVE PLAN

|   |     |
|---|-----|
| Introductory note _____   | 95  |
| Definitions _____   | 96  |
| 1. Beneficiaries _____  | 98  |
| 2. The Reasons for Adoption of the Plan _____   | 100 |
| 3. Approval Procedure and Instrument Assignment Schedule _____  | 103 |
| 4. Features of the Assigned Instruments _____   | 105 |
| Annex "A" – Table 1, Section 2 of Framework 2 combined with Diagram 7 of Annex 3A to the Issuer Regulations _____ | 109 |

## INTRODUCTORY NOTE

With this information document, Assicurazioni Generali S.p.A., in compliance with what is provided for by Article 84-*bis*, point 1, of the ISSUER REGULATIONS, hereby provides its shareholders and the financial community a broad informative framework on the medium- long-term incentive 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 (henceforth, the "PLAN"). 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 at 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 free share capital increase using the profits and/or profit reserves pursuant to Article 2349, point one, of the Civil Code, in the terms illustrated below.

The shareholders' meeting set for 27 April 2013 in Trieste (as first call on ordinary and extraordinary business) and, if needed, to be held on 29 April (as second call on extraordinary business), and again to be held on 30 April 2013 (as second call on ordinary business and third call on extraordinary business), among other things, the PLAN shall be called and approved along with the authorization of the purchase of the treasury shares and to delegate the board of directors the authority to increase the share capital free of charge in favour of the PLAN.

In addition to the information found in this information document, further explanatory elements concerning the PLAN in question are contained in Table 1, Section 2 of Framework 1 combined with Diagram 7 of Annex 3A of the ISSUER REGULATIONS (Sub-Annex "A").

## DEFINITIONS

|                          |  |
|--------------------------|--|
| DIRECTORS:               | Directors with executive and/or management delegation at GENERALI, which shall include the Managing Director and GROUP CEO, and those who are members of the Board of Directors of any company within the GENERALI GROUP as an effect of appointment by the competent company body;  |
| SHAREHOLDER'S MEETING:   | the Shareholder's meeting at GENERALI, which shall approve the PLAN;   |
| SHARES:                  | the "Assicurazioni Generali S.p.A. ordinary shares", listed on the screen based stock exchange managed by Borsa Italiana, each with a par value of 1.00 (one) Euro, freely assigned by GENERALI to the BENEFICIARIES;  |
| CYCLE:                   | each of the stages in the PLAN with an overall duration of three years;  |
| REMUNERATION COMMITTEE:  | the Committee provided for by the Code of Conduct whose composition and function are described in the Report on Corporate Governance and Ownership Structure as referred to in Article 123- <i>bis</i> of Legislative Decree 58 of 24 February 1998, and of the Code of Conduct, approved by the ADMINISTRATIVE BODY and made public annually; |
| DATE OF APPROVAL:        | the date when the SHAREHOLDERS' MEETING IS HELD;   |
| BENEFICIARIES:           | those parties indicated in Section 1 below, who have received and returned, with their signature for acceptance, the PARTICIPATION FORM and its annexes;   |
| EMPLOYEES:               | the employees who currently work either with an open-ended or a fixed-term contract, excluding any form of independent contractor or insourcing, with GENERALI or a company in the GENERALI GROUP;   |
| INFORMATION DOCUMENT:    | this information document, drawn up pursuant to and by the effects of Article 84- <i>bis</i> , point 1, of the ISSUERS REGULATIONS;  |
| GENERALI or the COMPANY: | Assicurazioni Generali S.p.A., with registered offices in Trieste, at Piazza Duca degli Abruzzi number 2, enrolled in the Registry of Insurance and Reinsurance Businesses at no. 1.00003, Parent Company of the Generali Group, enrolled in the Insurance Group Registry at number 026;   |
| GROUP CEO:               | the principal manager of GENERALI and the GENERALI GROUP, in the role of Chief Executive Officer and Managing Director of GENERALI;  |
| GENERALI GROUP           | GENERALI and the companies under Italian and foreign law subject to the control of GENERALI, pursuant to Article 93 of Legislative Decree 58 of 24 February 1998;  |
| ADMINISTRATIVE BODY      | the Board of Directors of GENERALI;  |
| ISSUER REGULATIONS:      | the Regulations adopted by CONSOB with Resolution 11971 of 14 May 1999, as amended;  |



REMUNERATION

REPORT:

the report prepared by GENERALI in compliance with Article 123-*ter* of Legislative Decree 58 of 24 February 1998, and by Article 6 of ISVAP Regulation 39/2011;

MANAGERS OF

THE

CONTROL

FUNCTIONS:

the heads of, and other key senior managers of, the Internal Audit, Compliance and Risk Management functions;

PARTICIPATION

FORM:

the form given by GENERALI to potential Beneficiaries, indicating the performance thresholds and objectives – whether at the level of GENERALI GROUP and/or the potential BENEFICIARIES – on whose achievement the assignment of SHARES depends, at the end of each CYCLE;

PLAN

ADMINISTRATOR:

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;

TABLE:

the document prepared in compliance with Table 1, Section 2 of Framework 1 combined with Diagram 7 of Annex 3A of the ISSUER REGULATIONS, annexed to the INFORMATION DOCUMENT under letter "A".

## 1. BENEFICIARIES

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### 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 names of the potential BENEFICIARIES of the PLAN falling within the aforementioned category are shown in the TABLE. This provides the name and the job title of the single board of directors member of GENERALI involved in the PLAN, who is the GROUP CEO, of the three General Managers of GENERALI, and of the two members of the board of directors of the subsidiary companies either directly or indirectly controlled by GENERALI.

### 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 and the MANAGERS OF THE CONTROL FUNCTIONS at GENERALI, as well as the EMPLOYEES selected at the discretion of management, at the start of each CYCLE, by THE ADMINISTRATIVE BODY in consideration of the significance of their role in the achievement of the strategic objectives of THE GENERALI GROUP.

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

*a) general managers of the financial instrument issuer;*

The names of the BENEFICIARIES that fall within the aforementioned category are indicated in the TABLE. Among these there are also the three General Managers of GENERALI.

*b) 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 received overall compensation during the last fiscal year greater than that of the significant party for the purposes of this Section 1.3 (the GROUP CEO).

*c) 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 party under applicable law.

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

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

Participating in the PLAN, apart from the GROUP CEO and the three General Managers of GENERALI, there are the following other managers with strategic responsibilities:

- Group Chief Insurance Officer,
- Group Chief Financial Officer,
- Group Chief Investments Officer,
- Group Chief Operations Officer,
- Group Chief Risk Officer,
- Country Manager Italy,

- Country Manager Germany,
- Head of Global Business Lines,
- Head of Group HR & Organization,
- Group General Counsel,
- Head of Group Strategy & Business Development.

*b) 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 instruments;*

Not applicable: GENERALI is not a “smaller sized” company.

*c) 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.)*

The participation of the MANAGERS OF THE CONTROL FUNCTIONS at GENERALI is provided for under differentiated conditions as compared to the other BENEFICIARIES.

For these parties, in the PARTICIPATION FORM, three year objectives connected exclusively to the efficacy and the quality of the control activity shall be assigned, subject to the verification that there is no conflict of interest. For an exhaustive informative framework, refer to the content in Section 4.6 of the REMUNERATION REPORT relative to the fiscal year ending 31 December 2012.

## 2. REASONS FOR ADOPTION OF PLAN

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

The PLAN, the contents of which are in line with the most widespread international practice, intends to pursue the objective of increasing the value of GENERALI SHARES, meanwhile aligning the financial interests of its BENEFICIARIES to those of the SHAREHOLDERS.

In particular, the PLAN has the following objectives:

- to increase the alignment of the component of variable remuneration linked to medium-long term objectives to creating value for Shareholders;
- to develop a culture of performance in accordance with Group philosophy.

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).

The PLAN also aims to achieve management engagement at GENERALI GROUP level.

To achieve these objectives, it was decided to:

- pay the incentive for achieving the objectives in the form of SHARES;
- 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 year statement and the consolidated financial statement relating to the financial year preceding the beginning of each CYCLE;
- establish a three year vesting period;
- provide specific *malus* and claw-back clauses;
- establish a minimum access threshold for assigning each *tranche* of the PLAN.

### 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 at the end of each CYCLE is directly linked to achieving the objectives identified for each CYCLE in the relevant GENERALI REMUNERATION REPORT.

In particular, the objectives identified for the 2013-2015 CYCLE are the respective Total Shareholders' Return (rTSR, compared with a Peer Group, identified in the STOXX Euro Insurance Index) and the Return on Equity (ROE). The expected achievement levels for these objectives are to be identified at the start of each CYCLE and shall remain the same for the entire three year term. The performance level and corresponding incentive level are established from the assessment of the simultaneous achievement of the two objectives indicated above. The performance level is to be shown in a matrix which identifies the ROE intervals and the quadrants of the rTSR and, given the crossover of the respective results, this is what determines the percentage of SHARES due in respect of maximum value.

According to the reference matrix, no incentive is to be paid when at least one of the objectives is achieved at a level below the minimum (threshold). Should the ROE result range between the maximum threshold and the minimum threshold, the value of the incentive shall follow a progressive trend equal to  $\pm 25\%$ . Should the rTSR result range between the maximum quadrant and the threshold, the incentive shall follow a progressive trend equal to  $\pm 25\%$ . Actual incentive levels shall be determined from the corresponding percentage referring to the ROE thresholds achieved and simultaneous achievement by the rTSR quadrant. A cap on over-performance is set for levels which exceed the ROE target.

The actual allocation of each *tranche* of SHARES, as explained at paragraph 2.3, is also dependent on an annual overriding minimum threshold which, for the CYCLE which starts during the current financial year, has been identified as the Group Solvency Ratio, calculated in accordance with Solvency I criteria. For the purposes of actually allocating the first *tranche* for 2013, the Solvency Ratio must not be less than 140%. For

the second *tranche*, the Solvency Ratio for 2014 must not be lower than the maximum of 140% and the value achieved in the previous year. Finally, for the purposes of allocating the third *tranche*, the Solvency Ratio for 2015 must not be less than 160%. For the subsequent CYCLES the overriding minimum threshold shall be set by the ADMINISTRATIVE BODY and notified, pursuant to Article 84-*bis*, point 5, letter a), of the ISSUER REGULATIONS.

At the end of year three, the allocated SHARES will be finally assigned to the BENEFICIARIES in a single settlement, providing that their working/administrative relationship with the COMPANY or with other companies in the GENERAL GROUP is still in place at the date of assignment.

As far as the MANAGERS OF THE CONTROL FUNCTIONS are concerned, the annual assessment against the quality objectives, as well as the actual assignment of shares at the end of each three year period, are to be approved by the ADMINISTRATIVE BODY, having previously heard the opinion of the Control and Risk Committee and that of the Board of Auditors, as far as the managers of the risk management and compliance functions are concerned, and the proposal from the Control and Risk Committee, as far as the manager of the internal audit function is concerned. Only when the ADMINISTRATIVE BODY considers the results achieved and the quality of the control action to be satisfactory may the MANAGERS OF THE CONTROL FUNCTIONS access the incentives which, in any event, remain conditional on achieving the results set down for all the other participants of the PLAN.

### **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 each CYCLE is calculated by dividing the maximum *award* amount (calculated as a percentage of base salary) by the SHARE value, calculated as the average of the three months prior to the approval by the ADMINISTRATIVE BODY of the draft budget for the financial year and the consolidated financial statement relating to the financial year which closed prior to that in which each CYCLE began. 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.

SHARES which can be assigned will be subdivided into three *tranches*, which refer to the three years of the CYCLE'S duration and which are determined at respective percentage rates of 30%-30%-40%. Each year, achievement against the objectives set for the three year period will be assessed and used to determine the number of SHARES to be allocated for the corresponding *tranche*. Actual allocation of the shares is also dependent on an annual check on exceeding the annual overriding minimum threshold. For the 2013-2015 CYCLE, the annual overriding minimum threshold has been identified as the Group Solvency Ratio, calculated in accordance with Solvency I criteria. For the purposes of actually allocating the first *tranche* for 2013, the Solvency Ratio must not be less than 140%. For the second *tranche*, the Solvency Ratio for 2014 must not be lower than the maximum of 140% and the value achieved in the previous year. Finally, for the purposes of allocating the third *tranche*, the Solvency Ratio for 2015 must not be less than 160%. For the subsequent CYCLES the overriding minimum threshold shall be set by the ADMINISTRATIVE BODY and notified, pursuant to Article 84-*bis*, point 5, letter a), of the ISSUER REGULATIONS.

The sum of the SHARES allocated in each of the three years is to be finally assigned only at the end of the three year period, after a check on the degree to which objectives have been achieved in year three.

GENERALI need not assign the SHARES, in whole or in part, to BENEFICIARIES in circumstances of a significant worsening in GENERALI'S equity or financial situation, as ascertained by GENERALI'S ADMINISTRATIVE BODY. GENERALI further reserves the right to ask RECIPIENTS to return the SHARES, in whole or in part, where the results achieved turn out not to be sustainable or to result from negligent or seriously culpable conduct ascribable to the BENEFICIARIES.

### **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

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#### 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 based on the report submitted by the ADMINISTRATIVE BODY, simultaneously implementing the Plan. For the purposes of implementing the PLAN, the SHARES subject to free assignment to the BENEFICIARIES are to come, in whole or in part, from the supply of any own shares acquired by the COMPANY, in execution of the Meeting's relevant authorisation pursuant to arts. 2357 and 2357-ter of the Italian Civil Code and/or from any appropriate free increase in share capital by availing of profits and/or reserves of profits pursuant to art. 2349, paragraph one, of the Italian Civil Code, on the terms explained hereunder. It is, in any event, understood that the maximum number of shares acquired and/or issued free of charge to sustain the PLAN shall be 7,000,000.

The request submitted to the Shareholders' Meeting for authorisation to purchase shares and to carry out deeds of disposal of shares, consistent with the aims of the PLAN, pursuant to arts. 2357 and 2357-ter of the Italian Civil Code, concerns a maximum 7,000,000 GENERALI shares, at the nominal value of Euro 1.00 each, also to be acquired in several payments, within the maximum deadline of 18 months from the date the Meeting gives its authorisation, at a price which may not be less than the stock's nominal value nor may it exceed by more than 5% the reference price which that same stock has recorded on the Stock Market on the day prior to any individual purchase operation being carried out. Purchase operations are to be carried out in compliance with the deadlines and procedures set down by current legislation.

Pursuant to arts. 2443 and 2349, paragraph one, of the Italian Civil Code, the proxy for the ADMINISTRATIVE BODY to increase the COMPANY'S capital free of charge to sustain the PLAN shall last for a maximum of 5 years from the Shareholders' Meeting's resolution and may be effected in one or more *tranches* to a maximum nominal overall total of 7,000,000.00 Euro, with the issue of a maximum 7,000,000 ordinary shares in the COMPANY, at the nominal value of Euro 1.00 each, with regular rights, to be assigned free of charge to the BENEFICIARIES of the PLAN on the terms and conditions and also in accordance with the procedures contained in that same PLAN.

This meets the need to guarantee greater flexibility when executing the PLAN, while ensuring that the ADMINISTRATIVE BODY has greater scope for identifying, from time to time, procedures for sourcing or issuing SHARES to sustain the PLAN in accordance with criteria of maximum efficiency.

#### 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. It is supported by the REMUNERATION COMMITTEE, which formulates proposals regarding awards to the GROUP CEO, and provides its own opinion on awards to the other managers having strategic responsibilities based on proposals submitted by the GROUP CEO. See Chapter 2.2 for matters that concern MANAGERS RESPONSIBLE FOR CONTROL FUNCTIONS.

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

At the start of each CYCLE of the PLAN, the annual overriding minimum threshold, objectives and related performance levels are to be reviewed and periodically updated in light of the GENERALI GROUP'S strategic plans.

#### 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 when executing the PLAN, after prior approval by the Shareholders' Meeting, it shall be implemented through the purchase of own shares and/or by any appropriate free increase in share capital through the use of profits and/or reserves of profits pursuant to art. 2349, paragraph one, of the Italian Civil Code, as indicated at Chapter 3.1.

**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**

No DIRECTOR of GENERALI or of the GENERALI GROUP participates in the resolutions adopted by the ADMINISTRATIVE BODY for that part of the PLAN which concerns him.

**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 of the COMPANY examined the characteristics of the PLAN at its meeting on 11 March 2013 and expressed an opinion in favour of it. Subsequently, the ADMINISTRATIVE BODY, at the meeting held on 13 March 2013, resolved, on a proposal by the REMUNERATION COMMITTEE, to approve the proposed PLAN and submit it for approval by the SHAREHOLDERS' MEETING.

**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 will be submitted for approval by the SHAREHOLDERS' MEETING called in Trieste for 27 April 2013 (both an ordinary and extraordinary meeting on first notice) and, if necessary, for 29 April (on second notice for the extraordinary meeting) and, again if necessary, for 30 April 2013 (on second notice for the ordinary meeting and on third notice for the extraordinary meeting). Final granting of the SHARES will be decided by the ADMINISTRATIVE BODY, which certifies the level of achievement of results at the end of the third year of each CYCLE.

**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:**

- i) said grant or any decisions adopted in this regard by the Remuneration Committee, and*
- ii) 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*

Among the PLAN BENEFICIARIES, there are some who fall into the category of relevant parties, governed by Article 152-sexies, paragraph 1, letters c.1) and c.2), of the ISSUER REGULATIONS, being internal dealers of the Company. They are therefore required, upon the occurrence of the cases mentioned in the ISSUER REGULATIONS, 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 blocking 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 website at [www.generalicom](http://www.generalicom).



## 4. FEATURES OF THE ASSIGNED INSTRUMENTS

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- 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 will be implemented from the DATE OF APPROVAL. The PLAN is a rolling plan in CYCLES, each lasting three years. A new CYCLE will start each year, unless the ADMINISTRATIVE BODY decides, at its discretion, to discontinue the PLAN.

- 4.3 The term of the plan**

The effective period of the PLAN shall run from the DATE OF APPROVAL until any decision adopted by the ADMINISTRATIVE BODY to discontinue it, causing the start of new CYCLES to cease.

- 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 the COMPANY'S ordinary shares that may be assigned to the BENEFICIARIES of the PLAN is 7,000,000.

The number of shares to be assigned to each BENEFICIARY will depend on the annual overriding minimum threshold being achieved and the objectives for each year being met. The assignment of SHARES will take place only at the end of the third year of the PLAN. The indication of this fact shall be provided during the implementation of the PLAN, pursuant to Article 84-*bis*, point 5, letter a) of the ISSUER REGULATIONS.

- 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 at the end of each CYCLE 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 one year;
- 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, DIRECTORS granted SHARES, in compliance with the recommendations in the Code of Conduct for Listed Companies, shall have the obligation of continuously holding a percentage of the SHARES assigned them, the amount of which shall be set subsequently by the ADMINISTRATIVE BODY, until the end of their employment as directors. 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.

**4.7 Description of any resolatory 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 resolatory conditions in relation to assignment of the 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 MEMBERSHIP FORM from the potential BENEFICIARY duly signed in acceptance or before the expiry of each CYCLE, 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 each CYCLE, 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 CYCLE.

If the employment relationship and/or the administration relationship have a defined term and have an expiry prior to the date on which the CYCLE ends, the BENEFICIARIES for which the expiry of the employment or administration relationship occurs after the first year of the CYCLE may retain the right to receive SHARES, under the terms and conditions described above, proportionately to the duration of the employment relationship or administration relationship relative to the duration of the CYCLE.

If a company in the GENERALI GROUP ceases to be part of it, the employment relationship and/or administration relationship shall be considered as terminated for the purposes of the PLAN on the date on which such event occurs. However, BENEFICIARIES for which such event occurs after the first year of a CYCLE may retain the right to receive SHARES, under the terms and conditions described above, proportionately to the length of time that the employer company remained in the GENERALI GROUP relative to the duration of the CYCLE.

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

No additional causes 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 three tranches of the PLAN, calculated as the product of the fair value of the entitlement to receive SHARES (calculated on the grant date for each tranche) multiplied by the estimated number of rights to be granted at the end of each tranche.

The cost will be distributed proportionately over the 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 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 for 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:**

*a) 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*

*b) 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:**

*a) in any case section 1 of boxes 1 and 2 in the fields of specific interest;*

*b) 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.

## REMUNERATION PLANS BASED ON FINANCIAL INSTRUMENTS

Table no. 1 of layout 7 in Annex 3A to Regulation no. 11971/1999

|                              |  | <b>TABLE 1</b>   |                                      |  |                       |   |                                   |                    |
|------------------------------|--|--|--------------------------------------|--|-----------------------|---|-----------------------------------|--------------------|
|                              |  | Financial instruments other than stock option  |                                      |  |                       |   |                                   |                    |
|                              |  | <b>Section 2</b>   |                                      |  |                       |   |                                   |                    |
|                              |  | Instruments newly allotted on the basis of the decision of:<br><input checked="" type="checkbox"/> the Board of Directors proposal to the General Meeting<br><input type="checkbox"/> the competent authority for the implementation of the General Meeting resolution |                                      |  |                       |   |                                   |                    |
| Name and Surname or Category | Title (only indicate for parties listed by name) | Date of corresponding General Meeting resolution (1)   | Description of financial instruments | Number of financial instruments allotted (2) | Date of allotment (4) | Purchase price of instruments (if applicable) (5) | Market price on date of allotment | Vesting period (6) |
| Mario Greco                  | Group CEO  |  | Company's shares                     | 242.185                                      | N/A                   | n.a.  | N/A                               | N/A                |
| Sergio Balbinot              | General Manager                                  |  | Company's shares                     | 134.133                                      | N/A                   | n.a.  | N/A                               | N/A                |
| Raffaele Agrusti             | General Manager                                  |  | Company's shares                     | 130.407                                      | N/A                   | n.a.  | N/A                               | N/A                |
| Paolo Vagnone                | General Manager                                  |  | Company's shares                     | 104.326                                      | N/A                   | n.a.  | N/A                               | N/A                |
| Dietmar Meister              | CEO Generali Deutschland Holding AG              |  | Company's shares                     | 123.887                                      | N/A                   | n.a.  | N/A                               | N/A                |
| Peter Thirring               | CEO Generali Versicherungs AG                    |  | Company's shares                     | 48.251                                       | N/A                   | n.a.  | N/A                               | N/A                |
| Managers (3)                 |  |  | Company's shares                     | 6.216.811                                    | N/A                   | n.a.  | N/A                               | N/A                |

### Notes

- (1) The General Meeting to be held in Trieste on 27 April 2013 (as first call on ordinary and extraordinary business) and, if needed, on 29 April (as second call on extraordinary business), and, if needed, on 30 April 2013 (as second call on ordinary business and third call on extraordinary business).
- (2) The specified number is related to the maximum amount of financial instruments that can potentially be allotted. The actual number of shares which will be allotted to every beneficiary will be determined on the basis of the achievement of the threshold level defined for every year and of the level of achievement of the objectives for each of the years in the cycle.
- (3) The Managers which are beneficiaries of the Plan on the basis of a role other than member of the Board of Directors or the Management Board of companies directly or indirectly controlled by Assicurazioni Generali S.p.A., other than General Manager of Assicurazioni Generali S.p.A. and/or managers with strategic responsibilities of the company issuing financial instruments according to paragraph 1.3, letter b) of the Layout no. 7 of Schedule 3 to the Issuers' regulation.
- (4) The actual allotment of shares will be deliberated by the Board of Directors which certifies the level of achievement of objectives at the end of the third year.
- (5) The beneficiaries of the plan will be allotted free shares, based on the condition that the performance objectives of the plan have been achieved.
- (6) The actual allotment of shares will be deliberated by the Board of Directors at the end of every cycle lasting three years.

N/A = Not available  
n.a. = Not applicable



# Directors' Report to the General Meeting

9. AMENDMENTS TO ARTICLES 3 (COMPANY'S REGISTERED OFFICE), 4 (IMPLEMENTATION OF IVASS SUPERVISORY PROVISIONS), 32 (EXCLUSIVE POWERS OF THE BOARD OF DIRECTORS ), 39 (REPRESENTATION OF THE COMPANY) E 40 (SIGNATURE ON BEHALF OF THE COMPANY) AND SUPPRESSION OF ARTICLE 38 (MANAGEMENT) OF THE ARTICLES OF ASSOCIATION; CONSEQUENT RENUMBERING OF THE ARTICLES OF ASSOCIATION; RELEVANT RESOLUTIONS; DELEGATIONS OF POWERS.

*Dear Shareholders,*

The Shareholders' Meeting has been called in extraordinary session to pass resolutions on a number of draft amendments to the Articles of Association of the Company. Amendments are required to articles 3 (registered office of the Company), 4 (Implementation of IVASS supervisory provisions), 32 (Exclusive Powers of the Board of Directors), 39 (Representation of the Company) e 40 (Signature on behalf of the Company) of the Articles of Association.

Beside these amendments, article 38 (provisions on the Management Committee) needs to be deleted.

The draft suppression of this article requires the renumbering of the Articles of Association.

In this report, to avoid any doubt, the numbering refers to the current articles. The complete version of the Articles of Association is enclosed, renumbered as a result of the suppression of article 38.

## 1. Background.

First of all, the reasons underlying such amendments fall into two main categories.

As for the first category, the reorganisation of the Group in Italy, launched in the second semester 2012, has resulted into the reorganisation plan for the Generali Group with a view to implementing an organisational model in line with the international best practices and with the objective of growth and profitability.

The second category of amendments to the Articles of Association concerns the new organisational structure of the Company. In this respect, the draft amendment aims at streamlining the internal organisation of Generali, laying the foundations for enhanced efficacy and transparency in the decision-making processes in line with the highest standards in the sector.

Against this background, more details are provided in the following paragraphs, starting from the restructuring project in Italy".

## 2. – Restructuring Project in Italy.

The Board of Directors adopted the guidelines on the restructuring of the insurance group ("**Generali Group**" or "**Group**") of the Company ("**Generali**") with a view to transferring corporate business areas and the relevant distribution networks into three separate insurance companies, entirely owned by the Company.

Specifically, the restructuring project aims at achieving a number of corporate, strategic and industrial objectives, namely::

- (i) streamlining and channelling distribution channels and networks into uniform companies offering insurance and financial products of the Generali Group;
- (ii) fostering the implementation of industrial and trading synergies in the business carried out by different companies in the Generali Group, pooling together companies, professional skills and ranges of products into companies having uniform corporate objects with a view to maximising quality and attractiveness of products and services, enhancing operational activities by sharing resources and structures, achieving scale economies and increasing efficacy in the services supporting the relevant commercial networks;
- (iii) streamlining the corporate and industrial structure of the Group to increase efficacy in the operational management of the companies of the Group and to further improve the quality and the range of products and services for insureds.

The new organisational structure will be based on a multi-channel model and it will re-duce the current fragmentation by enhancing similar business areas and brands per customer category, range of products and distribution model.

As a result of the current reorganisation, the 10 current brands (Generali, Ina, Assitalia, Alleanza, Toro, Genertel, Genertel Life, Augusta, Lloyd Italico, Fata) will be transferred to three companies only and in 2015 these companies will operate with their own respective brand, business areas and distribution channels. Each brand is associated to a clear offer and a clear market positioning:

- Generali will be the life and non-life business company with one distribution network with over 2.000 agencies for retail and middle market business, operating with Generali brand, including the current six agency networks (Generali, Ina Assitalia, Toro, Fata, Augusta, Lloyd Italico), the product factories and the operational platforms. The commercial & corporate business will be carried out encompassing the offer of Generali, Ina Assitalia and Toro;
- Alleanza will be the company for Italian households with its direct producer networks and an offer of life and non-life business;
- Genertel will be the life and non-life business company for alternative products (telephone, Internet and bankinsurance) and it is already the leading company in the Italian market.

This project covers a series of corporate transactions which will be progressively implemented in different steps subject to the release of any applicable authorisations from the Supervision Authority and other competent authorities. As for this report, these transactions are: a) the "Head Office for Italy" ("**DIT Branch**") will be transferred to Ina Assitalia S.p.A, an insurance company fully owned by Generali ("**Ina Assitalia**"); b) the transfer of a insurance branch on life and non-life business linked to the Alleanza network ("**Alleanza Branch**") to a new company entirely owned by Alleanza Toro S.p.A. ("**Alleanza Toro**"); merger by incorporation of Alleanza Toro – as resulting from the transfer of the Alleanza Branch – in Ina Assitalia.

As Generali will transfer the DIT Branch to its subsidiary, the Shareholders' Meeting is called upon to vote on the amendments to the Articles of Association to incorporate the changes implemented under the above project.

In this framework, any reference to the Head Office for Italy based in Mogliano Veneto will be deleted and the reference to the current secondary head office will be deleted in the Articles of Association. Additionally, further amendments are required concerning the employees or formal reviews.

In detail, the amendments on the above points are the following:

- article 3, paragraph 1, i.e. the reference on the secondary head office;
- article 4, paragraph 3 and article 32, paragraph 2, point I), i.e. the reference to "ISVAP" which has changed its name into "IVASS";
- article 39, paragraph 2; article 40, paragraphs 2 and 3 on representation and signature of the General Manager and the Deputy General Managers from the Head Office for Italy.

IVASS approval is required for these amendments which will be effective from the date of the actual transfer..

### 3. Corporate Title Project.



The second category of amendments to the Articles of Association is the result of a further development of the Company governance in line with the applicable best practices to increase management flexibility.

The Company adopted a new organisational model for the Company aimed at enhancing the management of the insurance business at Group level and the control of the Head Office on the capital, risk and investment management.

In this respect, the new position of Chief Insurance Officer has been introduced to develop the insurance core business and the Group Management Committee was set up as an international committee to identify the strategic priorities of the Group and to ensure enhanced consistency in the business management.

The new organisational model for the management of the Company includes one position as General Manager, appointed by the Board of Directors, i.e. the Group CEO, and the setting up of a Group Management Committee (GMC), chaired by the Group CEO and including the ten top managers appointed by the Board of Directors upon the Group CEO's proposal.

The management of the Company is based on the following positions: General Managers, Deputy General Managers, Central Managers, Manager, other executives; the first two positions only are covered in the Articles of Association.

There's still an operational territorial distinction of the management of the Company into Head Office and Head Office for Italy and relevance is assigned to the Management Committee and the General Council in the Articles of Associations.

These issues concerning the governance system of the Company, that were defined in the past, now need to be reviewed.

In this respect, amendments are explained in the following paragraphs.

In particular, as for article 32 concerning the exclusive powers of the Board of Directors, paragraph 2, point i) would be rephrased: "*appointing or removing one or more General Managers, and fixing their authority and functions*" to introduce one General Manager as company manager.

As for articles 39 and 40 of the Articles of Associations concerning the provisions on representation and signature on behalf of the Company, amendments are in line with the new management organisational model and with the proposals outlined in paragraph 2.

Therefore, the Shareholders' Meeting is called upon to adopt the draft amendments to article 39, paragraphs 1 and 3, and to article 40, as described in detail in paragraph 4.

The draft suppression of article 38 is consistent with the above amendments also with reference to articles 39 and 40. Article 38 identifies the subjects who, within their competences as defined by the Board of Directors and the Executive Committee, are required to implement the resolutions of the Management Committee. Considering new organisational model and the fact that currently the Management Committee is devoid of any actual role within the governance system of the Company, this article needs to be deleted.

#### 4. Draft Amendments to the Articles of Association.

In the light of the above assumptions, the proposal includes amendments to articles 3, 32, 39 and 40 and the suppression of article 38 of the Articles of Association currently in force.

Amendments to the above articles are highlighted in the following table. The left column includes the current text and changes are underlined. The right column includes the draft suppression and the draft changes in bold.

It must be noted that, with a view to ensure clarity, the comparison only includes the parts that are affected by the amendments. The full version of the Articles of Association, as amended following the adoption of the amendments, is enclosed to this report

| Article 3  |  |
|--|--|
| CURRENT TEXT   | DRAFT AMENDMENTS   |
| 3.1 The Company has its Registered Office and <u>Central Head Office</u> in Trieste, Piazza Duca degli Abruzzi 2. <u>The Secondary Head Office is situated in Mogliano Veneto (TV), Via Marocchesa 14.</u>   | 3.1 The Company has its Registered Office and Central Head Office in Trieste, Piazza Duca degli Abruzzi 2.   |
| Article 4  |  |
| CURRENT TEXT   | DRAFT AMENDMENTS   |
| <b>4.3</b> As the Parent Company of the Generali Insurance Group, in the performance of its management and coordination activities the Company shall adopt all the necessary measures with the Group companies to implement the provisions given by <u>ISVAP</u> (Italian Supervisory Body for Private Insurance) to ensure the stable and efficient management of the Group pursuant to Art. 87, paragraph 3 of the Italian Private Insurance Code.   | <b>4.3</b> As the Parent Company of the Generali Insurance Group, in the performance of its management and coordination activities the Company shall adopt all the necessary measures with the Group companies to implement the provisions given by <b>IVASS</b> (Italian Supervisory Body for Private Insurance) to ensure the stable and efficient management of the Group pursuant to Art. 87, paragraph 3 of the Italian Private Insurance Code  |
| Article 32   |  |
| CURRENT TEXT   | DRAFT AMENDMENTS   |
| <i>...omissis....</i>  | <i>...omissis....</i>  |
| 32.2 In particular, besides the approval of strategic, industrial and financial plans of the Company, as well as transactions having a significant impact on the Company's profitability, assets and liabilities or financial position, with special reference to transactions involving related parties, the following matters shall pertain exclusively to the Board of Directors:<br>a) drawing up the draft financial statements to be approved by the Shareholders' Meeting, along with a management report;<br>b) submitting proposals for the allocation of profits;<br>c) distributing interim dividends to the shareholders during the fiscal year;<br>d) drawing up the Group's consolidated financial statements, along with a management report;<br>e) drawing up the half-year and quarterly reports;<br>f) establishing or terminating Head Offices and business establishments outside Italy;<br>g) passing resolutions on mergers, in the cases admitted by the law, on the establishment or termination of secondary head offices as well as on the adjustment of any provisions enshrined in the Company's Articles of Association and By-laws as may become incompatible with new mandatory | 32.2 In particular, besides the approval of strategic, industrial and financial plans of the Company, as well as transactions having a significant impact on the Company's profitability, assets and liabilities or financial position, with special reference to transactions involving related parties, the following matters shall pertain exclusively to the Board of Directors:<br>a) drawing up the draft financial statements to be approved by the Shareholders' Meeting, along with a management report;<br>b) submitting proposals for the allocation of profits;<br>c) distributing interim dividends to the shareholders during the fiscal year;<br>d) drawing up the Group's consolidated financial statements, along with a management report;<br>e) drawing up the half-year and quarterly reports;<br>f) establishing or terminating Head Offices and business establishments outside Italy;<br>g) passing resolutions on mergers, in the cases admitted by the law, on the establishment or termination of secondary head offices as well as on the adjustment of any provisions enshrined in the Company's Articles of Association and By-laws as may become incompatible with new mandatory |

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| <p>provisions of the law;</p> <p>h) establishing or terminating operations of individual Departments;</p> <p>i) appointing or removing <u>one or more General Managers</u>, and fixing <u>their</u> authority and functions;</p> <p>l) adopting the decisions on the establishment of criteria for the management and coordination of the Group companies and the implementation of provisions given by <u>ISVAP</u>;</p> <p>m) resolving on other matters that cannot be delegated by law.</p> | <p>provisions of the law;</p> <p>h) establishing or terminating operations of individual Departments;</p> <p>i) appointing or removing the <b>General Manager</b>, and fixing <b>his/her</b> authority and functions;</p> <p>l) adopting the decisions on the establishment of criteria for the management and coordination of the Group companies and the implementation of provisions given by <b>IVASS</b>;</p> <p>m) resolving on other matters that cannot be delegated by law.</p> |
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| Article 38 |  |
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| CURRENT TEXT  | DRAFT AMENDMENTS |
|---|------------------|
| <p><u>38.1 The resolutions passed by the Board of Directors and the Executive Committee and the management of the Company's business are implemented by the Central Head Office, the Head Office for Italy in Mogliano Veneto and the other offices in Italy and abroad, within the limit of their respective sphere of action as defined by the Board of Directors.</u></p> <p><u>38.2 The day-by-day management of the Company's business also includes the following powers:</u></p> <p>a) <u>establish and terminate Representative Offices and Agencies of the Company in Italy and abroad;</u></p> <p>b) <u>represent the Company before any ordinary or special jurisdictional authority, bring and sustain legal proceedings, in any place and instance, defend the Company against any judicial proceedings which may be brought against it; submit to arbitration or amicable mediation and settle disputes;</u></p> <p>c) <u>carry out transactions with the public and private bodies and institutions, including firms and individuals, in relation to collecting, depositing, charging, transferring or redeeming money, securities and valuables;</u></p> <p>d) <u>open, manage and close current accounts and deposit accounts with both national and foreign banks and financial institutions;</u></p> <p>e) <u>consent to or authorise the registration, reduction, writing off, transcription, subrogation and postponement of the rank of mortgages in favour of or against the Company and grant or accept surety;</u></p> <p>f) <u>issue general or special powers of attorney, also for the Company to appear before any ordinary or special</u></p> | <i>deleted</i>   |

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| <p style="text-align: center;"><u>jurisdictional authority in respect of any lawsuit including the granting of powers of attorney ad litem, special or general.</u></p> <p>38.3 <u>General co-ordination and decision-making functions with regard to operational policies shall be performed by the Management Committee.</u></p> <p>38.4 <u>The latter is composed of the Managing Directors, General Managers and Deputy General Managers.</u></p> <p>38.5 <u>The Management Committee is chaired by the Chairman when the latter attends it. The meetings of the Management Committee may be called either by the Chairman or by the Managing Directors.</u></p> <p>38.6 <u>The composition and functions of the foreign Head Offices are decided separately by the Board of Directors.</u></p> |  |
| Article 39  |  |
| CURRENT TEXT  | DRAFT AMENDMENTS   |
| <p>39.1 The Chairman, the Vice-Chairmen, the Managing Directors, the other members of the Board as well as <u>the General Managers and the Deputy General Managers appointed to the Central Head Office</u> act as legal representatives of the Company for all the Company's business, in the manner specified in the following Article.</p> <p>39.2 <u>The General Manager and the Deputy General Managers appointed to the Head Office for Italy act as legal representatives of the Company for the business of said Head Office.</u></p> <p>39.3 Lastly, the other managers of the Company act as legal representatives of the Company within the province respectively assigned to them.</p>  | <p><b>39.1</b> The Chairman, the Vice-Chairmen, the Managing Directors, the other members of the Board as well as <b>the General Manager</b> act as legal representatives of the Company for all the Company's business, in the manner specified in the following Article.</p> <p><b>39.2</b> <i>deleted</i></p> <p><b>39.2</b> Lastly, the other managers of the Company <b>also</b> act as legal representatives of the Company within the province respectively assigned to them.</p>   |
| Article 40  |  |
| CURRENT TEXT  | DRAFT AMENDMENTS   |
| <i>...omissis...</i>  | <i>...omissis...</i>   |
| <p>40.2 The Chairman, the Vice-Chairmen when replacing the Chairman, who is absent or prevented from acting, the Managing Directors, <u>the General Managers and the Deputy General Managers appointed to the Central Head Office</u> may sign jointly among themselves or with another Member of the Board, or with the General Manager, <u>or with the Deputy General Managers appointed to the Head Office for Italy</u>, or with one of the other managers of the Company. In this case, the latter act as legal representatives of the company also for business not included in the province respectively assigned to them. Managers may sign jointly among themselves, provided that at least one of them is acting</p>  | <p><b>40.2</b> The Chairman, the Vice-Chairmen when replacing the Chairman, who is absent or prevented from acting, the Managing Directors, the <b>General Manager</b> may sign jointly among themselves or with another Member of the Board, or with the General Manager, or with one of the other managers of the Company. In this case, the latter act as legal representatives of the company also for business not included in the province respectively assigned to them. Managers may sign jointly among themselves, provided that at least one of them is acting within the province assigned to them.</p> |

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| <p>within the province assigned to them.</p> <p>40.3 The other members of the Board may not sign jointly among themselves, <u>nor with the General Manager and the Deputy General Managers appointed to the Head Office for Italy</u> nor with one of the other Managers of the Company.</p> | <p><b>40.3</b> The other members of the Board may not sign jointly among themselves nor with one of the other Managers of the Company.</p>   |
| <i>...omissis...</i>   | <i>...omissis...</i>   |
| <p>40.5 The Board of Directors may authorise the <u>Head Offices to provide</u> that certain documents and correspondence be totally or partly undersigned through mechanical reproduction of the signature.</p>   | <p><b>40.5</b> The Board of Directors may authorise that certain documents and correspondence be totally or partly undersigned through mechanical reproduction of the signature.</p> |
| <i>...omissis...</i>   | <i>...omissis...</i>   |

## 5. Draft Resolution of the Shareholders' Meeting

The draft resolution of the Shareholders' Meeting, in line with the Shareholders' will, as outlined above, 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 articles 20 and 21 of the Articles of Association,

- pursuant to article 2365 of the Italian Civil Code;
- having regard to the Report of the Board of Directors on this item of the agenda;
- having regard to the favourable opinion of the Board of Auditors;

### hereby resolves

- 1) to adopt the amendments to articles 3, 4, 32, 39 e 40 of the Articles of Associations, as phrased in the Report of the Board of Directors, deferring the entry into force of the amendments to articles 3, paragraph 1, 39, paragraph 2, and article 40, paragraphs 2 and 3, at the actual date of the transfer of the insurance branch, "Head Office for Italy" from Generali to Ina Assitalia, namely starting from 1 July 2013 upon prior approval of the Supervision Authority on Insurance (IVASS);
- 2) to delete article 38 of the Articles of Associations, as phrased in the Report of the Board of Directors;
- 3) to adopt the renumbering of the Articles of Association, as outlined in the Report of the Board of Directors;
- 4) to grant the Chairman of the Board of Directors and the Group CEO – also acting individually and through representatives having special powers of attorneys or legal representatives of the Company pursuant to articles 39 and 40 of the Articles of Association – the widest powers to take implement this resolution, with the authority to make any changes that may be necessary for the registration at the Company Register or that may be required to obtain any statutory authorisation, and to take any measure resulting from this resolution and concerning its full implementation."

Milan, 13 March 2013

THE BOARDS  
OF DIRECTORS

#### Schedule:

- 1) Articles of Association as amended in the light of the above proposals

# ARTICLES OF ASSOCIATION

## CHAPTER I

### Name, Registered Office, Object and Duration of the Company

#### Article 1

- 1.1 The name of the Company is

#### **ASSICURAZIONI GENERALI Società per Azioni.**

It was formed in Trieste by Memorandum dated 26 December, 1831

#### Article 2

- 2.1. The name of the Company may be expressed in languages other than Italian by literal translation or through the versions that are already used to identify the Company in the various Countries, provided that it is accompanied by the name referred to in Art. 1.
- 2.2. For the purpose of identifying its services, in Italy and abroad, the Company may adopt the word "GENERALI" as a trademark, either with or without the traditional winged lion.
- 2.3. The Board of Directors may adopt other trademarks.

#### Article 3

- 3.1 The Company has its Registered Office in Trieste, Piazza Duca degli Abruzzi 2.

#### Article 4

- 4.1 The Company's object is to engage in and carry out the business of insurance, reinsurance and capitalisation of every kind and to operate and manage any forms of supplementary pensions, including through the creation of open funds, in Italy and abroad, or the undertaking of any other activities reserved or admitted by the law to insurance companies.
- 4.2 The Company may in general engage in and perform any activity and carry out any transaction that is related to, connected with or conducive to the attainment of the corporate purpose, also through the participation in Italian or foreign Companies and Bodies.
- 4.3 As the Parent Company of the Generali Insurance Group, in the performance of its management and coordination activities the Company shall adopt all the necessary measures with the Group companies to implement the provisions given by IVASS to ensure the stable and efficient management of the Group pursuant to Art. 87, paragraph 3 of the Italian Private Insurance Code.

#### Article 5

- 5.1 The Company's business is divided in a Non Life Section and a Life Section.
- 5.2 The Non Life Section regards transactions not pertaining to life insurance or reinsurance, capitalisation or to other supplementary pension schemes.
- 5.3 The Life Section regards transactions pertaining to life insurance or reinsurance, capitalisation or to other supplementary pension schemes.

#### Article 6

- 6.1 The duration of the Company is fixed up to 31 December 2131, and may be extended by resolution of the Shareholders' Meeting.

## Article 7

- 7.1** The Company's official publications are issued in the form laid down by the law.  
**7.2** The Company's books are kept at the Registered Office.

## CHAPTER II

### Capital and Shares

## Article 8

- 8.1** The Company's subscribed and paid-up share capital is Euro 1,556,873,283.00 divided into 1,556, 873,283 registered shares of Euro 1.00 each. In the event of any increase of capital, the sums (if any) accruing to the Company from the issue of shares at a price over and above their par value may not be distributed until the legal reserve has reached the level established by the law.  
Executing the proxy as per paragraph 8.2, the Board of Directors increased the share capital, by resolutions of 2 August 2007, for a maximum of Euro 3,400,000.00, by issuing a maximum of 3,400,000 shares; the share capital increase may be performed between 2 August 2010 and 2 August 2013.  
The said shares have been offered for subscription to employees of the Company and its controlled companies in the context of stock option plans. If the bonus issue is not wholly subscribed by the said dates, the share capital shall be deemed to be increased by an amount corresponding to the par value of the shares actually subscribed by those dates.
- 8.2** In the event of an increase in the share capital, pre-emptive rights due to the shareholders may be excluded, within the limits of ten per cent of the existing share capital, on the condition that the issue price of the new shares corresponds to the market value of those already issued and that this is confirmed by a specific report from the auditing company.

## Article 9

- 9.1** Equity items are divided as follows:
- the Company's share capital is allocated with an amount of Euro 1,089,811,298 to the Life section and of Euro 467,061,985 to the Non-Life section;
  - the share premiums reserve is allocated with an amount of Euro 2,497,775,151 to the Life section and of Euro 1,070,475,064.72 to the Non-Life section;
  - revaluation reserves are allocated with an amount of Euro 926,828,357.24 to the Life section and of Euro 1,083,676,671.75 to the Non-Life section;
  - legal reserves are allocated with an amount of Euro 217,962,259.58 to the Life section and of Euro 93,412,397.02 to the Non-Life section;
  - the reserves for own shares and those of the Parent Company are allocated with an amount of Euro 113,463,933.11 to the Life section and of Euro 2,902,943.25 to the Non-Life section;
  - other reserves are allocated with an amount of Euro 2,627,973,649.26 to the Life section and of Euro 4,068,191,307.14 to the Non-Life section.
- 9.2** Equity items do not include statutory reserves nor profit or loss brought forward.
- 9.3** Seven tenths of the increases in share capital and share premiums reserve resulting from the subscription of shares issued to implement the resolutions referred to Art. 8.1 are allocated to the Life section and three tenths to the Non-Life section.

## Article 10

- 10.1** The shares are registered and indivisible.  
**10.2** The shares may be transferred and be subject to charges in such manners as provided by the law.

## Article 11

- 11.1** Shares are always registered in the name of a specified holder.

## Article 12

- 12.1** Shareholders shall comply with all the provisions of the Company's Articles of Association and with the resolutions taken in accordance therewith by the relevant governing bodies of the Company.

## CHAPTER III

### Governing Bodies of the Company

#### A.

#### Shareholders' Meeting

## Article 13

- 13.1** The Shareholders' Meeting, if regularly constituted, is the body that expresses the Company's will through its resolutions.
- 13.2** Its resolutions – adopted in compliance with the law and with these Articles of Association – are binding on all Members, including absent or dissenting ones.
- 13.3** Shareholders' Meetings are ordinary or extraordinary. They shall, as a rule, be held at the Registered Office; they may also be held in different locations in Italy.
- 13.4** Shareholders' Meetings procedures are governed by specific By-laws. Notwithstanding the provisions of article 32.2, point g), resolutions of approval and modification of such By-laws shall be passed by the Ordinary Shareholders' Meeting validly called with this matter on the agenda.

## Article 14

- 14.1** Shareholders' Meetings are convened by the Board of Directors.
- 14.2** The Ordinary Shareholders' Meeting for the approval of the Financial Statements (AGM) shall be held within 120 days of financial year's end; in thorough compliance with the provisions of the law, said term can be extended to 180 days.

## Article 15

- 15.1** Shareholders' Meetings shall be convened by means of a notice published in compliance with the terms and procedure laid down by the law.
- 15.2** In the cases, in the forms and within the periods specified in the current legislation, shareholders who, either alone or jointly with others, form the quorums required by law, are entitled to request the call of a Shareholders' Meeting and additions to the list of subjects to be discussed at the Meeting. The Meeting shall not resolve upon matters not specified in the agenda.
- 15.3** The Meeting shall not resolve upon matters not specified in the agenda.

## Article 16

- 16.1** The Meeting may be attended by shareholders who are entitled to vote, provided that:
- a) they prove their entitlement in the statutory forms ;
  - b) the communication issued by the intermediary who keeps the accounts relating to the shares, which replaces the deposit authorising attendance at the Shareholders' Meeting, is received by the Company, at its registered office, in compliance with the terms and conditions established by the law.
- 16.2** Persons under parental authority, tutelage or guardianship may attend the Meeting and vote through their legal representatives or with the assistance of their guardian.
- 16.3** The shareholders entitled to vote may be represented at the Shareholders' Meeting in compliance with applicable regulations.

## Article 17

- 17.1** Each share shall entitle its owner to one vote.
- 17.2** The shareholders entitled to vote may be represented at the Shareholders' Meeting by a proxy holder with written or electronic proxy in compliance with the legislation in force and in accordance with the



provisions laid down by specific mandatory rules. The proxy may be notified to the Company by using the relevant section of its website or via certified electronic mail, in compliance with the provisions outlined in the Notice of Shareholders' Meeting.

- 17.3** If so indicated in the Notice of the Shareholders' Meeting, and in line with the specified procedure, shareholders entitled to vote may participate to the Shareholders' Meeting by telecommunication means and exercise their right to vote electronically, in compliance with the law, relevant regulatory provisions and the By-laws of Shareholders' Meeting.

#### Article 18

- 18.1** The Meeting shall be presided over by the Chairman of the Board of Directors.
- 18.2** In case of the Chairman being absent or prevented from performing his offices, Art. 30 – following – shall be applied.
- 18.3** In case of the Vice-Chairmen being absent or prevented from performing his offices, the Meeting shall be presided over by a Member of the Board of Directors to be appointed by the Board itself. Failing this, the Meeting shall elect its own Chairman.

#### Article 19

- 19.1** The Ordinary Shareholders' Meeting has the power to:
- a) pass resolutions on the Financial Statements;
  - b) pass resolutions concerning the allocation of the profits;
  - c) appoint the members of the Board of Directors, the Permanent Auditors, the Substitute Auditors and the Chairman of the Board of Auditors;
  - d) approve remuneration policies concerning corporate bodies appointed by the Shareholders' Meeting and the staff of the Company, who to that end are relevant for the rules applicable to insurance undertakings, including remuneration plans based on financial instruments
  - e) fix the Auditors' compensation;
  - f) determination of the fees payable to members of the Board of Directors; variable remuneration systems associated with the profits and/or other indicators of the business trend of the Company and/or the Group may be used for this purpose;
  - g) appoint an external Auditing Company to audit the accounts during the financial year, the financial statements and the consolidated financial statements; fix the relevant compensation;
  - h) pass any other resolution envisaged by the law or submitted to the Shareholders' Meeting by the Board of Directors.

#### Article 20

- 20.1** The Extraordinary Shareholders' Meeting shall resolve on matters concerning amendments to the Memorandum of Association of the Company.
- 20.2** It also appoints and determines the powers of liquidators in the event of the Company's winding-up and in other cases provided for by the law.

#### Article 21

- 21.1** The quorum at the first call of an annual Shareholders' Meeting shall be validly constituted if not less than one-half of the share capital is represented.
- 21.2** The notice convening the Meeting may also state the date fixed for the second call. The latter shall not be held on the same day fixed for the first call. The quorum at the second call of an annual Shareholders' Meeting shall be constituted by a number of attending members representing any amount of share capital.
- 21.3** In the first and second calls, the Shareholders' Meeting may pass resolutions with the absolute majority of the represented capital.

#### Article 22

- 22.1** The quorum at the first call of an Extraordinary Shareholders' Meeting shall be validly constituted if more than one-half of the share capital is represented.
- 22.2** The notice convening the Meeting may also state the date fixed for the second call. The meeting at second call shall not be held on the same day fixed for the first call. The quorum at the second call of an

Extraordinary Shareholders' Meeting shall be validly constituted if more than one-third of the share capital is represented.

**22.3** The notice convening the Meeting may also state the date fixed for the third call. The quorum at the third call of an Extraordinary Shareholders' Meeting is validly constituted if more than one-fifth of the share capital is represented.

**22.4** The extraordinary Shareholders' Meeting in the first, second or third call may pass resolutions with the majorities specified by law.

#### Article 23

**23.1** The ordinary and extraordinary Shareholders' can also be held in a single call, as an opt-out to the provisions of articles 21 and 22.

**23.2** In the single call, the quorum is duly constituted irrespective of the capital represented by attending members and the Shareholders' Meeting may pass resolutions with the favourable vote of the absolute majority of the represented capital.

**23.3** The quorum of the extraordinary Shareholders' Meeting convened in a single call is duly constituted when at least one fifth of the share capital is represented and resolutions may be passed with the favourable vote of at least two thirds of the represented capital.

#### Article 24

**24.1** Resolutions shall be passed by open vote taking into account the number of votes to which each Member is entitled.

**24.2** When several motions are submitted in connection with the same issue, the Chairman shall, if he deems it necessary, put them to the vote as an alternative to each other, establishing their sequence. In that case, whoever expresses a favourable vote for one of the resolutions may not vote for the others. The adopted resolution shall be the one passed by such a majority as required by the law and by the Company's Articles of Association. If, during the voting procedure, one of the resolutions is passed by majority, no further resolutions need to be put to the vote.

#### Article 25

**25.1** The Chairman is assisted by the Secretary of the Board of Directors.

**25.2** The minutes report in summary form the course of the Meeting, the debate, the statements of those members who so request and the replies of the Board Members.

**25.3** The Minutes shall include:

- the number of shareholders and the amount of share capital represented;
- the names of all present Board members and Auditors;
- the names of the members participating in the debate;
- the verification of the voting procedures;
- the results of the votes;
- the announcement of the resolutions adopted by the Meeting.

**25.4** The minutes shall be signed by the Chairman of the Meeting and by the Secretary or by the Notary Public.

### B.

#### General Council

#### Article 26

**26.1** The Board of Directors can designate a General Council. The General Council is a high advisory body and shall concern itself with the best attainment of the Company's objects, with particular regard to the Company's territorial expansion and to international insurance and financial problems.

**26.2** The General Council is a collective advisory body, including the Chairman, the Vice-chairmen, the Managing Directors and the Chief Financial Officer as well as any member that may be appointed by the Board of Directors, including external members having exceptional skills on economic, financial and insurance issues.

**26.3** On the appointment of the mandatory members, the Board of Directors shall determine the term of office and the relevant fees.

## Article 27

- 27.1** The General Council is chaired by the Chairman of the Board of Directors. If he/she is absent or unable to attend, the provision of article 30 hereunder shall apply. If Vice-chairmen are absent or unable to attend, one of the members of the Board of Directors shall perform this role.
- 27.2** In each session, minutes shall be drafted and signed by the Chairman and the Secretary appointed by the Board of Directors.

## C.

### Board of Directors

## Article 28

- 28.1** The Company is managed by a Board consisting of not less than 11 and not more than 21 members appointed by the Shareholders' Meeting after having decided upon the number of members.
- 28.2** The composition of the Board of Directors shall comply with criterion of gender balance prescribed by current laws and regulations. The members of the Board of Directors shall meet the requirements of professionalism, respectability and independence laid down by current legislation. No one who has reached the age of 77 may be elected director. At least one-third of the Directors ("Independent Directors") shall meet the independence requirements laid down by law for Internal Auditors. If the number of members of the Board of Directors established by the Shareholders' Meeting is not a multiple of three, the number of Independent Directors called on to compose it shall be rounded down to the nearest whole number.
- 28.3** The Board of Directors shall be appointed on the basis of lists, in accordance with the procedure laid down in this article.
- 28.1** The lists, except those containing less than three candidates, shall contain a number of candidates capable of ensuring a balance between the genders, no greater than that of the members to be elected, listed in accordance with a sequential number. Each candidate may be nominated in only one list, failing which s/he shall be disqualified.
- 28.2** Lists may be submitted by members who, either alone or jointly with others, represent at least the minimum percentage of the share capital laid down by current legislation. Each shareholder entitled to vote and the companies directly and indirectly controlled by them, and companies directly or indirectly subject to joint control, may only submit one list. No account shall be taken of support given to any of the lists in breach of the terms of the preceding sentence.
- 28.3** Lists must be submitted to the Company within 25 days from the day before the date of the Shareholders' Meeting convened in first or single call.
- 28.4** The following documents shall be filed with the lists:
- (i) the curriculum vitae of each candidate, containing detailed information about the candidate's personal and professional characteristics and the skills acquired by him/her in the insurance, financial and/or banking field;
  - (ii) statements in which the candidates accept the nomination, undertake to accept the office if appointed, and further declare, under their own responsibility, that no grounds for incompatibility or disqualification exist, and that they meet the requirements of respectability, professionalism and, if applicable, independence, required by current legislation.
- 28.8** By the twenty-first day prior to the date of the Shareholders' Meeting in first or single call, shareholders who have submitted a list shall file a copy of the intermediaries' certificates certifying ownership of the percentage of share capital required by article 28.5. If this is not done, for the purposes of article 28 the list shall be deemed not to have been submitted.
- 28.9** Each shareholder entitled to vote, the companies directly or indirectly controlled by it, and companies directly or indirectly subject to joint control, may only vote for one list. No account shall be taken of votes cast in breach of this provision.
- 28.10** Elections of Directors shall be conducted as follows::
- a) all the Directors to be elected, less those to be taken from the second list in accordance with the terms of paragraph b) below, shall be taken from the list that obtained the largest number of the votes cast by shareholders, in the sequential order with which the candidates are entered in the list. If the number of directors of the less represented gender drawn from that list is less than that

prescribed by existing law, the candidate elected with the highest sequential number and belonging to the more represented gender shall be excluded. The excluded candidate shall be replaced by the next one belonging to the gender less represented, drawn from same list as the candidate excluded. If it is not possible to draw the necessary number of directors of the less represented gender from the list that obtained the highest number of votes, the missing directors shall be elected by the shareholders with a majority vote;

- b) one, two or three Directors, depending on whether the number of members of the Board of Directors determined by the Shareholders' Meeting is 11, 12-15 or over 15, shall be taken, on the basis of the sequential number with which the candidates are indicated in the list, from the list which obtained the second-largest number of votes (without taking account of the votes cast by shareholders connected directly or indirectly with those who submitted or voted for the list that obtained the largest number of votes);
- c) if two lists obtain the same number of votes, the Meeting shall vote again;
- d) the Independent Directors shall be taken from the list that obtained the largest number of votes. If the number of Independent Directors taken from that list is less than the number specified in article 28.2, the elected candidate who has the highest sequential number and does not meet the necessary independence requirements shall be excluded. The excluded candidate shall be replaced by the next candidate who meets the said requirements, taken from the same list as the excluded candidate. If it is impossible to take the required number of Independent Directors from the list that obtained the largest number of votes, the missing directors shall be appointed by the Shareholders' Meeting on a majority vote;
- e) if an elected candidate cannot or does not wish to accept the appointment, s/he shall be replaced by the first of the unelected candidates on the list to which the said refusing candidate belonged;
- f) for the purpose of application of the preceding terms and the allocation of the Directors, no account shall be taken of lists that do not obtain a percentage of the votes amounting to at least half the amount required by the Articles of Association for submission of lists;
- g) if only one list is submitted, article 21.3 shall apply.

**28.11** If no list is submitted by the due date, the Shareholders' Meeting shall pass resolutions by a relative majority of the shareholders present.

**28.12** The members of the Board of Directors stay in office for three financial years, their mandate ends on the date of the meeting for the approval of the Financial Statements related to the last financial year covered by their term of office and are eligible for re-appointment. In case of appointment during such three years, the term of office of the newly appointed directors shall expire with that of the directors in office.

**28.13** If a Director taken from the list specified in article 28.10.b should cease to hold office:

- i) the Board of Directors shall replace that Director by appointing the first of the unelected candidates in the list to which the outgoing director belonged as Director, provided that the said candidate is still eligible and willing to accept the appointment and is of the same gender;
- ii) the Shareholders' Meeting shall replace the outgoing Director by majority vote, selecting his/her replacement if possible from among the candidates on the same list who previously accepted the replacement and are of the same gender

In all other cases in which a Director ceases to hold office during the three-year period, that Director shall be replaced in accordance with current legislative provisions, in compliance with the principle of necessary gender representation established by current law. If an Independent Director ceases to hold office, his/her replacement, co-opted by the Board of Directors or appointed by the Shareholders' Meeting, shall meet the independence requirements laid down by law for holding the office of Internal Auditor

#### Article 29

**29.1** The Board of Directors shall elect the Chairman from among its Members. No person who has reached the age of 70 can be elected Chairman.

**29.2** The Chairman represents the Company for all its offices in Italy and abroad in compliance with the provisions of these Articles of Association.

**29.3** The Chairman shall preside over the Shareholders' Meeting; convene and preside over the General Council, the Board of Directors and the Executive Committee; direct, co-ordinate and moderate their debates and announce the results of their resolutions.

**29.4** The Chairman coordinates the activities of the corporate bodies, controls the implementation of the resolutions of the Shareholders' Meeting, the Board of Directors and the Executive Committee, supervises the Company's business and its compliance with the strategy of the Company.

## Article 30

- 30.1** The Board of Directors shall elect one or more Vice-Chairmen from among its Members. In case of the Chairman being absent or prevented from performing his office, a Vice-Chairman shall replace him.
- 30.2** The office goes to the Vice-Chairman who is also a Managing Director. In case of more than one Vice-Chairman being also a Managing Director, or in case of none of them holding that office, the one who is senior in age shall substitute the Chairman.

## Article 31

- 31.1** The Board of Directors shall appoint a Secretary who need not be a Board Member..

## Article 32

- 32.1** The Board of Directors is vested with the broadest management powers for the furtherance of the Company's objects.
- 32.2** In particular, besides the approval of strategic, industrial and financial plans of the Company, as well as transactions having a significant impact on the Company's profitability, assets and liabilities or financial position, with special reference to transactions involving related parties, the following matters shall pertain exclusively to the Board of Directors:
- a) drawing up the draft financial statements to be approved by the Shareholders' Meeting, along with a management report;
  - b) submitting proposals for the allocation of profits;
  - c) distributing interim dividends to the shareholders during the fiscal year;
  - d) drawing up the Group's consolidated financial statements, along with a management report;
  - e) drawing up the half-year and quarterly reports;
  - f) establishing or terminating Head Offices and business establishments outside Italy;
  - g) passing resolutions on mergers, in the cases admitted by the law, on the establishment or termination of secondary head offices as well as on the adjustment of any provisions enshrined in the Company's Articles of Association and By-laws as may become incompatible with new mandatory provisions of the law;
  - h) establishing or terminating operations of individual Departments;
  - i) appointing or removing the General Manager, and fixing his/her authority and functions;
  - l) adopting the decisions on the establishment of criteria for the management and coordination of the Group companies and the implementation of provisions given by IVASS;
  - m) resolving on other matters that cannot be delegated by law.
- 32.3** On the occasion of meetings and on an at least quarterly basis, the Board of Directors and the Board of Auditors receive a report, drafted by delegate bodies as well, on the development of management issues and on the activities carried out by the Company and its Subsidiary companies, on its expected evolution, on the main economic, financial and investment transactions, and especially on those transactions for which the Directors hold a stake – personally or for third parties – or which are influenced by any person exercising management and coordination activities. The report to the Board of Auditors can also be made directly or at the meetings of the Executive Committee, if by so doing it is rendered more timely..

## Article 33

- 33.1** The Board of Directors shall meet when convened by the Chairman or by his deputies in a place chosen by the Chairman. In addition, the Board of Directors shall be convened whenever one third of its members in office so request.
- 33.2** Notice of the meeting shall be given at least eight days prior to the date fixed for the meeting. In urgent cases, the time may be reduced to two days. In this case, notice of the meeting shall be sent by telegram, telefax or any other appropriate way guaranteeing immediate and certain communication.
- 33.3** In case of the Chairman being absent or prevented from performing his office, the provisions of Art. 30 shall apply.
- 33.4** For resolutions of the Board of Directors to be valid, a majority of the members currently in office must be in attendance.
- 33.5** Resolutions shall be adopted by absolute majority of votes. If no majority of votes is reached, the member presiding over the meeting shall have the casting vote. Members may not vote by proxy.
- 33.6** The Minutes of each meeting shall be kept and signed by the Chairman and the Secretary.

- 33.7** The meetings may be held by teleconference as well as by videoconference, provided that all participants are able to follow the discussion and to take part in real-time debates; should such a meeting take place, it will be deemed to have been held at the location in which the Chairman and Secretary are during the meeting.

#### Article 34

- 34.1** The Board may establish, in Italy and abroad, general and special Advisory Committees at the Board itself or at the several Head Offices and other offices, fixing their powers and remuneration.

#### Article 35

- 35.1** The Board may appoint from among its Members an Executive Committee to which it delegates certain powers, within the limits of the law.
- 35.2** It may also appoint from among its Members one or more Managing Directors, defining their powers, duties and functions. No person who has reached the age of 65 can be appointed Managing Director.
- 35.3** The Executive Committee consists from 5 to 9 members, including the Chairman of the Board of Directors, who shall act as chair, the Vice-Chairmen and the Managing Directors, should any have been appointed.
- 35.4** The Secretary of the Board of Directors acts as Secretary of the Executive Committee.
- 35.5** For Executive Committee resolutions to be valid, a majority of the Members currently in office must attend the meeting of the Committee.
- 35.6** Resolutions must be adopted by absolute majority of votes. In case of parity of votes, the Member presiding over the Meeting shall have the casting vote.
- 35.7** Members may not vote by proxy.
- 35.8** The minutes of each Meeting shall be drawn up and signed by the Chairman and the Secretary.

#### Article 36

- 36.1** The remuneration of the Board Members holding special offices in accordance with the present Articles of Association shall be established by the Board after hearing the opinion of the Board of Auditors.
- 36.2** Board Members and Members of the Executive Committee are further entitled to the reimbursement of the expenses incurred in attending the meetings.

### D.

#### Board of Auditors

#### Article 37

- 37.1** The Board of Auditors consists of three permanent and two substitute Auditors who may be re-elected. Their functions, duties and terms of office are defined by the law. Subject to prior written notice to the Chairman of the Board of Directors not less than thirty days before the date set for the meeting, the Board of Auditors or at least two of the Auditors may convene the Shareholders' Meeting. Meetings of the Board of Directors and the Executive Board may also be called by only one member of the Board of Internal Auditors in accordance with the terms of article 33.2.
- 37.2** Those who find themselves in situations of incompatibility as contemplated by the law, or who have exceeded the limits on multiple appointments laid down by current legislation, may not be appointed Auditors and if elected shall fall from their office.
- 37.3** The permanent and substitute Auditors of the Company must comply with the requirements set forth by law. For the purposes of definition of the professional requirement of those who have as a whole at least three years' experience in the field of:
- a) professional activities or activity as university teacher in legal, economic, financial and technical-scientific matters, strictly pertaining to the business of the Company;
  - b) managing functions in public entities or administration bodies in sectors strictly connected with the business of the Company,
- the following parameters are defined:
- strict connection with the business of the Company means all the matters listed in point a) above relating to insurance activities and to other activities pertaining to the economic sectors strictly connected to insurance;



- the economic sectors which see the activity of companies that may be subject to the control of insurance companies are considered as strictly connected with the insurance sector.
- 37.4** On appointing them, the Shareholders' Meeting defines the yearly remuneration assigned to Auditors. Auditors are entitled to reimbursement of the expenses incurred in the performance of their duties.
- 37.5** The appointment of Auditors takes place on the basis of lists of candidates in accordance with terms of the current legislation and regulations and these Articles of Association.
- 37.6** The lists to be submitted shall consist of two sections: one for the appointment of permanent Auditors and the other one for the appointment of substitute Auditors. The number of candidates contained in the lists shall not exceed the number of members to be elected, listed under a progressive number. Each of the two sections of the lists, except for those with less than three candidates, shall be composed so as to ensure gender balance. Each candidate may stand for election on only one of the lists under penalty of ineligibility.
- 37.7** The right to submit a list shall accrue to the shareholders who, either alone or jointly with others, represent at least the minimum percentage of the share capital specified in article 28.5.
- 37.8** Lists must be presented at the Company within twenty-five day before the Shareholders' Meeting in first or single call.
- 37.9** The lists shall be accompanied by information about the shareholders who submit them, with details of the percentage of the share capital held by them. The following documents shall be filed together with the lists:
- i) the curriculum vitae of each candidate, containing detailed information about the candidate's personal and professional characteristics and the skills acquired by him/her in the insurance, financial and/or banking field;
  - ii) statements in which the candidates accept the nomination, undertake, if appointed, to accept the appointment, and further declare, under their own responsibility, that no grounds for incompatibility or disqualification exist, and that they meet the requirements of respectability, professionalism and, if applicable, independence, required by current legislation.
  - iii) a copy of the certificates issued by intermediaries certifying the ownership of the percentage of share capital required by article 37.7 for submission of lists.
- 37.10** If the terms of article 37.9 are not complied with, for the purposes of article 37 the list shall be deemed not to have been submitted.
- 37.11** If only one list has been submitted by the end of the 25-day period specified in article 37.8, or only lists submitted by shareholders connected with one another, lists may be submitted until the third day after the said date. In such case, the thresholds specified in article 37.7 shall be halved.
- 37.12** The parties entitled to vote, companies directly or indirectly controlled by them, companies directly or indirectly subject to joint control, and shareholders connected by one of the relationships specified in s. 109.1 of Legislative Decree no. 58 of 24 February 1998, relating to the company, may jointly submit and shall only vote for one list; in the event of breach of this provision, no account shall be taken of support given to any of the lists.
- 37.13** The first two candidates in the list that obtained 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"), shall be elected Permanent Internal Auditors.
- 37.14** The first candidate on the Majority List which obtained the largest number of votes and the first candidate on the Minority List shall be elected Substitute Internal Auditors.
- 37.15** If the number of permanent auditors of the gender less represented is less than that required by current law, the necessary replacements shall be drawn from the section of permanent auditors from the majority list, according to the order in which the candidates were presented.
- 37.16** If the first two lists obtain the same number of votes, a new vote shall be held. In case of parity of votes between two or more lists other than the one which obtained the largest number of votes, the candidates to be elected Auditors shall be the ones who are junior by age to the extent of the positions to be assigned.
- 37.17** If only one list is submitted, all the Internal Auditors to be elected shall be taken from that list.
- 37.18** The chairmanship shall go to the Permanent Internal Auditor taken from the Minority List. If all the Internal Auditors are taken from one list, the first candidate on that list shall be appointed Chairman.
- 37.19** In case of death, waiver or loss of office of a permanent Auditor taken from the Majority List or the only list, the latter shall be replaced by the substitute Auditor belonging to the same list or, if none, by the

youngest substitute. The Shareholders' Meeting shall appoint the members required to complete the Board of Internal Auditors, passing resolutions by the statutory majority.

**37.20** In the event of the death, resignation or debarment of the Permanent Internal Auditor taken from the Minority List, s/he shall be replaced (including as Chairman) by the substitute belonging to the Minority List. The Shareholders' Meeting shall appoint the members required to complete the Board of Internal Auditors, in accordance with the principle of the necessary representation of minority shareholders.

**37.21** Where the auditor replacement procedure fails to ensure the gender balance, the shareholders shall provide by legal majority vote.

## CHAPTER IV

### Representation and Signature on behalf of the Company

#### Article 38

**38.1** The Chairman, the Vice-Chairmen, the Managing Directors, the other members of the Board as well as the General Manager act as legal representatives of the Company for all the Company's business, in the manner specified in the following Article.

**38.3** The other managers of the Company also act as legal representatives of the Company within the province respectively assigned to them..

#### Article 39

**39.1** The legal representation of the Company is expressed by appending beneath the Company's name the signature of two of the persons mentioned in the foregoing Article.

**39.2** The Chairman, the Vice-Chairmen when replacing the Chairman, who is absent or prevented from acting, the Managing Directors and the General Manager may sign jointly among themselves or with another Member of the Board, or with one of the other managers of the Company. In this case, the latter act as legal representatives of the company also for business not included in the province respectively assigned to them. Managers may sign jointly among themselves, provided that at least one of them is acting within the province assigned to them.

**39.3** The other members of the Board may not sign jointly among themselves, nor with one of the other Managers of the Company.

**39.4** The competent governing body can further limit the subject and scope of the power to represent the Company assigned to the managers of the Company. Said body can also assign the power to represent the Company to other employees or third parties, by granting special or general powers of attorney for single actions or types of actions.

**39.5** The Board of Directors may authorise that certain documents and correspondence be totally or partly undersigned through mechanical reproduction of the signature.

**39.6** The power to represent the company at the Shareholders' Meetings of other Companies or Bodies may be exercised also individually by the persons mentioned in Art. 38 hereof. The competent governing body in each instance shall resolve on the power of representation and the signing on behalf of the Head Offices, Offices, Branch Offices, Representative Offices, Agencies and Establishments abroad.

**39.7** Copies of and extracts from deeds and documents of the Company to be produced to judicial, administrative or revenue authorities, or which may be required for any other legal purpose, shall be certified to be true copies by the persons mentioned in Art. 38, who shall affix their joint signatures thereunto, or by the Secretary of the Board of Directors

## CHAPTER V

### Financial Statements

#### Article 40

**40.1** The financial year ends on 31 December of each year. The account books and financial statements shall be drawn up separately for the Life Section and the Non Life Section, according to the existing provisions of law.



- 40.2** The appropriate administrative body, after consultation with the Board of Internal Auditors, shall appoint the Manager in charge of the preparation of the company's financial reports. The said Manager shall be chosen from among persons with suitable experience of administration, finance and control in large companies or in the exercise of professional activities, and shall meet the requirements of respectability established for directors.
- 40.3** If the said Manager should cease to meet the requirements of respectability during his/her term of office s/he shall be debarred from holding office; in such case the debarred officer shall be promptly replaced.

#### Article 41

- 41.1** The technical reserves are defined and set up in accordance with the provisions in force in the various Countries in which the Company operates.
- 41.2** Without these provisions, the Company defines and sets up the aforesaid reserves in a way appropriate to the purposes of said reserves

#### Article 42

- 42.1** The net profits resulting from the duly approved financial statements, less the proportion to be allocated to the statutory reserve, shall be at the disposal of the Shareholders' Meeting for such purposes as it thinks fit.
- 42.2** The Shareholders' Meeting may resolve on special allocations of profit to be carried out by means of issues of shares to be allotted individually to the Company's employees and employees of subsidiary companies.

## CHAPTER VI

### Winding-up of the Company

#### Article 43

- 43.1** In the event of winding-up of the Company, the Shareholders' Meeting defines the ways and means of the winding-up and appoints the liquidators, in compliance with the law, fixing their powers and remuneration.
- 43.2** The General Council, the Board of Directors and the Executive Committee retire from office when liquidators are appointed.
- 43.3** The Shareholders' Meeting remains in office and it is convened by the liquidators.

## CHAPTER VII

### Final Provisions

#### Article 44

- 44.1** For all such matters that are not expressly provided for in these Articles of Association, the provisions of the law shall be applied.

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