

**2023**  
ASSEMBLEA  
DEGLI AZIONISTI  
SHAREHOLDERS'  
MEETING



**28 April 2023**

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

**Item 7 on the Agenda  
FEE FOR THE STATUTORY AUDIT APPOINTMENT**



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## Fee for the statutory audit appointment.

- a. Revision, at the proposal of the Board of Statutory Auditors, of the amount of the fee for the statutory audit appointment with reference to the financial years ending 31 December 2022 to 31 December 2029. Resolutions pertaining thereto and arising therefrom. Delegation of powers. **2**

# Report of the Board of Directors to the General Meeting

## 7. FEE FOR THE STATUTORY AUDIT APPOINTMENT

- a. Revision, at the proposal of the Board of Statutory Auditors, of the amount of the fee for the statutory audit appointment with reference to the financial years ending 31 December 2022 to 31 December 2029. Resolutions pertaining thereto and arising therefrom. Delegation of powers.

Dear Shareholders,

you have been called to the Ordinary Shareholders' Meeting to examine and approve the proposal presented by the Board of Statutory Auditors, to review the economic terms of the statutory audit assignment conferred with the shareholders' resolution of 7 May 2019 to the auditing firm KPMG S.p.A. for the 2021-29 nine-year period.

This proposal, as more fully set out in the proposal of the Board of Auditors, attached hereto, is intended to take the impact of the following circumstances into account:

- expansion of the scope of Group companies included in the Assignment;
- impact on auditing activities deriving from the introduction of the IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments) international accounting standards;
- impact on auditing activities deriving from amendments to the new ISA Italia 315 Revised auditing standard;
- impact on auditing activities arising from ISA 720b;
- impacts arising from observed inflation in 2022;
- specific details requested on the consolidated non-financial statement relating to the 2022 financial year;
- criteria for the adjustment of fees due to KPMG S.p.A. from the 2023 financial year.

### Draft resolution for the meeting

This having been stated, outlined below is the draft resolution of the General Meeting.

"The Ordinary General Meeting of Assicurazioni Generali S.p.A., held at Palazzo Berlam in

Trieste, Piazza Duca degli Abruzzi 1, being validly constituted and empowered to pass resolutions pursuant to section 2369 of the Italian Civil Code and art. 21 of the Company's Articles of Association,

- having regard to the resolution of the General Meeting of 7 May 2019 on the determination of remuneration for the Independent Auditor for the years 2021-29;
- having regard to the Report of the Board of Directors on this item of the agenda;
- having regard to the proposal submitted by the Board of Statutory Auditors, as the Audit and Control Committee of Assicurazioni Generali S.p.A., to review the amount of the fee for the statutory audit appointment to be carried out in the financial years ending 31 December 2022 to 31 December 2029, as per Annex A;

### resolves

- 1) to approve a supplement, amounting to EUR 2,408,000.00 of the fee already approved in favour of the auditing firm KPMG S.p.A. specifically for the statutory audit of Generali's accounts for each of the financial years ending between 31 December 2022 and 31 December 2029, detailed as follows:
- a) for the expansion of the scope of Group companies an amount equal to EUR 108,000.00;
  - b) for the introduction of the ISA 315 auditing standard, for 10,100 hours of activities, an amount equal to EUR 860,000.00;
  - c) for the expansion of the 720b auditing standard, for 600 hours of activities, an amount equal to EUR 40,000.00;





- d) adjustment for 2022 inflation in the amount of EUR 1,400,000.00;
- 2) to approve the adjustment of fees for the 2022 financial year only with regard to the activity carried out on the consolidated non-financial statement, for 1,200 hours of activities, for an amount of EUR 118,000.00, and to approve the adjustment of 2022 fees regarding the impact on the auditing activities deriving from the introduction of the IFRS 17 and IFRS 9 international accounting standards as from 1st January 2023, for 16,734 days of activities, an amount equal to EUR 12,750,000.00;

- 3) to approve the criteria for adjusting the fees proposed by KPMG S.p.A. with communication dated 10 March 2023, referred to herein:

*“With reference to the amounts of fees set out in Annex 2 of the Recommendation of the Audit Committee of Assicurazioni Generali S.p.A. in the Minutes of the Shareholders’ Meeting of 7 May 2019 and as updated above, we hereby specify that, as of the 2023 financial year:*

*– with reference to the Company, the fees will be adjusted within the limits of the increase in the ISTAT cost-of-living index (Consumer Price Index for blue- and white-collar households), compared to the previous year;*

*– with reference to the Group’s subsidiaries, fees will be adjusted within the limits of the increase in the inflation index relating to the commonly accepted cost of living in the subsidiary’s country of residence, compared to the previous year.*

*In addition, should circumstances arise that result in an increase in time, significant changes in the timing of the assignment, and/or a change in the professional level of the members of the audit team assigned to the assignment, including the involvement of different or additional specialists or external experts, with reference to that estimated herein (such as, but not limited to, changes in group structure, the size, structure and activities of the Company and/or its invest-*

*ee companies, changes in the internal control system and/or process of preparing the Company’s and Group’s financial reports, including information systems, or in those of investee companies, non-delivery or delayed delivery of required documentation, unavailability of persons from whom we will deem it necessary to acquire evidence, performance of additional procedures to the work performed by the component auditors, regulatory changes - including any supplementary and corrective provisions to the Decree [Leg. Decree no. 39 of 27.1.2010], as well as any clarifications by the competent authorities or different interpretations of the Decree and Regulation [EU Regulation no. 537/2014], changes in accounting and/or auditing standards, new professional guidelines, the performance of complex or extraordinary transactions by the Company and/or its investee companies), these will be discussed and agreed upon with you in order to formulate a consequent adjustment of the original fees by virtue of this paragraph, which, depending on the circumstances, may concern the individual financial year or remaining financial years covered by this appointment letter. Equally, should less time be required than anticipated, the fees will be proportionately reduced.”*

- 4) to confer to the Board of Directors and, on its behalf, to the Chairman and the Chief Executive Officer, also severally and with the right of sub-delegation, any broader power that may be required to:

a) sign the remuneration adjustment proposal;

b) restate the annual remuneration for statutory auditing for the financial years starting from 1 January 2023 in accordance with the terms set out in the request formulated by KPMG S.p.A. in its communication dated 10 March 2023, within the limits of the amounts referred to in the previous points (1) and (2);

c) apply the criteria for adjusting the fees referred to in point (3) of this resolution.

Milan, 22 March 2023

THE BOARD  
OF DIRECTORS

#### Annex A:

Substantiated proposal pursuant to art. 13 of leg. decree 39/2010 of the Board of Statutory Auditors of Assicurazioni Generali S.p.A. for the adjustment of fees for the auditing firm KPMG S.p.A.

**Annex A****SUBSTANTIATED PROPOSAL PURSUANT TO ART. 13 of LEG. DECREE 39/2010 OF THE BOARD OF STATUTORY AUDITORS OF ASSICURAZIONI GENERALI S.P.A. FOR THE ADJUSTMENT OF FEES FOR THE AUDITING FIRM KPMG S.P.A.****1. Foreword**

The Shareholders' Meeting of 7 May 2019, on the recommendation of the Board of Statutory Auditors, conferred the appointment for the statutory audit of Assicurazioni Generali S.p.A. (the "Company" or "Generali") for the nine-year period 2021-29, to the company KPMG S.p.A. ("KPMG"). The Shareholders' Meeting in question also resolved to pay KPMG the fees shown in Attachment 2 of the Recommendation of Generali's Internal Control and Audit Committee, as shown below:

Services covered by the appointment	KPMG	
	Hours	Fees (in EUR)
Statutory audit of the consolidated financial statements of the AG Group in compliance with International Financial Reporting Standards ("IFRS") adopted by the European Union (including the independent auditor's report of the consolidated non-financial statement);	6,488	343,576
Statutory audit of the annual financial statements of AG and the companies controlled by the same in compliance with regulatory requirements and accounting standards applicable locally	180,176	10,202,757
Limited statutory audit of the short form of the semi-annual consolidated financial statements of the AG Group for the periods from 1 January to 30 June of each year, in compliance with the IFRS adopted by the European Union and Italian legislation	1,512	79,886
Statutory audit of the annual or interim report (in compliance with the IFRS) of AG and its subsidiary companies, as well as other types of statutory audits of interim financial statements of AG and its subsidiary companies;	51,088	2,818,700
Audit of the Solvency and Financial Condition Report pursuant to art. 47-septies, paragraph 7, Legislative Decree 209 of 7 September 2005 and articles 4 and 5, paragraph 1, letter a) and b) of IVASS Regulation 42/2018	64,584	3,563,127
Other periodical statutory auditing services required by law or regulations and strictly related to the services listed above.	26,161	1,491,954
<b>Total</b>	<b>330,009</b>	<b>18,500,000</b>

On 24 May 2021, Generali signed the letter of appointment for the statutory audit of the accounts with KPMG, with the economic conditions approved by the Shareholders' Meeting (the "Assignment"). On 10 March 2023 a communication was received from KPMG pursuant to paragraph 6.2 of the letter of appointment. In this communication, the auditing firm highlighted the need to adjust the fees approved by the Shareholders' Meeting on 7 May 2019.

**2. Request by KPMG for the adjustment of fees**

With a communication dated 10 March 2023, KPMG requested an adjustment of the fees envisaged for the performance of the Assignment due to unforeseeable circumstances and changes in the factual conditions existing at the time of the appointment by the shareholders' meeting, from which an inevitable increase has arisen (or is destined to arise for years to come) in the effort required of the auditing firm to carry out the statutory audit of the financial statements of Assicurazioni Generali S.p.A. and its Group companies.

More specifically, KPMG has made the following requests with their related reasons:



#### a. Expansion of the scope of Group companies included in the Assignment

Subsequent to signing the Assignment, the scope of companies included in the perimeter of the Generali Group increased, and some changes took place in the accounting principles of reference for the preparation of the consolidated Group financial statements.

Namely, these changes concerned the reorganization of the Luxembourg Branch, the acquisitions of companies carried out in Greece, Poland and Slovenia, as well as the introduction of the IFRS 15 (Revenues from contracts with customers) and IFRS 16 (Leasing) accounting standards. These changes, which led to an increase in the effort required of KPMG, led to an adjustment of the fees totalling approximately 108,000 euros.

#### b. Impact on auditing activities deriving from the introduction of the IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments) international accounting standards

Starting from the 2023 financial year, the consolidated financial statements of the Generali Group must be prepared in compliance with the IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments) international accounting standards. The adoption of these standards requires the recalculation of the comparative values of the previous year (2022 financial year), which are currently prepared on the basis of the IFRS 4 and IAS 39 standards.

The auditing of the condensed interim consolidated financial statements as at 30 June 2023 and the consolidated financial statements as at 31 December 2023 will thus require specific procedures to be carried out to verify the correct application of international accounting standards with particular reference to the comparative information presented. These procedures will also involve the significant involvement of actuarial specialists and financial risk management specialists. The audit activity described above will also expand the scope of procedures to be carried out on the reporting packages of specific investee companies, in compliance with the provisions of ISA Italia no. 600 (Audit of the group's financial statements - Specific considerations).

In relation to the above, due to the audit activities required on comparative information, KPMG estimates an increase in the fees for the statutory audit of the Company's accounts for the year 2023 in the amount of EUR 12,750,000, as better detailed in Annex 1 to KPMG's request dated 10 March 2023.

#### c. Impact on auditing activities deriving from amendments to the new ISA Italia 315 auditing standard

Starting with the financial year ending 31 December 2022, the new ISA Italia 315 Auditing Standard "Identification and Assessment of Risks of Significant Errors" introduced certain changes to the auditing procedures established therein in order to be more effective in identifying significant risks. According to KPMG, these changes to the auditing standard lead to an annual increase in the estimated times for completing the verification activities envisaged by the new auditing standard for the Generali group, and a consequent increase in the related fees, as indicated below:

Detail of estimated fees for ISA 315 Revised		
	Hours	Fees (in EUR)
<b>Assicurazioni Generali S.p.A.</b>		
of which annual financial statements	800	68,148
of which consolidated financial statements	1,000	85,185
of which MVBS&OF	900	76,667
Total Assicurazioni Generali S.p.A.	2,700	230,000
<b>Group</b>		
Other group companies	7,400	630,000
<b>Total ISA 315 Revised</b>	<b>10,100</b>	<b>860,000</b>



The proposed change of the auditing firm will be applicable for the auditing activities of the financial statements of the Company and Generali Group companies for the period from 31 December 2022 to 31 December 2029.

#### d. Impacts on auditing activities arising from auditing standard 720b

The Delegated Regulation EU 815/2019 ("ESEF Regulation") requires issuers whose securities are admitted to trading on a regulated market in the European Union to publish the annual financial report in digital format. In particular, starting with the financial statements as at 31 December 2022, the notes to the IFRS consolidated financial statements must be marked with "block" markings. In this context, article 154-ter of the CLFI obliges the statutory auditor to express an opinion on the conformity of the draft annual financial statements and consolidated financial statements, included in the annual financial report, with the provisions of the ESEF Regulation.

As a result of the above, KPMG estimates that the foreseeable time required to carry out the auditing activities necessary for the expression of an opinion on the conformity of the draft financial statements of the Company and the consolidated financial statements of the Generali Group with the aforementioned ESEF Regulation for each financial year ending 31 December 2022 to 31 December 2029 is approximately 600 hours, corresponding to a total fee of EUR 40,000.00.

#### e. Impacts arising from observed inflation in 2022

The fees charged for the statutory audit and certification activities of the Generali Group have been determined using hourly rates in effect in the year 2018 and taking into account the projected inflationary dynamics estimated to be approximately 2% cumulative over the period of 2021-29.

Since the beginning of the 2022 financial year, as a result of extraordinary and non-repeatable events, there have been significant changes in the macroeconomic reference scenarios that have led to a significantly higher increase in global inflation levels than the forecasts taken into consideration in 2018.

KPMG believes that this change constitutes an exceptional circumstance not reasonably foreseeable at the time of issue of its proposal and therefore requires a process of annually updating the fees for the audit activities starting from the 2022 financial year.

The auditing firm also states that the update of fees to take into account the inflation rate observed during 2022 indicated in the following table was calculated by applying a revaluation to the fees indicated in the appointment of 24 May 2021, a revaluation in function of the differential between the inflation rates by country of performance of the audit appointments given to KPMG, taken from the corresponding official sources as of October 2022, compared to that originally planned for the entire nine-year period and on average equal to 2% which therefore remains the responsibility of KPMG.

Details of the annual update of auditing fees for the 2022 financial year	
Fees (in EUR)	
<b>Assicurazioni Generali S.p.A.</b>	
of which:	
Annual financial statements	58,750
Consolidated financial statements	58,750
MVBS & OF	47,000
SCR	47,000
Limited half-year audit	23,500
Total Assicurazioni Generali	235,000
Other Group companies	1,165,000
<b>Total 2022 update</b>	<b>1,400,000</b>



Furthermore, as envisaged by KPMG, any further subsequent changes in inflation rates will determine the update of audit fees according to that reported in paragraph 3.

#### f. 2022 CNFS

KPMG notes that in 2022 and early 2023, specific analyses not originally planned on the non-financial statement became necessary during 2022 in view of the prospective application of CSRD legislation. The performance of these analyses, up to April 2023, will require additional time for the limited audit of the consolidated non-financial statement as at 31 December 2022 for a total of 1,200 hours, corresponding to a total fee of EUR 118,000.

### 3. Criteria for the adjustment of fees due to KPMG from 2023

In addition to the above, KPMG's request also summarises circumstances that could give rise to any additional changes in the fees of auditing firm in the future, requesting that they be submitted to the Company's Shareholders' Meeting for approval pursuant to art. 13 of Legislative Decree 39/2010. With reference to the remuneration due in relation to the tasks performed, art. 13 of Legislative Decree 39/2010 expressly introduced the power of the Shareholders' Meeting to determine "any criteria for the adjustment of such consideration" for the first time.

More specifically, in its communication of 10 March 2023, KPMG stated the following:

*"With reference to the amounts of fees set out in Annex 2 of the Recommendation of the Audit Committee of Assicurazioni Generali S.p.A. in the Minutes of the Shareholders' Meeting of 7 May 2019 and as updated above, we hereby specify that, as of the 2023 financial year:*

- *with reference to the Company, the fees will be adjusted within the limits of the increase in the ISTAT cost-of-living index (Consumer Price Index for blue- and white-collar households), compared to the previous year;*
- *with reference to the Group's subsidiaries, fees will be adjusted within the limits of the increase in the inflation index relating to the commonly accepted cost of living in the subsidiary's country of residence, compared to the previous year.*

*In addition, should circumstances arise that result in an increase in time, significant changes in the timing of the assignment, and/or a change in the professional level of the members of the audit team assigned to the assignment, including the involvement of different or additional specialists or external experts, with reference to that estimated herein (such as, but not limited to, changes in group structure, the size, structure and activities of the Company and/or its investee companies, changes in the internal control system and/or process of preparing the Company's and Group's financial reports, including information systems, or in those of investee companies, non-delivery or delayed delivery of required documentation, unavailability of persons from whom we will deem it necessary to acquire evidence, performance of additional procedures to the work performed by the component auditors, regulatory changes - including any supplementary and corrective provisions to the Decree [Leg. Decree no. 39 of 27.1.2010], as well as any clarifications by the competent authorities or different interpretations of the Decree and Regulation [EU Regulation no. 537/2014], changes in accounting and/or auditing standards, new professional guidelines, the performance of complex or extraordinary transactions by the Company and/or its investee companies), these will be discussed and agreed upon with you in order to formulate a consequent adjustment of the original fees by virtue of this paragraph, which, depending on the circumstances, may concern the individual financial year or remaining financial years covered by this appointment letter. Equally, should less time be required than anticipated, the fees will be proportionately reduced."*

### 4. Conclusions

In compliance with applicable legislation, and, in particular, with art. 13 of Legislative Decree no. 39 of 27 January 2010, the Board of Statutory Auditors has the right to express its opinion at the Shareholders' Meeting regarding proposed adjustments to the fee attributed to the auditor upon appointment, as may be made necessary due to an increase of audit activities required due to regulatory or unforeseeable changes in the reference macroeconomic context, as in the case in question brought before the shareholders on today's date.

In the meeting of 22 March 2023, the Board of Statutory Auditors reviewed the following documentation:

- minutes of the Generali Shareholders' Meeting of 7 May 2019, agenda item 4;
- the letter of appointment signed by Generali and KPMG;
- the request of 10 March 2023 from the auditing firm KPMG.

The Board of Statutory Auditors, having examined KPMG's request, verified the following with the competent corporate functions: (i) the reasonableness of the quantification of the hours envisaged by KPMG for the performance of the additional activities, and (ii) that the fees are consistent with the hourly rates provided for in the original proposal formulated by the auditing firm for the nine-year period 2021-29, which was approved by the Shareholders' Meeting on 7 May 2019.

As a result of the above verifications, the Board of Statutory Auditors believes that the request formulated by KPMG is appropriate with respect to the professional commitment required by the new legislation, is consistent with the changed economic-financial scenario and is compatible with the originally agreed hourly rates.

The Board of Statutory Auditors also believes that it is also in line with widely used and acceptable market practice, as it is consistent with the purposes underlying the introduction of art. 13 of Legislative Decree 39/2010 of the relative specific provision, that the Shareholders' Meeting directly decides on the application of criteria for adjusting the fees for auditing activities proposed by KPMG as referred to in paragraph 3 above, as an integral part of the assignment conferred to the auditing firm on 7 May 2019.

Given the above, the Board of Statutory Auditors proposes as follows to the Shareholders' Meeting through the Company's Board of Directors:

- i) to approve a supplement to the fee previously approved to the auditing firm KPMG for the statutory audit of Generali's accounts, starting from 2022 and up to 2029, for a total amount of EUR 2,408,000, divided as follows:

Activities	Hour	Fee (in EUR)
Change in scope	n/a	108,000
ISA Italia 315	10,100	860,000
Audit standard 720b	600	40,000
Inflation	n/a	1,400,000

- ii) to approve the adjustment of fees for the 2022 financial year for activities carried out for CNFS (as illustrated in par. 2(f)), as detailed in the following table:

Activities	Hour	Fee (in EUR)
CNFS	1,200	118,000

- iii) to approve the adjustment of 2022 fees regarding the impact on the auditing activities deriving from the introduction of the IFRS 17 and IFRS 9 international accounting standards as from 1st January 2023 (as illustrated in par. 2(b)), as detailed in the following table:

Activities	Days	Fee (in EUR)
IFRS 17/IFRS 9	16,734	12,750,000

- iv) to approve the criteria for adjusting the fees proposed by KPMG with communication dated 10 March 2023, referred to herein:

*"With reference to the amounts of fees set out in Annex 2 of the Recommendation of the Audit Committee of Assicurazioni Generali S.p.A. in the Minutes of the Shareholders' Meeting of 7 May 2019 and as updated above, we hereby specify that, as of the 2023 financial year:*

- with reference to the Company, the fees will be adjusted within the limits of the increase in the ISTAT cost-of-living index (Consumer Price Index for blue- and white-collar households), compared to the previous year;
- with reference to the Group's subsidiaries, fees will be adjusted within the limits of the increase in the inflation index relating to the commonly accepted cost of living in the subsidiary's country of residence, compared to the previous year.

In addition, should circumstances arise that result in an increase in time, significant changes in the timing of the assignment, and/or a change in the professional level of the members of the audit team assigned to the assignment, including the involvement of different or additional specialists or external experts, with reference to that estimated herein (such as, but not limited to, changes in group structure, the size, structure and activities of the Company and/or its investee companies, changes in the internal control system and/or process of preparing the Company's and Group's financial reports, including information systems, or in those of investee companies, non-delivery or delayed delivery of required documentation, unavailability of persons from whom we will deem it necessary to acquire evidence, performance of additional procedures to the work performed by the component auditors, regulatory changes - including any supplementary and corrective provisions to the Decree [Leg. Decree no. 39 of 27.1.2010], as well as any clarifications by the competent authorities or different interpretations of the Decree and Regulation [EU Regulation no. 537/2014], changes in accounting and/or auditing standards, new professional guidelines, the performance of complex or extraordinary transactions by the Company and/or its investee companies), these will be discussed and agreed upon with you in order to formulate a consequent adjustment of the original fees by virtue of this paragraph, which, depending on the circumstances, may concern the individual financial year or remaining financial years covered by this appointment letter. Equally, should less time be required than anticipated, the fees will be proportionately reduced.;

- v) to confer on the Board of Directors and, on its behalf, the Chairman and the Chief Executive Officer, also severally between the same and with the power to sub-delegate, all the broadest powers necessary to a) sign the proposal to supplement the fee, and b) redetermine the annual fee for the statutory audit activities for the financial years starting from 1 January 2023, in accordance with the terms set forth in the request formulated by KPMG in its communication dated 10 March 2023, within the limits of the amounts set forth in points (i), (ii) and (iii) above, and (c) to apply the fee adjustment criteria set forth in point (iv) of this resolution.

22 March 2023

The Board of Statutory Auditors



Carolyn Dittmeier (Chairman)

