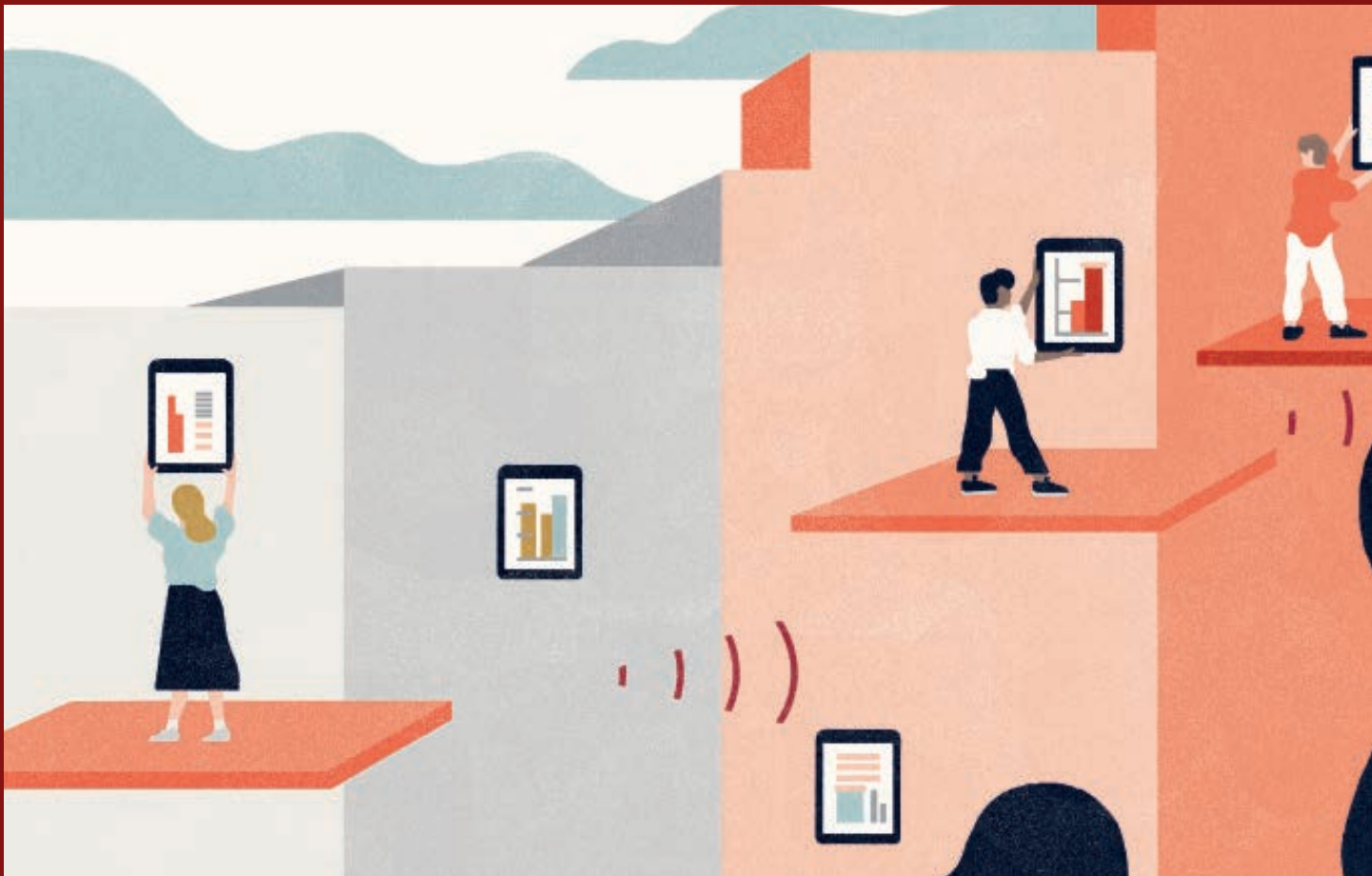


185th year

Corporate Governance and Share Ownership Report 2016



Corporate Governance and Share Ownership Report 2016¹

Updated at 31 December 2016, save as otherwise specified.



Contacts:
see end of the Report

¹ This Report is required pursuant to s. 123-bis of CFBA and s. 144-decies of CONSOB Issuers' Regulation.

Corporate bodies

as at 15 March 2017

Chairman

Gabriele Galateri di Genola

Vice-Chairmen

Francesco Gaetano Caltagirone

Clemente Rebecchini

Managing Director and

Group CEO

Philippe Donnet

Board members

Romolo Bardin

Ornella Barra

Paolo Di Benedetto

Alberta Figari

Diva Moriani

Lorenzo Pelliccioli

Roberto Perotti

Sabrina Pucci

Paola Sapienza

Board of Statutory Auditors

Carolyn Dittmeier (Chair)

Antonia Di Bella

Lorenzo Pozza

Francesco Di Carlo (alternate auditor)

Silvia Olivotto (alternate auditor)

Board secretary

Giuseppe Catalano

The Company was incorporated in Trieste in 1831.
Fully paid-up share capital € 1.559.883.538 Registered office in Trieste,
piazza Duca degli Abruzzi, 2, Italy
Taxpayer and company registration of the Venezia Giulia number 00079760328
Insurance and reinsurance company registration number: 1.00003
Parent Company of Generali Group, insurance group number: 026
Certified e-mail address: assicurazionigenerali@pec.generaligroup.com

ISIN: IT0000062072
Reuters: GASL.MI
Bloomberg: G:IM

A journey into our future

Our reports are not simply reporting documents. Their aim is to provide a comprehensive overview of how the Group creates value with regard to a number of major contemporary issues. These issues, of course, outline the field of action of a global insurance player such as ours: more specifically, demographic trends, climate change, the company's social role and, above all, the changes dictated by innovation technology.

Innovation is indeed the cross-cutting issue of Generali's 2016 reports, viewed from different perspectives: **customers**, who are evermore well-informed and interconnected; **agents**, the cornerstone of a distribution strategy increasingly open to multimedia; **employees**, actively involved in a process of cultural and operational change; **big data** management, a key tool for interpreting the world surrounding us and anticipating its developments. And then the **Internet of Things**, **mobility** and the major topic of **growth**, the real challenge not only for businesses but for all policymakers who need to take decisions in such complicated times.

This year, readers will be accompanied by illustrations created by artists who have used, each in their own way, a symbolic and coloured language to outline concepts that have a deep impact on the life of our Group and of its stakeholders. Our wish is for readers to have a pleasant journey that at the same time will make them reflect, help them interpret the economy and society with a more informed and aware attitude, and make them feel surprised that a Generali Group report can be much more than a simple report.

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The integrated overview of our reports

In recent years, the Generali Group reports were prepared from different perspectives: financial, sustainability, governance and remuneration.

In 2016, we embarked upon a new path inspired by the innovative concept of integrated thinking and reporting. The functions responsible for the Group reports have established the **Integrated Lab** with the objective of further developing integrated reporting to describe the Group's value creation process from different perspectives, within a coherent framework in terms of content and graphics

The **Annual Integrated Report and the Consolidated Financial Statements** add to the Annual Integrated Report, providing details on the Group financial reporting in line with national and international regulations

The **Remuneration Report** provides information on the Group remuneration policy and its implementation

Every report contains **cross references** to other sections and to other reports for insights and a **glossary** including definitions and acronyms.



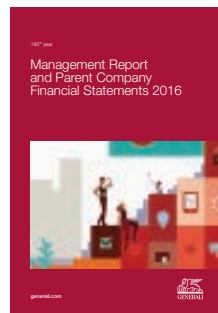
The **Corporate Governance and Share Ownership Report** outlines the corporate governance system and its actual implementation



The **Annual Integrated Report** provides a summary and integrated view of the financial and non-financial performance of the Group



The **Management Report and Parent Company Financial Statements** provide data on the performance of Assicurazioni Generali in line with applicable regulations



The **Sustainability Report** outlines how the Group creates values on the basis of a responsible approach and in the long term for all its stakeholders



Reference to other sections or to other Group reports



www.generali.com/info/download-center/results for reports and Group policies in pdf format in interactive version

Information on this Report

This Report complies with the disclosure provisions of s. 123-bis of the **CFBA**, as issuers are required to provide accurate information to the market on share ownership, implementation of corporate governance conduct codes, the organisation and corporate bodies as well as governance practices.

Since 1999, the Company has implemented the principles of the **Corporate Governance Code**, as amended from time to time. The corporate governance system of the Company, described in this Report, is compliant with principles and criteria of the CG Code, in its latest version of 2015, and it is also based on the recommendations of the 4th Report on CG Code implementation, that the Corporate Governance Committee adopted on 1 December 2016. In this respect, for the convenience of readers, **Annex 6 of the Report** includes a check-list: for each principle/criteria of the CG Code there's a reference to the relevant page of the Report.

The **Report layout** includes a introduction section (**We, Generali**) with significant information and macro-data providing a meaningful summary of the financial, management and governance events in 2016.

Besides the introduction, the Report included **4 chapters**, on the corporate governance model, shareholders and investors and relevant relations, corporate governance players and the internal control and risk management system.

The Report also includes **Tables and Annexes**, with frequent references in the sections; some tables have been included pursuant to statutory requirements.

Besides the general table of contents, each chapter has its own table of contents with further details on each item.

The definitions and acronyms are included in the **Glossary** at the end of the Report which also includes a **Contacts** detail section.



The Generali Group's reporting aims to best satisfy stakeholder information requirements. Comments, opinions, questions and requests for hard copies of the Report may be sent to: governance@generali.com

Follow Generali on



www.generali.com
For further information on the Group

Letter of the Chairman of the Corporate Governance and Social & Environmental Sustainability Committee



Gabriele

Galateri di Genola

In an increasingly fast changing global scenario, focus on corporate governance remains unchanged. As a result of investors' interests, good corporate practices, i.e. monitoring issuers' choices and their performance, are all the more in the spotlight.

Economy is increasingly based on technology and digitalisation, and companies are pushed to leverage on these benefits, sharing information faster and more securely. This is the general framework of the review of the Directive on shareholders' rights, imposing requirements for a more efficient disclosure in the chains of intermediaries and investors.

Companies with good governance systems attract vital investments for their sustainable growth, resulting into a virtuous circle of innovation and job creation. This was already a well-known notion. However, it has become increasingly clear that companies with a good governance system can also have an extremely positive impact in the social and environmental sectors. This impact is crucial at a time when organisations are required to account for their actions, enhancing their reliability and transparency.

Boards of directors have long focussed on how to increase the value for shareholders and improve communication. This is still an open issue also in the light of the evolution of the legislative framework. However, directors now are also expected to take into account the needs of other stakeholders, such as customers, employees, regulators, the media and suppliers, in their decision-making processes.

Now board of directors need to make sure that the objectives of their companies go beyond the mere generation of profits. Therefore, they need to define a proper tone at the top so that the decision-making also includes a proper approach in the short, mid and long terms. Starting from next year, European issuers will be required to issue a non-financial report to be more transparent, clear and effective on the management and on the relevant disclosure.

In this respect, Generali has long adopted an integrated method and it accurately reports on its approach on sustainability, to the benefit of all stakeholders in the mid-long term, also with consistent objectives - including targets in the incentive plans of top. To this end, in 2016, the Board of Directors of Generali set up a Board Committee, that I am honoured to chair, in charge with corporate governance and sustainability.

In 2016, Generali has demonstrated one of its best qualities: resilience. In a particularly challenging scenario in financial and insurance markets, the Company successfully managed the exit of the Group CEO and, later, at the beginning of 2017, the Group CFO. In both cases, as a result of an accurate selection process involving internal and external candidates, the Board of Directors opted for the growth of internal resources, providing actual evidence of the succession plans on managers with strategic roles.

In 2016, the new Board of Directors was appointed. The majority list was very successful, also thanks to a high number of institutional investors who proved they appreciated the selection of candidates. This was the result of an efficient and transparent management, but also a careful and accurate selection process that the incumbent Board implemented, providing its advice to the shareholders 50 days in advance from the date of the General Meeting. This advice was provided to all shareholders and this is also evidence of an open attitude to public scrutiny.

2016 marked a turning point on major internal issues. I'm referring to the new internal model on the calculation of solvency capital, which will have a revolutionary impact on any decision-making process and governance. In this respect, the competence of the Investment Committee, which at the beginning of 2017 included strategic operations.


In the framework of the development of the corporate governance system, to enhance quality in our decision-making processes, this Report has been conceived to provide information to our shareholders, investors, customers, employees, suppliers, the media and regulators, all our stakeholders on the basis of a simple, accurate and comprehensive approach. We hope we achieved this objective. Enjoy the Report.

Gabriele Galateri di Genola

Chairman of the Corporate Governance and Social & Environmental Sustainability Committee





- 
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We, Generali

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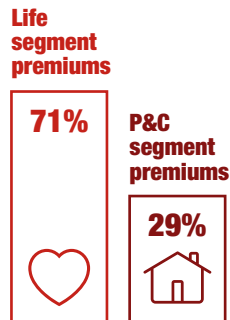
Group highlights*

Gross written premiums

-3.9%

€ 70,513 mln

Including € 3,324 mln premiums from investment contracts



Operating result

+0.9%

€ 4,830 mln

Operating return on equity

-0.5 pps

13.5%

Net profit

+2.5%

€ 2.1 bln

Dividend per share proposed

+11.1%

€ 0.80

Total dividends proposed

+ 11.2%

€ 1,249 mln

Solvency II ratio

Regulatory

Economic

+6 pps

-8 pps

177%

194%

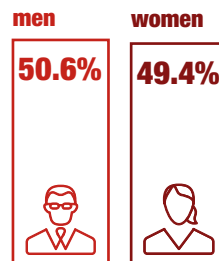
Total Assets Under Management (AUM)

+6.1%

€ 530 bln

Our people

73,727



Our clients

55 mln

Our exclusive distributors

151 thousands

* Changes in premiums, net cash inflows and Annual Premium Equivalent (APE) are on a like-for-like basis, i.e. at equivalent exchange rates and consolidated scope.





LIFE

Increasing operating result thanks to the positive technical performance. The trend in premiums continued to embed the approach in the offering that is even more disciplined.

Gross written premiums

-6.3%

€ 49,730 mln

Including € 3,324 mln premiums from investment contracts

NBV

+14.6%

€ 1,256 mln

Operating result

+5.5%

€ 3,127 mln



PROPERTY & CASUALTY

Positive trend in premiums driven by motor segment. Increasing operating result due to the improvement of the Group combined ratio thanks to the reduction in loss ratio.

Gross written premiums

+2.1%

€ 20,783 mln

COR

-0.7 pps

92.5%

Operating result

+2.9%

€ 2,044 mln



2019 Constituent
MSCI Global
Sustainability Indexes



Sense in
sustainability



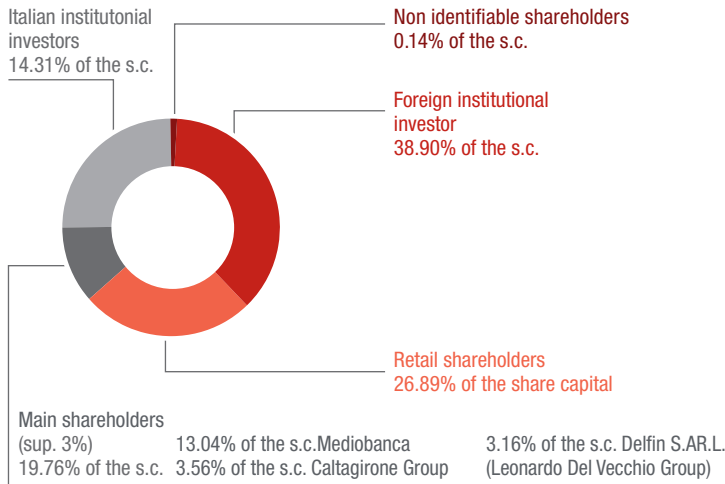
www.generali.com/our-responsibilities/performance/Ethical-indices--

Share ownership

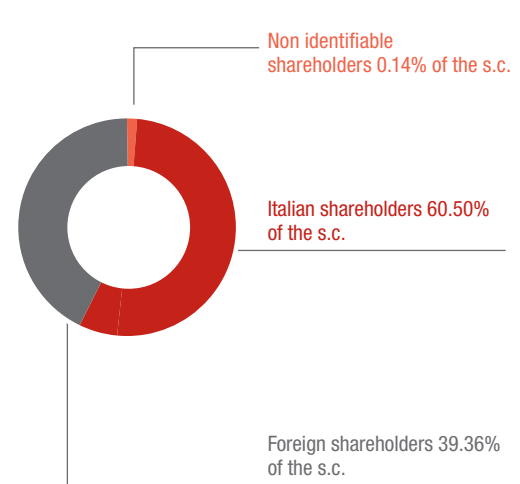
At the closing of the registration procedure in the Book of shareholders entitled to dividend in 2015, shareholders are 232.855. The following charts on shareholders are updated at 8 March 2017*.

Shareholders

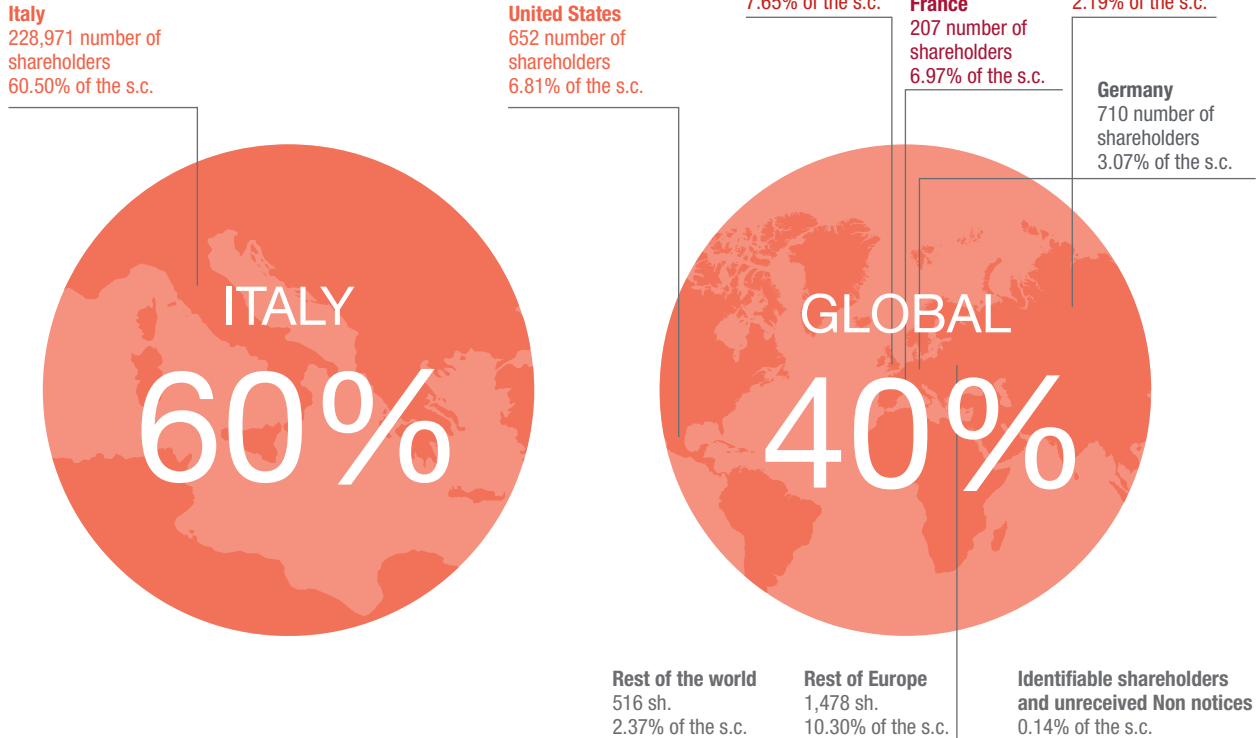
Major shareholders



Breakdown of Italian and foreign shareholders



Breakdown of shareholder by geographic area



* As resulting from the Book of shareholders, mainly from the records on the payment of dividends of 26 May 2016, as well as from the notices pursuant to ex art. 120 CFBA and other available data.

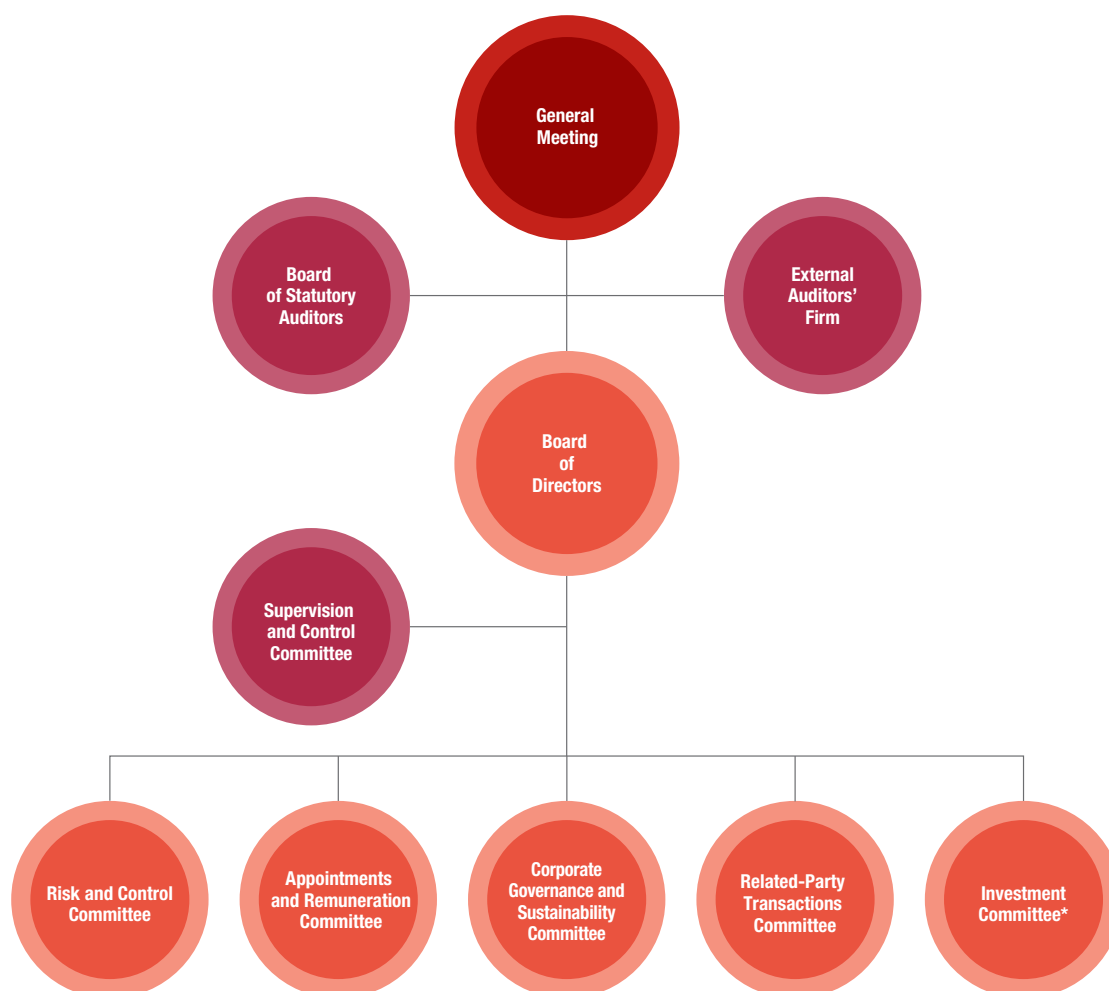
Our corporate governance

Generali corporate governance system is based on the **Italian traditional administration and governance system**.

It includes two main entities: the Board of Directors (13 members) and the Board of Statutory Auditors, in charge of supervision and compliance with the applicable regulations and the Articles of Association. Auditing is performed by an external auditors' firm (Reconta Ernst & Young), member of the relevant register, appointed by the General Meeting upon the proposal of the Board of Statutory Auditors.

The Board of Directors, also in line with the recommendations of the CG Code, set up **5 Board Committees** performing consultative, recommendatory and preparatory functions for the BoD.

The Supervision and Control Committee (ex Legislative Decree no. 231/2001) is appointed by the Board of Directors.



Our governance,
p. 35

* On 25 January 2017, the Board of Directors assigned the responsibility on strategic operation to this Committee. Therefore, the name of the Committee has become "Investment and Strategic Operation Committee", and its membership has been changed accordingly.

Focus on the Board of Directors

Tables and charts on the membership of the Board of Directors are updated at 31 December 2016.

Gabriele Galateri di Genola
Chairman

Francesco Gaetano Caltagirone
Deputy Vice-chairman

Clemente Rebecchini
Vice-chairman

Romolo Bardin
Director

Ornella Barra
Director

Paola Sapienza
Director

Paolo Di Benedetto
Director

Sabrina Pucci
Director

Alberta Figari
Director

Roberto Perotti
Director

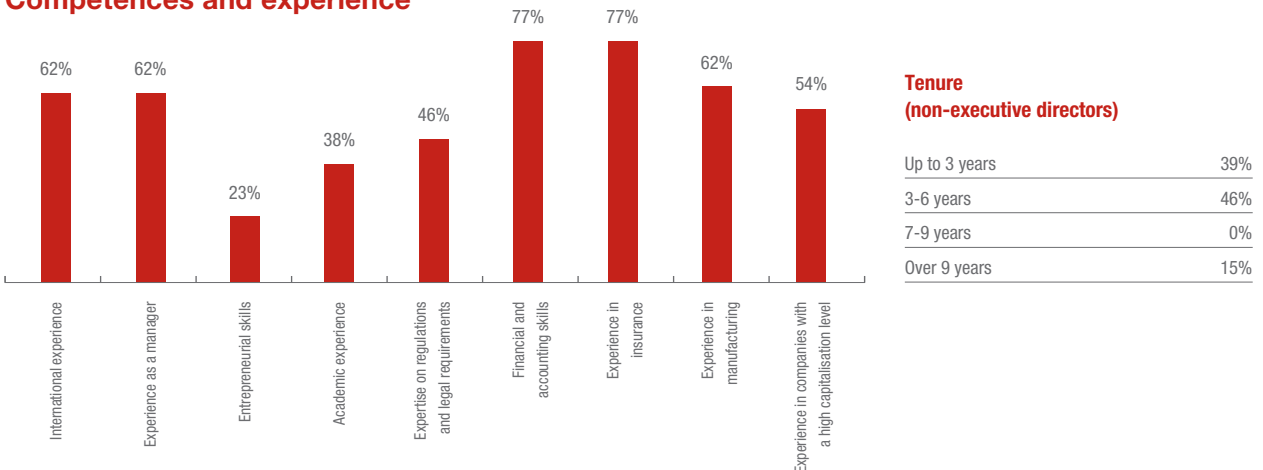
Diva Moriani
Director

Lorenzo Pelliccioli
Director

Philippe Donnet
Group CEO

Executive	Non-executive	Independent pursuant to CG Code	Director in charge of the internal control and risk management system
Appointments and Remuneration Committee (ARC)	Risk and Control Committee (RCC)	Related-Party Transactions Committee (RPTC)	Governance and Sustainability Committee (GSC)
			Investment Committee (IC)*

Competences and experience



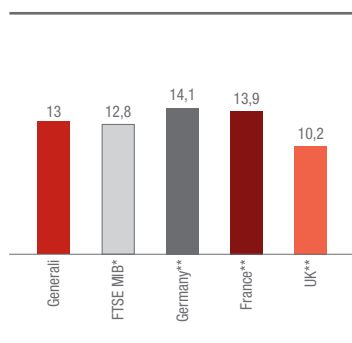
* On 25 January 2017, the Investment Committee changed its name into "Investment and Strategic Operation Committee", with the following members: P. Donnet (Chair), F.G. Caltagirone, G. Galateri di Genola, L. Pelliccioli, C. Rebecchini, P. Sapienza.

Other offices as directors or statutory auditors in other companies

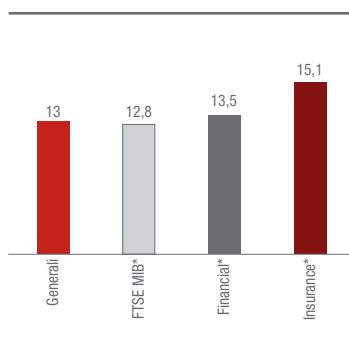
The following table shows the number of offices as director and auditor that each director has in other companies under the relevant corporate policy. In this framework, such offices are in **listed companies** in regulated markets, including foreign markets, **financial, banking, insurance companies** or **large companies** (i.e. the net equity exceeds EUR 10 billions). Offices held in companies in the same Group qualify as a single office.

Director	Offices	Director	Offices
Gabriele Galateri di Genola	2	Alberta Figari	-
Philippe Donnet	-	Diva Moriani	3
Francesco G. Caltagirone	1	Lorenzo Pelliccioli	1
Clemente Rebecchini	1	Roberto Perotti	-
Romolo Bardin	1	Sabrina Pucci	-
Ornella Barra	1	Paola Sapienza	-
Paolo Di Benedetto	2		

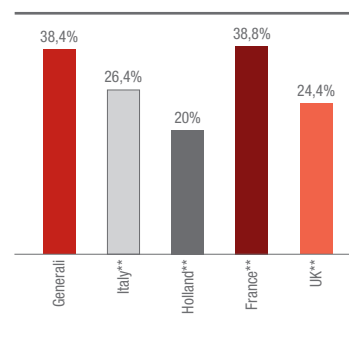
Size – European peers



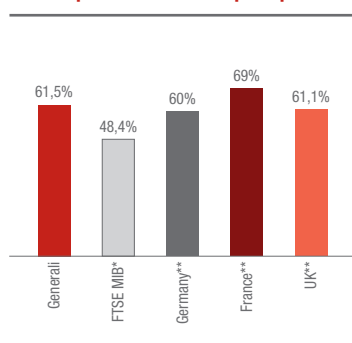
Size – National peers



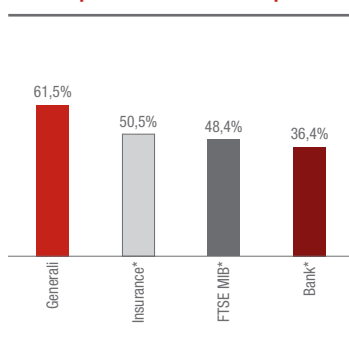
Gender diversity 2016



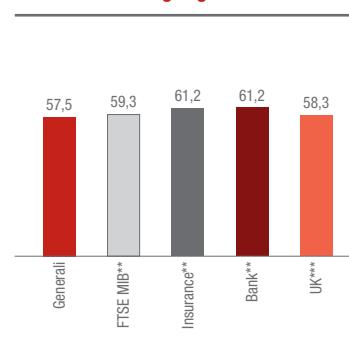
Independence % – European peers



Independence % – National peers



Average age 2016



* Assonime "La Corporate Governance in Italia: autodisciplina, remunerazioni e comply or explain (2016)"

** Spencer Stuart "Italia Board Index 2016"

*** Spencer Stuart "Italia Board Index 2016": EU average used in the analysis

The **Board Review 2016** was performed by the Board of Directors with the support of the Governance and Sustainability Committee and the advisory firm Egon Zehnder International.



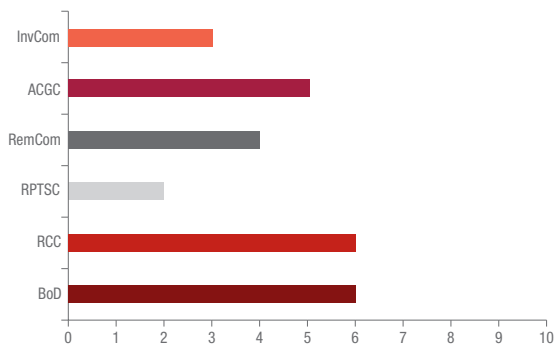
For further details on offices of each director, see pp. 67-71

Trends in the Board of Directors – Term comparison

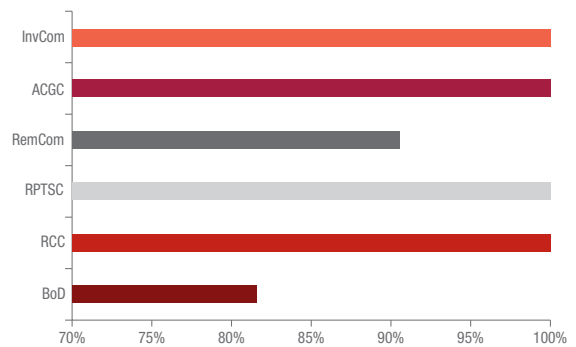
	Term 2016/2018	Previous term
Directors	13	11
Directors from the minority list	2	1
Less represented gender quota	38.4%	36.4%
Independent director %	61.5%	63.6%
Average age of directors 2016	57.5	59.1
Chairman status	Non-executive	Non-executive*
Lead Independent Director	no	no

* From the termination of the contract with Mario Greco (9 February 2016) until appointment of the new Group CEO, the Chairman performed the office of Group CEO in line with the corporate succession policy.

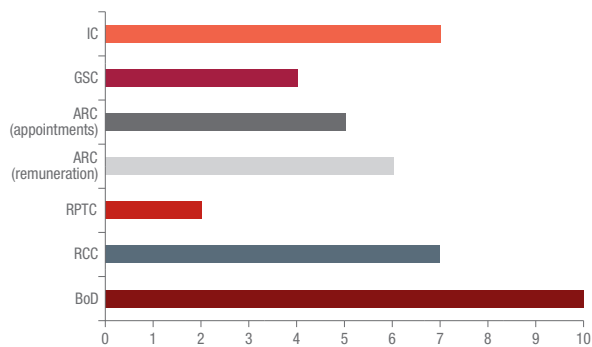
Number of meetings of the Board of Directors and Board Committees up until the General Meeting 2016



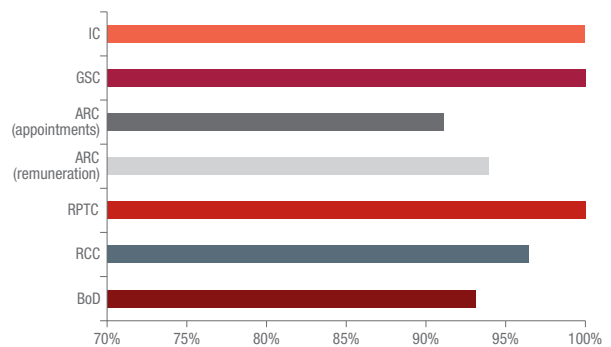
Average percentage of attendance to the meetings of the Board of Directors and Board Committees up until the General Meeting 2016



Number of meetings of the Board of Directors and Board Committees after the General Meeting 2016



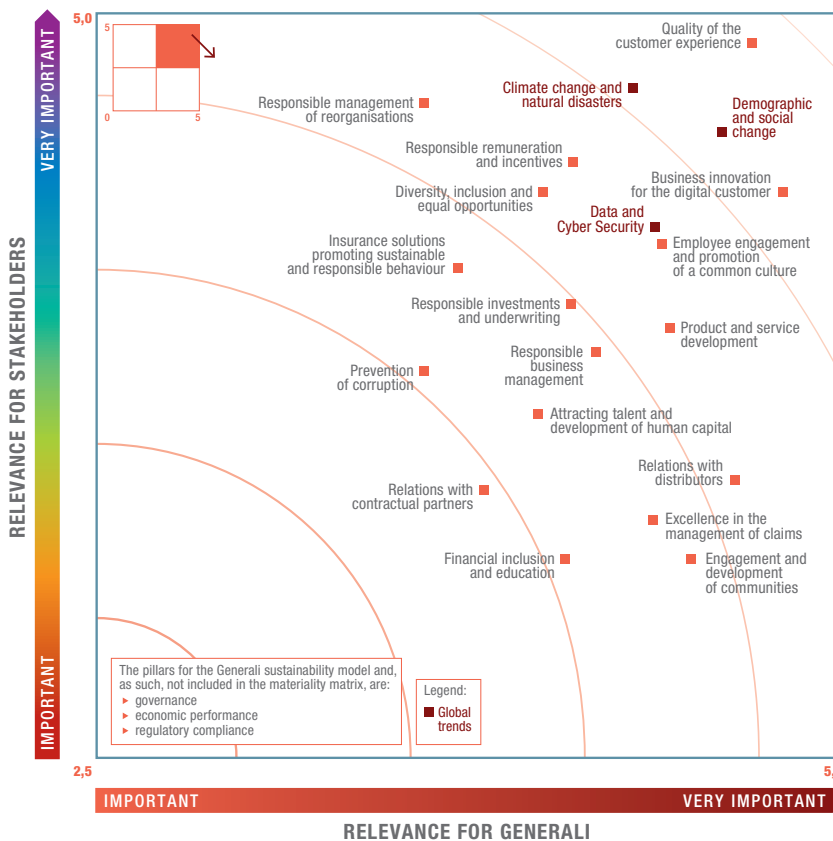
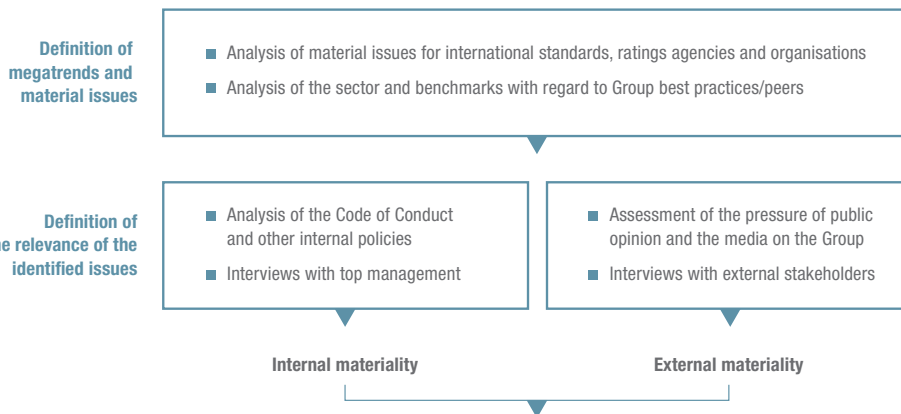
Average percentage of attendance to the meetings of the Board of Directors and Board Committees after the General Meeting 2016




Our sustainability

In 2014, a process was launched to identify General trends and substantial issues for the Group and the shareholders. Top managers regularly debate with external experts, selected for their authoritative and knowledge of the insurance sector or for their ability to present innovative points of views.


Materiality matrix process



 www.generali.com/our-responsibilities/responsible-business/Materiality-Matrix

Our commitments for each material issue are defined in the Charter of Sustainability Commitments and described in the Sustainability Report 2016.

 Sustainability Report 2016: see Description of material issues, p. 88

 www.generali.com/our-responsibilities/responsible-business/charter_sustainability_commitments-

Remuneration policy

The General Meeting of 28 April 2016 adopted the remuneration for **each member of the Board of Directors** for the three-year term 2016-2018:

- a fixed annual fee of EUR 1,000 before taxes, with a 50% increase for members of the executive committee, if appointed;
- an attendance fee for each meeting of the Board of Directors and the executive committee, if appointed, of EUR 4,000 before taxes;
- reimbursement of attendance expenses.

Members of **Board Committees** and the **Supervision and Control Committee**, pursuant to s. 2389 of the Italian Civil Code are entitled to the following fee:

Role	Annual fee before taxes (EUR)	Attendance fee per meeting (EUR)
Members of the Risk and Control Committee	30,000	2,000
and its Chair	50,000	2,000
Members of the Governance and Sustainability Committee	15,000	2,000
and its Chair	20,000	2,000
Members of the Investments Committee*	30,000	2,000
and its Chair**	none	none
Members of the Appointments and Remuneration Committee***	15/20,000	2,000
and its Chair	30,000	2,000
Members of the Related-Party Transaction Committee	20,000	2,000
and its Chair	25,000	2,000
Members of the Supervision and Control Committee****	20,000	--
and its Chair	30,000	--

* No fee is due for members who are managers of Generali.

** The Investment Committee is chaired by the Group CEO and no fee is due.

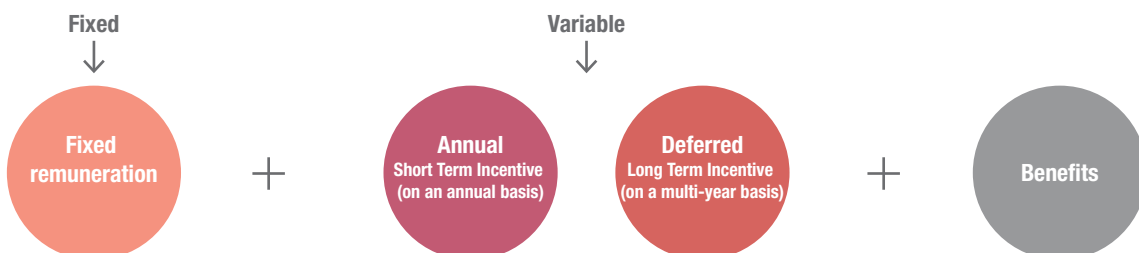
*** Fees are different as some members are responsible for appointment and remuneration and some other for appointments only.

**** This member is also a manager of Generali and his fee is transferred to the employer.

The **Managing Director and Group CEO**, the **General Manager**, **GMC** members and other **executives with strategic responsibilities** are entitled to a remuneration with a fixed component and a short and long term variable component as well as benefits based on the following principles:

Equity and consistency with their accountability and skills	Alignment with corporate strategies and targets	Competitiveness vs. market practices and trends	Result-based approach and performance in terms of results, conduct and implemented principles	Clear governance and compliance with applicable regulations
---	---	---	---	---

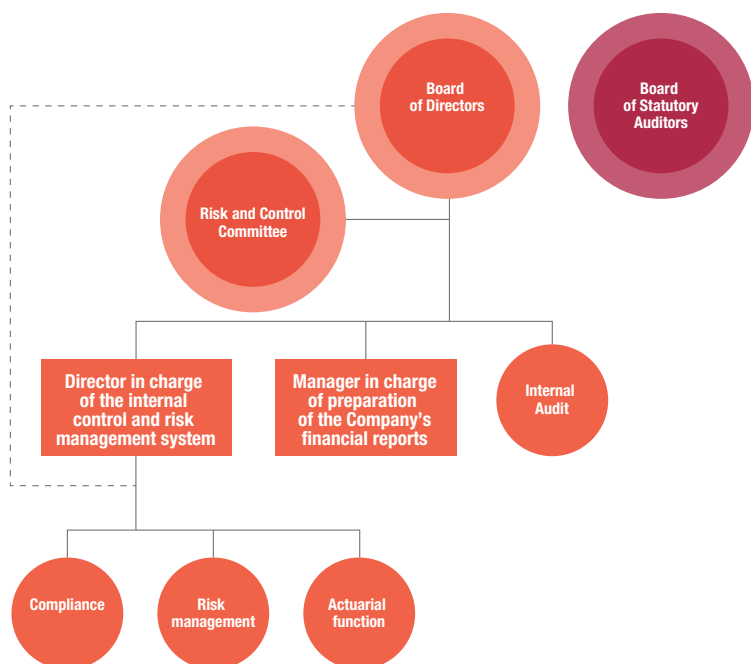
Target total remuneration



Details in the Remuneration Report

Internal control and risk management system

The **ICRM** system that the Company had adopted apply to the whole organisation. Each component of the organisation has tasks and duties. On the basis of legislative foundations, the objective is to create a system in which powers and responsibilities are well defined and the procedures for coordination between players are clearly identified and easily identifiable. The chart shows the system:



ICRM

Risk management function	Yes
Provisions of the Chief Risk Officer	Yes
Is there a plan of Enterprise Risk Management?	Yes
If yes, is this plan Shared with the RCC?	Yes
Other succession plans	Yes
Implementation of Compliance programmes	Yes

Related-Party Transactions

In line with statutory provisions (s. 2391-Bis of the Italian Civil Code) and the RPT implementing regulation, Generali adopted **appropriate internal procedures** - that the Board of Directors regularly reviews - so that these transactions are performed on the basis of transparency and appropriateness. A **Board Committee** includes independent directors and it's requested to draft opinions on issues under its competence in line with RPT procedures. Opinions are issued by independent directors and they are binding for all major transactions and minor transactions exceeding some value thresholds.

Governance on corporate administrative liability: OMM and Supervision and Control Committee

The Company has an updated "**Organisational and Management Model**" (OMM) for the prevention of offences committed in the interest or to the advantage of the Company - pursuant to the Legislative Decree no. 231/2001 - that may result into administrative liability in court. To this end, **Supervision and Control Committee** has been set up and membership is appropriate to meet the requirements of autonomy and independence, as entity reporting to the Board of Directors on the adoption and the proper implementation of the OMM as well as on the relevant review.

Our history

Since 1831 we are an Italian, independent Group, with a strong international presence. We are one of the largest global players in the insurance industry, a strategic and highly relevant sector for the growth, development and welfare of modern companies. In almost 200 years we have built a Group that operates in over 60 countries through more than 420 companies and almost 74 thousand employees

1832-1914

1915-1918

1831

The Group was established as **Assicurazioni Generali Austro-Italiche** in Trieste. Trieste was the ideal choice at the time as a commercial and international hub located in the main port of the Austro-Hungarian Empire.

The positive economic and social context, the keen business acumen of the founding fathers and Trieste's strategic geographical position allowed Generali to grow and thrive: it was **listed on the Trieste stock exchange** in 1857 and **became a Group** in 1881. As a consequence, subsidiaries were founded in Italy and abroad, starting with Erste Allgemeine, established in Vienna in 1882.

The First World War raged across Europe. After the Allied victory over the Central Powers, Trieste became part of Italy: as a result, **Generali became an Italian company**.




[www.generali.com/
who-we-are/history](http://www.generali.com/who-we-are/history)

1919-1945

Generali returned to the growth that had been temporarily interrupted during World War I. In line with what was going on in Italy in those years when public construction activities and agriculture were strongly boosted through the policies adopted by the government, **Generali made significant investments in agriculture and real estate** starting from 1933.

With the outbreak of World War II, the Group lost contact with its subsidiaries located in 'enemy' countries: one of the most complex periods of its bicentenary history began.

1946-2010

After World War II, Trieste's future appeared uncertain: in 1947, Generali transferred its registered office to Rome to formalize its position as an Italian company.

The Group resumed its expansion during the Italian economic boom years. An agreement was signed with the US-based Aetna in 1966, and in 1974 **Genagricola** was founded, which heads all agricultural activities of the Group. Generali transferred its registered office from Rome back to Trieste in 1990. **Genertel**, the first direct insurance company in Italy, was established in 1994. The Group took control of the **AMB group** in 1997 to promote growth in the German market. **Banca Generali** was established in 1998 in order to concentrate all asset management activities and services under one umbrella. There were some acquisitions in the first decade of the new millennium, e.g. INA and Toro, and joint ventures were launched in Central and Eastern Europe and Asia.

2011-2015

Recent years have driven a new phase of change, with a **new top management** and a **corporate reorganization** which saw the birth of Generali Italia in the wake of a significant restructuring process, the completion of the acquisitions of the minority interests of Generali Deutschland Holding and Generali PPF Holding, and the disposal of non-core activities. Generali presented its **strategic plan** at the Investor Day in May 2015, which aims to set out a new business model and achieve new, challenging targets.



2016 key facts

2016

April

June

January

May

March

Fitch confirmed the Insurer Financial Strength (IFS) rating at A- for Generali, with a stable outlook.

Mario Greco affirmed that he would be unwilling to serve another term as CEO. On 9 February the Board of Directors of Assicurazioni Generali approved the mutually agreed termination of all existing relations.

IVASS - the Italian Insurance Supervisory Authority - approved the use, starting from 1 January 2016, of a partial internal model to calculate the consolidated Solvency Capital Requirement at Group level as well as the Solvency Capital Requirement for the main Italian and German insurance companies, for the French property&casualty companies and for the Czech company Ceska Pojistovna a.s..

The Board of Directors of Assicurazioni Generali co-opted Philippe Donnet, vesting him with executive powers and appointing him Group CEO, and appointed Group CFO Alberto Minali as General Manager of the Company.

Assicurazioni Generali completed the share capital increase to € 1,559,883,538, in execution of the Long Term Incentive Plan approved by the Shareholders' Meeting of the Company on 30 April 2013.

The Shareholders' Meeting elected the new Board of Directors to hold office for three financial years, until the approval of the financial statements as at 31 December 2018. The Board of Directors appointed for the three years 2016-2018 Gabriele Galateri di Genola Chairman of the Company, Francesco Gaetano Caltagirone and Clemente Rebecchini Deputy Chairmen, and Philippe Donnet Group CEO and Managing Director.



Board of Directors,
p. 66

A subordinated bond was issued for an overall amount of € 850 million, targeting institutional investors.

The issuance was intended to refinance the subordinated debt with the first call date in 2017, which amounts to € 869 million. The subordinated bond issue received ratings BBB by Fitch, Baa3 by Moody's and bbb+ by AM Best.

Generali Finance B.V. exercised the early redemption option of two perpetual subordinated notes respectively for € 1,275 million and £ 700 million. These debts have already been refinanced through the subordinated bond launched by Assicurazioni Generali on 20 October 2015 for an overall amount of € 1,250 million, targeting institutional investors.

In Germany, Generali Vitality was launched, the first health and well-being programme in Europe designed to promote and incentivize healthy behaviour by members.



Integrated Annual
Report 2016,
p. 60



www.generali.com/media/press-releases/all

July

Moody's confirmed the IFS rating at Baa1 for Generali, with a stable outlook.

September

Generali supported the people impacted by the earthquake in central Italy and actively participated in several programmes for the management of the second phase of the emergency.



Integrated Annual Report 2016, p. 58

The Generali Group and The Progressive Group of Insurance Companies, among global leaders in the field of telematics applied to motor insurance, entered into a Research & Development agreement to strengthen their respective skills in the area of data analytics and boost their product ranges.



Sustainability Report 2016, p. 34

Two agreements were signed for the disposal of companies in Guatemala and Liechtenstein. These transactions are part of the active management strategy of our operations, which privileges investments in more appealing geographical areas for the Group and in business lines with greater potential and less capital or cash absorption.

October

AM Best confirmed the Financial Strength Rating (FSR) at A (Excellent) for Generali, the rating of the debt instruments issued or guaranteed by Generali and the stable outlook.

Fitch confirmed the IFS rating at A- for Generali, with a stable outlook.

November

The Generali Group presented the updated strategic plan at Investor Day, confirming its targets for 2018.

The Business Digital Transformation agreement with Microsoft was announced, which aims to enhance the efficiency of Generali employees, agents and partners, improve operating processes and boost revenues thanks to new insurance products and innovative business models.



Sustainability Report 2016, p. 34

The Board of Directors announced its favourable assessment of the conversion into Banca Monte dei Paschi di Siena (BMPS) shares of the Group's exposure to the subordinated debt of BMPS.

December

Moody's confirmed the IFS rating at Baa1 for Generali, with a stable outlook, thanks to the strong geographical diversification of the Group in spite of the negative outlook on the Italian sovereign.

The Board of Directors of Assicurazioni Generali appointed Marco Sesana as Italy Country Manager.

An innovative Insurance Linked Security (ILS) named Horse Capital I was placed in the capital market to cover the loss ratio on the aggregated motor third-party liability (MTPL) portfolio of 12 of the Group's European companies.

Significant events after 31 December 2016 and 2017 corporate event calendar

2017

January

Marco Sesana, appointed Country Manager for Italy in December 2016, and **Timothy Ryan**, Group Chief Investment Officer both became GMC members.

Assicurazioni Generali acquired voting rights on 505 million shares of **Intesa Sanpaolo**, equal to 3.01% of the share capital with a share loan transaction.

The Board of Directors of Assicurazioni Generali in its meeting of 25 January appointed as Group CFO and manager in charge of accounting reporting **Luigi Lubelli**, who also became GMC member as a result of **Aberto Minali**'s exit. It also increased the area of competence of the Investment Committee, including strategic transactions and changing its name into **Investment and Strategic Operation Committee**.

February

Generali Finance B.V. implemented the option on early reimbursement on the perpetual subordinated bonds on 8 February 2017. This debt has already been refinanced through the subordinated bond issued on 8 June 2016, for an overall amount of € 850 million, targeting institutional investors.

Assicurazioni Generali purchased 510 million ordinary shares of **Intesa Sanpaolo**, equal to 3.04% of the share capital and it launched the procedure to terminate the share loan that was previously announced. A transaction was performed on derivative instruments to cover the financial risk resulting from the purchase of these shares.

March

15 March 2017

Board of Directors Approval of the Annual Integrated Report and Consolidated Financial Statements, the draft Financial Statements of the Parent Company and the Corporate Governance and Share Ownership Report, the Sustainability Report as at 31 December 2016 and the Remuneration Report.

16 March 2017

Publication of the results as at 31 December 2016

April

May

August

November

27 April 2017**General Meeting**

Adoption, inter alia, of the Financial Statements of the Parent Company as at 31 December 2016 and the Remuneration Policy as well as the new Board of Auditors.



www.generali.com/governance/annual-general-meeting

10 May 2017**Board of Directors**

Approval of the Interim financial information as at 31 March 2017

11 May 2017**Publication**

of the results
as at 31 March 2017

24 May 2017

Dividend pay-out
on the shares of
Assicurazioni Generali

1 August 2017**Board of Directors**

Approval of the Consolidated financial half-yearly report as at 30 June 2017

2 August 2017**Publication**

of the results
as at 30 June 2017

8 November 2017**Board of Directors**

Approval of the Interim financial information as at 30 September 2017

9 November 2017**Publication**

of the results
as at 30 September 2017

Vision, Mission, Values

Our vision

Our purpose is to actively protect and enhance people's lives

Actively

We play a proactive and leading role in improving people's lives through insurance.

Protect

We are dedicated to the heart of insurance - managing and mitigating risks of individuals and institutions.

Enhance

Generali is also committed to creating value.

People

We deeply care about our clients' and our people's future and lives.

Lives

Ultimately, we have an impact on the quality of people's lives: wealth, safety, advice and service are instrumental in improving people's chosen way of life for the long term.

Our mission

Our mission is to be the first choice by delivering relevant and accessible insurance solutions

First choice

Logical and natural action that acknowledges the best offer in the market based on clear advantages and benefits.

Delivering

We ensure achievement striving for the highest performance.

Relevant

Anticipating or fulfilling a real life need or opportunity, tailored to local and personal needs and habits, perceived as valuable.

Accessible

Simple, first of all, and easy to find, to understand and to use; always available, at a competitive value for money.

Insurance solutions

We aim at offering and tailoring a bright combination of protection, advice and service.



Our values

Deliver on the promise

We tie a long-term contract of mutual trust with our people, clients and stakeholders; all of our work is about improving the lives of our clients. We commit with discipline and integrity to bringing this promise to life and making an impact within a long lasting relationship.

Value our people

We value our people, encourage diversity and invest in continuous learning and growth by creating a transparent, cohesive and accessible working environment. Developing our people will ensure our company's long term future.

Live the community

We are proud to belong to a global Group with strong, sustainable and long lasting relationships in every market in which we operate. Our markets are our homes.

Be open

We are curious, approachable and empowered people with open and diverse mindsets who want to look at things from a different perspective.

Our rules for running business with integrity

We run our business in compliance with the law, internal regulations and professional ethics.

The **Code of Conduct** defines the rules of conduct to be observed, for example, for the promotion of diversity and inclusion, the management of personal data and privacy, the prevention of conflicts of interest and corruption, bribery, money laundering, terrorist financing and international sanctions, and the proper management of relationships with customers and suppliers.

The **Responsible Investment Guideline** codifies responsible investment activities at Group level.

The **Group Policy for the Environment and Climate** contains the guiding principles of reference for our environmental management strategies and objectives.

The **Ethical Code for suppliers** highlights the general principles for the proper and profitable management of relations with contractual partners.



www.generali.com/info/download-center/policies
www.generali.com/our-responsibilities



Sustainability Report 2016, p. 24
for other information on the prevention of corruption topic

We also have a structured internal regulatory system named **Generali Internal Regulation System** (GIRS).



Generali Internal Regulation System (GIRS),
pp. 45-46

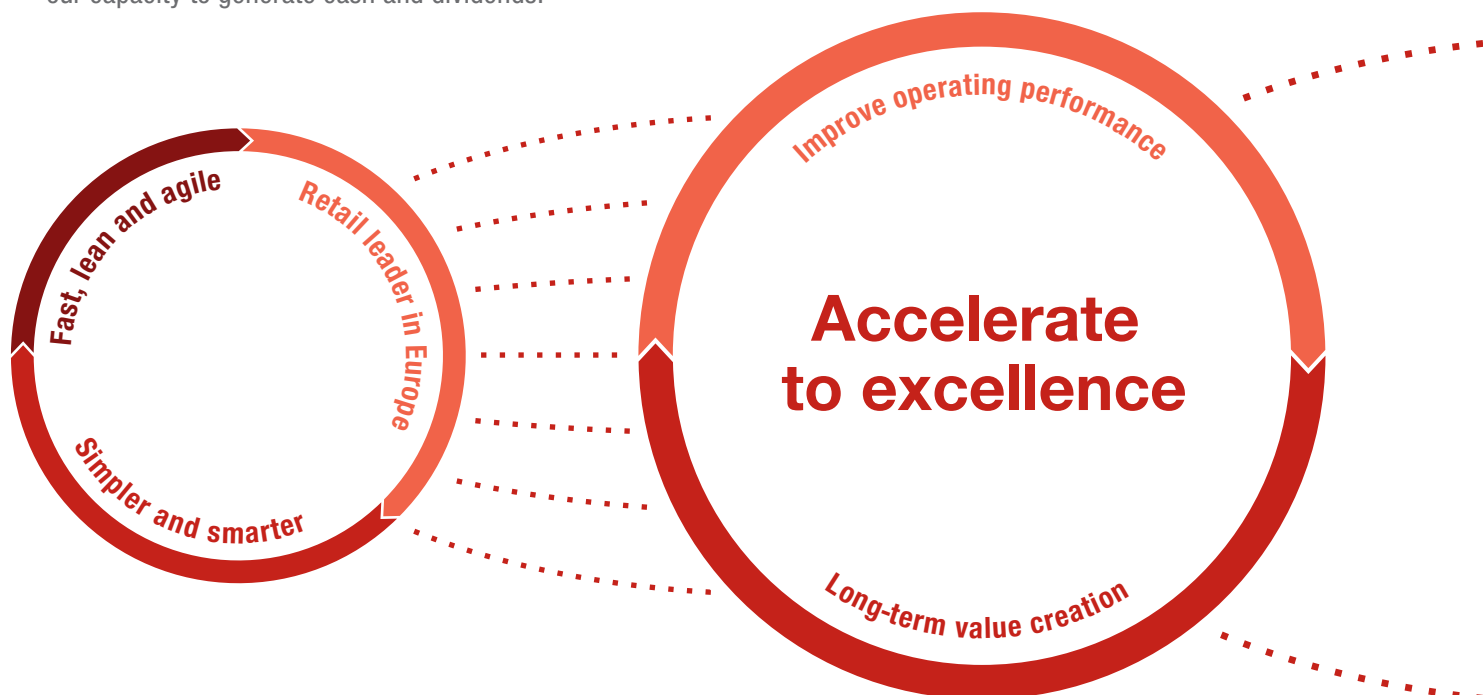
Our strategy

Accelerate to excellence

2015 | SIMPLER AND SMARTER

2016-2018

In May 2015 we rolled out our strategy of becoming a simpler and smarter insurer for customers and distributors, to improve our capacity to generate cash and dividends.



The external context is increasingly challenging: on one hand, economic, financial and political uncertainty which results in greater volatility in interest rates, government and corporate bond spreads and the equity markets and, on the other hand, different customer behaviour, driven primarily by rapid technological evolution and more stringent regulations.

Our people always

SIMPLER, SMARTER. FASTER

- > € 7 bln** cumulative net operating cash (2015-2018)
- > € 5 bln** cumulative dividends (2015-2018)
- > 13 %** Operating ROE on average (2015-2018)

● Improve operating performance

- Optimise international footprint
- Rationalise the operating machine
- Enhance technical capabilities

At least € 1 bln
cash proceeds from disposals

€ 200 mln
net reduction in nominal OpEx cost base in mature markets by 2018

Best combined ratio
further improvement in outperformance vs peers
Guarantees maximum 0%
on new retail business

● Long-term value creation

- Rebalance the insurance portfolio
- Customer and distribution innovation
- Strengthen the brand

~30 bp
reduction in average portfolio guarantee to 1.5% by 2018
+6 pps
on the total capital-light reserves by 2018

+2 pps
increase in retention in three years

+3%
brand preference in mature markets

at the heart of the strategy

How we create value: our governance

Capital

Financial

Human

Intellectual

Social and relationship

Manufactured

Natural



VISION MISSION VALUES

BACKGROUND

○
New customer
needs

○
Technological
evolution

○
Uncertain financial and
macro-economic landscape



Our strategy, pp. 30-31 for 2016-2018 targets

OUR STRATEGY

OUR GOVERNANCE

In an increasingly challenging scenario, we strive every day to manage our Group and achieve sustainable results over the time: we are aware that, to this end, we need our governance to be of high quality, this is the only way to support the creation of value for our shareholders and protect our different shareholders.

OUR BUSINESS MODEL
INNOVATION



Capital

Financial

Human

Intellectual

Social and relationship

Manufactured

Natural

EXTERNAL

Regulatory evolution

Environmental challenges

Demographic and social change



As for capital other than financial capital, more information on external and internal impacts resulting from our business is reported in the Sustainability Report and the Remuneration Report





Our

governance

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Significant governance events in 2016

2016

March

May

January

April

February

Mario Greco, Group CEO, announced that he did not wish to serve a further term of office as Managing Director.

The Board of Directors approved the termination of Mario Greco's appointment by mutual consent, and temporarily transferred his executive powers to the Chairman in line with the succession plan policy.

The Board of Directors co-opted Philippe Donnet and appointed him as Managing Director and Group CEO. The Board of Directors appointed Alberto Minali as General Manager of the Company.

The General Meeting appointed the Board of Directors for the three-year period 2016-2018. The Board of Directors set up 5 Board Committees.

The Board of Directors reviewed the organisational structure of the GHO, GMC membership and the governance structure of country Italy. The Board of Directors strengthened the directors' independence assessment.

2016
ASSEMBLEA
DEGLI
AZIONISTI
Shareholders' Meeting



June

July

September

November

December

The **Articles of Association**, as amended by the General Meeting, came into force.
The Board of Directors revised the **Regulations of the Board of Directors and Board Committees**.

The Board of Directors approved the **Half-year financial report**.

As required by the new regulations, the Board of Directors informed the market of its decisions relating to the development of its **quarterly financial reporting**.

The Group presented the updated strategic plan at **Investor Day**.

The Board of Directors appointed Marco Sesana as **Country Manager for Italy** and Timothy Ryan as the new **Group CIO**.



Generali's corporate governance system

The planning, management and control methods, models and systems required for the operation of a company's governing bodies constitute its corporate governance.

Generali has adopted a traditional corporate governance model, as described in the Italian legislation, with a tripartite structure: the **General Meeting**, which passes resolutions on the topics falling within its powers, thereby expressing the will of the shareholders; the **Board of Directors**, which is responsible for strategic supervision in the pursuit of the Company's objects and implementation of key operations, while the Managing Director is in charge of operational management on the basis of the corporate system of delegated powers and powers of attorney; and the **Board of Statutory Auditors**, which supervisory functions to ensure compliance with the legislation, the Articles of Association and the implementation of appropriate administration standards as well as the adequacy of the organisational, administrative and accounting model and its implementation.

In accordance with the traditional model, Generali's corporate governance system is based on some key pillars such as the central role of the Board of Directors, correct management of conflicts of interest, transparent disclosure of corporate management decisions, and the efficacy and effectiveness of the ICRM system. This system is compliant with the applicable legislation and the principles of the Corporate Governance Code, and is based on international best practice.

The membership, powers and operating methods of the Company's governing bodies are governed by the applicable legislation, the Articles of Association, the Regulations of the Board of Directors and Board Committees, the resolutions passed by the competent bodies, and by the principles and criteria of the Corporate Governance Code that the Company has adopted since its institution in 1999.

The **Articles of Association** are available in Italian at the corporate headquarters and in Italian, English, French, Spanish and German on the corporate website.

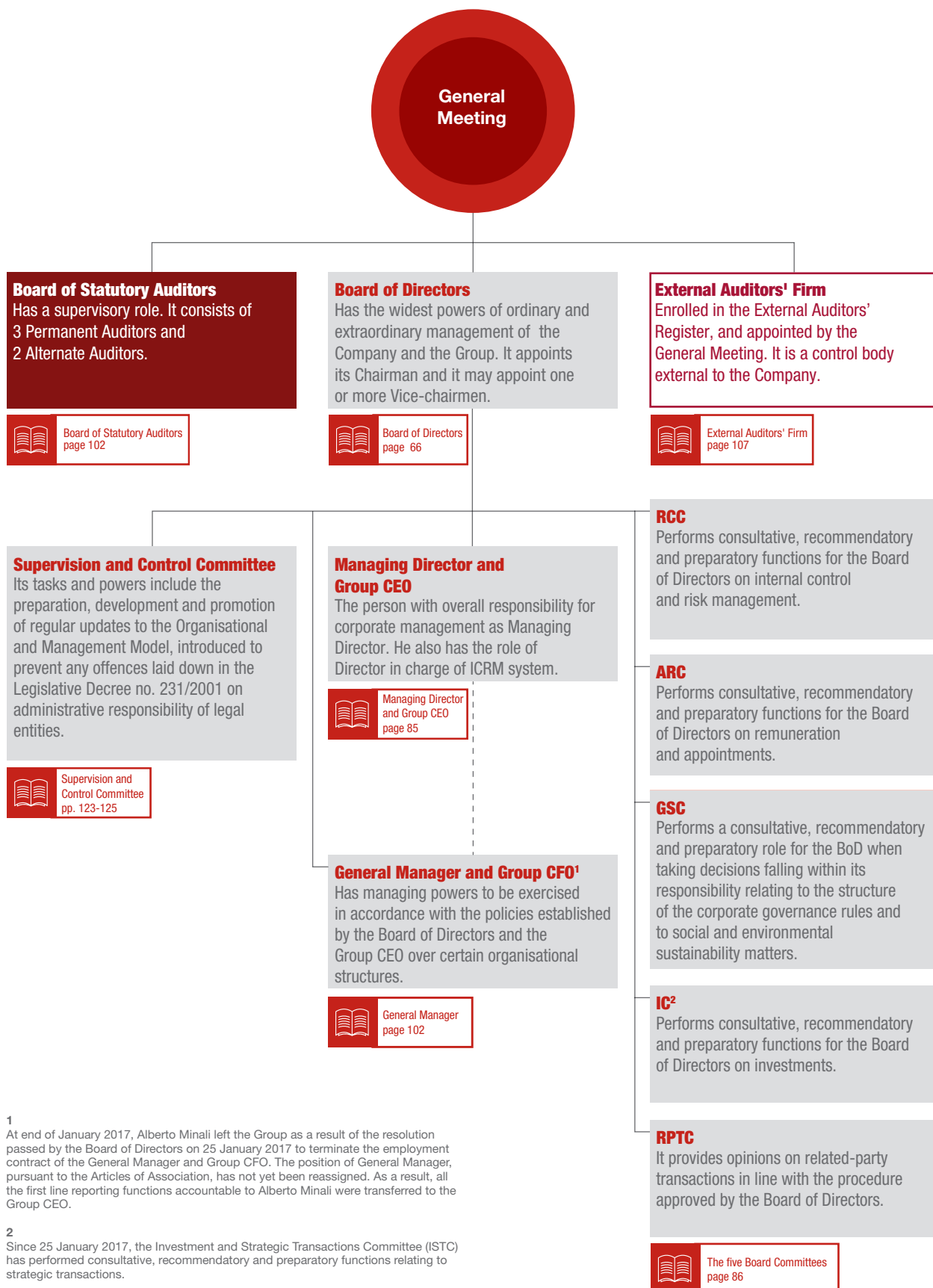


Some of Generali's 19th-century Articles of Association



<http://www.generali.com/governance/corporate-governance-system/articles-of-association.html>

The chart below illustrates the Company's corporate governance system as at 31 December 2016:



¹ At end of January 2017, Alberto Minali left the Group as a result of the resolution passed by the Board of Directors on 25 January 2017 to terminate the employment contract of the General Manager and Group CFO. The position of General Manager, pursuant to the Articles of Association, has not yet been reassigned. As a result, all the first line reporting functions accountable to Alberto Minali were transferred to the Group CEO.

² Since 25 January 2017, the Investment and Strategic Transactions Committee (ISTC) has performed consultative, recommendatory and preparatory functions relating to strategic transactions.

The Company's organisation

The Board of Directors establishes the Company's governance system, including the powers and the tasks of the governing bodies it has appointed or set up. Upon the Group CEO's proposal, it also approves the level 1 corporate organisational structure, i.e. the set of corporate functions constituting GHO whose managers report directly to the Group CEO. The organisation chart shows

the tasks and responsibilities of the corporate functions, hierarchical and functional relations, and coordination mechanisms.

Generali, as parent company of an insurance group, also manages and coordinates other Group companies, and accordingly the GHO functions are responsible for strategic policies, direction and coordination of the Business Units.

REGULATORY BOX



The meaning of words such as “business”, “enterprise”, “company” and “group” is not always clear, with the result that communications may be ambiguous. We will therefore endeavour to clarify the situation.

The Italian Civil Code defines *imprenditore* (entrepreneur), but not *impresa* (enterprise or company). However, the concept of *impresa* can be deduced from article 2082 of the Code, which states: “an entrepreneur is a person who professionally carries on a business organised for the purpose of manufacturing or trading in goods or services”. An *impresa* is therefore a business carried on for the purpose of manufacturing or trading in goods and services which is carried on professionally by the *imprenditore* with a set of assets organised for the purpose of that business.

Article 2555 of the Code defines *azienda (firm)* as “the set of assets organised by the *imprenditore* for the purposes of the enterprise”.

A **company** is a form of a collective exercise of the *impresa*, pursued on the basis of an agreement whereby two or more shareholders provide goods or services in pursuit of a profit or mutual advantage (article 2247 of the Italian Civil Code).

A **group** is a specific form of organisation of the enterprise which exists when management and coordination is performed by a person or an entity, the parent company, as a result of which the business of several companies is combined and coordinated in the pursuit of a common business interest, which is wider than the interests of the individual companies belonging to the group.

The Group's organisational model

Generali's organisational model consolidates the role of GHO and simplifies its approach to the management and coordination of the Business Units at global level. In line with the Group strategy, it promotes a greater focus on customers in the creation of new products, design of services and activation of distribution channels.

The model:

- promotes entrepreneurial skills and local independence;
- promotes the integration of best practices in terms of insurance, financial and investment methods, together with activation of Group synergies and focus on operational efficiency at global level;
- pursues functional excellence through the Centres of Expertise set up to support the whole organisation.

The Group's organisational system is based on two pillars: **GHO** and the **Business Units**.

GHO provides strategic management at global level and maximises synergies, taking every opportunity to support the business. In particular the GHO functions:

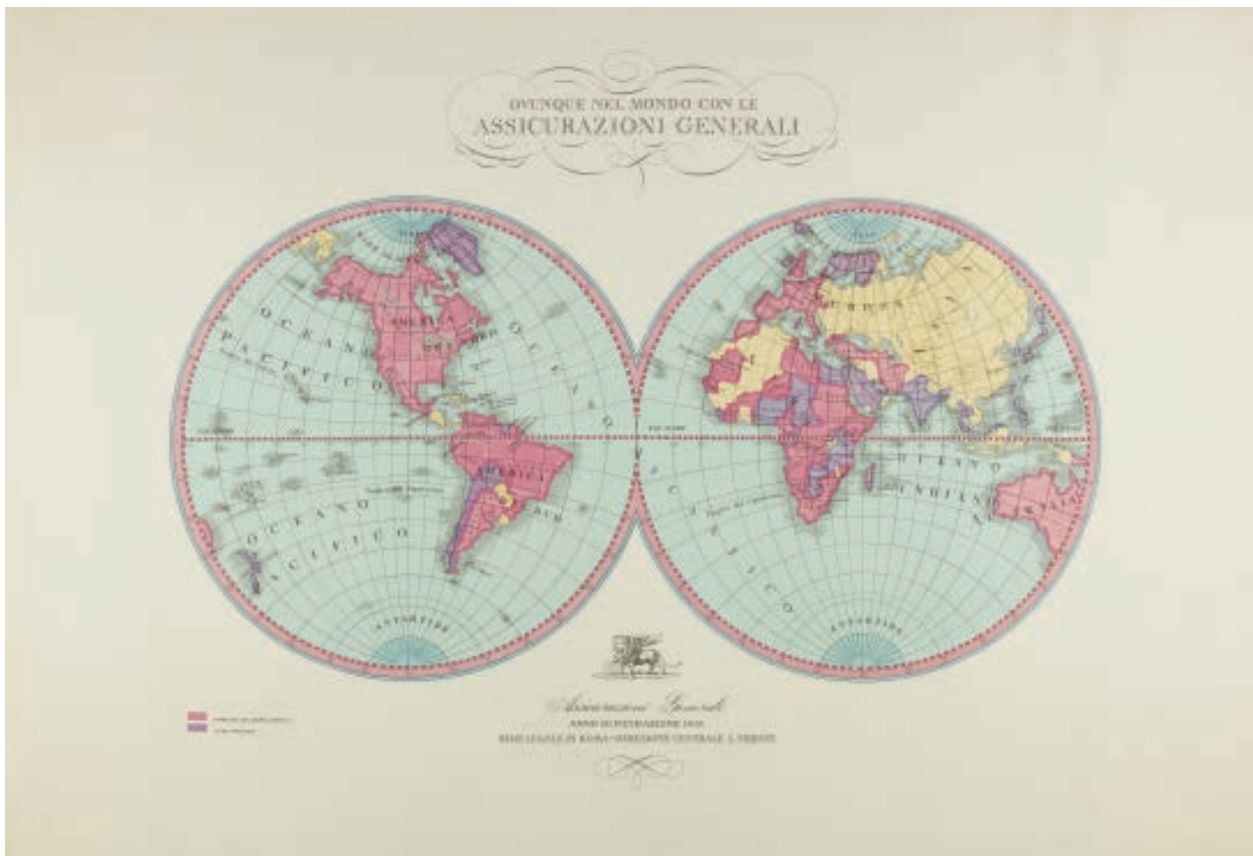
- direct, lead and coordinate the Business Units;
- act as competence centres, ensuring functional excellence and promoting key skills and synergies at Group level;
- lead Group projects.

The **Business Units** promote entrepreneurship and local independence, providing monitoring at international level based on:

- geographical areas, which lead local strategies and establish a more targeted approach by customer segments in the creation of products, implementation of distribution channels and provision of services;
- global lines, which leverage business opportunities by developing insurance solutions at global level.

The Business Units are represented by:

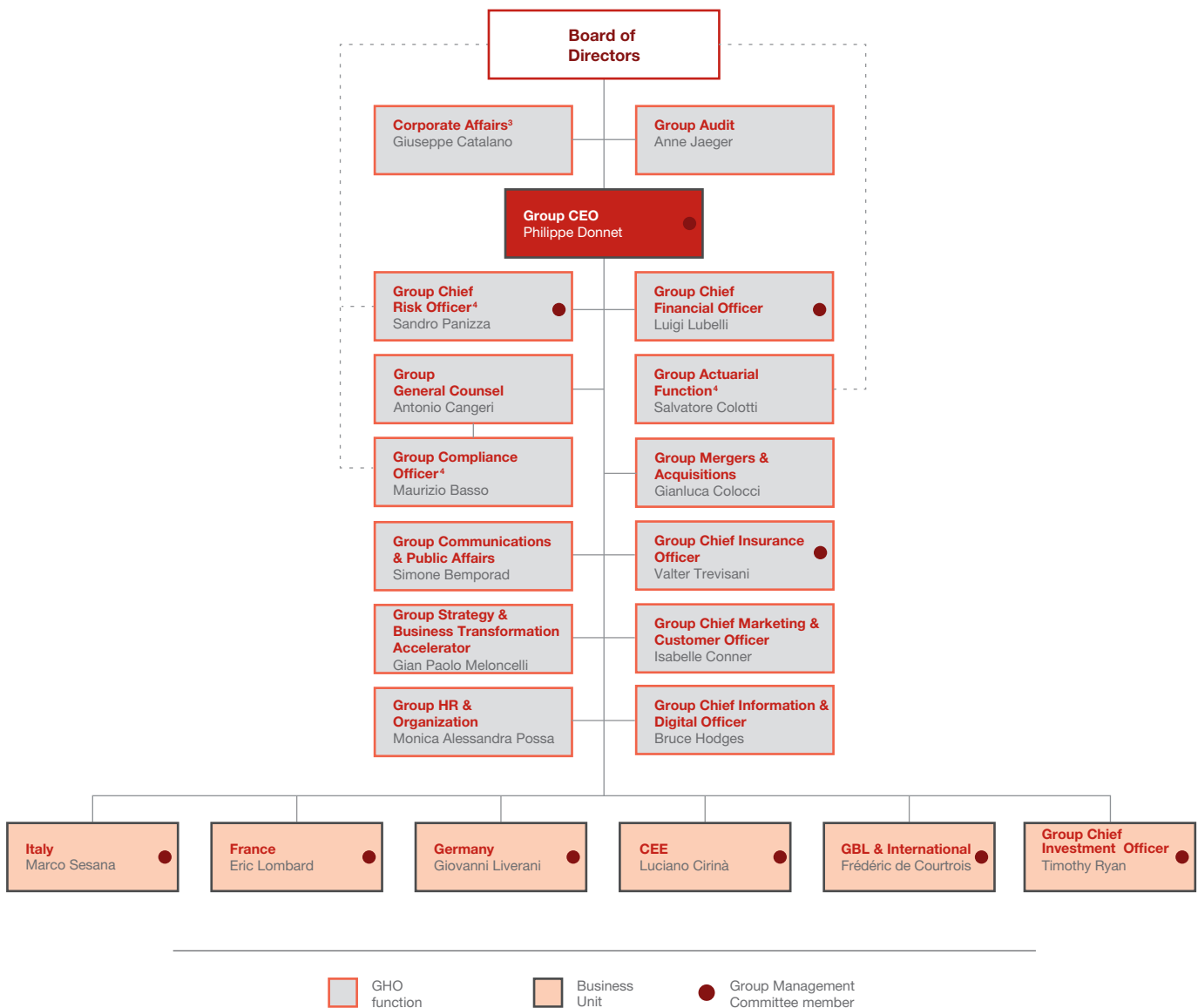
- 3 main countries (Italy, France and Germany);
- the CEE region (Central and Eastern Europe);
- Global Business Lines & International, including the EMEA (Europe, Middle East and Africa), Asia and Americas regions, and the Business Global Corporate & Commercial, Europe Assistance, Generali Employees' Benefits, Generali Global Health e Group Bancassurance lines;
- the investment area.



Assicurazioni Generali worldwide (1967)

Structure of GHO and the Group

The chart below illustrates the structure of GHO and the Group, focusing on the functions, Business Units and GMC members, as at 15 March 2017.



³ The Head of Corporate Affairs function also reports to the Group CEO on the aspects for which he is responsible.

⁴ The Group Chief Risk Officer, Group Compliance Officer and Group Actuarial function report functionally to the Board of Directors on the aspects for which they are responsible.

Organisational governance is implemented by integration and coordination mechanisms between the Business Units and GHO. These mechanisms, which promote dialogue and correct interaction between the two components, are represented by:

- the GMC, which supports the Group CEO and top management in sharing the main strategic decisions;
- Quarterly Business Reviews, which ensure consistency between GHO and the Business Units regarding strategic objectives and performance;
- three main cross-functional committees, which support the Group CEO in guiding the Group's strategic decisions:
 - the Balance Sheet Committee, which examines and identifies issues that may have a substantial impact on the financial statements at both Group and GHO level;
 - the Finance Committee, which examines and evaluates extraordinary transactions and investments;
 - the Product & Underwriting Committee, which examines the profitability and risk level of new insurance business in the framework of a process of centralised analysis and review of new products;
- the Functional Guidelines and Functional Councils, through which functional coordination is provided at global level; they support the heads of the GHO functions in coordinating the equivalent functions in the Business Units;
- a matrix system of “solid” or “dotted” reporting lines, depending on the intensity of the level of guidance and coordination between the GHO functions and their counterparts in the Business Units. The system therefore comprises:
 - “solid functions”, characterised by hierarchical reporting performed, in compliance with local legislation, in a more direct, systematic way by the GHO, by guiding key decisions on functional and human resource issues, such as recruitment, dismissal, and assignment of annual targets. The solid functions reinforce the control mechanisms of the major corporate risks, introducing a greater separation of powers between control and business functions;
 - “dotted functions”, characterised by functional reporting, which perform the guidance and coordination activities by indicating functional and best practice guidelines and participating in some key decisions relating to human resources.

The solid functions are the Group CRO, Group General Counsel, including Group Compliance, and Group Audit; the other Group functions are dotted.

Focus on the Group Management Committee (GMC)

The Committee's aim is to improve the Group's consistency regarding strategic priorities between Business Units and increase the efficiency and consensus of the decision-making process on the basis of a team approach that promotes exchange of opinions and an international perspective. The GMC supports the Group CEO's decisions by:

- validating proposals for submission to the Board of Directors;
- assessing decisions on risks and investments;
- assessing the Group's financial and business performance;
- guiding the Group's main strategic programmes and/or programmes having an impact on several countries.

On 11 May 2016, the Board of Directors approved the new composition of the GMC, designed to represent all local business, in line with the Group strategy, with the entry of the following members:

- the CEE Regional Officer;
- the CEO Global Business Lines & International;
- the Group Chief Insurance Officer.

The following roles have been suppressed, including their GMC membership:

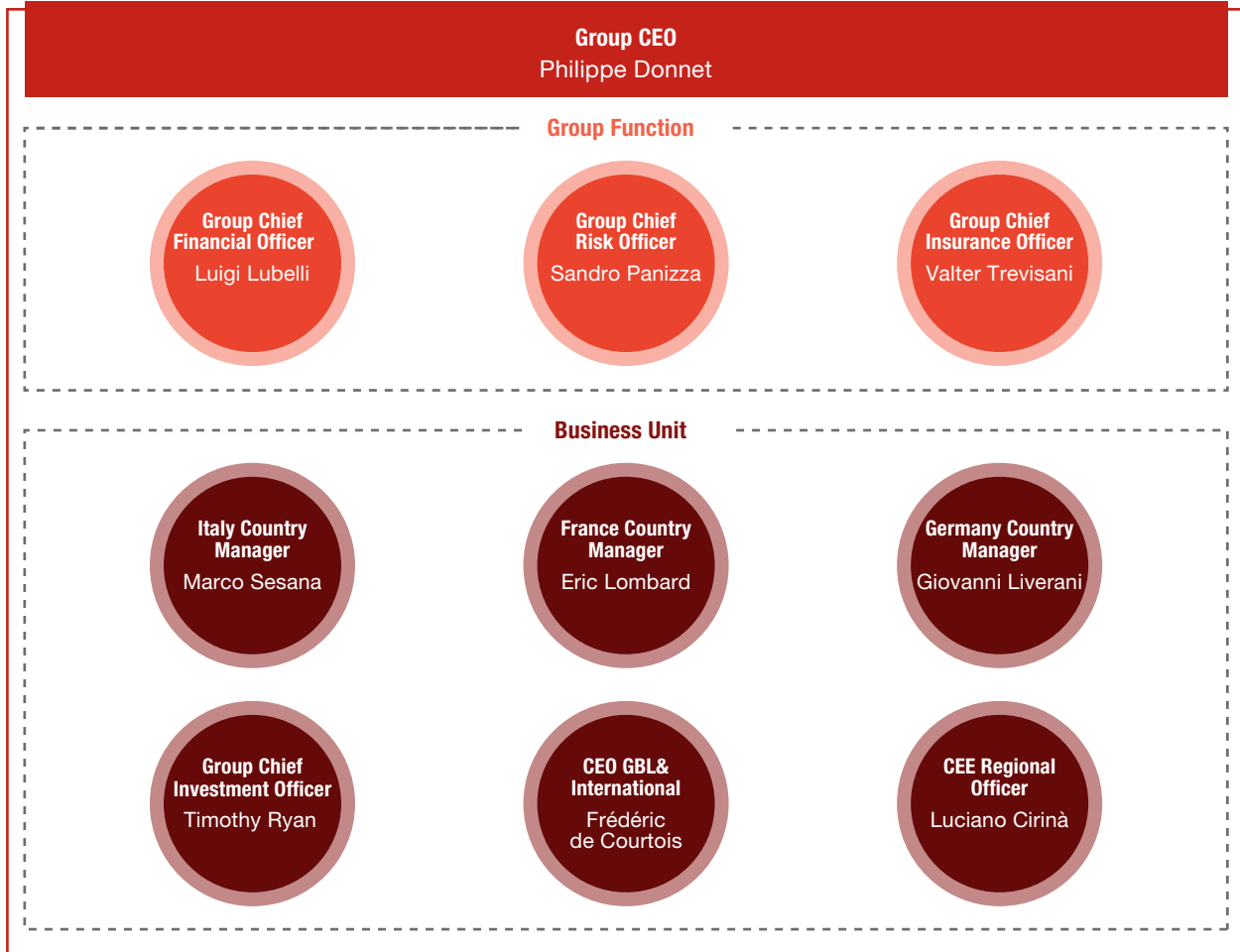
- the Group Chief Financial Officer;
- the Group Head of Global Business Lines, as this role has been merged with the new role of CEO Global Business Lines & International.

On 12 December 2016, the Board of Directors appointed Marco Sesana as new Italy Country Manager and Timothy Ryan as Group Chief Investment Officer, as from January 2017.

On 25 January 2017, Luigi Lubelli became a member of the GMC in the capacity of new Group CFO, appointed after the termination of the contract between the Company and General Manager and Group CFO Alberto Minali.

The GMC, chaired by the Group CEO and consisting of the heads of the Group functions and all the heads of the Business Units, therefore had the following membership as at 15 March 2017:

Group Management Committee



Sustainability development bodies

The GSC performs a consultative, recommendatory and preparatory role for the Board of Directors regarding the corporate governance and social and environmental sustainability decisions for which it is responsible. It consists of non-executive directors, most of whom are independent directors.

The Group CEO is responsible for the implementation at Group level of the sustainability strategies and policies identified by the Board of Directors.

Specific bodies and functions have also been set up at GHO level to ensure systematic consideration of the social and environmental issues connected with the Company's business in addition to the economic aspects into account:

- the Group Sustainability Committee, an internal body comprising executives reporting to the Group CEO and the General Manager⁵ who discuss social responsibility and environmental issues and the actions to be implemented in their respective areas to meet targets, and monitor the results:
 - the EMS Review Committee, an internal body which reviews the Group environmental management system in compliance with the requirements of standard ISO 14001;
 - the Responsible Investment Committee, an inter-functional body that assesses issuers which are do not comply with the Group's environmental, social and governance criteria, and supports the Group CIO's decisions regarding exclusions from the Group's investments;
- the Country CSR Committees, bodies which operate at national level with a view to improving the organisation and the coordination of activities in the social and environmental fields;
- the Group Social Responsibility function, which reports to the Group Communications & Public Affairs Director, and is responsible for:
 - establishing and implementing the Group's social responsibility model on the basis of dialogue with the GHO functions and involvement of the country sustainability teams. The CSR Community was set up for this purpose in 2016;
 - to report regularly on performance.

The Generali Internal Regulations System (GIRS)

Generali believes notion that an effective, comprehensive governance system in GHO and the Group as a whole is one of the mainstays of its business. This means not only formalising policies or guidelines, but also introducing a structured system that defines what is meant by internal regulations and governs the various stages of their issue process.

The Company has introduced the Generali Internal Regulation System (GIRS), which applies to the whole Group, to make its internal regulations clear to and usable by all personnel.

This system governs the hierarchy and characteristics of the internal regulations issued by the parent company in its management, guidance and coordination activities performed for the Group, identifying the roles and responsibilities of the parties involved in the life cycle of the internal regulations, comprising the stages of drafting, approval, publication, dissemination, implementation and monitoring in the Group.



*The Charter of Sustainability Commitments
approved by the Board of Directors
on 15 March 2017*

⁵

At the end of January 2017, Alberto Minali left the Group as a result of the resolution passed by the Board of Directors on 25 January 2017 to terminate the employment contract with the General Manager and Group CFO. The office of General Manager, pursuant to the Articles of Association, has not yet been reassigned. As a result, all the first-line functions that reported to Alberto Minali now report directly to the Group CEO.

Regulatory framework

The GIRS is based on 3 regulatory tiers:



The GIRS is based on the following principles:

- **simplicity and clarity:** Generali's internal regulations aim to reach all their recipients in an immediate, understandable way. The language used is simple, and designed to highlight clearly and directly the rules they contain;
- **accessibility:** the regulations are filed in a single centralised archive accessible by all the Group's employees, and organised in such a way as to facilitate document searches;
- **integration:** the internal regulations are part of a single integrated corpus of rules covering the Group management, guidance and coordination role performed by the parent company;
- **adaptability:** the internal regulations take account of local regulatory requirements and the different organisational situations within the Group.

Code of Conduct

Generali's Code of Conduct ("the Code") is the Group's guide to "doing the right thing". The Code defines the ethical conduct expected of all those who work for or on behalf of Generali worldwide. The set of values and ethical expectations defined in the Code is designed to aid the process of making consistent decisions and to ensure that principles such as frankness, openness and impartiality continue to hold sway in the workplace. Anyone dealing with an ethical matter can always rely on the Group's values and on our Code of Conduct.

In this context, the Group's executives are asked to act as role models for the Code and encourage their staff to ask whether certain types of behaviour or business propositions comply with the Company's values and the principles laid down in the Code.

On-line and classroom-based training programmes, combined with a global communication programme, are designed to raise the awareness among all employees of importance of the Code and their responsibility to report any breaches that come to their notice. All employees are encouraged to raise their concerns or request clarifi-

cation on any subject covered by the Code. The Company has made 2 channels available for this purpose, one at local level and the other at GHO level, for reporting breaches of the Code in all countries in which Generali operates. Confidentiality is guaranteed, and no form of reprisals will be tolerated.

Since July 2015, short videos have been uploaded to the GHO portal, each on a specific topic of the Code. So far, 16 videos can be viewed, covering almost all topics of the Code. This year, two “Integrity Week” events have been held to raise awareness of ethical topics. The first event, on money laundering, was held in April (to support the OECD campaign against corruption). The second event, held in November (with the support of the Society of Corporate Compliance and Ethics) further publicised the concrete commitment of the Group Compliance function to risk prevention and protecting the reputation of the Company and its employees by means of the audits it performs and the tools it provides. These events were held at international level, involving all countries in which the Group operates.

Whistleblowing

The Company encourages employees and third parties working with the Group to report any problems associated with breaches of the Code of Conduct or potentially critical situations.

Comprehensive information is available on the Company's Website, in the section entitled “Our responsibility - Responsible Business - Code of Conduct”, including a description of the Group's report management process.

The Group Compliance Department has implemented the following reporting channels:

- by post: Group Compliance - Business Integrity – Piazza Cordusio 2, 20123 Milan, Italy;
- by Freephone telephone number or webform in all countries in which Generali operates:
www.compliancehelpline.generali.com.

Clicking on the above link takes the user to the landing page of the Generali Group Compliance Helpline platform, managed by a specialist external provider (GCS Compliance Services Europe Ltd., belonging to the Navex Global group), which can be used to report alleged breaches relating to accounting or financial practices or connected with the use of means of payment, cases of bribery and extortion, and requests for guidance

as to whether certain types of conduct comply with the regulations.

Group employees can also send their reports to a dedicated e-mail address or deliver them in person to their line manager or the relevant officers of the Group Audit function or the Corporate & Institutional HR Processes function.

Authorised representatives

Articles of Association

The system of representation of the Company, governed by articles 38 and 39 of the Articles of Association, is designed to guarantee the greatest operational flexibility and, at the same time, adequate control over the Company's documents.

The Company's authorised representatives for all its business are the Chairman, the Vice-Chairmen, the Managing Director, the other members of the Board of Directors, the General Manager and, within the spheres of responsibility assigned to them, the other senior executives of the Company.

Representation takes the form of joint signature of documents under the Company's name by two of the said parties. The Chairman, the Vice-Chairmen (when standing in for the Chairman in the event of his absence or inability to act), the Managing Director and the General Manager can sign jointly with one another, with another member of the Board of Directors, or with one of the other senior executives of the Company. In such cases the latter can jointly represent the Company even in relation to business not falling within the area of responsibility assigned to them. The Articles of Association also state that senior executives can sign jointly with one another, provided that at least one of them acts within the sphere of responsibility assigned to them. The other members of the Board of Directors cannot sign jointly with one another, or with one of the other senior executives of the Company.

The Articles of Association also state that the competent administrative body can further limit the powers of representation of the Company's senior executives on the basis of subject-matter or value, and assign the Company's representation to other employees and third parties, by issuing general or special powers of attorney for individual documents or categories of documents.

System of delegated powers and powers of attorney

Our system of representation is consistent with the organisational responsibilities allocated, and constitutes an internal control and monitoring tool designed to prevent the offences specified in Decree 231 governing the administrative liability of legal persons.

The system of delegated powers and powers of attorney, consistently with the current GHO governance structure established by the Board of Directors, involves defining the sphere of responsibility and powers of representation of the functions that make up the Company's organisational structure, in compliance with the applicable legislation, regulations and Articles of Association.

The system is based on the following principles:

- separation of functions and segregation of duties;
- clarity and transparency in assigning functions and powers in the framework of a harmonised system;
- definition of limits on the exercise of delegated powers;
- possibility for the Group CEO and General Manager to delegate to each of their direct reports the powers and responsibilities required to perform the tasks assigned to them, with power to sub-delegate part of the said powers and responsibilities to their direct subordinates (and so on in a cascade pattern);
- possibility for managers who hold a sub-delegatable power to exercise the right to sub-delegate, establishing the limits, within those granted to them, and the mechanisms for control and monitoring of their exercise. Parties to whom powers are sub-delegated must in turn guarantee adequate reporting to the sub-delegating party;
- full alignment between structure and organisational role, delegated powers and powers of attorney.

In the current system of delegated powers, the area of responsibility for each role is established by deeds of delegation, which constitute internal documents assigning powers and responsibilities. The deeds of delegation establish the responsibilities common to all roles and the specific responsibilities of each role. Differentiated in-

dependent spending powers relating to the purchase of goods, services and consultancy services are granted on the basis of the role assigned.

The system also involves the grant, by means of specific powers of attorney, of power to represent the Company in dealings with third parties for the exercise of the powers and performance of the responsibilities delegated; the power of attorney only comprises powers granted on behalf of the Company and, in compliance with the principle of joint signature laid down in the Articles of Association and the terms of Decree 231, limits the power of representation to the powers and responsibilities specified in the deeds of delegation.

As the representatives of the 4 Internal Control functions report functionally directly to the Board of Directors, their delegated powers and powers of attorney are organised in such a way as to guarantee and preserve the necessary level of independence.

Main organisational changes in 2016 and the first few months of 2017

Between 9 February and 17 March 2016, as a result of the mutually agreed termination of the contract of employment between the Company and Mario Greco, the former Managing Director and General Manager and Group CEO, his office was temporarily held by the Chairman of the Board of Directors in line with the succession plan policy.

On 17 March 2016, the Board of Directors appointed Philippe Donnet as Group CEO and Alberto Minali as General Manager. The updated Group organisation chart was approved accordingly, and Mr Donnet also maintained his role as Country Manager Italy.

The Board of Directors assigned all powers and responsibilities regarding the management of the Company and the Group to the new CEO. The General Manager and Group CFO⁶ was granted powers to be exercised in the in ambit of the guidelines established by the Board of Directors and the Group CEO in the Strategy & Business

6

At the end of January 2017, Alberto Minali left the Group as a result of the resolution passed by the Board of Directors on 25 January 2017 to terminate the employment contract with the General Manager and Group CFO. The office of General Manager, pursuant to the Articles of Association, has not yet been reassigned. As a result, all the first-line functions that reported to Alberto Minali now report directly to the Group CEO.

Development, Insurance & Reinsurance, Finance, Operations, Marketing and Data areas.

On 11 May 2016, the Board of Directors approved the introduction of the new position of CEO Global Business Lines & International, to which Frédéric de Courtois was later appointed, thus strengthening the responsibilities of the Group CEO's first reporting line for Global Business Lines and the Group's other three regions, namely EMEA, the Americas and Asia.

On 12 December 2016, the Board of Directors appointed Marco Sesana as Italy Country Manager (with effect from 1 January 2017) in addition to his position as Managing Director and General Manager of Generali Italia, and Timothy Ryan as new Group CIO (with effect from 9 January 2017). Both also became members of the GMC with effect from January 2017.

On 25 January 2017, the Board of Directors adopted the new structure of GHO and the Group (see the above chart entitled "Structure of GHO and the Group") and appointed Luigi Lubelli as Group CFO and Manager in charge of preparation of the Company's financial reports. He also became member of the GMC.

As regards **GHO**, the organisational structure of the solid functions was reviewed, partly by reinforcing the first direct reporting lines of i) the Group CRO; ii) Group General Counsel; iii) the Group Compliance Officer; and iv) the Head of Group Audit.

As regards the **Business Units**:

- the revision of the governance system of Country Italy, involving separation between the role of Country Manager Italy and the role of Managing Director and General Manager of Generali Italia, assigned to Marco Sesana, was approved by the Board of Directors on 11 May 2016. This resolution was amended at the next review, on 12 December 2016, when the Board of Directors resolved to combine these roles again, appointing Marco Sesana as Country Manager Italy;
- the leadership was also strengthened by some appointments in Country Germany (David Stachon, CEO Cosmos) and in the regions: i) Asia: Rob Leonardi (Regional Officer), Alex Cheung (GM Generali China Life), Koji Aragane (GM Japan Branch), Danny Fung (GM Generali China Insurance); ii) EMEA: Andreas Krümmel (CEO Switzerland); and iii) Americas: John Martini (CEO US Branch) and Andrea Crisanaz (CEO Brazil);
- the CEE region was expanded, and now includes the Russian market;
- with effect from 9 January 2017, Banca Generali (previously in the Country Italy area) was included in the investment area.



Generali Italia's premises in Mogliano Veneto





Shareholders and

investors

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Shareholders and investors

Share Ownership

Share capital structure

The Company's subscribed and paid-up share capital amounts to EUR 1,559,883,538.00, divided into 1,559,883,538 registered ordinary shares with a par value of EUR 1.00 each.

On 21 April 2016, the share capital was increased by EUR 3,010,255.00 to implement a long-term incentive plan (LTI Plan 2013).

On 15 March 2017 the Board of Directors resolved, by way of implementation of a long-term incentive plan (LTI Plan 2014), and exercising the delegated power granted by the 2014 General Meeting pursuant to s. 2443 of the Civil Code, to increase the share capital by a maximum of 7 million shares, the said increase to take effect on registration of the resolution in the Companies Registry, after authorisation by the Regulator. The increase will be implemented by 30 April 2017, and the exact number of shares to be issued will be established by that date by the delegate of the Board of Directors

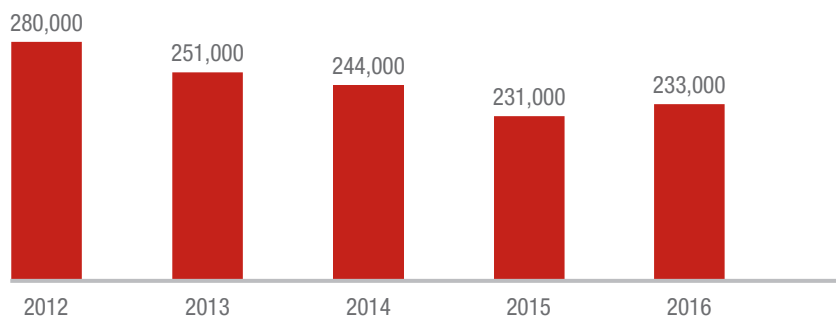
	No. of Shares (*)	% of share capital	Listed / Unlisted	Rights and Obligations (**)
Ordinary shares	1,559,883,538	100.00	FTSE MIB	See note
Shares carrying multiple, limited or no voting rights (***)	-	-	-	-

(*) Shares corresponding to 99.99% of the share capital have been registered with the centralised management system at Monte Titoli S.p.A. in Milan on a dematerialised basis..

(**) Each ordinary shareholder has a set of financial and administrative rights and obligations. Financial rights (294) include the right to the dividend, an option over paid shares issued on increase or reconstitution of share capital in proportion to the number of the shares already owned, the right to free allocation of new shares in the event of a free issue in proportion to the number of shares already owned, and the right to a proportion of the liquidated assets in the event of winding-up of the Company. Administrative rights include the right to speak and vote at General Meetings, the right to withdraw from the Company in the circumstances specified in the applicable legislation, and the right to information. Finally, as regards obligations, each shareholder is required to make the contributions necessary to attain the Company's objects.

(***) There are no shares carrying multiple, limited or no voting rights.

Number of shareholders



For details of Generali's shareholders, see the charts in the "Share Ownership" paragraph of the previous section, "WE, GENERALI" (p. 14).

Shareholders holding over 3% of the Company's share capital, either directly or indirectly through intermediaries, trustees or subsidiaries, are shown in **Table 1** (p. 128).

Generali declares, as required by s. 123-bis.1.e) of the CFBA, that it has no employee stock ownership plans and, as required by s. 123-bis.1.g) thereof, that Generali is not aware of any shareholders' agreements concerning its shares as defined in s. 122 of the CFBA.

Power to increase the share capital and authorisations to purchase the Company's own shares

Capital increases and purchases of own shares, 2014-2016

Decision-making body	Name	Maximum number of shares that can be issued for the Plan	Capital increases under ss. 2443 and 2349, paragraph 1, of the Italian Civil Code			Purchases of own shares under ss. 2357 and 2357-ter of the Italian Civil Code			
			Implementing Period	Par value of shares	Maximum increase of share capital in EUR	Implementing Period	Par value of shares	Maximum purchase price	Maximum number of ordinary shares
2014 General Meeting	2014 LTI Plan	7,000,000	Within 5 years of the resolution	€ 1.00	7,000,000.00	Expired on 30/10/2015	N.A.	N.A.	N.A.
2015 General Meeting	2015 LTI Plan	8,000,000	Within 5 years of the resolution	€ 1.00	8,000,000.00	Expired on 30/10/2016	N.A.	N.A.	N.A.
2016 General Meeting	2016 LTI Plan	10,000,000	Within 5 years of the resolution	€ 1.00	10,000,000.00	by 28/10/2017	€ 1,00	Min. € 1,00 Max + 5% of listed price on the day before the transaction	10,000,000

For the purpose of implementation of the LTI Plan, the shares forming the subject of free allocation to the beneficiaries will originate, wholly or partly, from own shares purchased by the Company by way of implementation of the corresponding authorisations of the General Meeting, pursuant to ss. 2357 and 2357-ter of the Civil Code, and/or from any free capital increases issued, using the profits and/or retained profits, pursuant to s. 2349.1 of the Civil Code.

Article 8 of the Articles of Association allows, in accordance with the statutory requirements, the allocation of profits and/or retained profits to employees of the Company or its subsidiaries, by issuing shares pursuant to s. 2349.1 of the Civil Code.

Information about resolutions relating to the 2014 and 2015 LTI Plans is included in the 2014 and 2015 Corporate Governance and Share Ownership reports.

The **2016 General Meeting** resolved, pursuant to ss. 2357 and 2357-ter of the Civil Code, to authorise the purchase of a maximum of 10 million ordinary shares issued by the Company with a par value of EUR 1.00 each, for the purposes of the 2016 LTI Plan. Share transactions, including those relating to shares acquired

on the basis of earlier plans, must take place under the following conditions:

- the authorisation is limited to purchases made to implement the incentive plans, net of the shares to be issued for the same purposes in the exercise of the delegated powers granted to the Board of Directors pursuant to s. 2443 of the Civil Code to make capital increases for the purpose of the said Plans;
- the minimum purchase price of the ordinary shares shall be not less than their par value, namely EUR 1.00; the maximum purchase price shall not be more than 5% higher than the reference price recorded by the shares on the last stock market trading day before the date of each purchase operation;
- the Company may purchase its own shares, on one

or more occasions, until the next General Meeting called to approve the annual financial statements;

- purchases shall be made within the limits of the distributable profits and available reserves shown in the last duly approved financial statements;
- the own-share purchase transactions shall be performed, pursuant to s. 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 parity of treatment between shareholders. Purchases shall therefore be performed, if necessary on more than one occasion for each alternative method, solely:
 - on 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;
 - by purchase and sale of derivative instruments traded on the corresponding regulated market organised and managed by Borsa Italiana S.p.A., the regulations of which involve procedures conforming to the terms of the said s. 144-bis.1.c) of the Issuers' Regulation;
- the own shares can be allotted to the beneficiaries of the Plans, free of charge, without any time limits, provided that the applicable legislative and regulatory provisions are complied with.

The 2016 Extraordinary General Meeting also resolved to allocate to the Board of Directors, pursuant to ss. 2443 and 2349.1 of the Italian Civil Code, for the period of five years, power to increase the share capital free of charge, in one or more tranches, pursuant to s. 2439.2 of the Italian Civil Code, using the profits and/or retained profits, by a maximum par value of EUR 10,000,000.00, by issuing a maximum of 10 million ordinary shares cum dividend at the par value of EUR 1.00 each, net of the shares purchased in the ambit of the own-share purchase programme associated with the LTI Plan 2016, to be allocated free of charge to beneficiaries of the Plan approved by the General Meeting who are employees of the Company or its subsidiaries and have acquired that right.

Significant agreements to which the Company or its subsidiaries are parties, and which take effect, are amended or terminate in the event of a change of control of the Company

Pursuant to s. 123-bis.1.h of the CFBA, the Company and its Subsidiaries, in the pursuit of their own strategic lines, have entered into some contractual agreements

containing clauses that refer to change of control of the Company. However, these clauses are not applicable at present, as no legal or natural person directly and/or indirectly, individually or jointly, currently holds a controlling interest in Generali. Finally, neither the Company nor any of its Strategic Subsidiaries are subject to non-Italian statutory provisions that affect their corporate governance structure.

Agreements between the Company and its directors which provide for compensation in the event of resignation or dismissal without good cause, or termination of employment following a takeover bid

The following terms (severance provisions) apply to the sums payable to directors who are not also employees in the event of cessation of office:

- in the event of natural expiry of the term of office, no sum shall be payable;
- in the event of early termination of a directorship without good cause, compensation may be paid to the director concerned if the statutory pre-requisites apply, provided that it shall not exceed the maximum fee payable for the remainder of the said director's term of office;
- no amount shall be payable in the event of resignation from office (save for good cause), revocation of the appointment for good cause, if the agreement ceases in the event of a takeover bid or debarment (on any ground, including loss of the requirements of professionalism, respectability and independence, or supervening disqualifying situations or incompatibility), and in any event for any other reason and/or cause not attributable to the Company;
- in the event of agreed cessation of the office before its expiry, the amount payable to the party concerned is established on the basis of the circumstances and reasons for cessation of the agreement (with special reference to the performance achieved, the risks taken and the actual operating results of the Company so that, in particular, no amount is payable in the event of fraudulent conduct or gross negligence).

The following terms (severance provisions) apply to the sums payable to the Managing Director and Group CEO, the General Manager and other executives with strategic responsibilities, in the event of cessation of office:

- in the event of dismissal, the mandatory statutory and contractual provisions necessarily apply unless future legislative changes are made;

- In the event of termination by consent, the amount payable to the party concerned is established on the basis of the circumstances and reasons for the cessation of office (with special reference to the performance achieved, the risks taken and the actual operating results of the Company so that, in particular, no amount is payable in the event of fraudulent conduct or gross negligence). The amount thus determined shall not in any event exceed 24 months' recurring remuneration in addition to the statutory and contractual notice period.

"Recurring remuneration" means the gross annual remuneration incremented by the average amount actually received by the party concerned by way of variable short-term component of the remuneration paid in the last three-year period.

By accepting the said amount, the director waives, in general, all rights connected in any way, directly and/or indirectly, with his/her contract of employment with Assicurazioni Generali S.p.A. or one of its Subsidiaries and the termination thereof, and all rights, claims and/or actions against the other companies belonging to the Group on any ground, which are directly or indirectly connected with the contract of employment and with the final accepted cessation thereof.

The waiver shall extend to the right to damages pursuant to ss. 2043, 2059, 2087 and 2116 of the Civil Code, and to the economic rights connected with the contract of employment and the cessation thereof.

The said provisions shall also apply to executive directors who are also senior executives, in which case the amount received by them by way of fixed and variable short-term remuneration (again on the basis of the average for the last three-year period) for the exercise of the office shall be included for the purpose of calculating the amount that may be payable to the director.

Agreements can also be entered into with directors and key management personnel which establish (within the said maximum limits) the severance pay payable in the event of future cessation of the agreement and (either at the hiring stage, during or at the end of agreement) non-competition or confidentiality agreements covering a period after the cessation of the agreement. The consideration for these agreements, which always have a limited duration, is established on the basis of the period and territory covered by the agreement and the prejudice that may derive to the Company and/or the Group if the person concerned were to carry on a business competing with that of the Company and/or Group or disclose infor-

mation that could also harm the Company and/or Group, also having regard to his/her previous role and responsibilities.

As regards the effects of cessation of the agreement on any rights assigned in the ambit of incentive plans based on financial instruments, see Remuneration Report paragraph 3.3.2 relating to the Long-Term Incentive (LTI) Plan.

Five key management personnel left the Company in 2016.

In addition, as already disclosed, on 31 January 2017 the appointment of General Manager Alberto Minali was terminated by mutual consent, in accordance with the Group's Remuneration policies approved by the General Meeting in 2016.

Management and coordination

According to the applicable legislation, Generali is not subject to management and coordination by Italian or foreign organisations or companies. However, the Company manages and coordinates all the companies belonging to the Group. The Integrated Annual Report provides detailed information about relations between Generali and the said companies.

In the event of significant changes to the market capitalisation of the issuer's shares or the composition of the Group, the CG Code recommends that the Board of Directors should recommend to the General Meeting amendments to the Articles of Association regarding the percentages established for the exercise of the actions and privileges introduced to protect minority shareholders. This was not done in 2016, as the conditions laid down in the CG Code did not arise.



www.generali.com/investors/reports-and-presentations/report-archive.html


As regards the further information required by s. 123-bis of the CFBA to be given in this Report, it is hereby declared that there are no:

- restrictions on the transfer of shares issued by the Company;
- securities which carry special controlling rights;
- restrictions on the voting rights carried by the shares issued by the Company.

General Meeting

The Annual General Meeting is one of the main opportunities for discussion between shareholders and the Company's top management. During the proceedings, the report on the business trend presented by the top management is traditionally followed by a debate between shareholders and management in question and answer form. The resolutions passed by the General Meeting on the subjects falling within its powers express the will of the shareholders; resolutions passed in compliance with the legislation and the Articles of Association are binding on all shareholders, including absent and dissenting shareholders. The next General Meeting

is expected to be held on Thursday 27 April 2017, in Trieste; all the related information will be found in the notice of call published on our website:

 www.generali.com/governance/annual-general-meeting/AGM-2017

 www.generali.com/governance/annual-general-meeting

Call of General Meeting

The General Meeting is called by **notice published on the website at least 30 days before** the date set for the first or only call of the General Meeting, specifying the date, time and place of the meeting, the list of subjects to be discussed, and the further information specified in the applicable legislation. An extract from the notice is also published in some national newspapers, and it is sent directly to the shareholders who attended the most recent General Meetings. The General Meeting can only pass resolutions on subjects listed in the agenda.

The documents are published about 40 days before the Meeting to facilitate the decision-making process of shareholders, and especially proxy advisors and institutional investors.

In the case of the General Meeting called **to elect the members of the Board of Directors and the Board of Statutory Auditors**, the notice of call is published at least 40 days before the date of the General Meeting, whereas for the General Meetings specified in ss. 2446 (Reduction of capital due to losses), 2447 (Reduction of share capital below statutory limit) and 2487 (Appointment and revocation of liquidators; liquidation criteria) of the Civil Code, the deadline is postponed to 21 days before the date of the General Meeting.

The General Meeting convened **to approve the financial statements** is called within 120 days of the end of the financial year; if the statutory conditions are met, the said period can be extended to 180 days. The General Meeting is usually held in Trieste, but can be held anywhere in Italy.

Shareholders who, either individually or jointly, represent **at least 2.5% of the share capital** may, within 10 days of publication of the notice of call of the General Meeting, request additions to the list of items to be discussed, indicating in their application the additional subjects they propose, or submit specific motions regarding items already on the agenda.

Attendance at General Meeting

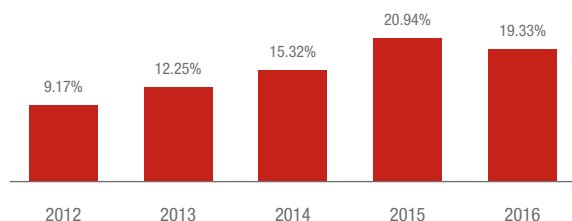
Shareholders holding voting rights can attend the General Meeting, provided that they prove their entitlement in the statutory forms. Entitlement to attend the General Meeting and exercise voting rights is certified by a notice sent to the Company by the intermediaries in accordance with their books of account, on the basis of evidence relating to the end of the accounting day on the 7th market trading day before the date set for the first or only call of the General Meeting. Debit and credit entries in the accounts made after that date shall not be taken into account for the purpose of entitlement to vote at the General Meeting.

The notice issued by the intermediary that keeps the accounts relating to the shares must be received by the Company by the end of the third market trading day prior to the date set for the first or only call of the Meeting, or within such different period as may be indicated in the notice convening the Meeting in compliance with the statutory provisions, and in any event before the start of the proceedings on each call of the Meeting.

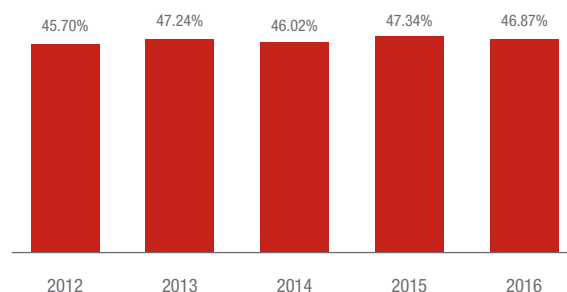
Shareholders may appoint proxies to represent them at the General Meeting; by law, only one proxy can be appointed for each General Meeting, save for the power to indicate substitutes, but a different proxy can be appointed for each of the accounts to which the intermediary’s notice relates.

For each General Meeting the Company designates a representative which shareholders can appoint as proxy with voting instructions on some or all of the items on the agenda. The identity of the said representative designated by the Company, and the procedures and time limits for shareholders to appoint a proxy, are indicated in the notice of call of the General Meeting. The proxy can be appointed in writing or in electronic form, in compliance with the current legislation and according to the procedures specified in the applicable regulations. The appointment of the proxy can be notified to the Company in a specific section of the website or by certified e-mail, by the procedures indicated in the notice of call.

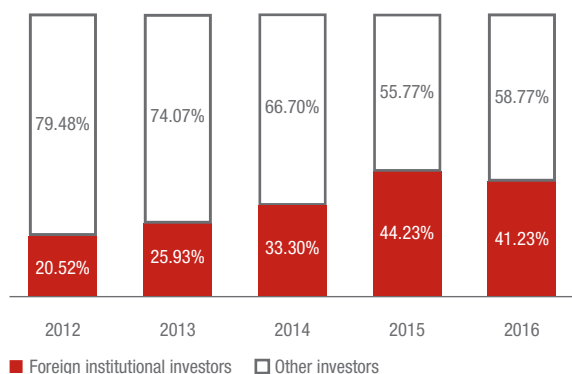
Percentage of share capital represented by foreign institutional investors who have attended the General Meeting in the last five years



Percentage of share capital represented by investors who have attended the General Meeting in the last five years



Ratio of foreign institutional investors to investors who have attended the General Meeting in the last five years in terms of share capital



■ Foreign institutional investors □ Other investors

General Meeting Regulation

The procedures of the General Meeting and those relating to speeches by shareholders are governed by a specific Regulation, available at our registered office and in the section of the Website which, together with the Regulation, contains the Articles of Association and information about the Company's governing bodies.

Generali has had a General Meeting Regulation since 1972, and that document was the prototype by which many listed and unlisted Italian companies were inspired when drafting their own regulations.

The Company's governance does not involve any departures from the terms of the applicable legislation as regards the percentages established for the exercise of actions.

Proceedings of General Meeting

The Chairman presides over the discussion, and invites those who have requested in writing to speak on a specific item on the agenda to take the floor; the request can be made at any time after the Chairman has read out the agenda, until the discussion on the subject in question is closed. The Chairman can also authorise attendees to submit requests to speak by raising their hand. Board members and Statutory Auditors can also ask to speak during the discussion.

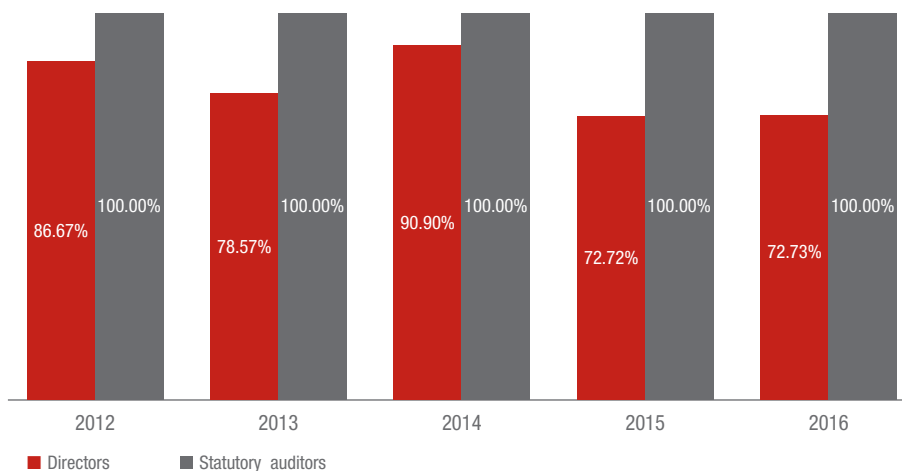
Exhaustively as possible To ensure that replies to questions asked by authorised parties are as exhaustive as possible, they may deliver written notes on the subjects on which they intend to request permission to speak, even before the constitution of the General Meeting.

All those authorised to speak at the General Meeting are entitled to speak for a maximum of 15 minutes on each of the items under discussion, provided that their speeches are relevant to the items on the agenda. The Chairman may impose a different time limit for speeches at any time, having regard to the importance of the subject under discussion, the number of people asking to speak and the number of items of the agenda.

The Chairman and, on his invitation, those assisting him, usually answer questions when all speeches on the item in question have been made. Those who have already spoken during the discussion are entitled to reply once only, for a maximum of 5 minutes.

Average attendance by directors at the General Meetings held in the last five years exceeded 80%, and all statutory auditors always attended.

General Meeting: attendance of directors and statutory auditors



General Meeting majorities

Resolutions are adopted with the majorities specified in the applicable regulations. Majorities required for the **General Meeting in ordinary session** are needed to pass resolutions on: The Company has not established any majorities different from the statutory majorities for passing resolutions. The majorities established for the Extraordinary General Meeting are required to pass resolutions on matters involving

- the annual financial statements;
- distribution of the net profit;
- appointment of the Board of Directors, the Board of Statutory Auditors and its Chairman;
- remuneration policies for members of the Board of Directors, the Board of Statutory Auditors and the Company's key personnel in accordance with the applicable legislation in the sector, including remuneration plans based on financial instruments;

- the fees of the Board of Directors and the Board of Statutory Auditors;
- the appointment of external auditors during the financial year to audit the annual financial statements and consolidated financial statements, and determination of their fees;
- any other matters required by law or submitted to the General Meeting by the Board of Directors in the statutory cases.

The majorities established for the **Extraordinary General Meeting** are required to pass resolutions on matters involving amendments to the Articles of Association, the appointment and powers of the liquidators in the event of winding-up of the Company, and in the other statutory cases.

General Meeting	Majority	First call	Second call	Third call (and any subsequent calls)	Single call
Ordinary session	Quorum	≥ 50% of share capital	> 0% of share capital	N.A.	> 0% of share capital
	Resolutions	> 50% of voting capital	> 50% of voting capital	N.A.	> 50% of voting capital
Extraordinary session	Quorum	> 50% of share capital	> 33,33% of share capital	> 20% of share capital	> 20% of share capital
	Resolutions	≥ 66.67% of voting capital	≥ 66.67% of voting capital	≥ 66.67% of voting capital	≥ 66.67% of voting capital

Relations with institutional investors and other shareholders – Contacts

The GHO structure responsible for dealings with institutional investors is Investor & Rating Agency Relations (IR). The Corporate Affairs function, through the Shareholders & Governance (S&G) Unit instituted in July 2015, works with IR on investor engagement activities relating to corporate governance subjects, with responsibility for establishing structured guidelines for continuous management of relations with external stakeholders (shareholders, investors and proxy advisors) and internal stakeholders (the Company's governing bodies and other Company functions involved).

After publication of the 2015 Report, intensive relational activities were performed with institutional investors and proxy agencies, in liaison with IR and with the active involvement of the Group HR&Organisation (Group Reward & Inst. HR Processes) function and the Group Communication & Public Affairs (Group Social Responsibility) function, some of them at a specific cycle of meetings (Roadshow). These activities focused on subjects relevant to the financial community relating to the three pillars of our corporate governance, which include Remuneration and Corporate Social Responsibility in addition to corporate governance strictly so called. They are designed to convey our corporate governance decisions and receive feedback, which provides useful input for the continuous internal evaluation and review process.

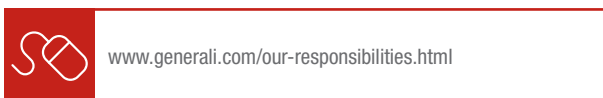
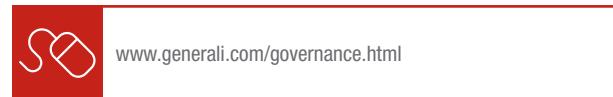
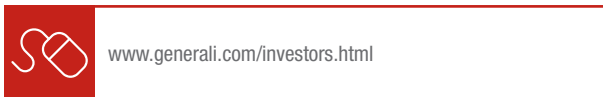
The contacts initiated were also designed to facilitate the financial community's perception of our organisational structure in relation to the appointment of the new Board of Directors, which took office in April 2016.

Another opportunity for dialogue with the financial community was provided by Investor Day, held in London on 23 November 2016, when Generali presented its updated strategic plan.

S&G's tasks include continuous management of relations with the large number of retail shareholders, currently accounting for 25% of the share capital, which peaks in the

run-up to General Meetings. The table below provides an overview of the engagement initiatives. S&G's tasks include continuous management of relations with the large number of retail shareholders, currently constituting about 30% of our capital, which are intensified in the run-up to General Meetings. The table below provides an overview of the initiatives implemented in the ambit of the engagement activities.

The contact details of the Company functions referred to in this Report are available in the Investors, Governance, Our Responsibility and Media sections of the Website.



Engagement with institutional investors and proxy agencies 2016

Outreach with Proxy Agency	February, March and September
Governance & Remuneration Roadshow: Engagement before General Meeting	March and April

Investor Relations contact details

+39 040 671402	Telephone number for institutional investors and proxy agencies
+39 040 671338	Fax number for institutional investors and proxy agencies
ir@generali.com	Email address for institutional investors and proxy agencies

Engagement with retail shareholders 2016

General Meeting	Corporate office supporting General Meeting activities for retail and institutional shareholders
Investor's info	Newsletter sent twice a year, one before the 2016 General Meeting (in early April) and the second after the Investor Day held on 23 November
General Meeting brochure	Sent to shareholders in early April. It contains the notice of call, and documents and information useful for attendance at the General Meeting
Chairman's statement	All shareholders who attended the last two General Meeting (in person and on their own account) receive a letter from the Chairman, also containing his Christmas greetings
Documentation	The S&G unit sends individual shareholders Company documents upon request (e.g. financial statements and minutes of General Meeting)

Shareholders & Governance contact details

+39 040 671621	Telephone number for shareholders
+39 041 3362876	Fax number for shareholders
Azionisti@generali.com Shareholders@generali.com	Email addresses for retail shareholders

The corporate website – www.generali.com

Combining compliance with communication

We are very pleased to inform you that [generali.com](http://www.generali.com) is ranked among the top 5 corporate ebsites in Italy and as the best European insurance website by Comprend, a leading analyst of the online institutional communications of the top 500 European companies, thus consolidating its presence in the top tier of this prestigious ranking, in which it has appeared for the last six years. This is further evidence of the disclosure quality in terms of contents and transparency which is a core principle for Generali. The corporate website has long been the tool used to publish the main items of information about the Company, including price-sensitive information communicated to the market as required by the applicable regulations, promptly and at global level. The website, available in

English and Italian, is regularly updated to provide all stakeholders with accurate, clear, comprehensive information.

The new [generali.com](http://www.generali.com) website went live in August 2015, following of an innovative project developed in liaison with the main GHO functions. The website, designed on the basis of a **responsive approach** (i.e. optimised so that it can be viewed effectively on desktop computers, tablets and smartphones using the iOS and Android operating systems), now has a more modern, simpler, clearer graphic design, and navigation that complies with established international practices, as certified by external advisors Bowen Craggs of London. Particular care has been taken with the presentation not only of the Company and the Group, but also of the basic concepts of insurance (also in the context of financial education), commitment to responsible business management, corporate culture, and employer branding.

In **institutional terms**, in line with the requirement for transparent information, a great deal of space has once again been devoted to presentation of the share ownership structure and financial and accounting data; other documents promptly published include the latest approved financial statements and complete company reports for the last few financial years. Substantial coverage is devoted to the main corporate events, such as the *General Meeting*, Investor Day and market disclosure of *financial results* (quarterly, half-yearly and annual reports), which are described with a wide variety of documentary evi-

dence and video materials. These are the main topic of the homepage of the website at the relevant time of year. Other specific sections are devoted to **corporate governance**, investor relations and media relations.



Governance section

Comprehensive information is provided about the Governance System, the Board of Directors, the Board of Statutory Auditors and the Board Committees. The main corporate documents, such as the Articles of Association, the General Meeting Regulation and this Report, can also be consulted and downloaded. This section also includes all information about the General Meeting, together with information about internal dealing (including transactions performed by our internal dealers), remuneration policies, related-party transactions, our authorised representatives, and the organisational and management model.

Investors' section

This section includes the main financial data, periodic financial statements and info about the Generali shares. The Investors section contains the share ownership (in the Share Information and Analysts subsection) and the financial calendar, which shows the dates of the meetings of the Company's governing bodies, such as the General Meeting and the Board of Directors, called to approve the draft and final annual financial statements, the consolidated financial statements, the half-year report and the interim financial reports. There is also a page is devoted solely to retail shareholders, together with contact details for institutional and retail investors.

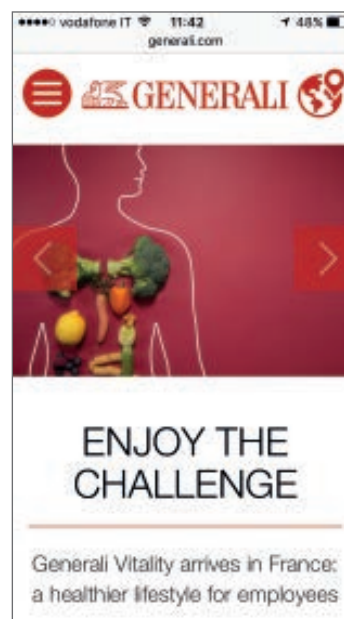
Media section

Press releases, Generali's share ratings and Group news are promptly published in this section. The *Events Calendar* sub-section describes the main events of the year at Group level.

Evolution of the corporate website: creativity and development for a visual and social approach

In spring 2016, an **anonymous online survey** was conducted to collect information directly from our users regarding their satisfaction with our website. The survey lasted for 4 months, and over 3,300 replies were collected. Users proved to be very satisfied, especially with the new creative and visual de-

sign of the website. Some areas that could be improved also emerged, such as clearer links with the Group's international business structures and better visibility of contact details. A **consistent implementation plan** was therefore drawn up, with the aim of identifying suitable solutions by **spring 2017**.



Over the past year, significant creative efforts have been made to develop an **editorial plan** of more general interest (innovation and technology, sustainability, environment and climate risks, and well-being) on the basis of a more direct, appealing **visual approach**. Videos, photos and infographics have been extensively used, and numerous success stories have been published, to satisfy the requirements of a public increasingly used to digital information. In **late summer 2016**, in order to attract new types of stakeholder by using a more modern style of language, **two new institutional**



social network channels were launched (on Twitter and Instagram), and the use of the professional channel LinkedIn was enhanced.



With a view to further improving the quality of the website, an external analysis (desktop and mobile) was launched with the support of specialist company ASPHI, focusing on accessibility, i.e. **information access for disabled users**, especially the visually impaired. The analysis was conducted with IT tools and human resources, by a working group tasked with achieving a number of aims. The analysis produced a list of functional improvements, which will be implemented in **early 2017**.





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Corporate governance players

Board of Directors

Appointment: 28 April 2016
End of term of office: April 2019

Directors: 13
Executive director: 1
Independent directors: 8

Board Committees: 5

Risk and Control Committee, Corporate Governance and Social & Environmental Sustainability Committee, Appointment and Remuneration Committee, Related-Party Transactions Committee, Investment Committee⁷.

Membership - Current directors

The 2016 General Meeting appointed a Board of Directors which will hold office until the approval of the financial statements for the 2018 financial year, consisting of 13 directors (as against 11 on the previous Board). The following 11 directors were appointed from the majority list submitted by Mediobanca S.p.A.: Gabriele Galateri di Genola, Francesco Gaetano Caltagirone, Clemente Rebecchini, Philippe Donnet, Lorenzo Pelliccioli, Ornella Barra, Alberta Figari, Sabrina Pucci, Romolo Bardin, Paolo Di Benedetto and Diva Moriani. Roberto Perotti and Paola Sapienza were appointed from the minority list, submitted by a number of institutional investors under the aegis of Assogestioni. The proposals submitted by the Board of Directors to the General Meeting did not include any opt-out from the non-competition clause laid down in s. 2390 of the Italian Civil Code.

The appointments of nine directors who held office during the term three-year period were confirmed, while direc-

tors Bardin, Di Benedetto, Moriani and Perotti were newly appointed. Philippe Donnet had already been co-opted to the Board of Directors on 17 March 2016, and appointed Managing Director and Group CEO, to replace Mario Greco, who had resigned.

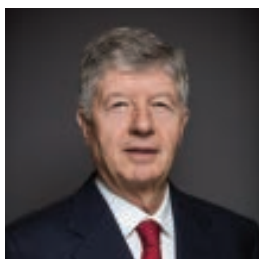
As regards gender equality, women account for 38% of the Board of Directors.

As regards the independence requirements, at the time of their appointment 8 directors (Bardin, Barra, Di Benedetto, Figari, Moriani, Perotti, Pucci and Sapienza) complied with the independence requirements laid down in ss. 147-ter.4, and 148.3, of the CFBA and in article 3 of the GC Code.

All directors meet the professional, respectability and independence requirements laid down in the legislation applicable to the insurance industry.

⁷

The Investment and Strategic Transaction Committee (ISTC), set up on 25 January 2017, performs consultative, recommendatory and preparatory functions relating to strategic transactions. Its Chairman is the Group CEO, Philippe Donnet, and its members are: Francesco G. Caltagirone, Gabriele Galateri di Genola, Lorenzo Pelliccioli, Clemente Rebecchini and Paola Sapienza.



Gabriele Galateri di Genola*
Chairman - Non-executive Director

Nationality: Italian
Professional background: Manager
Positions held since 8 April 2011

Board Committees: Chairman of the
Corporate Governance and Social &
Environmental Sustainability Committee

* As a result of the termination of the agreement with Mario Greco on 9 February 2016, the Chairman temporarily performed the office of Group CEO until appointment of the new Group CEO, Philippe Donnet, in line with the Company succession policy.

Career

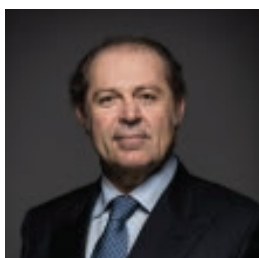
He was born in Rome on 11 January 1947. He graduated in law and obtained an MBA at the Columbia University. His professional career began in 1971 at the headquarters of Banco di Roma, with the role of Head of the Financial Analysis Office and, later, Head of the International Financing. In 1974 he joined Saint Gobain Group in Italy as Financial Director and later in Paris until 1976. In 1977 he joined FIAT S.p.A., where he had increasingly high-ranking positions: from head of the North, Central, and South American Operations of the International Finance Department to head of the International Finance Department and Finance Director. In 1986 he was appointed managing director of Ifil S.p.A. and, in 1993, he also held the position of managing director and general manager of IFI until 2002. In June 2002 he was appointed managing director of FIAT S.p.A. From April 2003 to June 2007, he was chairman of the Board of Directors of Mediobanca S.p.A. and, from 3 December 2007 until 12 April 2011, he was chairman of Telecom Italia S.p.A.. From 26 April 2003 until 24 April 2010, he was director and vice-chairman of Assicurazioni Generali S.p.A.

Relevant positions under the internal policy on the plurality of offices

Non-executive member of the Board of Directors of Moncler S.p.A. and Edenred S.A.

Other positions

Member of the Board of Directors of Fondazione Giorgio Cini Onlus and Lavazza S.p.A.. He is the Chair of Istituto Italiano di Tecnologia (Italian Institute of Technology), Chairman of the Corporate Governance Committee of Borsa Italiana, a member of the Board of Overseers of the Columbia Business School and of the European Advisory Board of Temasek. Member of the Global Advisory Council of Bank of America Merrill Lynch.



Philippe Donnet
Managing Director (Group CEO) – Executive Director
ICRM Director

Nationality: French
Professional background: Manager
Position held since 17 March 2016

Board Committees: Chairman of the
Investment Committee

Career

He was born in Suresnes (France) on 26 July 1960. He graduated at the École Polytechnique and Institut des Actuaires Français in Paris. From 1985 to 2007, he held a number of positions in the AXA Group, most recently serving as CEO, Asia Pacific. In 2007 he became the Managing Director for Asia Pacific at Wendel Investissement, Singapore. In 2010, he co-founded the investment management company HLD in Paris. On 7 October 2013, he joined Generali as Country Manager Italy and CEO of Generali Italia, position he held until May 2016. Knight of the National Order of Merit (France).

Relevant positions under the internal policy on the plurality of offices

He does not hold any relevant positions under the internal policy on the plurality of offices

Other positions

Vice-chairman and member of the executive committee of ANIA, Chairman of MIB School of Management.



Francesco Gaetano Caltagirone
Deputy Vice-Chairman - Non-executive Director

Nationality: Italian
Professional background: Entrepreneur
Positions held since 28 April 2007
Vice-Chairman since 30 April 2010

Board Committees: Investments
Committee - Appointments and
Remuneration Committee (on
appointments)

Career

He was born in Rome on 2 March 1943. As he graduated as an engineer, he revamped his family's construction, extending its business to the cement and media sectors, setting up one of the largest Italian business groups, which includes five listed companies, significant strategic holdings and with a growing international presence. He was appointed "Cavaliere del Lavoro" in 2006.

Relevant positions under the internal policy on the plurality of offices

Chairman of Caltagirone S.p.A., Caltagirone Editore S.p.A. and non-executive member of the Board of Directors of Cimentas (Caltagirone Editore S.p.A. and Cimentas are part of the Caltagirone Group)

Other positions

Chairman of Il Messaggero S.p.A. (Part of the Caltagirone S.p.A.) and non-executive member of the Board of Directors of Aalborg Portland Holding A/S.



Clemente Rebecchini
Vice-Chairman - Non-executive Director

Nationality: Italian
Professional background: Manager
Positions held since 11 May 2012
Vice-Chairman from 06 November 2013

Board Committees: Risk and Control
Committee - Investment Committee

Career

He was born in Rome on 8 March 1964 and, after graduating in Economics and Business, he became a certified public tax accountant in 1988. In 1989 he joined Mediobanca.

Relevant positions under the internal policy on the plurality of offices

Non-executive member of the Board of Directors of Italmobiliare S.p.A.

Other positions

Central Director, head of Principal Investing Division of Mediobanca. Member of the Board of Istituto Europeo di Oncologia S.r.l..



Romolo Bardin
Director - Non-executive independent Director*

Nationality: Italian
Professional background: Manager
Position held since 28 April 2016

Board Committees: Risk and Control
Committee - Related-Party Transaction
Committee

Career

He was born in Belluno on 23 April 1978. He graduated in Business Administration from Ca' Foscari University in Venice. Since 2002, he has been working for Del Vecchio Group, first at Luxottica S.p.A. and later at Delfin S.a.r.l. He is currently Chief Executive Officer at Delfin S.a.r.l. and at other companies of the same group.

Relevant positions under the internal policy on the plurality of offices

Member of the Board of Directors, member of the Audit Committee and the Strategic and Investment Committee of Fonciere des Regions.

Other positions

Member of the Board of Directors of the following companies belonging to Fonciere des Regions: Batisica SA, Berlin I, Berlin V, Immeo Lux S.a.r.l., Immeo Berlin S.a.r.l., Berlin Prime Commercial S.a.r.l., Immeo Valore 4 S.a.r.l. and Immeo Valore 6 S.a.r.l.; Member of the Board of Directors of Accialtalia S.p.A..



Ornella Barra
Director - Non-executive independent Director*

Nationality: Monaco
Professional background: Entrepreneur
Positions held since 30 April 2013

Board Committees: Chair of the
Appointments and Remuneration
Committee

Career

She was born in Chiavari (Genoa) on 20 December 1953 and, after graduating in Pharmacy at the University of Genoa, she started her career in the pharmaceutical sector, initially as a pharmacist. In 1984 she founded a pharmaceutical distribution company named Di Pharma, which was subsequently bought by Alleanza Salute Italia, of which she later became Managing Director and Chair. She was a member of the board of Alliance Santé and executive director of Alliance Unichem Plc. Following the merger between the latter and Boots Plc., she held important positions in Alliance Boots. In December 2014, Walgreens and Alliance Boots merged into Walgreens Boots Alliance, the leading global company in the industry of health and wellness based on pharmaceuticals.

Relevant positions under the internal policy on the plurality of offices

Co-Chief Operating Officer di Walgreens Boots Alliance, Inc..

Other positions

Non-independent member of the Board of AmerisourceBergen. She is also among the founders of the European Pharmacists Forum (EPF), honorary professor at the University of Nottingham, School of Pharmacy, Deputy Chair of the Italian Pharmaceutical Distributors' Association (ADF) and Chair of the International Federation of Pharmaceutical Wholesalers (IFPW) based in New York. She is a member of the board of Efficient Consumer Response Europe.

* Independence under the GC Code.



Paolo Di Benedetto
Non-executive independent Director*

Nationality: Italian
Professional background: Lawyer
Position held since 28 April 2016

Board Committees: Chairman of the
Related-Party Transaction Committee
- Corporate Governance and Social &
Environmental Sustainability Committee

Career

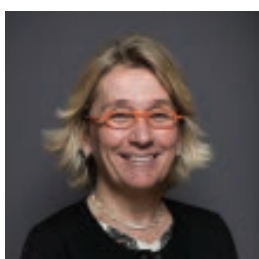
He was born in Rome on 21 October 1947. He graduated in Law with specialization in Administrative Sciences from La Sapienza University, Rome. He started his career at Banco di Napoli. He worked in Consob, first as a manager and later as a commissioner. He was also Managing Director of SIM Poste S.p.A., BancoPosta Fondi S.p.A. SGR and member of the Board of Directors of Acea S.p.A., Banca Finnat S.p.A. and of Istituto Poligrafico e Zecca dello Stato S.p.A.. He has taught courses on securities law at the LUISS Guido Carli University in Rome and later at Tor Vergata University in Rome.

Relevant positions under the internal policy on the plurality of offices

Independent Director in Edison S.p.A. and Cementir Holding S.p.A.

Other positions

Chair of the Fondo Nazionale di Garanzia (national compensation fund between financial intermediaries)



Alberta Figari
Non-executive independent Director*

Nationality: Italian
Professional background: Lawyer
Position held since 30 April 2013

Board Committees: Chair of the Risk
and Control Committee - Corporate
Governance and Social & Environmental
Sustainability Committee

Career

She was born in Milan on 30 January 1964 and graduated in Law at the University of Milan in 1988. She received a Master of Laws at King's College in London and she joined the Bar Association of Milan in 1992.

Relevant positions under the internal policy on the plurality of offices

She does not hold any relevant positions under the internal policy on the plurality of offices

Other positions

She is a partner of the Clifford Chance law firm, where she gained significant experience in the sectors of company, banking/insurance, and financial law. She is a member of the Surveillance Body of Nice S.p.A..



Diva Moriani
Non-executive independent Director*

Nationality: Italian
Professional background: Manager
Position held since 28 April 2016

Board Committees: Appointments and
Remuneration Committee - Related-Party
Transaction Committee.

Career

She was born in Arezzo on 18 October 1968 and graduated in Business and Economics at the University of Florence. She has been working for Intek Group S.p.A. since 1994, she became member of the Board of Directors in 2002 and since 2007 as Executive Vice chair. She is Managing Director of KME AG and she covers many executive roles and/or Board positions in the main companies of the Intek Group.

Relevant positions under the internal policy on the plurality of offices

Member of the Board of Directors, CEO of the Nomination and Remuneration Committee and member of the Related Parties Committee of Moncler S.p.A.; Member of the Board of Directors, member of the Nomination and Risk and Control Committees of ENI S.p.A.; Member of the Board of Directors of Ergycapital S.p.A.

Other positions

Member of the Board of Directors of Dynamo Academy, Dynamo Foundation and Dynamo Association.

* Independence under the GC Code.



Lorenzo Pellicoli
Non-executive Director

Nationality: Italian
Professional background: Manager
Positions held since 28 April 2007

Board Committees: Appointments and Remuneration Committee

Career

He was born in Alzano Lombardo (Bergamo) on 29 July 1951. After starting his career in the fields of journalism and television, in 1984 he joined the Mondadori Espresso Group, where he soon held top positions. After moving to the Costa Crociere Group, between 1990 and 1997 he was first Chairman and Managing Director of Costa Cruise Lines and of Compagnie Française de Croisières, then Worldwide General Manager of Costa Crociere S.p.A.. He was Managing Director of SEAT Pagine Gialle S.p.A., director of ENEL, INA, Toro Assicurazioni and a member of the Advisory Board of Lehman Brothers Merchant Banking.

Relevant positions under the internal policy on the plurality of offices

Managing Director of De Agostini S.p.A., Deputy Chairman of IGT PLC and Chairman of the Board of Directors of DeA Capital S.p.A. (IGT PLC and DeA Capital S.p.A. belong to the De Agostini Group).

Other positions

Member of the Board of Directors and of the Executive Committee of De Agostini Editore. He also holds the position of member of the Council of general partners of B&D Holding di Marco Drago e C. S.A.p.A.. He is a member of the advisory boards of Investitori Associati IV, Wisequity II, Macchine Italia and of Palamon Capital Partners.



Roberto Perotti
Non-executive independent Director*

Nationality: Italian
Professional background: University professor
Position held since 28 April 2016
appointed from the minority list

Board Committees: Risk and Control Committee - Related-Party Transaction Committee

Career

He was born in Milan on 7 April 1961. He graduated in Economics from Università Bocconi in Milan. He accomplished a Ph.D. at the Department of Economics in MIT. From 1991 to 2010 he was professor in Economics in many universities, among them Columbia University and Bocconi. From 1998 to 2010 he was the editor of some economic and financial journals, among which the Journal of the European Economic Association. He is the author of many essays and publications on national and international magazines.

Relevant positions under the internal policy on the plurality of offices

She does not hold any relevant positions under the internal policy on the plurality of offices

Other positions

Member of the Advisory Scientific Committee of CREI, Universitat Pompeu Fabra, member of the International Research Fellows Network, Kiel Institut für Weltwirtschaft, and member of the Scientific Committee of Austrian Institute of Economic Research (WIFO).



Sabrina Pucci
Non-executive independent Director*

Nationality: Italian
Professional background: University professor
Positions held since 30 April 2013

Board Committees: Risk and Control Committee - Appointments and Remuneration Committee (on appointments)

Career

She was born in Rome on 30 August 1967 and, after graduating in Economics and Business at La Sapienza University in Rome and many years of experience at regulator authority, she started her academic career. Her main research areas include international accounting principles, risks, insurances, banks, financial instruments, non- tangible assets, and pension funds. She wrote numerous scientific publications on these topics.

Relevant positions under the internal policy on the plurality of offices

She does not hold any relevant positions under the internal policy on the plurality of offices

Other positions

She has been Full Professor of Business Administration at the Economics Faculty of Roma Tre University since 2005. She is a member of the Insurance Accounting Working Group at the EFRAAG.

* Independence under the GC Code.



Paola Sapienza
Non-executive independent Director*

Nationality: Italian
Professional background: University professor
Positions held since 30 April 2010
Appointed from the minority list

Board Committees: Related-Party Transaction Committee - Investment Committee.

Career

She was born in Catania on 19 March 1965. After graduating in political economics at Bocconi University, in Milan, she later specialized at Harvard University, obtaining a master and a Ph.D. in economics. After a stint at the research department of the Bank of Italy, she launched her academic career in the United States. Her specialization areas and the subjects of numerous publications written by her include, in particular, corporate governance, business finance and banking economics. From 2011 to 2013, she was member of the Board of Directors of the American Finance Association.

Relevant positions under the internal policy on the plurality of offices

She does not hold any relevant positions under the internal policy on the plurality of offices

Other positions

She holds the Finance Merrill Lynch Professor chair at the Kellogg School of Management of Northwestern University. She is a Research Associate at the National Bureau of Economic Research, Research Affiliate of the Center for Economic Policy Research e Faculty Fellow of Zell Center for Risk Research. She is also member of the Board of the Academic Female Finance Committee of the American Finance Association.



Giuseppe Catalano
Board secretary

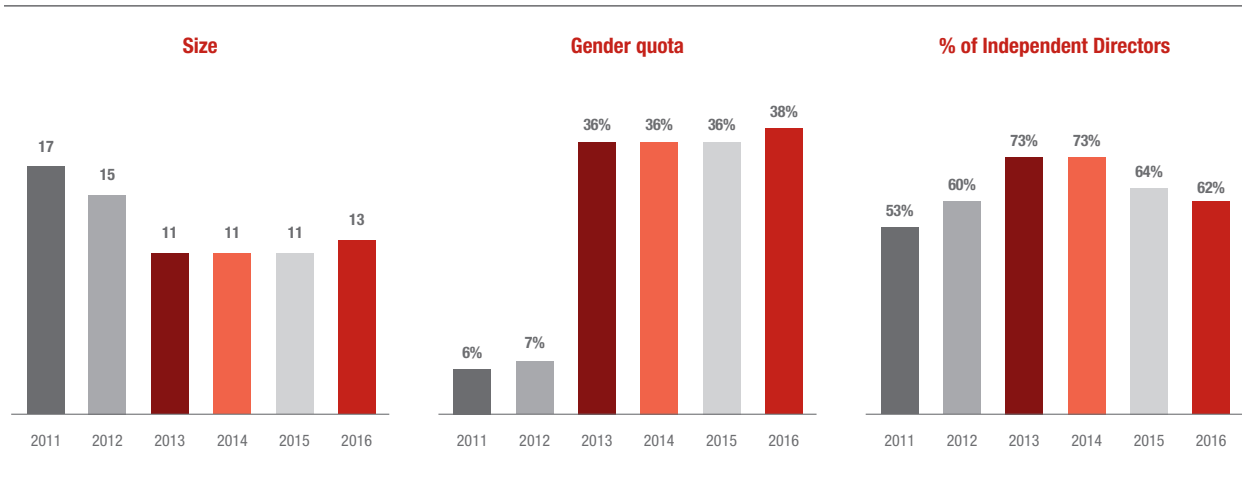
Nationality: Italian
Professional background: Manager
Positions held since 15 January 2015

Career

He was born in Bari on 21 April 1967. From 2005 to January 2015 he was Legal and Corporate Affairs Executive Director of Indesit Company S.p.A., with responsibilities of co-ordination of legal and corporate advisory activities of the Group. From 2000 to 2005 he was head of the Legal and Corporate Division of Natuzzi S.p.A., a company listed on the NYSE, and, previously, he was in-house counsel at various banks in Italy and Luxembourg. He practiced law and obtained a post-graduate diploma from SSSUP S. Anna, Pisa. He taught financial markets law as a sessional professor and he was the public prosecutor's consultant in a criminal proceeding concerning the analysis of organisational and control models, pursuant to Legislative Decree 231/2001, of the companies under investigation. He has written numerous scientific contributions in various areas of civil and commercial law.

Current positions

He is a member of the Consultative Working Group of ESMA's Secondary Markets Standing Committee.



* Independence under the GC Code.

When lists for the appointment of the Board of Directors are submitted, the Board encourages shareholders to ensure a suitable level of diversity and, with the support of the Appointments and Remuneration Committee, it issues advice on the ideal qualitative and quantitative membership.

Generali recognises the benefits that may result from diversity of gender, age group, seniority, education and professional background on the Board, with a view to promoting robust, constructive debate. Diversity on the Board of Directors is also guaranteed by the Articles of Association and the Fit&Proper Policy, which establish age limits for holding office, gender quotas, and respectability, professionalism and independence requirements for Directors, in view of the size and complexity of the Company, its business objectives and its strategic vision.

As at 31 December 2016, the average age of the Board of Directors was 57 years (59 in 2015). In terms of seniority, the current Board has a more balanced membership. The average seniority being 5.3 years (5.03), over the past 13 years, 31% (36%) of members exceeded the average seniority, 31% (18%) were between the average and 3 years, and the remaining 38% (45%) under 3 years.

The new Board, either directly or indirectly, includes leading Group shareholders, business people from a wide variety of industries, executives from major Italian and foreign companies, professors of economic and financial subjects, and independent professionals.

In particular, 54% of members have experience as directors of issuers with a high stock-market capitalisation, while 62% have a managerial background and international experience; 77% have experience in the insurance industry and 62% in manufacturing, 77% have financial and accounting skills and 38% in the academic area; 23% are experienced business people, and 46% are experts in the legislative and regulatory fields. In terms of professional experience, the current Board membership is therefore appropriate in relation to the business of the Company and the Group.

Appointment and replacement

According to the amendment to the Articles of Association approved in 2016, the Board of Directors shall consist of not less than 10 (previously 11) and not more than 21 members, appointed by the General Meeting after their number has been established.

With the introduction of the list voting system into our corporate governance system, the majority list is entitled to appoint the entire Board of Directors, apart from one, two or three directors (selected from the list that obtained the second-highest number of votes), depending on whether the number of Board members to be appointed, pre-determined by the General Meeting, is under 12, between 12 and 15, or more than 15 members. Members of the Board of Directors must meet the statutory requirements of professionalism, respectability and independence, and at least one-third of directors must also meet the statutory independence requirements for Statutory Auditors⁸. If the number of members of the Board of Directors established by the General Meeting is not a multiple of 3, the number of Independent Directors is rounded down to the nearest unit.

Lists may be submitted by shareholders who, either individually or jointly, represent at least 0.5% of Generali's share capital. All those entitled to vote, companies directly or indirectly controlled by them, and companies directly or indirectly subject to joint control, may submit only one list. The Articles of Association do not entitle the Board of Directors to submit lists.

The composition of the Board of Directors must comply with the gender balance required by current legislation. The Articles of Association also specify age limits for the office of Director (77 years), Chairman (70 years) and Managing Director (65 years).

Elections to the Board of Directors are conducted as provided by art. 28 of the Articles of Association. All the Directors to be elected are drawn from the list that obtained the highest number of votes cast by shareholders on the basis of the sequential number with which the candidates are listed, with the exception of those to be drawn from the second list. If the number of Directors of the less represented gender drawn from that list is less than the statutory number, the elected candidate who has the highest sequential number and belongs to the more represented gender is excluded; the excluded candidate is replaced by the next candidate belonging to the less represented gender, drawn from the same list as the excluded candidate. If it is impossible 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 are appointed by the General Meeting by majority vote.

⁸

The positions of director meeting these particular independence requirements and minority director may be held by the same person.

Lists must be filed at the Company's registered office not later than the 25th day before the date of the first or only convocation of the General Meeting. The following documents shall be submitted together with the lists:

- 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;
- and statements in which 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 statutory requirements of respectability, professionalism and independence.

Members of the Board of Directors hold office for three financial years; their appointment expires on the date of the General Meeting that approves the financial statements for the last financial year of their mandate, and they may be re-elected. If directors are appointed during the three-year period, the appointments of the newly-elected members expire at the same time as those of the directors already holding office.

If a director drawn from the minority list ceases to hold office, that director is replaced by the Board of Directors by appointing the first of the unelected candidates in the list to which the replaced director belonged, provided that the said candidate is still eligible and willing to accept the office; if a director drawn from the majority list ceases to hold office, the General Meeting replaces that director, if possible, by appointing the replacement from among the candidates on the same list who have already accepted the replacement.

In all other cases in which a director ceases to hold office during the three-year term, he/she is replaced in accordance with the applicable statutory provisions. If an independent director ceases to hold office, his/her replacement, co-opted by the Board of Directors on the proposal of the Appointment and Remuneration Committee or appointed by the General Meeting, must meet the statutory independence requirements for the office of statutory auditor.

The Board of Directors appoints a Secretary, who need not be a Director. According to an established practice, the Secretary holding office is not a Director of the Company.

Generali has a policy for the Group CEO's Succession

Plan, approved by the Board of Directors on the proposal of the ARC after consulting the GSC about the scope of application of the succession plan and its drafting process. The ARC has the annual task of examining proposals for amendments to the Plan and submitting them to the Board of Directors for examination. The process of identifying the Group CEO's successor involves two separate procedures: the final procedure and the procedure used in urgent situations. In both procedures, the Board of Directors is supported by the ARC which, in turn, is assisted by the Head of the Group HR and Organisation function. The Board of Directors is also supported by the GSC when passing resolutions on the Group CEO's replacement and the corresponding assignment of powers. In the event of early termination of the Group CEO's term of office, the compensation payable and the other connected aspects are set out in the Remuneration Report.

The Board of Directors, after consulting the ARC, has approved a succession planning policy for the key figures in the Group. The target population involved was divided into three definition levels. It primarily relates to members of the GMC and the GLG, consisting of some 200 key executives of the Group who, as a whole, constitute the top management of Generali (these are positions in the Business Units and GHO which have a significant impact on the business results). The succession planning process also involves the possible successors of GLG members, identified as about 200 people.

Requirements for the position of director

Directors must be chosen according to criteria of professionalism and competence from persons who have acquired a total of at least three years' experience in the exercise of qualifying professional activities.

They must also meet specific requirements of respectability and independence, namely those laid down in the CFBA, the CG Code and Decree no. 220/2011. Loss of the respectability or independence requirements laid down in the Articles of Association entails debarment from office. As already stated, persons aged 77 or more at the time of appointment cannot be elected as Directors.

To ensure compliance with the terms of the Solvency II Directive and art. 5.2.1 of ISVAP Regulation no. 20/2008, Generali has approved a Fit&Proper Policy which sets out the minimum mandatory requirements of profession-

alism and respectability for holders of certain key offices or roles (“Key Personnel”⁹), and the minimum contents

and time limits for evaluating whether those requirements are met.

REGULATORY BOX



The Economic Development Ministry’s Decree no. 220 of 11 November 2011 sets out the requirements of professionalism, respectability and independence for Directors, Statutory Auditors and General Managers of insurance and reinsurance companies whose registered office is situated in Italy that candidates must possess, failing which they are ineligible. During their term of office, lack of those requirements and the presence of disqualifying situations entails debarment from the appointment, which the Board of Directors must declare within 30 days of the date of the appointment or becoming aware of the supervening lack of the said requirements. If the Board of Directors fails to take action with regard to the requirements of professionalism, respectability and independence, the debarment is ordered by IVASS pursuant to art. 76.2 of the Private Insurance Code.

S. 147-*ter*.4 of the CFBA states that at least one member of the Board of Directors, or two if the Board of Directors has more than seven members, shall meet the independence requirements established for Statutory Auditors by s. 148.4 thereof. However, the Articles of Association has increased this minimum requirement, stating that it must be met by at least one-third of directors: if their number is not a multiple of three, the number of independent directors will be rounded down to the nearest unit. Once again, loss of the requirement entails debarment from office. Finally, the independence requirements specified in art. 3 of the CG Code must be met by at least one-third of directors; however, as this is not required under the Articles of Association, loss of the requirements does not entail debarment from office.

The competence of the Directors is evaluated by the BoD from both the individual and the collective standpoint. Our Fit&Proper Policy establishes that members of the Board of Directors and the Board of Statutory Auditors must collectively possess suitable experience and knowledge, at least relating to:

- the markets on which the company in question operates
- the strategy and business model;
- the governance system;
- actuarial and financial analysis (for insurance companies);
- legislative context and regulatory requirements.

As regards timing, the evaluation of professionalism must be conducted:

- whenever a new member is appointed;
- at least once a year;
- in the event of changes to the composition of the body.

The Policy states that Key Personnel must also be respectable (ie. reliable, financially sound and with a good reputation) in order to perform their responsibilities. It

also states that unless otherwise specified by law, past infringements do not automatically entail loss of the respectability requirement. The evaluations regarding the respectability requirements for Key Personnel must be conducted together with those relating to the requirements of professionalism.

Acceptance of office implies that the director is ready to devote the necessary time to diligent performance of his/her tasks, taking account of the number of directorships or appointments as statutory auditor held in other companies (listed on Italian or foreign regulated markets, or finance, banking or insurance companies or other large companies), and of any other professional activities performed by the person concerned. Companies with a net equity exceeding EUR 10 billion qualify as companies of significant size. Acceptance of office implies that the Director has already established that s/he will be able to devote the necessary time to diligent performance of his/her tasks, 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. Large companies are defined as those with net equity exceeding EUR 10 billion.

A maximum of two offices held in other companies for executive directors and five for non-executive directors is usually deemed to be compatible with the effective per-

⁹

Key personnel: Members of the Board of Directors, members of the Board of Statutory Auditors, the Group CEO and his first reporting lines (“Key management personnel”); the Heads of the Internal Control functions (ie. the Compliance, Internal Audit, Risk Management and Group Actuarial functions); personnel who exercise control over some outsourced activities (management of insurance portfolio, management of financial and real estate assets).

formance of a directorship of the Company. Offices held in companies in the same Group will be considered as a single office.

The Group CEO does not hold any directorships in other issuers, not belonging to the Group, whose Chief Executive Officer is a director of the Company.

As every year, the independence, professionalism and respectability requirements have been reviewed, also according to the terms of the Fit&Proper Policy, and no situations involving loss of the requirements, incompatibility (also pursuant to s. 36 of Statute no. 214/2011), or exceeding the allowed number of offices, were found.

REGULATORY BOX



S. 36 of the Order of the Executive no. 201 of 6 December 2011, converted to Statute no. 214/2011: regarding protection of competition and the independence of members of the top management of companies operating on the credit and financial markets:

- persons holding offices in management, supervision and control bodies and top management executives of companies or groups of companies operating on the credit, insurance and financial markets are prohibited from accepting or exercising similar functions in competing companies or groups of companies;
- for the purpose of the prohibition contained in sub-section 1, “competing” shall mean companies or groups of companies between which there is no controlling relationship as defined in s. 7 of Statute no. 287 of 10 October 1990, and which operate on the same geographical and product markets;
- holders of incompatible offices as defined in the said Decree may, within 90 days of the date of appointment, choose which office, to which they were appointed by the competent company body, they will continue to perform. If no such option is exercised by that date, the holder shall be debarred from both offices, and the debarment shall be declared by the competent governing bodies of the organisations concerned within 30 days after the said period expires or breach of the prohibition comes to their knowledge. If no action is taken, the debarment shall be declared by the Regulator of the appropriate industry.

Non-executive and independent directors

As at 31 December 2016, 8 of the 12 non-executive directors met the independence requirements laid down in the CG Code, according to which the Chairman and the Group CEO are “leading representatives”, and therefore not independent.

The number of non-executive and independent directors is sufficient to guarantee that their opinion has decisive importance when decisions are taken by the Board of Directors. Their professional background enables the Board of Directors and its Committees to embark on challenging, in-depth discussions of the subjects submitted to them; the Committees mainly consist of non-executive and independent directors, and their support for the decisions of the Board of Directors has increased considerably in the last few years, as illustrated in the chapter dedicated to the Board Committees.

After the appointment of the new Board of Directors, the independence requirement laid down in the insurance supervision legislation (Decree of the Ministry for Economic Development no. 220 of 11 November 2011)

was also reviewed at the Board meeting held on 28 April 2016, compliance was confirmed for all directors. For the purpose of appointment of the Board Committees, compliance with the independence requirement under the CG Code was also established at the same meeting for directors who had declared their compliance when lists for the appointment of the Board of Directors were submitted. The independence requirement under the CFBA and the CG Code was later reviewed at the Board meeting held on 11 May 2016, also on the basis of further information provided by directors who had declared their independence in two supplementary statements, focusing on the existence of the relations specified in the CFBA and the CG Code. Compliance with the independence requirement under the CFBA was confirmed for all non-executive directors, while Directors Francesco Gaetano Caltagirone, Gabriele Galateri, Lorenzo Pellicoli and Clemente Rebecchini do not meet the independence requirement under the CG Code. In this context, the Board of Directors, supported by the GSC, did not use any assessment parameters other than those specified in the CG Code, or any predefined quantitative or qualitative criteria, to evaluate the significance of the relations assessed.

The Company further strengthened the assessment

procedure conducted to establish whether the independence requirements under the CG Code and the CFBA are met (included in the new Regulation of the Board and the Board Committees approved by the Board of Directors on 15 June 2016) by introducing the use of supplementary independence statements to obtain detailed information from independent directors as to whether the dealings or relations defined in the CG Code and the CFBA exist¹⁰. Pre-defined quantitative criteria have been introduced into the Regulation of the Board of Directors and Board Committees to establish the relevance of such dealings or relations. Relevant relations are usually deemed to exist when the – remuneration payable (invoiced on an annual basis in the current financial year and the preceding year) exceeds, for one or more of the applicable years, at least one of the following thresholds:

- 5% of the annual turnover of the parent Group of the company or organisation in which the director has a controlling interest or is a key staff executive, or of the consultancy firm in which he/she is a partner or associate;
- 5% of the annual costs payable by the Group in connection with business or financial relations of the same kind in the relevant financial years; this threshold is reduced to 2.5% in the case of professional dealings.

The independence requirement laid down in the Insurance Supervision Regulation and the CG Code was assessed at the Board meeting held on 15 February 2017. For this assessment, the GSC and the Board of Directors used the tools introduced in June 2016 (as described above) and the information available to the Company, partly obtained with a new operating procedure. The findings of the assessment performed after the appointment of the Board of Directors were confirmed.

The Board of Statutory Auditors has established that the criteria and procedures adopted by the Board of Directors to evaluate the independence of its members were correctly applied.

The figure of Lead Independent Director (LID) recommended by the CG Code is unnecessary, because according to our governance structure, the Chairman is not an executive director and does not control the Company. The institution of the said figure again emerged as a topic for debate during the 2016 Board Review; however,

the majority of the Independent Directors have not so far submitted a proposal to appoint an LID to the Board of Directors. The Independent Directors met twice in 2016.

The average attendance of the Independent Directors at Board meetings was 95% in 2016, 92% in 2015 and 96% in 2014. For more detailed information, see **Table 2** annexed to this Report, containing information about each Director's attendance.

Role

The BoD is vested with the broadest management powers for the furtherance of the corporate objectives. It is also the body responsible for ensuring that the resolutions passed by the General Meeting are implemented promptly and correctly.

Its responsibilities primarily include those specified in the Articles of Association as being the sole responsibility of the Board of Directors, such as proposals for distribution of the annual profit, approval of strategic, industrial and financial plans, transactions of major economic, financial or capital importance, and significant related-party transactions.

In the course of its actions the Board of Directors has instituted an approach based on sustainability of business management; this objective is pursued by means of strategic planning focusing on a 3-year time scale, subject to periodic supervision, which leverages the skills and work of the GHO structures.

Its non-delegatable responsibilities also include, again pursuant to the Articles of Association:

- distributing interim dividends to shareholders during the year;
- formulating proposals for distribution of the profits;
- opening or closing head offices and permanent organisations abroad;
- resolutions relating to mergers, in the cases allowed by law, opening or closing of secondary premises, and amendments to the terms of the Articles of Association and General Meeting Regulation if they become incompatible with new mandatory legislative provisions;
- resolving on the commencement or termination of operations in individual business sectors;
- appointing the General Manager, establishing his powers and duties, and revoking his appointment;
- taking decisions on the criteria for management and

¹⁰

These are trade, financial or professional relations or subordinate employment relations under the CG Code (implementing criteria 3.C.1, point c), or independent and subordinate employment relations as well as other financial relations under the CFBA (s. 148, paragraph 3, point c).

coordination of the companies belonging to the insurance group and the implementation of instructions issued by IVASS;

- resolving on the other subjects which by law cannot be delegated by it.

As regards accounting documents, the statutory responsibilities of the Board of Directors include drawing up:

- the annual financial report;
- the half-yearly financial report as at 30 June of each year.

REGULATORY BOX



S. 2381 of the Civil Code establishes the subjects for which the Board of Directors has sole responsibility, namely those indicated in ss. 2420-ter (Delegation to directors), 2423 (Drafting of financial statements), 2443 (Delegation to directors), 2446 (Reduction of capital due to losses), 2447 (Reduction of share capital below statutory limit), 2501-ter (Merger plan) and 2506-bis (Demerger plan) thereof.

Following legislative changes introduced in 2016, the Board of Directors decided to publish a quarterly interim financial reports containing a more concise overview of our business with a focus on significant data. The information included in the press release about the Group's quarterly financial reports includes at least the following quantitative KPIs (Key Performance Indicators) in line with those supplied in the half-year and annual reports:

- premium trend, new business, net premium income (at Group level with life and non-life breakdown);
- trend of combined ratio;
- operating profit/loss (at Group level with life and non-life breakdown);
- profit/loss for the period;
- net equity;
- capital position (economic and regulatory view).

If necessary, the press release will also contain further qualitative and quantitative information to give a more comprehensive picture of business developments. This information is approved by the Board of Directors and published on the Website on the dates shown in the Group's financial calendar for publication of quarterly results.

The usual conference call with the press and analysts is still held, and in line with Generali's new quarterly reporting approach, the presentation of the results and additional financial data will only be published in the half-year and annual reports.

The further responsibilities reserved for the Board of Directors by Board resolution are listed in full in **Annex 1** to this Report.

Pursuant to s. 150 of the CFBA and art. 32 of the Articles of Association, the Board of Directors reports promptly,

and at least quarterly, to the Board of Statutory Auditors on the activities performed, and in particular on transactions having a major economic, financial and capital impact and transactions in which Directors have an interest, on their own account or on behalf of third parties.

The report is submitted periodically by the Group CFO at Board meetings by illustrating specific reports drawn up in accordance with a pre-defined process. The Board of Directors and the Board of Statutory Auditors are also informed about the general business trend, its likely developments and transactions with a major economic, financial and capital impact. The information in question relates not only to executive activities and developments of operations already resolved on by the Board of Directors, but also to initiatives undertaken by the Executive Bodies, including through the subsidiaries, in the exercise of the powers delegated to them, including decisions taken and projects commenced.

In 2016, after the preliminary activities performed by internal functions as reported to the RCC, the Board of Directors favourably evaluated the adequacy of the organisational, administrative and accounting systems of the Company and its Strategic Subsidiaries. Various aspects of the organisational structure were considered: the Group's organisational structure, its organisational governance, the dynamics of the key positions, and succession planning. The administrative and accounting structure was also evaluated on the basis of the information supplied by the local CEOs and CFOs in statements issued after the local self-assessment process, and on the basis of the further qualitative aspects identified by them and by the relevant GHO functions.

When evaluating the Subsidiaries, other qualitative criteria are also taken into consideration, such as those

relating to companies which, although the size of their capital is not significant, make an essential contribution to the Group in view of the activities they perform. The

current subsidiaries having strategic importance for the purposes of this assessment are listed in the table below.

Area	Country/Group	Strategic Subsidiary
Italy	IT	1.Generali Italia S.p.A. 2.Alleanza Assicurazioni S.p.A. 3.Genertellife S.p.A. 4.Banca Generali S.p.A. 5.Generali Business Solutions S.C.p.A.
France	FR	1.Generali France Assurance S.A. 2.Generali Vie S.A. 3.Generali France S.A. 4.Generali IARD S.A.
Germany	D	1.Generali Deutschland Holding AG 2.AachenMünchener Lebensversicherung AG 3.Central Krankenversicherung AG 4.Generali Lebensversicherung AG 5.Cosmos Lebensversicherungs AG 6. AachenMünchener Versicherung AG 7.Generali Deutschland Informatik Service GmbH 8.Generali Deutschland Schadenmanagement GmbH 9.Generali Deutschland Services GmbH
CEE	CZ	1.Generali CEE Holding B.V. 2.Ceska Pojistovna a.s. 3.Generali Investments CEE a.s.
EMEA	A	1.Generali Holding Vienna AG 2.Generali VIS Informatik GmbH 3.Generali Versicherung AG
	E	1.Generali España, Sociedad Anónima de Seguros y Reaseguros 2.Grupo Generali España Agrupación de Interés Económico 3.Generali España Holding de Entidades de Seguros S.A.
	CH	1.Generali Personenversicherungen AG 2.Generali (Schweiz) Holding AG
Asia	RC	1.Generali China Life Insurance Co. Ltd
International Operations	Generali Investments	1.Generali Investments Europe S.p.A SGR 2.Generali Investments Deutschland Kapital MBH
	Generali Real Estate	1.Generali Real Estate S.p.A.

REGULATORY BOX



Art. 151 of the Issuers' Regulation states that Italian or foreign subsidiaries do not have strategic importance, even if they are included in the consolidated financial statements, if their assets are below 2% of the assets shown in the consolidated financial statements and their income is less than 5% of the consolidated income, provided that the sum of the assets and income of the said companies does not exceed 10% or 15% of the consolidated assets and income respectively. The same article states that Italian or foreign subsidiaries do have strategic importance if, in relation to the type of activity performed or the type of agreements, guarantees, commitments and risks entered into and undertaken, they are able to significantly influence the economic, capital and financial situation of the Group to which they belong.

Operation

The Board of Directors meets regularly, at least quarterly, in line with statutory requirements and an annual schedule. It is organised and it acts at to ensure efficient and effective performance of its role. The Board of Directors

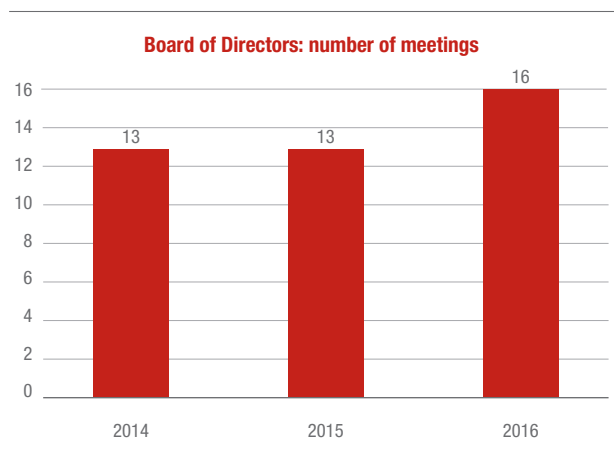
meets regularly, at least quarterly, in accordance with the statutory time limits and an annually approved schedule published on the Website, usually by the end of the first half of the preceding year. It is organised and operates in such a way as to guarantee the efficient, effective performance of its functions.

Two Board regulations have been introduced to govern and schedule the Board's activities:

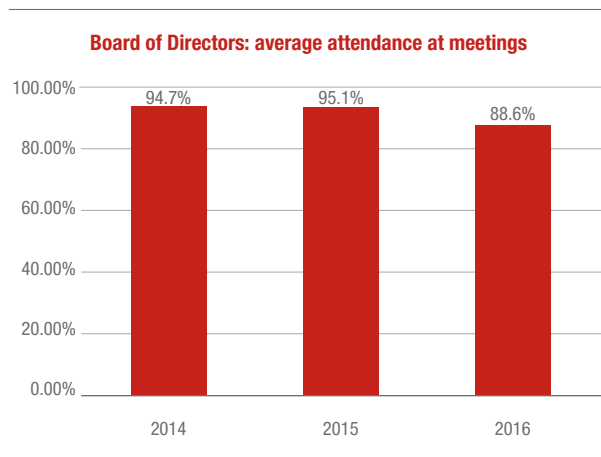
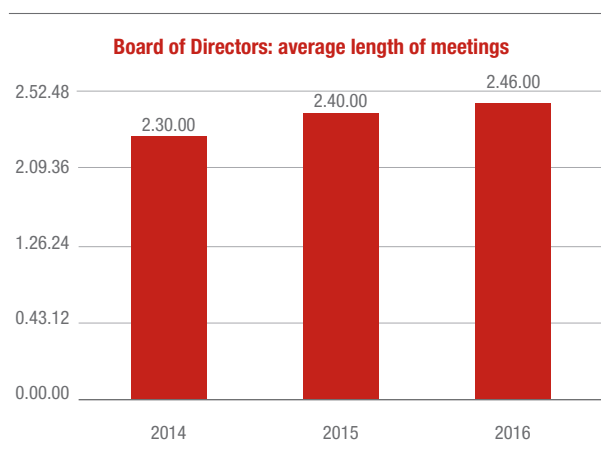
- the Regulation of the Board of Directors and Board Committees, which incorporates the system of Company regulations governing the activities of the said bodies and formally specifies (inter alia) the rights, duties, powers and responsibilities of the Company's Directors acting in the capacity of members of its collective governing bodies. It was extensively revised in 2016 as a result of the new Board Committee system introduced by the incoming Board of Directors after the 2016 General Meeting and the changes to the directors' independence requirement assessment procedure. It also incorporates the recent resolution of the Board of Directors to set up a new Investments and Strategic Operations Committee (ISO).
- the Internal Regulation governing the preparation of the agenda of meetings of the Board of Directors and the Board Committees, which governs the process designed to ensure that Directors receive adequate, timely information about the items on the agenda.

To ensure that Directors are fully informed when passing resolutions, and that Board meetings operate efficiently, the Chairman, when setting the agenda, must specify in detail the subjects to be discussed and clarify on which items Directors are required to pass a resolution, and which

merely require them to take note of a report. The Chairman must also ensure that documentation prepared for meetings is delivered to directors at least 4 working days before each meeting or, in exceptional circumstances, as soon as possible and as comprehensively as possible. This latter situation occurred on some occasions in 2016; however, the documentation was always made available before the meeting and illustrated and analysed during the meeting. To assist Directors in focusing effectively on the subjects under discussion, an Executive Summary is provided for each item for which the documentation exceeds about ten pages.



At each meeting of the Board of Directors the Chairman, as required by s. 2391 of the Italian Civil Code, always asks Directors who have an interest in any of the items on the agenda, either on their own account or on behalf of others, to declare it; if such an interest is declared, the Directors must specify, for the item in question, the nature, terms, origin and extent of the situation relevant for the purpose of the legislation in question. When such



situations have occasionally arisen, Directors have duly provided information about them. Minutes of each meeting were drawn up, and approved at the next meeting.

Table 2 annexed to this Report shows Directors' individual attendance; in the event of absences, the directors in question always sent apologies for absence.

BOARD DIARY 2016 – Main Goals

MONTH	STRATEGY AND FINANCE	INTERNAL CONTROLS AND RISK MANAGEMENT	GOVERNANCE
February	<ul style="list-style-type: none"> Review of Group CEO's succession plan policy and update of performance review and succession planning processes 	<ul style="list-style-type: none"> Approval of the impairment test procedure Resolution on the activity plans of Internal Control functions Update of the Group policy Resolutions on subjects identified by the Supervision Authority Approval of budgets of Board Committees and the Supervision and Control Committee 	<ul style="list-style-type: none"> Approval of advice to Shareholders on size and membership of the Board of Directors for the three-year period 2016-2018 Remuneration of control functions Assessment of professional, respectability and independence requirements for directors
March	<ul style="list-style-type: none"> Approval of consolidated financial statements, Parent Company's draft financial statements, Directors' Report and proposed distribution of dividend 	<ul style="list-style-type: none"> Evaluation of adequacy and efficiency of the internal control and risk management system Review on the adequacy of the organizational, administrative and accounting systems of the Company and its Strategic Subsidiaries Approval of the activity plan of the manager in charge of accounting reporting and the relevant budget Update of Group policies 	<ul style="list-style-type: none"> Appointment of the new Group CEO Increase in share capital for the purposes of 2013 LTI Plan Review of RPT procedures Remuneration for managers with strategic roles 2015 Remuneration Report Corporate Governance and Share Ownership Report 2015 Call of the General Meeting and adoption of any relevant report Outcomes of the incentive plans 2015 for the Managing Director/Group and GMC members Adoption of the remuneration of the Group CEO/ Managing Director and manager in charge of accounting reporting
April	<ul style="list-style-type: none"> Examination of business trends 	<ul style="list-style-type: none"> Report on the Internal Control and Risk Management System, pursuant to s. 28.2 of ISVAP Regulation no. 20 of 26 March 2008 Parent Company Report s. 28-bis of ISVAP Regulation no. 20 of 26 March 2008 Update of Group policies 	<ul style="list-style-type: none"> 2015 Sustainability Report Assessment of directors' professional, respectability and independence requirements Appointment of corporate offices and grant of delegated powers Appointment of Board Committees
May	<ul style="list-style-type: none"> Quarterly Report as at 31 March 2016 Approval of One Day Report 		<ul style="list-style-type: none"> Assessment of directors' of independence requirements Amendment to OMM pursuant to Legislative Decree no. 231 of 08 June 2001. Resolution on the new organizational structure Appointment of the Supervision and Control Committee Issues on the remuneration of the Chairman, the Group CEO and Board Committee members
June	<ul style="list-style-type: none"> Examination of business trends Examination of One Day Report 	<ul style="list-style-type: none"> Solvency II Induction 2015 ORSA Report Update of Group policies Approval of internal control and risk management Directives 	<ul style="list-style-type: none"> Check on interlocking events pursuant to s. 36, Act no. 201 of 6 December 2011. Amendment of the regulation of the Board of Directors and Board Committees
July	<ul style="list-style-type: none"> Examination of business trends Strategy Day Half-year report as at 30 June 2016 	<ul style="list-style-type: none"> Insurance Induction Approval of the review of the audit plan 2016 Update of Group policies Review on the adequacy and efficiency ICRM system Examination of the complaint report 	<ul style="list-style-type: none"> Update to market abuse policies Resolution on remuneration of the Group CEO/Managing Director Approval of 2016 LTI Regulation

BOARD DIARY 2016 – Main Goals

MONTH	STRATEGY AND FINANCE	INTERNAL CONTROLS AND RISK MANAGEMENT	GOVERNANCE
September	· Examination of business trends	· wRequest for approval of amendments internal capital calculation model (Solvency II) · Update of Group policies · Approval of Group and Company investment policies	
October	· Examination of business trend		
November	· Examination of interim financial information as at 30 September 2016 · Strategy Day	· Resolution on the review of the Liquidity Risk Management Plan, the Recovery Plan and the Systemic Risk Management Plan	· Resolution on the appointment of the external advisor for the Board Review 2016-2018
December	· Examination of 2016 forecast, 2017 budget and 2017-2019 rolling plan	· Update of Group policies · Resolution on the review of the Risk Appetite Framework Resolution on the update of 2016 Audit Plan	· Resolution on the structure and provisions of 2017 Group STI and LTI plans

2017 CALENDAR FOR APPROVAL OF FINANCIAL STATEMENTS, HALF-YEAR FINANCIAL STATEMENTS AND INTERIM FINANCIAL INFORMATION

DATE	EVENT	FOCUS
15 March 2017	Board of Directors	Approval of consolidated financial statements and draft annual financial statements as at 31 December 2016.
27 April 2017	General Meeting	Approval of 2016 annual financial statements
10 May 2017	Board of Directors	Approval of interim financial information as at 31 March 2017
01 August 2017	Board of Directors	Approval of half-year financial report as at 30 June 2017
08 November 2017	Board of Directors	Approval of interim financial information as at 30 September 2017

As recommended by the CG Code, our governance provides that members of the Board of Directors must be independent and possess full knowledge of the facts when acting and passing resolutions on the subjects for which they are responsible, and pursue the objective of creating value for shareholders. In this context, the aim of increasing Directors' knowledge of the situation and dynamics of the Company and the Group is promoted by arranging for executives of the Company and the Group to attend meetings of the governing bodies regularly, to provide suitable information about the items on the agenda. In 2016, the General Manager attended every meeting of the Board of Directors, and a number of heads of GHO functions, including the heads of the four Internal Con-

trol functions, also attended in relation to subjects falling within their sphere of responsibility.

The Chairman and the Group CEO, with the support of the Secretary, ensured that the Board of Directors was informed about the main legislative and regulatory innovations relating to the Company and its governing bodies. The BoD is also kept systematically updated about events on the international economic scene which are liable to have significant repercussions on our business.

In 2016, two study days on aspects of Solvency II and the insurance market were held for the benefit of new directors, among others.

On 20 January 2017 and on 15 February 2017, two study days on corporate administrative liability, governed by Decree 231, market abuse and management of privileged information were also held for directors.

To update directors and auditors on Generali share trends, they are sent monthly reports drawn up by the Investor & Rating Agency Relations function which compares them with the performance of the Group European peers, together with analyses (usually quarterly) supplied by the Insurance Research Group on the general trends of the major listed insurance groups and the three-year market forecasts. To update the Directors and Statutory Auditors on Generali's share trend, they are sent monthly reports by the Investor & Rating Agency Relations structure which compare it with the performance of the Group's main European peers, together with analyses (usually quarterly) by the Group Insurance Research on the general trend of the main listed insurance groups and the three-year market forecasts.

Strategy Days

The Company held two meetings (Strategy Days) for directors and statutory auditors in 2016. GMC members and other Group executives also attended. These meetings provide opportunities for discussion between the Company's governing bodies and the Group's management about the progress of strategic plans approved by the Board of Directors and drafting of future plans, in relation to the annual budgets and three-year rolling plans. The Strategy Day held on 6 July 2016 covered the progress of implementation of the strategy established by the Board of Directors in May 2015, together with the measures necessitated by changes in market conditions. The Strategy Day of 9 November 2016 was held in one of the Group's foreign locations. The Board of Directors leveraged on the opportunity to assess the wide range of initiatives undertaken by the Group, including at local level, to deal with the increasingly challenging market context.

Board Review and Advice for Shareholders

The CG Code requires the Board of Directors to evaluate its own operation and that of the Board Committees at least once a year. In accordance with a practice followed by many of the Italian issuers with the highest capitalisation, Generali has for some time outsourced the task of supporting the relevant Board Committee (ie. the Board

of Directors) to a firm of external consultants, which receive annual appointments, as shown in the table below.

Having regard to the results of the 2015 Board Review process, the Board, supported by the ACGC, issued its advice to shareholders about the size and composition of the Board of Directors. In accordance with the best practice, that opinion was published on the Website over 40 days before the date of the first convocation of the General Meeting to enable shareholders to evaluate the aspects suggested by the outgoing Board when electing the Directors. The advice for shareholders recommended that the number of members and the structure of the outgoing Board of Directors should be confirmed, so as to reflect in a correct, balanced manner the various types of director (executive, non-executive and independent) and professional and managerial skills, and an appropriate level of diversity. The majority shareholder then informed the public, well in advance, that it intended to submit to the General Meeting a proposal to increase the number of members from 11 to 13 to guarantee the presence of a suitable percentage of Independent Directors on the Board.

During the 2016 Board Review process, the Board of Directors, after consulting the GSC, in line with the said established practice, appointed a leading firm of consultants (Egon Zehnder International) on 9 November 2016 to support the evaluation of the size, membership and operation of the Board and Board Committees. The only other commission received by Egon Zehnder International in 2016 was from subsidiary Banca Generali S.p.A., also for Board Review activities.

The process, which involved all Directors and the Chairman of the Board of Statutory Auditors, was conducted in November/December 2016 by means of a questionnaire, followed by meetings and/or individual interviews with the newly-appointed directors, organised in accordance with procedures designed to ensure confidentiality. The interviews were supplemented by analysis of previous assessments and the corresponding Company documentation. The Regulation of the Board of Directors and Board Committees, and the documents sent to Directors in relation to the study and induction days organised, were also examined in this context.

The results of the Board Review were presented by the Board of Directors, after consulting the GSC, at the meeting held on 15 February 2017; the findings were expressed in terms of strengths (see table below) and areas requiring attention (see brief description below), which summarise the results as a whole.

The process officially ended when the Board of Directors approved this Report in its meeting held on 15 March 2017.

A separate report on the results of the Board Review was then published.

Board Review – STRENGTHS

AREA	FOCUS
Size and membership of the Board of Directors	Adequate number
	Appropriate ratio between executive and non-executive directors and independent and non-independent directors
	A good mix of skills and experience
	Suitably represented diversity
	Suitable remuneration for Directors, and suitable Board appointment processes and criteria
	Number and type of offices held by Directors deemed to be commensurate with commitment required by the role
Board operation and Directors' training	Suitable number and length of meetings, satisfactory attendance and contributions from Directors
	A good internal atmosphere which promotes an open, direct, effective debate
	Effective and efficient decision-making process
	Prompt, high-quality information is received prior to each meeting
	Full satisfaction with the new Directors' independence requirement assessment procedure
	The Board of Directors guarantees the implementation of a sound risk management system, and ensures its adequacy and efficiency
	Effective detailed minutes
	Acknowledged usefulness and efficacy of the meetings of Independent Directors, and favourable opinion of the introduction of meetings for non-executive directors only
	Appreciation of Directors' expertise and commitment
	Satisfaction with the 2016 training programme
	Appropriate assignment of delegated powers between Group CEO and Board of Directors
	Appreciation of the meetings held at the Group premises abroad
	Proper organisation and management in view of achieving goals
	Appreciation of quality and continuity of relations with the Group CEO, GMC members, top managers and heads of control functions
Satisfactory processes for the performance evaluation of the Group CEO and the members of the GMC	
Chairman's role	Recognised leadership, a role that promotes discussion and the convergence of individual opinions
	Good management of relations with stakeholders
Strategy and knowledge of the Group	A clear Company strategy and decisions by the Board of Directors that reflect a balance between the short and medium/long term
	Strategic discussion by the Board of Directors is central, and the Strategy Days are effective
Board Committees and Board of Statutory Auditors	The structure and composition of the Board Committees is suitable, and their support for the Board of Directors' decisions, by submitting opinions and presentations, is appreciated
	Satisfaction with the activities of the Board of Statutory Auditors, and appreciation of the Chairman's authoritative and expertise on the subject of control and risks

As regards the areas requiring attention that emerged, most members feel the need for more time to be devoted at Board meetings to discussing IT systems/cyber security, social and environmental sustainability, and for the discussion to be more effectively balanced between compliance/regulation topics and strategy and business topics. Directors also raised the need to improve the structure of the succession plan process for the Managing Director and Group CEO.

The Board of Directors has begun to discuss the measures to be taken on the above topics, as well as other minor issues raised by some Directors.

Remuneration of directors and key management personnel

Pursuant to s. 123-ter of the CFBA, ISVAP Regulation no. 39/2011, and the principles and application criteria laid down in art. 6 of the CG Code, the general policy for the remuneration of directors and key management

personnel is illustrated in a specific report approved by the Board of Directors after consulting the Remuneration Committee, which will be submitted for examination and approval to the 2016 General Meeting.

The report will be available on the Website under the Governance heading, in the Remuneration and General Meeting sections.

Chairman

The Board of Directors elects the Chairman from among its members if the General Meeting has not done so. The Chairman is selected from candidates who meet specific professional requirements among those required of the other Directors. A person aged 70 or over at the time of appointment cannot be elected.

The Chairman is an authorised representative of the Company, and acts in that capacity by signing together with another authorised representative under the Company's name¹¹.

REGULATORY BOX



The Ministry of Economic Development's Decree no. 220 of 2011 states that in order to be eligible for appointment, the Chairman, Managing Director and Executive Committee members of an insurance company must have performed at least one of the following activities for at least five years:

- administration, management and control of companies and organisations in the insurance, financial or credit sector;
- administration, management and control of public and private companies of a similar size to the insurance or reinsurance companies in which the office will be held;
- professional activities in subjects associated with the insurance, credit or financial industry or university lectureships in economic, legal or actuarial subjects relevant to the insurance industry.

Candidates for the position of General Manager (or an equivalent position) are required to possess specific professional skills acquired in the insurance, credit or financial fields by working in executive positions of suitable responsibility for a period of not less than 5 years.

In addition to his statutory powers, the Chairman chairs the General Meeting in accordance with the rules set out in the General Meeting Regulation. He also calls and chairs meetings of the Board of Directors and the Executive Committee, if appointed, sets their agendas, ensures that their members are enabled to prepare for

each meeting, directs, coordinates and moderates their proceedings, and announces the results of the various votes. With support from the Secretary, he draws up the minutes of each meeting of the Board of Directors, which are usually made available to members within the next 15 working days.

¹¹

For further details, see paragraph on "Authorised representatives" in previous chapter entitled "Our governance".

Gabriele Galateri di Genola, whose appointment as Chairman for the three-year period 2016-2018 was confirmed by the Board of Directors on 28 April 2016, at the end of the General Meeting held on that date, does not hold any operational position, as no powers other than the statutory powers and those granted by the Articles of Association have been delegated to him¹².

Vice-Chairmen

The Board of Directors elects from among its members one or more Vice-Chairmen, who replace the Chairman in all respects in the event of his absence or inability to act. If there is more than one Vice-Chairman, the one who is also Managing Director acts as Deputy Chairman; if none of the Vice-Chairmen holds the position of Managing Director, the oldest Vice-Chairman stands in for the Chairman.

The appointments of Francesco Gaetano Caltagirone (Deputy Chairman in accordance with art. 30.2 of the Articles of Association) and Clemente Rebecchini as Vice-Chairmen were confirmed for the three-year period 2016-2018 at the meeting of the Board of Directors held on 28 April 2016. According to the Articles of Association the Vice-Chairman, like the Chairman, is automatically a member of the Executive Committee, if appointed.

Managing Director and Group CEO

According to the Articles of Association, the Board of Directors can appoint one or more Managing Directors from among its members, and establish their powers. The Managing Director must not be aged 65 or over at the time of appointment.

In his/her capacity as Managing Director, s/he exercises the power of leadership and operational management of the Company and the Group in Italy and abroad, with all powers of ordinary administration, in accordance with the general planning and strategic policies established by the Board of Directors and within the value limits specified below, without prejudice to the powers granted

by legislation or the Articles of Association exclusively to other governing bodies of the Company or otherwise delegated by the Board of Directors. The formal powers of the current Managing Director are set out in **Annex 2** to this Report.

Mario Greco was Group CEO until 9 February 2016. After that date, following the termination by consent of his contract with Generali, the Group CEO's powers were temporarily transferred to the Chairman in accordance with the corresponding succession plan policy. When Mario Greco left the Company, information was provided to the market in a press release about the financial terms of the early termination of his contract of employment, stating that they were in line with the remuneration policy approved by the General Meeting.

On 17 March 2016, the Board of Directors co-opted Philippe Donnet and appointed him as Managing Director of the Company and Group CEO, granting him all the powers and responsibilities for the management of the Company and the Group previously assigned to Mario Greco.

The new Board of Directors, elected by the General Meeting in 2016, confirmed Philippe Donnet's appointment as Managing Director and Group CEO for the three-year term 2016-2018, and the powers already assigned to him.

The Group has introduced a specific policy, approved by the Board of Directors, to monitor the exercise of the delegated powers held by the Group CEO. It involves a systematic flow of information from all the structures of the Company and the Group which report to the Group CEO and Group CFO; the latter, with the aid of one of his functions, receives and examines it, thus supporting the Group CEO in his quarterly reports to the Board of Directors and Board of Statutory Auditors. This policy and the related operational procedures were regularly applied in 2016.

A report on the Group's general business trend, broken down by geographical area and Business Unit, its forecast development and operations of major economic, financial and capital impact, is also submitted, on average at monthly intervals.

¹²

After the termination of Mario Greco's contract on 9 February 2016, the Chairman temporarily acted as Group CEO until the appointment of the new Group CEO, Philippe Donnet (17 March 2016), in line with the Company's succession plan policy.

The five Board Committees

As already mentioned, at its meeting held on 28 April 2016, the new Board of Directors set up 5 Board Committees (as against 4 Committees and the RPTSC during the previous three-year period). The Board Committees perform consultative, recommendatory and preparatory functions for the Board of Directors.

The main changes introduced by the new Board, compared with the previous situation, are as follows:

- the RCC and IC¹³ were maintained;
- responsibility for related-party transactions, previ-

ously held by a sub-committee consisting solely of independent directors, was assigned to a Committee with the same composition;

- responsibility for appointments and remuneration, previously held by the ACGC and the RemCom respectively, were assigned to the a single Committee, the ARC;
- the GSC was instituted.

The comparative table below shows each committee and the number of its members:

Previous Membership		Current Membership	
Risk and Control Committee (RCC)	4	Risk and Control Committee (RCC)	5
Remuneration Committee (RemCom)	3	Corporate Governance and Social & Environmental Sustainability Committee (GSC)	3
Investment Committee (InvCom)	6	Investment Committee (IC)*	6
Appointments and Corporate Governance Committee (ACGC)	3	Appointments and Remuneration Committee (ARC)	3/5**
Related-Party Transactions Sub-Committee (RPTSC)	3	Related-Party Transactions Committee (RPTC)	5

* Called the Investment and Strategic Operations Committee (ISC) since 25 January 2017, it performs consultative, recommendatory and preparatory functions relating to strategic operations. It is chaired by Group CEO Philippe Donnet, and its members are Francesco G. Caltagirone, Gabriele Galateri di Genola, Lorenzo Pelliccioli, Clemente Rebecchini and Paola Sapienza.

** In addition to the 3 basic members, the Committee also includes 2 additional independent directors focusing on appointments.

The increase in number of directors on the new Board (from 11 to 13 members) has led to higher representation on some Board Committees and more efficient performance of their consultative, recommendatory and preparatory functions performed for the benefit of the Board of Directors.

In line with the established practice, no director is appointed to more than two Board Committees.

The Risk and Control Committee (RCC) and the Appointments and Remuneration Committee (ARC) were appointed in full compliance with the recommendations of the CG Code.

The Board, confirming that it was appropriate to appoint

an Investment Committee (IC)*, set up the Related-Party Transactions Committee in line with the provisions of the RPT Regulation.

The Board of Directors also decided to combine the subjects of corporate governance and social and environmental sustainability, and set up an independent Committee accordingly (the GSC). The aim was to obtain suitable, in-depth support when establishing strategic-lines (and monitoring their full implementation) relating to sustainable development and the promotion of social responsibility initiatives.

The basis for the institution of Board Committees is art. 34 of the Articles of Association, which empowers the

13

Called the Investment and Strategic Transaction Operations Committee (ISTC) since 25 January 2017, it performs consultative, recommendatory and preparatory functions relating to strategic operations. It is chaired by the Group CEO, Philippe Donnet, and its members are Francesco Gaetano Caltagirone, Gabriele Galateri di Genola, Lorenzo Pelliccioli, Clemente Rebecchini and Paola Sapienza.

Board of Directors to set up consultative committees, which may be sub-committees of the Board of Directors, and to establish their powers and remuneration.

The operation of those Committees is governed by the Regulation of the Board of Directors and Board Committees.

The Committee members (not less than 3 per Committee) are appointed by the Board of Directors and, unless otherwise decided by the Board, are selected from among its members. The Board Committees' term of office expires at the same time as that of the Board of Directors. If one or more members should be lacking for any reason, the Board of Directors replaces them, if it thinks fit, with its members who meet the requirements for holding the office in question.

The Chairs of the Board Committees, appointed by the Board of Directors from among its members, call meetings of their committees, drawing up the agendas, preparing the proceedings, coordinating and moderating the discussion. At the first possible Board of Directors meeting they submit a report on the activities performed by the Board Committees and the proposals, opinions and recommendations formulated. In the event of their absence or inability to act, the Chairs of the Board Committees are replaced in all their powers by the oldest Committee member.

For the organisation of their proceedings, the Board Committees are assisted by a secretary, appointed by the Board of Directors or by the Committees themselves, and supported by the Corporate Affairs function.

The Board Committees meet, on the invitation of their Chair or the person standing in for him/her, at the place specified in the notice of call sent to all members at least 4 working days before the date of the meeting. In case of emergency the said period can be reduced to 2 days. Documentation relating to meetings is made available to Directors at the same time as the notice of call. This was impossible on some occasions in 2016; in any event, the documentation was always made available before the meeting and illustrated and analysed during the meeting.

The Board Committees meet on the basis of a calendar, usually approved by Board of Directors by the end of

the first half of the preceding financial year, and updated whenever the Chair of each one thinks fit on the basis of developments in the Company's business; their meetings are usually held before Board of Directors meetings, in time to allow discussion of the subjects for which they are responsible, the results of which are then submitted for examination and evaluation by the Board of Directors.

Board Committee meetings can be attended by non-members, including other Directors, executives and officers of the Group, on the invitation of the Committee Chair, in relation to individual items on the agenda.

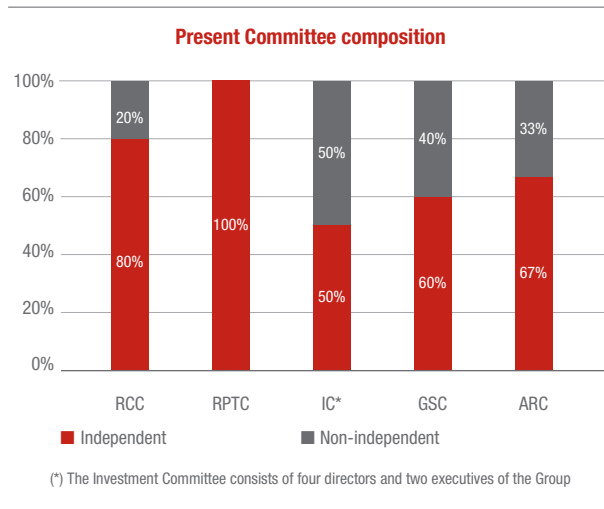
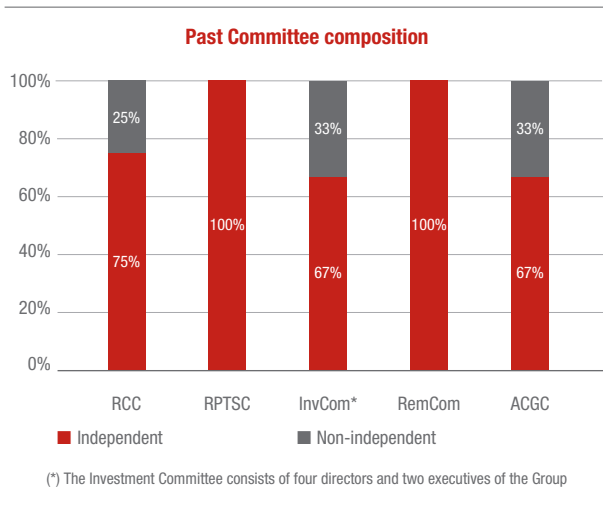
Resolutions are passed on an absolute majority of the votes. In the event of a tie, the Committee Chair has the casting vote. Votes cannot be cast by proxy.

Minutes of each meeting are drawn up, and signed by the Committee Chair and its Secretary.

The Board Committees, in the performance of their functions, are entitled to access the information and Company functions deemed necessary for the performance of their duties, and to call on external consultants, on the terms established by the Board of Directors. In this context, attendance at meetings by the Company's executives with expertise in the items on the agenda was requested several times in 2016, and they provided members of the Board Committees with analyses and documentation useful for taking the related decisions.

The committees recommended by the CG Code have an adequate annual expenditure budget granted by the Board of Directors (which has reserved the right to approve the budget at least annually, including for the committees whose institution is not expressly recommended by the CG Code). Board Committee members are entitled to reimbursement of expenses incurred for attending meetings, and to the fee (if any) established by the Board of Directors.





Apart from the IC, in line with the best practices and the recommendations of the Corporate Governance Codes of the main European countries, the vast majority of members of Generali's new Board Committees (and sometimes all members) are independent Directors.



The following pages contain a detailed description of each Committee, indicating the duties assigned to them and the activities performed during the year, since their appointment. As two of the Committees were given re-

sponsibility for different areas by the Board of Directors on 28 April 2016, the usual comparative tables with previous years only relate to the three exactly comparable Committees, ie. the RCC, RPTC and IC.

Risk and Control Committee

RCC		
	Forenames and Surname	Office
	Alberta Figari	Chair Non-executive independent Director
	Romolo Bardin	Committee member Non-executive independent Director
	Roberto Perotti	Committee member Non-executive independent Director
	Sabrina Pucci	Committee member Non-executive independent Director
	Clemente Rebecchini	Committee member Non-executive Director

The current Risk and Control Committee (RCC) was appointed on 28 April 2016. The number of members was increased (compared with the previous term) from 4 to 5 members, and it will hold office until the General Meeting called to approve the 2018 financial statement. The previous Chair, Independent Director Alberta Figari, was re-elected.

Giuseppe Catalano has acted as the Committee's Secretary since 15 January 2015.

The Board of Directors has established that 4 of the 5 members meet the independence requirement, and re-appointed non-independent director Clemente Rebecchini as a member in view of his extensive experience on financial matters and risk management. The majority of members of the RCC possess specific skills and experience in accounting and financial matters.

The RCC performs consultative, recommendatory and preparatory functions on the subjects of internal controls and risk management.

It assists the Board of Directors in determining the guidelines of the internal control and risk management system, the periodic check on its adequacy and effective operation, and the identification and management of the main business risks, including those deriving from prejudicial facts which come to the notice of the Board of Directors. It issues opinions on proposals regarding the appointment, dismissal and remuneration of the heads of the Internal Control functions and its activity plans.

The CCR's tasks are described in full in **Annex 4** to this Report.

2016 RCC DIARY – Main opinions and assessments

MONTH	SOLVENCY II	INTERNAL CONTROLS AND RISK MANAGEMENT	FINANCIAL AND ACCOUNTING DOCUMENTS AND INVESTMENTS
January			
February	<ul style="list-style-type: none"> Report on audit of Regulatory Solvency Ratio by External Auditors' Firm 	<ul style="list-style-type: none"> Report on 2015 activities of control functions Opinion on the 2016 activity plan of the control functions and associated budget Examination of remuneration of heads of control functions (meeting of 2015 targets and setting of 2016 targets) Proposed 2016 budget for the Committee Opinion on Group Policies Opinion on Complaints Management Report Opinion on Report on compliance with joint Bank of Italy and CONSOB Regulation of 29 October 2007 Opinion on Report on complaints relating to distribution of financial insurance products pursuant to CONSOB resolution no. 17297 of 28 April 2010 	<ul style="list-style-type: none"> Opinion on impairment test procedures pursuant to joint Bank of Italy / CONSOB / ISVAP document no. 4 of 3 March 2010

2016 RCC DIARY – Main opinions and assessments

MONTH	SOLVENCY II	INTERNAL CONTROLS AND RISK MANAGEMENT	FINANCIAL AND ACCOUNTING DOCUMENTS AND INVESTMENTS
March	<ul style="list-style-type: none"> Progress report on process for approval of Solvency II internal model 	<ul style="list-style-type: none"> Opinion on Group Policies Opinion on adequacy of organisational, administrative and accounting structure of the Company and its strategic subsidiaries Assessment of the adequacy and efficacy of Internal Control and Risk Management Opinion on Report by heads of control functions on implementation of remuneration policies pursuant to art. 23 of ISVAP Regulation no. 39 of 9 June 2011 Periodic report on Group risk exposure at the 2015 year end Reports on liquidity metrics and limit monitoring 	<ul style="list-style-type: none"> Update on MPFR's activities; opinion on 2016 activity plan and the associated budget Examination of periodic investment reports Assessment of correct use of accounting standards and their harmonised use between the various companies belonging to the Group for the purpose of the consolidated financial statements, and assessment of correct use of accounting standards for the purpose of the parent company's financial statements Report on private equity investments
April		<ul style="list-style-type: none"> Opinion on Internal Control and Risk Management System Report drawn up pursuant to art. 28.2 of ISVAP Regulation no. 20 of 26 March 2008 Opinion of Parent Company's Report drawn up pursuant to art. 28-bis of ISVAP Regulation no. 20 of 26 March 2008 Opinion on Group Policies Opinion on 2015 Sustainability Report 	<ul style="list-style-type: none"> Examination of reports of External Auditors and the actuary instructed by them on the 2015 financial statements
May	<ul style="list-style-type: none"> Report on technical provisions pursuant to Solvency II Report on risk capital pursuant to Solvency II Reporting on changes to internal model 		<ul style="list-style-type: none"> Examination of periodic investment reports Examination of the Company's day One Report
June	<ul style="list-style-type: none"> Report on technical provisions pursuant to Solvency II Report on changes to internal model and on 2015 Group Validation Report Report on solvency ratio at local level 	<ul style="list-style-type: none"> Opinion on Internal control and Risk Management Directives Opinion on Group Policies Examination of 2015 ORSA Report of the Company and the Group 	<ul style="list-style-type: none"> Examination of Group's Day One Report
July	<ul style="list-style-type: none"> Report on 2015 Group Validation Report Report on risk capital pursuant to Solvency II Report on changes to the internal model 	<ul style="list-style-type: none"> Opinion on Group Policies Progress report on 2016 activities of control functions, and opinion on updated 2016 Audit Plan Assessment of the adequacy and efficacy of Internal Control and Risk Management System Complaint Management Report Opinion on replacement of Manager in charge of reporting suspected money-laundering transactions Report on liquidity metrics and limit monitoring 	<ul style="list-style-type: none"> Update on MPFR's activities Examination of periodic investment reports Report on half-year reports and quarterly trends

2016 RCC DIARY – Main opinions and assessments

MONTH	SOLVENCY II	INTERNAL CONTROLS AND RISK MANAGEMENT	FINANCIAL AND ACCOUNTING DOCUMENTS AND INVESTMENTS
August			
September	<ul style="list-style-type: none"> · Examination of changes to internal model and examination of documents to be submitted to IVASS regarding request for approval of changes to Internal Model · Report on solvency ratio at local level 	<ul style="list-style-type: none"> · Opinion on Group Policies 	<ul style="list-style-type: none"> · Examination of investment policies of Company and Group
October			
November	<ul style="list-style-type: none"> · Report on Solvency II topics · Revision of Liquidity Management Plan, Recovery Plan and Systemic Risk Management Plan 	<ul style="list-style-type: none"> · Reports on liquidity metrics and limit monitoring 	<ul style="list-style-type: none"> · Examination of periodic investment reports
December	<ul style="list-style-type: none"> · Opinion on Risk Appetite Framework · Report on solvency ratio at local level 	<ul style="list-style-type: none"> · Opinion on Group Policies · Opinion on update of 2016 Audit Plan · Commencement of process for evaluating the adequacy of the organisational, administrative and accounting structure of the Company and its Strategic Subsidiaries · Topics relating to remuneration of heads of control functions 	<ul style="list-style-type: none"> · Report on private equity investments

In 2016, on the invitation of the RCC Chairman, its meetings were attended by the heads of the 4 Internal Control functions, the MPFR and some senior executives and officers of the Company with expertise in the subjects submitted for examination by the RCC on each occasion. Representatives of the External Auditors also attended meetings at regular intervals, their attendance being limited to specific items on the agenda.

The notice of call is also sent to the Board of Statutory Auditors to enable all its members to attend the meetings. In 2016 the percentage attendance by Statutory Auditors was 92.24%.

The RCC did not call on the assistance of external consultants in 2016.

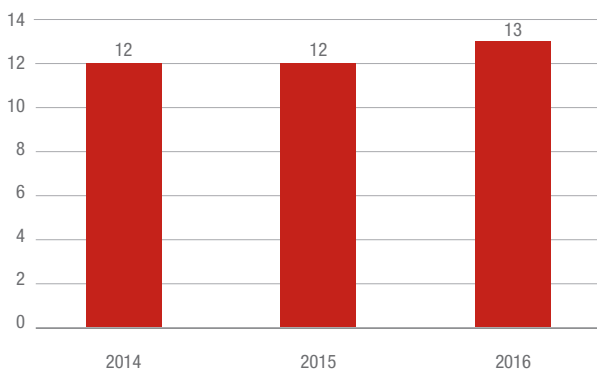
At the meetings held in 2016, the heads of the 4 Internal Control functions reported on the work performed by their structures to the RCC and the members of the Board of Statutory Auditors. The heads of the Internal Control functions had direct access to all the information required to perform their duties.

In 2016 the RCC issued various opinions and recommendations on specific aspects relating to identification of the main company risks; it monitored the independence, adequacy, efficacy and efficiency of the Internal Audit function, and asked it to audit some specific operational areas during the year, informing the Chair of the Board of Statutory Auditors at the same time.

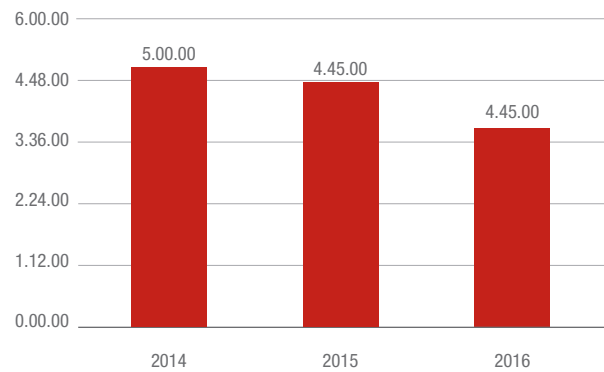
RCC members receive a gross annual fee (EUR 50,000 for the Chair and EUR 30,000 for the other members), and an attendance fee of EUR 2,000 per meeting, together with reimbursement of expenses incurred for attending meetings.

The RCC usually meets at least six times a year, and in any event in time to resolve on matters involving interaction with the Board of Directors.

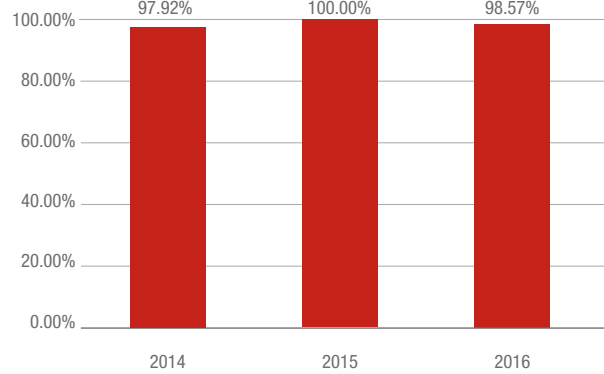
RCC: number of meetings



RCC: average length of meetings



RCC: average attendance at meetings





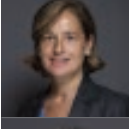


The Chair and the Secretary have always drafted the minutes of each meeting.

Table 2 annexed to this Report shows the attendance figures for each member of the RCC. 11 meetings are currently scheduled for 2017.

In the 2016 financial year, the financial resources provided to the Committee for activities falling within its powers

amounted to EUR 250,000, in line with its expenditure budget. At the meeting held on 20 January 2017 the RCC resolved on its own expenditure budget for the 2017 financial year in the amount of EUR 250,000, approved by the Board of Directors at its next meeting, held on 15 February 2017.

Related-Party Transactions Committee

RPTC		
	Forenames and Surname	Office
	Paolo Di Benedetto	Chair Non-executive independent Director
	Romolo Bardin	Committee member Non-executive independent Director
	Diva Moriani	Committee member Non-executive independent Director
	Roberto Perotti	Committee member Non-executive independent Director
	Paola Sapienza	Committee member Non-executive independent Director

During the 2013-2015 term of office, the Board of Directors set up the Related-Party Transactions Sub-Committee (RPTSC) as a sub-committee of the RCC; three of its independent members were also members of the RCC. At the meeting held on 28 April 2016, the new Board of Directors set up a Related-Party Transactions Committee (RPTC) with 5 members, all of whom are Independent Directors.

Giuseppe Catalano has acted as Secretary of the Committee since it was set up.

The Board of Directors has assigned to it the task of expressing opinions on related-party transactions submitted for its attention in accordance with the RPT Procedures approved by the Board of Directors for those transactions. The opinion relates to the Company's interest in performing the transaction, and the benefits and substantial fairness of its terms.

The RPTC is also entitled to express its opinion of amendments to the RPT Procedures; when issuing its opinions, it can call on the assistance of one or more independent experts.

According to our governance system, the issue of opinions on transactions relating to the fees of Directors, Permanent Statutory Auditors and members of the GMC, in view of the subject concerned, is the task of the ARC, the majority of whose members are Independent Directors.

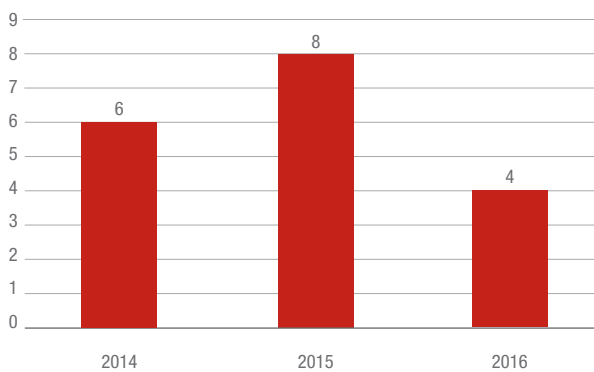
The number of meetings does not follow an annual calendar, but varies according to the number of transactions that need to be submitted for examination by the RPTC. In its eight months of activity in 2016, after its institution on 28 April 2016, the RPTC met twice, supporting the Board of Directors with opinions on various related-party transactions. The RPTSC, which dealt with related-party transactions until 28 April 2016, met twice in its four months of activity in 2016. The RPTSC met 8 times in 2015. The minutes of the meetings were prepared by the Chair and the Secretary, and approved at the next meeting.

The notice of call is also sent to the Board of Statutory Auditors to enable all its members to attend the meetings. In 2016 the percentage attendance by Statutory Auditors was 83.33% (as against 79.17% in 2015).

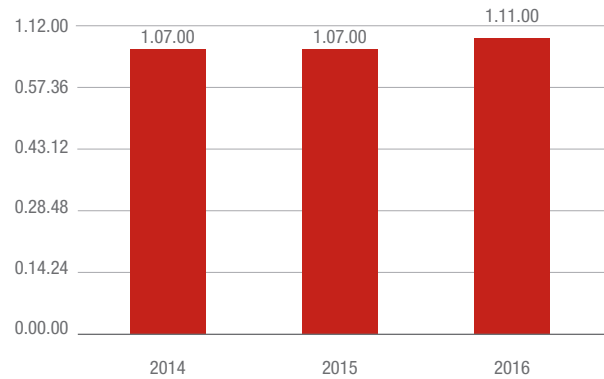
As resolved by the Board of Directors, Committee members receive a gross annual fee (EUR 25,000 for the Chair and EUR 20,000 for the other members), and an attendance fee of EUR 2,000 per meeting, together with reimbursement of expenses incurred for attending meetings.

As the responsibilities of the previous RPTSC are identical to those of the present RPTC, a comparison can be made with the two preceding years, bearing in mind that the 2016 figures for number of meetings, length and average attendance include both RPTSC and RPTC meetings.

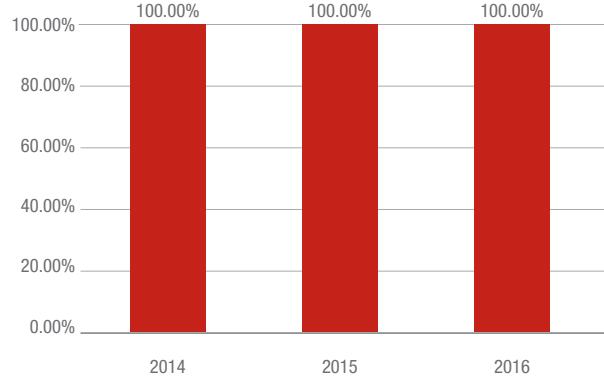
RPTC: number of meetings*



RPTC: average length of meetings*



RPTC: average attendance at meetings*



* Two of the four meetings in 2016 were held as a Sub-Committee.

Appointments and Remuneration Committee

ARC		
	Forenames and Surname	Office
	Ornella Barra	Chair Non-executive independent Director
	Diva Moriani	Committee member Non-executive independent Director
	Lorenzo Pellicoli	Committee member Non-executive Director
	Francesco G. Caltagirone *	Committee member Non-executive Director
	Sabrina Pucci *	Committee member Non-executive independent Director

* Members focusing on appointments only.

At its first meeting, held on 28 April 2016, the new Board of Directors decided that it would be most effective to set up a single committee with responsibility for both appointments and remuneration (as these two topics are often combined in the resolutions of the Board of Directors), and approved the institution of the ARC, which will remain in office until the date of the General Meeting called to approve the financial statements as at 31 December 2018. During the previous three-year period, the ARC's responsibilities had been assigned to two separate committees. The ARC comprises five members (reduced to three when remuneration issues are discussed). In accordance with established principles of transparency and reliability, the Board of Directors established that its members must be non-executive directors, a majority of whom are Independent Directors, and that its Chair must be an Independent Director.

Giuseppe Catalano has acted as the Committee's Secretary since it was set up.

If one or more members of the ARC should declare that they are a related party with regard to a transaction submitted for its examination, the ARC must be supplemented, solely for the examination of that transaction, by the

other Independent Directors belonging to the Board of Directors, starting with the oldest. If at least 2 Independent Directors are not available to form the ARC, the opinion or proposal must be provided by an independent expert appointed by the Board of Directors.

No director or other party concerned attended ARC meetings at which the Board of Directors' proposals relating to their own remuneration were formulated.

The ARC performs consultative, recommendatory and preparatory functions for the Board of Directors, with the support of the GSC, when taking decisions falling within its responsibility relating to the size and composition of the Board of Directors and the replacement of the independent directors. It performs preparatory activities relating to the drafting of the succession plan for Executive Directors, and expresses an opinion of those of GMC and GLG members. It also expresses opinions and formulates proposals to the Board of Directors regarding remuneration policies and determination of the remuneration of the Managing Director, the General Manager (if any), the Chairman, the other Directors and Statutory Auditors and, after consulting the Group CEO, holders of internal positions in the Company and the Group which carry member-

ship of the GMC. As regards the remuneration of the executive directors and other directors who hold particular offices, the ARC submits proposals and formulates opinions to the Board on the setting of performance targets correlated with the variable component of the remuneration, and verifies whether those targets have been met. It also expresses an opinion on the Group CEO's proposals

regarding the appointment and remuneration of GMC and GLG members and the chairmen, executive directors and managing directors¹⁴ of the Strategic Subsidiaries.

The responsibilities reserved for the ARC by resolution of the Board of Directors are listed in full in **Annex 5** to this Report.

2016 ARC DIARY – Main opinions and assessments*

MONTHS	APPOINTMENTS	REMUNERATION	GROUP SUBSIDIARIES
January			
February	<ul style="list-style-type: none"> · Periodic evaluation of succession plan policy and update report on performance review and succession planning processes · Examination of draft advice to Shareholders 	<ul style="list-style-type: none"> · 2016 ARC Budget · Review of preliminary results of 2015 incentive plans for Group CEO and GMC members · Updating of top management's remuneration 	<ul style="list-style-type: none"> · Opinion on appointment and remuneration of a senior executive of a Strategic Subsidiary
March	<ul style="list-style-type: none"> · Opinion on proposal to co-opt director pursuant to s. 2386 of the Italian Civil Code, and on appointment of MD/Group CEO and GM 	<ul style="list-style-type: none"> · Opinion on 2015 incentive plans for Group CEO and GMC members · Assessment of whether STI 2015 and LTI (2013, 2014 and 2015) targets were met · Opinion on increase of share capital for the purposes of the 2013 LTI Plan · Opinion on key targets and ranges relating to 2016 STI plans for GMC members · Examination of GMC members' remuneration (benchmarking) · Opinion on proportionality of remuneration between Group CEO and the Company's personnel, as required by ISVAP Regulation no. 39 of 9 June 2011 · Examination of market remuneration analysis and assessment of remuneration packages for members of the new Board of Directors · Examination of annual Remuneration Report required by ISVAP Regulation no. 39 of 9 June 2011 · Decision on remuneration of new MD/Group CEO and new GM 	<ul style="list-style-type: none"> · Opinion on appointment and remuneration of senior executives of Strategic Subsidiaries
April			
May	<ul style="list-style-type: none"> · Opinion on new organisational structure of direct reports to MD/Group CEO and GM · Opinion on GMC membership · Opinion on appointment of Supervision and Control Committee · Opinion on appointment of Board of Directors of Fondazione Generali 	<ul style="list-style-type: none"> · Proposals for remuneration of Chairman and MD/Group CEO · Opinion on remuneration of members of Board Committees, Supervision and Control Committee and GMC 	<ul style="list-style-type: none"> · Opinion on appointment and remuneration of senior executives of Strategic Subsidiaries

2016 ARC DIARY – Main opinions and assessments*

MONTHS	APPOINTMENTS	REMUNERATION	GROUP SUBSIDIARIES
June		<ul style="list-style-type: none"> Proposals for remuneration of MD/Group CEO Report on Chairman's remuneration benchmark 	<ul style="list-style-type: none"> Opinion on appointment of a director of a Strategic Subsidiary Report on remuneration of a director of a Strategic Subsidiary
July		<ul style="list-style-type: none"> Proposals for remuneration of MD/Group CEO Opinion on 2016 LTI Plan Regulation and the consequent allocation Opinion on remuneration of a GMC member 	<ul style="list-style-type: none"> Opinion on appointment of a director of a Strategic Subsidiary Report on remuneration of a director of a Strategic Subsidiary
Agosto			
September			
October			
November		<ul style="list-style-type: none"> Preliminary examination of 2017 incentive system Opinion on remuneration of a GMC member 	
December	<ul style="list-style-type: none"> Opinion on proposals concerning the Group's top management 	<ul style="list-style-type: none"> Proposal regarding 2017 Group incentive system for GMC and GLG members Opinion on remuneration of the Group's top management 	

* The activities shown from January to April 2016 were performed (within their spheres of responsibility) by the Appointments and Corporate Governance Committee and the Remuneration Committee, whose terms of office expired on 28 April 2016.

Bearing in mind that the composition of the ARC differs according to the subject discussed, in its 8 months' activity in 2016 the Committee met 6 times to discuss remuneration, with average attendance by members of 94.44%, and 5 times to discuss appointments, with attendance by members of 92%. The average length of ARC meetings on both subjects was 1 hour 29 minutes. As already mentioned, the chronological comparison tables for the past three years have been omitted due to lack of comparability (in 2015, the subjects of appointments and remuneration were assigned to two separate committees). However, to provide a complete picture of the activities performed during the year, we can report that in the first 4 months of 2016:

- the defunct ACGC met 5 times with average attendance by members of 100% and a length of 49 minutes per meeting;
- the defunct RemCom met 4 times, with an average attendance by members of 91.67% and a length of 55 minutes per meeting.

The Chair and the Secretary always drew up the minutes of each meeting, which were approved at the next meeting.

Table 2 annexed to this Report shows the attendance of each ARC member. 3 meetings have so far been scheduled for 2017.

As resolved by the Board of Directors at the meeting held on 11 May 2016, ARC members receive a gross annual fee (EUR 30,000 for the Chair, EUR 20,000 for members and EUR 15,000 for members focusing on appointments) and an attendance fee of EUR 2,000 per meeting together with the reimbursement of attendance expenses.

At the meeting held on 13 February 2017, the ARC set its own expenditure budget for the 2017 financial year at EUR 100,000, and this budget was approved by the Board of Directors at its meeting held on 15 February 2017.

In 2016, the ARC called on the services of an independent expert (“Mercer”).

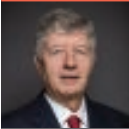


The Board of Directors established that the majority of the ARC’s members are non-executive independent Directors. All ARC members focusing on remuneration possess suitable knowledge of remuneration policies.

The ARC Chair or another member may report to the General Meeting on the way in which the tasks delegated to the Committee are performed.

In 2016, on the invitation of the Chair, the head of the Group HR & Organisation function and other members of the top management regularly attended the Committee’s meetings.

The Board of Statutory Auditors is invited to attend the part of the meetings in which remuneration is discussed. In 2016, percentage attendance by Statutory Auditors was 72.22% (as against 89.88% for the RemCom in 2015).

Corporate Governance and Social & Environmental Sustainability Committee

GSC		
	Forenames and Surname	Office
	Gabriele Galateri di Genola	Chair Non-executive Director
	Paolo Di Benedetto	Committee member Non-executive independent Director
	Alberta Figari	Committee member Non-executive independent Director

At its first meeting, held on 28 April 2016, the new Board of Directors decided to set up a Board Committee with responsibility for corporate governance matters (delegated to the ACGC in the previous three-year period) and the increasingly important issues of social and environment sustainability (delegated to the RCC in the previous three-year period and until 28 April 2016), thus effectively meeting the need for suitable support when establishing the strategic lines (and monitoring their full implementation) regarding sustainable development and promotion of social responsibility initiatives in the Group.

On that date, the Board of Directors therefore set up the Corporate Governance and Social and Environmental Sustainability Committee (GSC), which will hold office until the date of the General Meeting called to approve the financial statements for the 2018 financial year.

The GSC comprises 3 members, all non-executive directors, and the majority of whom are Independent Directors.

Giuseppe Catalano has acted as the Committee’s Secretary since it was set up.

The GSC performs consultative, recommendatory and preparatory tasks for the Board of Directors when taking decisions about the corporate governance rules of the Company and the Group. It issues an opinion on the annual self-assessment process of the Board of Directors (Board Review), on the documents prepared for the General Meeting, and on the multiple directorships policy. It supports the Board of Directors in assessing whether Directors meet the statutory independence requirements and those laid down in the CG Code and whether

Directors, executives of the Company and the Group who constitute the direct reports of the Managing Director or General Manager, and GMC members, meet the statutory respectability and professionalism requirements and those laid down in the Fit&Proper Policy. It also assists the Board of Directors in assessing whether any of the statutory grounds for ineligibility, incompatibility or debarment exist for Directors, Statutory Auditors and the General Manager.

As regards social sustainability, the GSC is required to express its opinion on the Sustainability Report, the Sustainability Commitment Charter, the Group's Environment and Climate Policy, the other components of the Environmental Management System, and any other sustainability issues associated with the business of the Company and the Group.

2016 GSC DIARY¹⁵ – Main opinions and assessments

MONTH	GOVERNANCE
February	· Evaluations of assessment of the professionalism, respectability and independence of members of the Company's Board of Directors and Board of Statutory Auditors
March	· Opinion on 2015 Corporate Governance and Share Ownership Report · Opinion on the notice of call of the General Meeting and the associated reports
May	· Opinion on assessment of independence of members of the Company's Board of Directors
June	· Opinion on interlocking situations as defined in s. 36 of Order of the Executive no. 201 of 6 December 2011. · Opinion on proposed amendments to the Regulation of the Board of Directors and Board Committees
July	· Opinion on update to market abuse policies
September	
October	
November	· Opinion on appointment of external advisor for Board Review 2016-2018
December	

In its 8 months of activity since it was set up on 28 April 2016, the GSC has met 4 times, with average attendance by members of 100% and an average length of 1 hour 3 minutes per meeting. As already mentioned, the chronological comparison tables for the past three years have been omitted due to lack of comparability (a single committee was responsible for corporate governance and appointments until 2015).

However, to provide a complete picture of the activities performed during the year, we can report that in the first 4 months of 2016 the now defunct ACGC met 5 times, with an average attendance by its members of 100%, and a length of 49 minutes per meeting.

The Chair and the Secretary always drafted the minutes of each meeting, which were approved at the next meeting.

Table 2 annexed to this Report shows the attendance of each GSC member. 3 meetings have so far been scheduled for 2017.

As resolved by the Board of Directors at its meeting held on 11 May 2016, GSC members receive a gross annual fee (EUR 20,000 for the Chair and EUR 15,000 for the other members), and an attendance fee of EUR 2,000 per meeting, together with reimbursement of attendance expenses.

The Board of Directors has established that the majority of GSC members are non-executive independent Directors.

The notice of call is also sent to the Board of Statutory Auditors, whose attendance was 83.33% in 2016.

¹⁵

The actions indicate in the period from January to April 2016 have been made within the Appointments and Corporate Governance Committee, defuncted on 28 April 2016.

Investment Committee*

IC		
	Forenames and Surname	Office
	Philippe Donnet**	Chair Executive Director
	Francesco G. Caltagirone	Committee member Non-executive Director
	Clemente Rebecchini	Committee Member Non-executive Director
	Paola Sapienza	Committee member Non-executive independent Director
	Alberto Minali	Committee member Group CFO
	Timothy Ryan	Committee member Group CIO

* Since 25 January 2017 the Investment and Strategic Operations Committee (ISOC), which performs consultative, recommendatory and preparatory tasks relating to strategic operations. It is chaired by Group CEO Philippe Donnet, and its members are Francesco G. Caltagirone, Gabriele Galateri di Genola, Lorenzo Pelliccioli, Clemente Rebecchini and Paola Sapienza.

** The Chairs of the previous InvCom were Mario Greco until 9 February 2016 and, after his resignation, Chairman Gabriele Galateri, who took over the position temporarily, until 17 March 2016, in accordance with the succession plan policy, until a new Group CEO was appointed. On 17 March 2016, Philippe Donnet was appointed as the Company's Managing Director and Group CEO and also became Chair of the Investment Committee. Timothy Ryan took over from Nikhil Srinivasan as Group CIO on 9 January 2017.

The new Board of Directors, at its first meeting held on 28 April 2016, decided to maintain a specific Investment Committee (IC). It also maintained the previous number of committee members (6), and all the existing members were reappointed*. The Committee will remain in office until the date of the General Meeting called to approve the financial statements as at 31 December 2018.

Unlike the other Board Committees, 2 of the Company's top managers were reappointed to the IC in accordance with the Regulation of the Board of Directors and Board Committees.

The heads of the Group's real estate and financial operations are also invited to attend meetings regularly.

Giuseppe Catalano has acted as the Committee's Secretary since it was set up on 15 January 2015.

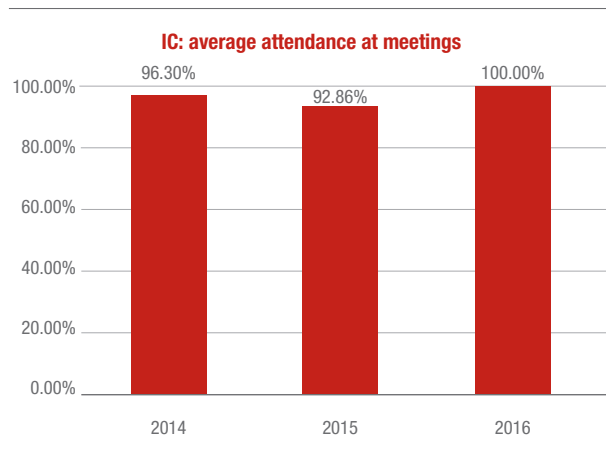
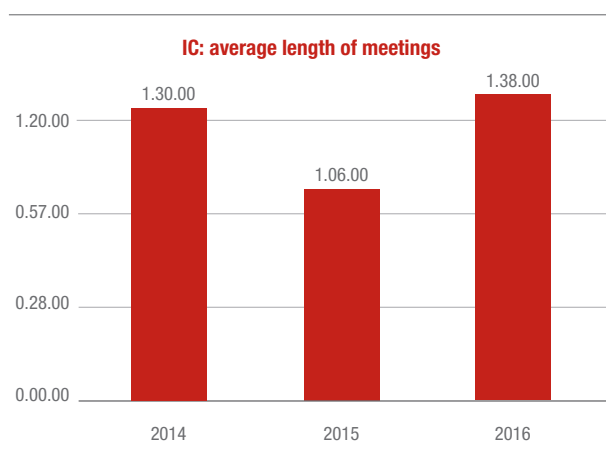
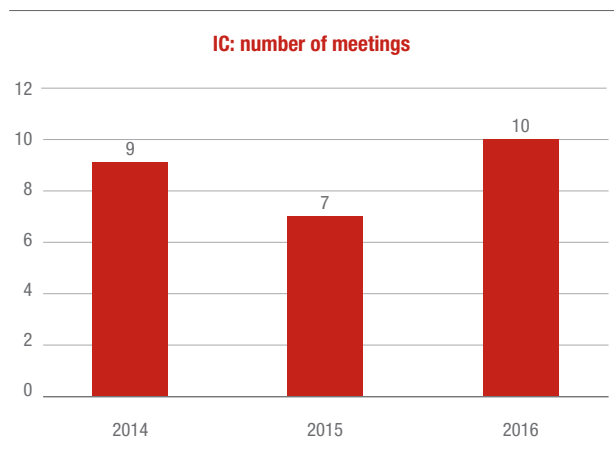
The IC performs consultative, recommendatory and preparatory tasks for the Board of Directors (consistently with the governance structure laid down by the applicable insurance supervision regulations) and the Group CEO, within the limits of their respective powers. It also

performs prior assessments of and expresses an opinion on investment and divestment transactions falling within the sphere of responsibility of the Board of Directors including those which, in terms of liquidity and asset risks, require complex assessments as regards their contents and advisability. The IC is also required to perform a periodic analysis of the investment policies, the main operational guidelines and their results, evaluating their adequacy in order to advise the Group CEO to submit proposed changes to the Board of Directors where appropriate, in accordance with the Group’s risk appetite framework and risk tolerance. This periodic analysis also relates to the Group’s strategic asset allocation (by asset class and main concentrations, also by comparison with the main competitors), the ALM situation, strategic shareholdings and investment and divestment operations of particular importance performed during the preceding period.

The notice of call is also sent to the Board of Statutory Auditors so that its members can attend the meetings. In

2016, the percentage attendance by Statutory Auditors was 76.98% (as against 90.48% in 2015).

IC members receive a gross annual fee (EUR 30,000 for all members apart from the Chair) and an attendance fee of EUR 2,000 per meeting, together with reimbursement of expenses incurred for attending meetings.



The Chair and the Secretary have always drafted the minutes of each meeting, which were approved at the next meeting.

Table 2 annexed to this Report shows the attendance figures for each member of the IC. 7 meetings are currently scheduled for 2017.

General Manager

On **17 March 2016**, when Philippe Donnet was appointed Group CEO and Managing Director, the Board of Directors appointed Alberto Minali as General Manager of the Company.

The General Manager exercises his powers, in the framework of the guidelines established by the Board of Directors and the Group CEO, in the Strategy & Business Development, Insurance & Reinsurance, Finance, Operations, Marketing and Data areas. The human resource management activities falling within the organisational responsibility of the General Manager report functionally to him in accordance with the Group HR policies.

In the capacity of General Manager, he also performs tasks involving responsibility for the strategies of the Company and the Group.

The General Manager attends all meetings of the Board of Directors.

He also retains the office of Manager in charge of preparation of the Company's financial reports, to which he was appointed by the Board of Directors on 27 September 2012 with effect from 9 November 2012, and the office of Group CFO.

At the **end of January 2017**, Alberto Minali left the Group as a result of the decision taken by the Board of Directors on 25 January 2017 to terminate the contract of employment of the General Manager and Group CFO. After Alberto Minali left the Company, information was provid-

ed to the market in a press release about the financial terms of the early termination of his contract of employment, stating that they were in line with the remuneration policy approved by the General Meeting.

The office of General Manager, required by the Articles of Association, has not yet been reassigned. However, the Board of Directors appointed Luigi Lubelli as new Group CFO and Manager in charge of preparation of the Company's financial reports.

As a result of those decisions, all the first-line company functions that reported to the General Manager were required to report directly to the Group CEO.

Board of Statutory Auditors

Membership

The Board of Statutory Auditors was appointed by the 2014 General Meeting, which reviewed the composition of the entire body. It holds office for three years; the term of office of the current Board of Statutory Auditors will therefore end on the approval of the 2016 financial statements. It consists of 3 permanent and 2 alternate auditors, who may be re-elected.

The Board of Statutory Auditors met on 35 occasions in 2016; 34 meetings were held in 2015, and 41 in 2014. Attendance was 98.1% in 2016, 92.2% in 2015 and 97.1% in 2014 and members unable to attend always sent apologies for absence.



Carolyn Dittmeier
Chair of the Board of Statutory Auditors

Nationality: Italian and USA
Position held since 30 April 2014

Career

She was born on 6 November 1956 in Salem, Massachusetts (USA). She graduated in Business and Economics at the Wharton School of the University of Pennsylvania and she is a statutory auditor, certified public accountant, certified internal auditor and a certified risk management assurance professional. She focused her career on the auditing sector, taking on the role of chief internal audit executive of Poste Italiane Group between 2002 and 2014.

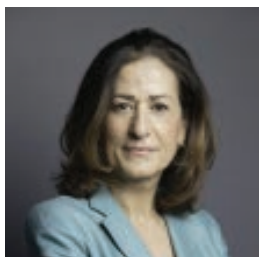
Previously she gained professional experience at auditing firms (KPMG) and with Montedison Group. She carried out various professional and academic activities, focusing on risk and control governance. She was Vice Chair of the Institute of Internal Auditors (IIA), a leading world professional association in the internal auditing sector from 2013 to 2014 (director since 2007); Chair of the European Confederation of Institutes of Internal Auditing-ECIIA (2011-2012) and of the Italian Association of Internal Auditors (2004-2010).

Positions pursuant to s. 148-bis CFBA on plurality of offices

None

Other positions

Independent director in Autogrill S.p.A. since 2013 and in Italmobiliare S.p.A. since 2014. She is senior advisor for Ferrero SA as member of Audit Committee since 2016. She is also member of the Scientific Committee of Nedcommunity, the association of non-executive directors, where she serves as coordinator of the work group devoted to risk control and management systems.



Antonia Di Bella
Statutory Auditor

Nationality: Italian
Position held since 30 April 2014

Career

She was born in Drapia (Vibo Valentia, Italy) on 17 February 1965. She graduated in Business Economics and Social Sciences at the University of Calabria. She is listed in the register of the Certified Auditors and Accounting Professionals of Milan and in the register of Statutory Auditors. She is Lecturer of Economics for Business in Insurance at Università Cattolica del Sacro Cuore in Milan. She has spent her professional career first in the KPMG network, dealing with auditing the financial reports of insurance and reinsurance companies and of firms operating in the financial sector and from October 2007 to July 2015 she was the head of the insurance sector at Mazars S.p.A. She has held the position of auditor and Chair of the Board of Auditors in other insurance companies and listed firms.

Positions pursuant to s. 148-bis CFBA on plurality of offices

Statutory auditor of Maire Tecnimont S.p.A..

Other positions

Chair of the Board of Auditors of SFP Emilia-Romagna S.c.a.r.l.. Member of the Insurance Technical Committee of the OIC (Organismo Italiano di Contabilità), the Italian accountancy body. Member of the Corporate Governance Committee and Integrated Reporting Committee established by the Milan Association of Certified Accountants. Member of the Steering Committee at MIRM, Master in Insurance Risk Management in Trieste.



Lorenzo Pozza
Statutory Auditor

Nationality: Italian
Position held since 30 April 2014

Career

He was born on 11 October 1966 in Milan. He has a degree in corporate economics and has been listed in the register of auditors since 1995, he teaches economics at Bocconi University in Milan. He is a certified public accountant and an advisor for a number of enterprises operating in various business sectors, he has gained experience as a company director and auditor. He is the author of a number of publications on financial reports and on the capital value of enterprises.

Positions pursuant to s. 148-bis CFBA on plurality of offices

Member of the Board of Directors of Amplifon S.p.A., Chair of the Board of Auditors of Ariston Thermo S.p.A., Chair of the Board of Auditors of Gas Plus S.p.A., Permanent auditor of Bracco Imaging S.p.A., Permanent auditor of Leonardo & Co. S.p.A., Permanent auditor of Merloni Holding S.p.A., Member of the Board of Directors of Rudra S.p.A. and Vice-chair of the Board of Directors of Angelab S.r.l..



Silvia Olivotto
Alternate Auditor

Nationality: Italian
Position held since 30 April 2014

Career

She was born in Varallo (Vercelli, Italy) on 4 September 1950. She is listed in the register of auditors and in the Register of Certified Accountants of Milan, in 1975 she started her professional career as auditor at Arthur Young (today Reconta Ernst & Young S.p.A.). Between 1982 and 1991 she worked as an auditor with the rank of senior manager at CZ Revisione, where in 1991 she reached the rank of managing partner and became responsible for auditing companies, including listed companies, mostly in the industrial and services sectors and of leasing and insurance companies. Between 1994 and 2005 she was a partner and worked as auditor at Reconta Ernst & Young S.p.A., where from 2002 to 2006 she served as CFO. From June 2005 to 30 October 2006 she was first Managing Director, then Chair of the Board of Directors of Global Shared Services S.r.l.. Over the years she has held the position of auditor at various companies.

Positions pursuant to s. 148-bis CFBA on plurality of offices

Chair of the Board of Auditors of Garmin Italia S.p.A. Sole auditor at Expedia Italy S.r.l. and Venere Net S.r.l. Permanent auditor at Atlantia S.p.A., Greif Italia S.p.A., Greif Plastics Italy S.r.l., Leica Geosystems S.p.A., Resindion S.r.l., Sas Institute S.r.l. and at Smith & Nephew S.r.l..



Francesco Di Carlo
Alternate Auditor

Nationality: Italian
Position held since 30 April 2014

Career

He was born in Milan on 4 October 1969. He graduated in Economics and Business at the Università Cattolica del Sacro Cuore in Milan, he is listed in the register of auditors and in the Register of Certified Accountants of Milan. A founding member of the Studio Craca Di Carlo Guffanti Pisapia Tatozzi, he has been working for years as an advisor for leading Italian and foreign operators on issues connected with corporate, banking, insurance regulations, as well as with the rules of financial markets and listed issuers. His clients include some of the leading Italian and international groups operating in the financial industry. He has been working together with the main Authorities for years. He has held positions as director, auditor and liquidator of joint stock companies, mainly of companies operating in the financial sector and listed companies.

Positions pursuant to s. 148-bis CFBA on plurality of offices

Chairman of the Board of Auditors of Italmobiliare S.p.A., Equita SIM S.p.A., Regular auditor of Clessidra S.p.A., Indesit Company S.p.A., Openjobmetis S.p.A., Plastitecnica S.p.A. and ABM Italia S.p.A. Member of the Board of Directors of Pitagora S.p.A..

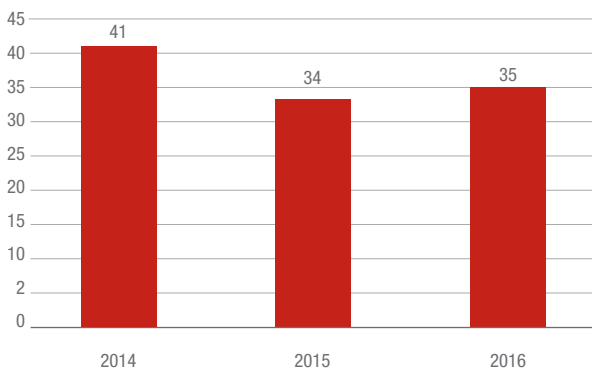
Other positions

Member of supervisory boards of joint stock companies, as per Decree 231.

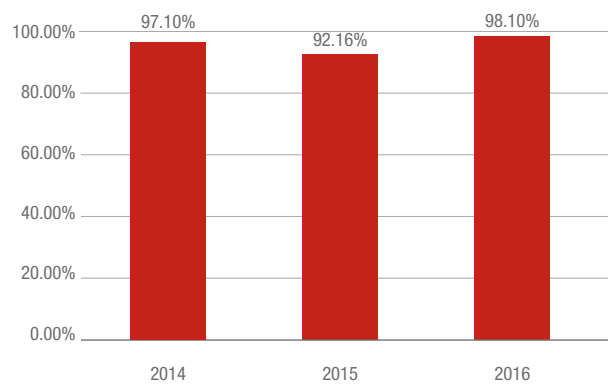
Table 3 annexed to this Report describes in detail the attendance of each member of the Board of Statutory Auditors in 2016.

The average length of meetings in 2016 was about 2 hours 18 minutes. The average attendance of Statutory Auditors at meetings of the Board of Directors was 100% in 2016 and 97.44% in the two-year period 2014 to 2015. Members unable to attend always sent apologies for absence. The entire Board of Statutory Auditors always attended the General Meetings held in the last 3 years. As regards gender diversity, the less represented gender is the male gender, with 40% representation on the Board of Statutory Auditors. The average age of members is about 53.

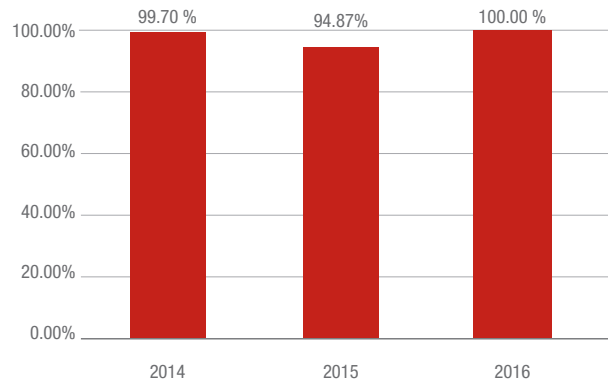
CS: number of meetings



CS: average attendance at meetings



BoD: average attendance of Statutory Auditors at meetings



Appointment and replacement

Statutory Auditors cannot be elected and, if elected, are debarred from office, if they are in the statutory situations of incompatibility or hold more than the number of offices allowed by the applicable legislation.

The General Meeting appoints the Board of Statutory Auditors by means of a list voting system designed to ensure the election of at least one statutory auditor elected by the minorities, who is appointed Chair. Shareholders who, either alone or jointly with others, hold at least 0.5% of the share capital, are entitled to submit a list for the appointment of the Board of Statutory Auditors.

The lists submitted by Shareholders, consisting of 2 sections (one for the appointment of permanent statutory auditors and the other for the appointment of alternate statutory auditors) must be filed not later than the 25th day before the date of the first or only convocation of the General Meeting.

The lists, composed in such a way as to ensure the gender balance, must be accompanied by information relating to the shareholders who submitted them and the total percentage of share capital held by them. The following must be submitted together with the lists:

- the CV 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;
- 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 independence laid down by the applicable legislation;
- copy of intermediaries' certificates certifying ownership of the percentage of share capital required for submission of lists.

Lists which do not comply with the above requirements are deemed not to have been submitted.

If only one list has been submitted by the deadline, or only lists submitted by shareholders connected with one another, lists may be submitted until the 3rd day after the said date. In that event, the threshold of entitlement to submit lists of candidates is reduced to 0.25%. Shareholders entitled to vote, companies directly or indirectly controlled by them, companies directly or indirectly subject to joint control, and shareholders linked by one of the relations specified in s. 109.1 of the CFBA relating to the

Company, may jointly submit (and may only vote for) one list; in the event of breach of that rule, no account will be taken of the support given to any list.

The first 2 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 by Shareholders connected in any way, directly or indirectly, with those who submitted or voted for the Majority List, obtained the second-largest number of votes (the "Minority List"), are elected permanent statutory auditors. If the number of permanent statutory auditors of the less represented gender is less than the statutory number (currently one-third of the members to be appointed), the necessary replacements will be made from the permanent statutory auditors' section of the Majority List, in order of presentation of the candidates.

As regards the alternate statutory auditors, the candidates elected are those indicated in the Majority List, and those indicated in the Minority List who obtained the highest number of votes in the relevant section.

If the first 2 lists obtain the same number of votes, a new vote is held. In the event of a tie between 2 or more lists other than the one that obtained the highest number of votes, the youngest candidates are elected as statutory auditors until all positions have been filled. If only one list is submitted, all statutory auditors to be elected are drawn from it.

The permanent statutory auditor drawn from the Minority List is appointed Chair. If all statutory auditors are drawn from a single list, the first candidate indicated in that list is appointed Chair.

In the event of the death, resignation or debarment of a permanent statutory auditor drawn from the Majority List or the single list, the alternate statutory auditor drawn from the same list or, if none, the youngest alternate statutory auditor, is appointed. The General Meeting appoints the missing members of the Board of Statutory Auditors by the statutory majorities.

In the event of the death, resignation or debarment of a permanent statutory auditor drawn from the Minority List, s/he is replaced, including as Chair, by the alternate statutory auditor drawn from the Minority List. The General Meeting appoints the missing members of the Board of Statutory Auditors in compliance with the principle of necessary representation of minorities. If the procedure for replacing the statutory auditors does not ensure the gender balance, the General Meeting will intervene, passing a resolution by the statutory majorities.

Requirements for office

All statutory auditors, both permanent and alternate, must meet the statutory requirements of professionalism, respectability and independence. Moreover, they must not hold a number of offices greater than that specified in the applicable legislation.

As regards the independence requirements, without prejudice to the statutory provisions, the CG Code states that the statutory auditors shall be selected from persons who meet the requirements laid down for directors, and that the Board of Statutory Auditors shall verify compliance with those criteria after the appointment, and subsequently at annual intervals, illustrating the result of the verification in the Report.

The current Board of Statutory Auditors duly performed this review in February 2017 to establish whether its permanent members met the independence requirement. It was found that the requirement was met, and the Board of Directors was notified accordingly.

As regards the limit on multiple offices in other companies, the General Meeting, at the time of the election, received information about the offices held by candidates at the time of their appointment. Moreover, the Statutory Auditors accepted the office after evaluating whether they could devote the necessary time to the performance of their tasks.

Role

As already stated, according to the traditional administration and control model adopted by Generali, the tasks of monitoring compliance with the legislation and the Articles of Association, and management control, are attributed to the Board of Statutory Auditors, which acts independently both within the Company and towards the Shareholders who elected it.

Generali's governance structure guarantees that the Board of Statutory Auditors is able to perform its tasks effectively, not only by ensuring the attendance of its members at meetings of the Board of Directors and the Board Committees (except for the part of ARC meetings focusing on appointments, at which its attendance is not usually required), but also by making available, in accordance with the same timing and IT access methods as provided for Directors, all the documentation prepared for the said meetings.

Adequate attention is also paid to training and refresher courses for the Statutory Auditors. They attended the Strategy Days in 2015 and, in early 2017, training courses for directors on important subjects such as the provisions of Decree 231, the new market abuse regulations, and management of privileged information. They also regularly receive the Company's press releases, usually before they are released to the market, and economic analysis documents. Attendance by the Statutory Auditors at training courses organised by Assonime and Assogestioni, reserved for non-executive directors of listed companies, is also facilitated.

The Board of Statutory Auditors is guaranteed access to all the Company information considered necessary, with the support of the Secretary. For logistical and operational reasons associated with the tasks performed, dedicated support is supplied by the Corporate Affairs function.

The Board of Statutory Auditors has power to supervise the independence of the External Auditors (as well as proposing their appointment), with the obligation to check on compliance with the applicable legislation, and the nature and extent of any services other than audits provided by them (and by organisations belonging to their network) to the Company and its subsidiaries.

The Statutory Auditors have power to check on the correct application of the assessment criteria and procedures used by the Board of Directors to evaluate the independence of its members.

In 2016 the Board of Statutory Auditors duly performed the statutory auditing activities and drew up the corresponding minutes and reports required by the conduct of the Company's business. The said supervisory activities performed by the Board of Statutory Auditors for 2016 will be illustrated in the annual report submitted to the 2017 General Meeting called to approve the 2016 financial statements.

In the same report the Board of Statutory Auditors will report on the checks conducted on the concrete methods of implementation of the corporate governance rules laid down by the CG Code.

Each member of the Board of Statutory Auditors is required to inform the other members and the Chairman of the Board of Directors promptly and exhaustively about the nature, terms, origin and scope of any interest they may have in a given operation of Generali's, either on their own account or on behalf of third parties. The pre-requisites for such reports never arose in 2016.

The remuneration of the Board of Statutory Auditors is presented to the General Meeting by the Board of Directors on the proposal of the ARC, and is formulated on the basis of the commitment required of Board of Statutory Auditors members, the importance of the role held and the size and sectoral characteristics of Generali. The decision is also taken on the basis of analysis of benchmarks formed by peer panels. All further information about the remuneration of the Board of Statutory Auditors is set out in the Remuneration Report, available in the Governance section of our Website.

External Auditors' Firm

The External Auditors appointed for the financial years 2012-2020 by the 2011 General Meeting, on the substantiated proposal of the Board of Statutory Auditors, are Reconta Ernst & Young S.p.A..

That company, which must be registered in a special register held by CONSOB, are responsible for ensuring, during the financial year, that the Company's accounts are properly kept and transactions correctly recorded in the books, informing the Board of Statutory Auditors and CONSOB immediately of any facts they consider reprehensible, and ensuring that the annual and consolidated financial statements correspond to the entries in the books of account and the audit results, and comply with the applicable legislation.

The legislation has increased their term of office to 9 financial years, and they can be reappointed after at least 3 years has elapsed from the date on which their previous appointment ended.

In the event of reappointment, the audit manager must be replaced after 7 financial years and cannot be reappointed in that capacity, even on behalf of another firm of external auditors, or with reference to the financial statements of subsidiaries, connected or controlling companies of the issuer or companies subject to common control, until at least 3 years have elapsed since the end of the previous appointment.

The said appointment can only be revoked before the expiry date, on the substantiated proposal of the Board of Statutory Auditors, for good cause. The appointment and revocation resolutions passed by the General Meeting are sent to CONSOB.

At the end of each financial year the External Auditors express their opinion of the financial statements, which is formalised in a specific report. That document is an-

nexed to the financial statements and deposited at the Company's head office for the 21 days preceding the General Meeting called to approve them, and until the financial statements are approved.

To ensure the independence of the External Auditors, Group guidelines on the appointment of the company or organisations belonging to its network have been introduced. In accordance with this procedure, the Board of Directors issues a binding prior opinion on the commissioning of additional tasks (other than the main auditing assignment, and for which the statutory situations of incompatibility do not arise) by companies belonging to the Group from the Group's main External Auditor or its network.





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Internal control and risk management system

Generali's Internal Model

When developing the Internal Control and Risk Management System (ICRMS), the Company followed the terms of the Solvency II Directive, including the guidelines and delegated acts issued by EIOPA and the statutory and regulatory provisions that transposed it into Italian legislation.

In March 2016, the Group obtained authorisation from the Regulator to use the "Partial Internal Model" (PIM) to calculate the Solvency Capital Requirement (SCR) as required by Solvency II. The PIM can therefore be used to identify the SCR at Group level and at the level of the main Business Units for the Italian, German, French and Czech companies. Further details will be found in the Group Risk Report.

In the context of credit risk measurement, a system of rules and procedures was implemented at Group level to ensure monitoring of internal credit ratings, thus limiting the sole use of external ratings.

In addition, in the context of compliance with Solvency II, the Group's internal policies were updated and/or established with the following aims:

- to regulate the ICRMS, establishing the roles and responsibilities of the Internal Control functions;
- to establish the processes associated with management of individual risks (ie. investment, underwriting and operational risks) and the main business processes (including capital management, the asset liability management [ALM] process and the product approval process).

Formalisation of the policies required by Solvency II is based on compliance with the undertaking to disseminate, at GHO and throughout the Group, the internal control culture and awareness of the operation of the ICRMS adopted.

Finally, although Generali is no longer classed as a systemic organisation, the Group has confirmed its monitoring by updating the Systemic Risk Management Plan, the Liquidity Risk Management Plan and the Recovery Plan in 2016.

The System

The ICRMS is the set of company rules, procedures and structures that ensure the effective operation of the Company and identify, manage and monitor the main risks to which it is exposed, having regard to the role of Generali as parent company of the insurance group. The efficacy of the System ensures the correct operation of the business mechanisms, compliance with the legislation and the reliability of all the information that reaches the market through the corporate bodies.

Our ICRMS is consequently an integrated system that involves the entire organisational structure: the corporate bodies and the company structures contribute to its operation in a coordinated, interdependent way, to stimulate the ongoing value creation process by leveraging the 3 pillars that constitute the cornerstones of our business culture: **Vision, Mission and Values**.



Generali Internal Regulation System (GIRS), pp. 45-46



Vision, Mission, Values, pp. 28-29

REGULATORY BOX



The Insurance Code and ISVAP Regulation no. 20/2008 contain the main legislative provisions governing internal controls and risk management for Italian insurance companies. Since the introduction of the new Solvency II system, in force since 1 January 2016, the national legislative insurance scenario has been evolving, taking account of the Guidelines issued by EIOPA on the subject from time to time, which are now being adopted.

The current provisions of the insurance legislation, the CFBA and the CG Code have further established the tasks and responsibilities of the various players in the Company's organisational system.

Roles and responsibilities

Each player in our corporate governance structure and our organisational structure has specific tasks and responsibilities relevant to the ICRMS. The objective is to create, on the basis of the applicable legislative provisions, a system in which powers and responsibilities are well defined and the procedures for coordination between the parties involved are clearly delineated and easily identifiable.

Board of Directors

The Board of Directors is the leading player in the System, having responsibility for establishing internal control and risk management strategies and policies and guaranteeing their suitability and soundness over time, in terms of completeness, functionality and efficacy. All evaluations are performed at least once a year, having regard to the size of the Company and the Group, their operational specificities and the nature and intensity of the corporate risks, including those relating to outsourced Company functions. In 2016, the assessment of the adequacy and efficacy of the ICRMS was performed in March with reference to the second half of 2015, and in July with reference to the first half of 2016, while the assessment relating to the second half of 2016 was performed in March 2017. The results of the assessments were deemed favourable in all cases, after consulting the RCC.

The main elements of the ICRMS are the activity plan for the Internal Audit function, which the Board of Directors approves annually after consulting the Board of Statutory Auditors and the ICRM Director; this was also done in 2016.

In the performance of its tasks the Board of Directors ensures that the System allows identification, evaluation (including prospective evaluation) and risk control, including risks deriving from non-compliance with the legislation and prejudicial facts, and guaranteeing the aim of safeguarding the Company's assets, on the basis of sustainability in the medium-long term. The System has been extended to Generali's subsidiaries, which have adopted it having regard to any specific legislative provisions in force in each country in which the Group operates.

The Board of Directors has examined the opinions and reports received from the other players in the system. Coordination between the ICRMS players is pursued not only by means of reports to the Board of Directors and Board of Statutory Auditors by the Chair of the RCC and regular attendance of the Board of Statutory Auditors at Board of Directors meetings, but also by attendance at Board of Directors and RCC meetings by the heads of the 4 Internal Control functions in relation to the matters for which they are responsible (for further details see the section devoted to them below) and, systematically, by the MPFR. There is an equally regular dialogue between the Board of Statutory Auditors and the said 4 Internal Control functions, which periodically attend meetings of the Board of Statutory Auditors in accordance with a pre-defined schedule.

The tasks of the Board of Directors include:

- appointing and revoking the appointment of the head of the Internal Audit function;
- ensuring that s/he has sufficient resources to perform his/her responsibilities;
- establishing his/her remuneration in accordance with Company policies.

The corresponding decisions are taken on the proposal of the ICRM Director, after obtaining the binding opinions of the RCC and the Board of Statutory Auditors.

Finally, the Board of Directors, after consulting the Board of Statutory Auditors, evaluates the results presented by the External Auditors and any suggestions that emerge at the time of certification of the financial statements. In 2016, as in previous years, the External Auditors did not consider it necessary to submit a suggestion letter; the report on the fundamental issues that emerged at the time of certification was supplied by Reconta Ernst & Young S.p.A. to the Board of Statutory Auditors on 1 April 2016, and brought to the attention of the RCC and the Board of Directors, for the matters falling within their spheres of responsibility, at their April meetings.

For further information about the decision-making powers of the Board of Directors, see the section on the Board of Directors - in chapter entitled "Corporate governance players" - and **Annex 1**.

Risk and Control Committee

The Risk and Control Committee performs consultative, recommendatory and preparatory functions for the Board of Directors on the subject of internal controls and risk management.

In particular, the RCC assists the Board of Directors in determining the directives relating to the ICRMS, the periodic check on its adequacy and effective operation, and the identification and management of the main business risks, including those deriving from prejudicial facts which come to the notice of the Board of Directors.

On 28 April 2016, a Related-Party Transaction Committee was set up to replace the previous sub-committee of the same name reporting to the RCC, which is also an important component of the system.

To ensure regular, timely exchanges of information relevant for the performance of their respective tasks, the Group CEO, who is also ICRM Director, the MPFR, the Board of Statutory Auditors and the heads of the 4 Internal Control functions systematically attend RCC meetings.

For further details, see the section on The five Board Committees - in chapter entitled "Corporate governance players" - and **Annex 4**, which more specifically describes the responsibilities of the RCC.

Director in charge of the internal control and risk management system

The Board of Directors has assigned the role of ICRM Director to the Group CEO. With effect from 9 February 2016, by way of implementation of the succession plan policy for the Group CEO, that position was temporarily assigned to the Chairman, pending completion of the process of identification and appointment of the new Group CEO. On 17 March 2016, following Philippe Donnet's appointment as Managing Director and Group CEO, this position was also assigned to him.

Acting in that capacity, he identifies the main business risks, taking account of the characteristics of the activities performed by the Company and its Subsidiaries, and periodically submits them for examination by the Board of Directors; implements the directives established by the Board of Directors, organising the design, implementation and management of the ICRMS, and regularly verifying its adequacy and efficacy; and adapts the System to the dynamics of the operating conditions and the leg-

islative and regulatory scenario.

In his capacity as ICRM Director, the Group CEO can also request the Group Audit function to audit specific areas and check on compliance with the internal rules and procedures in the performance of Company operations, notifying the Chairs of the Board of Directors, the RCC and the Board of Statutory Auditors at the same time. The Group CEO also reports promptly to the RCC and/or the Board of Directors on issues or critical factors which emerge in the performance of his activities or come to his notice, so that the necessary measures can be taken.

Internal Control functions

The System attributes to all the Company functions a clear position in the "3 lines of defence", which comprise:

- the operational functions, including the MPFR, responsible for conducting line controls or **first-level controls**;
- the three Risk Management, Compliance and Actuarial functions, responsible for **second-level controls**;
- the Internal Audit function, responsible for **third-level controls**.



As regards **line or first-level controls**, the heads of each GHO organisational unit have the task of ensuring correct management of risks correlated with the activities performed and introducing suitable controls, in compliance with the organisational structure and guidelines issued by the Group CEO, to guarantee implementation of the “Group Internal Control and Risk Management System Directives” issued by the Board of Directors.

The roles and responsibilities of each organisational unit are established in the ambit of the system of delegated powers and the policies approved by the Board of Directors which, apart from some exceptions, are applicable at Group level.

In this context, the figure of the MPFR (illustrated in more detail later in this chapter of the Report) deserves particular attention. Pursuant to s. 154-bis of the CFBA, the MPFR is responsible for drawing up suitable administrative and accounting procedures for the formation of the annual and consolidated financial statements and all other financial communications issued to the market.

The **second-level controls** meet the need to guarantee continuous monitoring of the most significant risks to the Company’s business; in our ICRMS, responsibility for those controls is attributed to three Company functions (the Group Actuarial, Group Compliance and Group Risk Management functions), which have no operational duties and are solely devoted to guaranteeing effective risk control. To ensure that the said functions have the necessary independence, their heads report functionally directly to the Board of Directors.

The **third-level controls** are assigned to the Group Audit function, which is responsible for monitoring and evaluating the efficacy and efficiency of the ICRMS. This function is characterised by strong independence from the business and a high degree of autonomy; the head of the function does not depend hierarchically on any head of the operational areas, but is answerable directly to the Board of Directors, with direct reporting to its Chairman.

The role, responsibilities and organisational position of the 4 second and third-level Control functions, and the relations between the GHO functions and their local counterparts, are established by specific Group policies.

Risk Management

The Group CRO’s structure supports the Board of Directors and the Top Management in devising risk management strategies and defining and measuring monitoring tools, and provides the information required to evaluate the soundness of the ICRMS as a whole by means of an adequate reporting system.

The role and position of the Risk Management Function is defined in the specific Group risk management policy, on the basis of the “Group Internal Control and Risk Management System Directives” .

In particular, the Group CRO:

- assists in establishing the risk management policy and supports the definition of the risk strategy and risk tolerance;
- establishes the risk assessment criteria and methodologies and the results of the evaluations, subsequently notified to the Top Management and the Board of Directors;
- for the activities falling within his sphere of responsibility, supports the definition and implementation of the risk policies and the main business processes, including planning, capital management, asset liability management and product development;
- proposes risk operating limits assigned to the operational structures regarding investment and liquidity risks, and establishes the procedures for timely checks on those limits;
- monitors the implementation of the risk management policy and the general risk profile of the Company as a whole;
- coordinates the preparation of the Group Own Risk and Solvency Assessment (ORSA) Report on an annual basis and, in the event of significant variations in the risk profile, during the year.

The Group’s risk management policy also establishes roles and responsibilities relating to the process of updating the risk strategy, risk propensity and risk tolerance in the ambit of the “Risk Appetite Framework”, and for the Own Risk and Solvency Assessment (ORSA).

To ensure a consistent, standardised approach within the Group, the Group CRO coordinates and monitors the adoption of the risk management policy at Group level, with any necessary adaptations required by the legislative context in which the various Group companies operate and the nature and complexity of the risks run, in accordance with the GIRS.

In particular, the policy establishes:

- the risk identification process and the risk categories to which the parent company and the Group companies are exposed;
- the risk measurement and assessment methodologies; the processes and procedures designed to ensure effective risk management and mitigation, on the basis of the risk propensity and risk tolerance defined in the Risk Appetite Framework;
- the principles governing the preparation of the ORSA Report at Group level.

Risk reporting is coordinated by the Risk Management function of the parent Company to ensure an agreed, structured design that takes account of local adaptations required by specific local legislation and the business models of the individual Group companies.

At parent Company level, in addition to the ORSA Report and the report on risk development and risk tolerance, the function also provides information about the general soundness of the risk management system as required by the applicable regulations and further established in the ambit of the ICRMS.

In the context of the Group's governance system, the Risk Management Policy specifies the roles and responsibilities of the Group CRO, the CROs of the Business Units and the CROs of the individual group companies, who provide support with monitoring the correct implementation of the System in accordance with the Group Policy. In the performance of the Group management and coordination activities, GHO has introduced a solid-line reporting model between the Group CRO and the CROs at the various levels.

The Group Risk Council has also been instituted to reinforce coordination and sharing of best practices at Group level; it is attended by the Group CRO (supported by the main heads of structure at GHO level) and the CROs responsible for the Business Units.

At its meeting held on 17 February 2016, as required by the applicable legislation, the function's activity planning ("Risk Management Plan") was approved by the Board of Directors after examination by the RCC.

The head of the function there reported regularly to the Board of Directors, including through the RCC, on business trends and the methods and models used for risk management.

Compliance

The need to operate in compliance with statutory and regulatory provisions and the principles laid down by the Group's Code of Conduct is an integral part of the culture of our business organisation, which is required to introduce, at each level, controls designed to prevent the risk of penalties, pecuniary losses or damage to reputation resulting from non-compliance with legislation, regulations, orders of the Regulators or provisions of CG codes (known as compliance risks).

Within the System, the Group Compliance function has the task of ensuring that the ICRMS is adequate to protect the Company and the Group against such risks.

In particular, Group Compliance pursues the following main objectives:

- supporting the Board of Directors in the field of compliance with legislative, regulatory and administrative provisions;
- assessing the possible impacts on the Company's business of changes in the legislative scenario;
- identifying and assessing compliance risks;
- helping to preserve the Company's integrity and reputation;
- consolidating awareness of compliance, transparency and responsibility to Generali's stakeholders;
- supporting the Company's operations and business to create a sustainable competitive advantage, integrating compliance risk management into everyday activities and strategic planning;
- assessing the appropriateness of the compliance risk management system in terms of the size, complexity, structure and business of the Subsidiaries.

In the pursuit of its objective, Group Compliance takes an approach based on risk relevance, assessed both for Assicurazioni Generali and for the Group with the same risk assessment methods.

At its meeting held on 17 February 2016, as required by the applicable regulation, the Board of Directors approved the Compliance function's activity planning ("Compliance Plan"), after examination by the RCC.

The head of the function consequently reported regularly to the Board of Directors, including through the RCC, on the business trend and the Group's exposure to compliance risks. Group Compliance also supervised the correct management of related-party transactions.

Actuarial Function

In the ambit of the second line of defence of the ICRMS, the main task of the Group Actuarial function is to coordinate, monitor and validate the calculation of technical reserves as required by Solvency II. In addition to tasks relating to the technical reserves, and in line with the provisions of Solvency II, the function is also required to express an opinion of the underwriting policy and the adequacy of reinsurance agreements. Finally, the function contributes to the effective implementation of the risk management system, also in liaison with the Risk Management function.

According to the organisational model established by the Board of Directors, the Actuarial function is positioned in the Group CFO's area to ensure effective coordination of the process of calculation of the technical reserves. Additionally, to maintain his independence in the performance of his duties, the head of the Actuarial function reports functionally to the Board of Directors, to which he/she has independent direct access.

In this context, as required by the terms of Solvency II, the head of the Actuarial function must submit to the Board of Directors, at least annually, his/her opinion on the adequacy of the calculation of the technical reserves, the underwriting policy and reinsurance agreements, reporting any critical areas identified and recommending suitable corrective measures if appropriate.

In 2016, the head of the Group Actuarial function submitted the said opinion, referring both to the Group and to the Company, to the Board of Directors, and also drew up activity plans for the function ("Group Actuarial Function's Plan"), which the Board of Directors approved at its meeting held on 17 February 2016, after examination by the RCC.

Finally, to ensure a consistent, standardised approach within the Group, the Group Actuarial function Policy establishes the organisational model for the Actuarial function (at local level and at Group level), and the main roles and responsibilities are established in accordance with Solvency II. Each Group company is required to implement the policy guidelines at local level, except for any adaptations required by local legislation.

Internal Audit

Group Audit is an independent function set up by the Board of Directors at GHO, with assurance and advisory tasks. The function supports the Company in achieving its objectives by establishing a disciplined, systematic approach, in order to evaluate and improve the efficacy of the risk management, governance and control processes. The primary role of Group Audit is to assist the Board of Directors and the management in protecting assets, reputation and sustainability of the organisation.

The Group Audit Manager meets the eligibility requirements laid down by the Italian supervisory regulations in terms of respectability, professionalism and independence, and therefore maintains a constructive, useful, transparent relationship of cooperation with the Regulators. The Group Audit Manager also ensures that the function has appropriate human and technological resources, and that its personnel are suitably qualified to perform their tasks professionally and thoroughly.

The scope of the internal audit activities is unlimited. Group Audit, maintaining a responsible approach based on confidentiality and corporate data protection, has full and prompt access to all the Company's structures and to the documentation relating to the areas audited. All employees are required to support Group Audit in the performance of its role and responsibilities. In this respect, to guarantee the function's independence, its head can interact directly with the Board of Directors and Board of Statutory Auditors.

To ensure a standardised approach and rapid identification of any critical areas in the Group companies, the Board of Directors approved a revised version of the Group Internal Audit Policy at its meeting held on 17 February 2016. In line with this Policy, the heads of the local internal audit functions report to their Boards of Directors and ultimately to the Group Audit Manager, through the heads of the internal audit functions of each Business Unit, in compliance with local legislation and regulations. This reporting system ensures adequate independence of the operational management and a more effective flow of information to the parent company, which includes responsibility for establishing the function's budget and remuneration,

evaluating whether the targets set have been met, revising the audit plan, together with the methodology to be used and the organisational structure to be adopted (in terms of recruitment, appointment, dismissal and remuneration of the head of the Internal Audit function).

At least once a year, the Group Audit Manager submits an Audit Plan to the Board of Directors for approval, including the planning of audits for the year to come, the budget and the necessary resources for their conduct. This plan is developed on the basis of careful, accurate identification of priority areas for audit, using a risk-based method and considering any suggestions from the management and the Board of Directors. Before the Plan is submitted to the Board of Directors, it may be discussed with the relevant management.

The Audit Plan may be revised and adapted in response to significant changes in the Company's organisation, the risks to which the Company is exposed, the systems used and the controls. The Board of Directors is informed of any significant revision of the Audit Plan as part of the periodic reporting process. The Board of Directors approved the 2016 Audit Plan at its meeting held on 17 February 2016, after examination by the RCC.

The Group Audit Manager does not report hierarchically to any manager of operational areas; the internal audit activity is not subject to interference of any kind by the Company's organisation, and maintains full independence and objectivity of judgement in terms of identification, planning and implementation of the processes to be audited and reporting of the results.

Internal Audit staff are not given any operational tasks in the Company areas audited. They consequently cannot be involved in implementing controls, establishing and implementing Company procedures and systems, or performing any other activities that may affect their independence of judgement.

At the end of each audit activity, the Group Audit Manager or his/her representative draws up a report and sends it to the appropriate recipients. If any anomalies or significant critical factors are identified, the Board of Directors is notified immediately.

Audit reports must also include the management's replies regarding identification and planning of the corrective measures required to remedy the problems identified. Group Audit must ensure suitable proper monitoring of the anomalies identified and the corrective measures agreed.

Group Audit may also perform advisory activities on subjects relating to governance, risk management and control, and perform special unplanned activities specifically requested by the Board of Directors or the management. It is also responsible for reporting situations involving significant risk exposure of the organisation and weaknesses in the controls (including fraud risks or deficiencies in the corporate governance system) to the Board of Directors and the management. It is also required to report to the Board of Directors on any other issue in which it has an interest.

The Group Audit Manager reports at least on a quarterly basis to the RCC, submitting a document summarising the audit activities performed and the weaknesses or deficiencies identified during the period in question, and the progress made in implementing the corrective measures agreed with the management. After examination by the RCC, this document is sent to the chairs of the Board of Directors and Board of Statutory Auditors and to the ICRM Director.

Group Audit is required to develop and support a quality assurance and improvement programme covering all aspects of internal audit activities. This programme includes an assessment of whether the internal audit activities comply with the *Group Audit Method Manual*, the *Internal Audit Definition* and the *International Standards*, and assesses whether the internal auditors comply with *Generali's Ethical Code*. The programme also assesses the efficiency and efficacy of the internal audit activities and identifies improvement opportunities. The Group Audit Manager reports to the RCC and the management on the results of the quality assurance and improvement programme, which requires an external audit to be performed at least every 5 years.

Board of Statutory Auditors

As already mentioned in the Report, the Board of Statutory Auditors holds supervisory functions regarding compliance with the legislation and Articles of Association, and management control functions.

The Board of Statutory Auditors attends meetings of the Board of Directors, the RPTC, the ARC on remuneration subjects and the RCC, GSC and IC, and has maintains a regular, timely exchange of information with those bodies on issues relevant to the performance of their respective tasks.

With particular reference to the internal control system, the Board of Statutory Auditors is responsible (*inter alia*) for:

- checking on the adequacy of the organisational, administrative and accounting structure adopted and its concrete operation;
- issuing its opinion on the activity plan for the Internal Audit function;
- issuing its opinion on the appointment and dismissal of the Internal Audit Manager, the adequacy of the function's resources and his/her remuneration;
- issuing its opinion on the documentation submitted at the time of certification of the financial statements.

These powers were duly exercised in 2016. For this purpose the Board of Statutory Auditors interacts with all the Company structures that perform control tasks, and in particular can request the Internal Audit function to audit

specific operational areas or Company operations.

For further information, see the section on the Board of Statutory Auditors in chapter entitled "Corporate Governance Players".

Manager in charge of Preparation of the Company's Financial Reports

On 27 September 2012 Generali's Board of Directors appointed Group CFO Alberto Minali as Manager in charge of Preparation of the Company's Financial Reports (MPFR), having established that he possessed the required experience of administration, finance and control and met the respectability requirements, which the Board of Directors is required to monitor periodically. As of 25 January 2017, this role was assigned to Luigi Lubelli.

REGULATORY BOX



S. 154-*bis* of the CFBA requires the appointment of a Manager in charge of Preparation of the Company's Financial Reports, and governs his/her activities and responsibilities in relation to the accounting information of the listed issuer.

Additionally, art. 40 of the Articles of Association states that the MPFR is to be chosen from candidates who have acquired adequate experience of administration, finance and control in companies of significant size or in professional practice, and meet the respectability requirements established for Directors. Loss of the respectability requirements during the term of office entails debarment from the office, and in such a case, the debarred executive is rapidly replaced.

To enable him to perform his duties, the MPFR has power to:

- issue policies and guidelines on the management of the relevant activities at Group level;
- establish a governance model for the application of policies and guidelines at Company level and Group level, and ensure that they are implemented;
- obtain any data or information, at Company or Group level, deemed necessary to comply with the statutory requirements;
- check that the administrative and accounting procedures are effectively and efficiently applied at both Company and Group level;
- propose changes to the internal control system at Company and Group level where deemed necessary to comply with statutory requirements.

The resources at the MPFR's disposal include at least:

- personnel with the skills and competence required for the role;
- tools, including IT tools, for implementation of policies and guidelines;
- an adequate budget.

If the Board of Directors, in the exercise of its supervisory activities, considers that the powers and resources allocated to the MPFR are insufficient for the exercise of his/her statutory tasks, it must take the measures deemed necessary.

Main characteristics of the internal control and risk management System as regards reliability of information supplied to the Company's governing bodies and the market

The periodic report to the market

The MPFR contributes to the efficacy of the overall system of internal control over financial reporting.

The objective of identifying, evaluating and controlling the risks relating to the financial reporting process (known as the financial reporting risk¹⁶) to which the Company and the Group are exposed, and preparing suitable administrative/accounting procedures, is pursued by applying a specific organisational structure (governance) and a financial reporting risk model (framework).

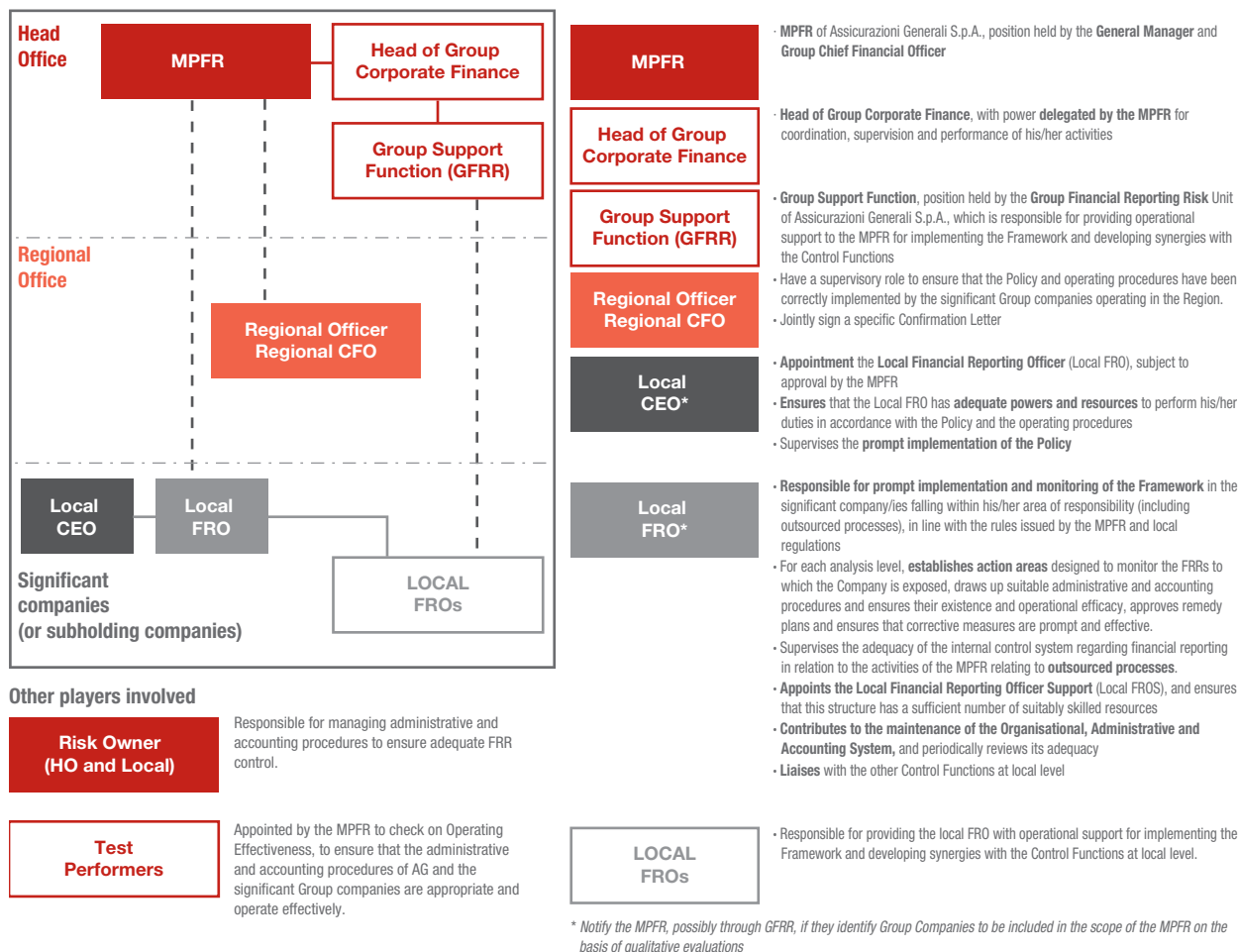
That set of documents is consistent with the instructions contained in the Group Directives on the Internal Control and Risk Management System, as shown in detail in the chart below.



¹⁶

"Financial reporting risk" means the risk of incorrect entry of data generated by a company transaction that entails an untrue, incorrect representation of the Company's capital, economic or financial situation in the annual and consolidated financial statements, and all other financial communications.

With a view to providing a comprehensive overview of the subject, the MPFR’s governance model for the Group’s Scope Companies is shown in the chart below¹⁷.



A structured set of policies, guidelines and operating instructions has also been prepared to give the Companies belonging to the Group suitable tools to guarantee the application of the Framework.

The Local Financial Reporting Officer checks and guarantees, with the support of the relevant functions, that the financial reports provided to GHO correspond to the entries in the books of account and comply with the accounting standards and methodologies adopted by the Group, in accordance with the applicable legislation;

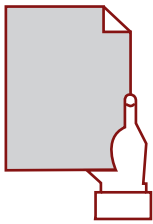
s/he also checks and guarantees that the financial reports submitted in general to GHO provide a true and correct representation of the capital, economic and financial situation of the company/ies, including evaluations of the main risks and uncertainties to which it is exposed. The Local FRO provides the Scope Companies with suitable administrative and accounting procedures for the financial reports supplied to GHO for the formation of the consolidated financial statements and all other financial communications.

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Scope Companies are identified as those which, when the ratios between assets, income and profits of the individual companies and the corresponding consolidated totals are applied, exceed given thresholds consistent with the best market practice. In particular, in the 2016 financial year, Scope Companies represented over 90% of the total consolidated assets.

The framework was established in line with the best practices¹⁸, and a gradual implementation plan is scheduled.

Confirmation letters



Quarterly certificates signed by the CEOs and CFOs (or personnel holding equivalent positions) of all the Group companies and by the CEOs and Local FROs of the sub-holding companies (if any), certifying that:

- the report on the representation of the economic, financial and capital situation of the Group companies is complete, timely, accurate, truthful and compliant with the accounting standards and methodologies adopted by the Group;
- it complies with the applicable legislation and the General Group's Accounting Manual;
- the corresponding administrative and accounting procedures, the internal control on financial information in relation to the activities of the MPFR, and the Organisational, Administrative and Accounting Structure are adequate.

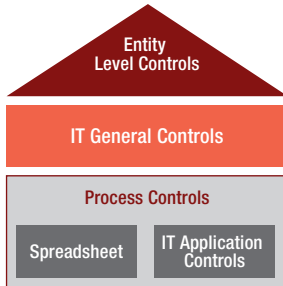
Ad-hoc confirmation letters for:

- the Group companies that operate as service providers;
- the Regional Officers and Regional CFOs.

Scope of application

All the Group companies, fully consolidated.

Analysis levels



Entity Level Controls

Controls that operate at company level, and are designed to ensure the existence of an organised, formalised company context, designed to reduce the risks of incorrect conduct (by means of measures such as adequate governance systems, effective organisational structures, and adequate policies, etc.).

IT General Controls

Controls that operate at company level and are specifically associated with Information Technology management processes in support of the performance of company processes.

Process Controls

Controls that operate at Company process level, whose performance provide evidence that adequate administrative and accounting procedures are applied to ensure effective internal control over financial reporting. They include:

- *spreadsheets*: files produced by individual programs (e.g. office automation software), which are used to support or perform process-level controls (e.g. generation or inputting of accounting data);
- *IT Application controls*: automatic procedures implemented in specific IT applications which operate at process level.

Scope of application

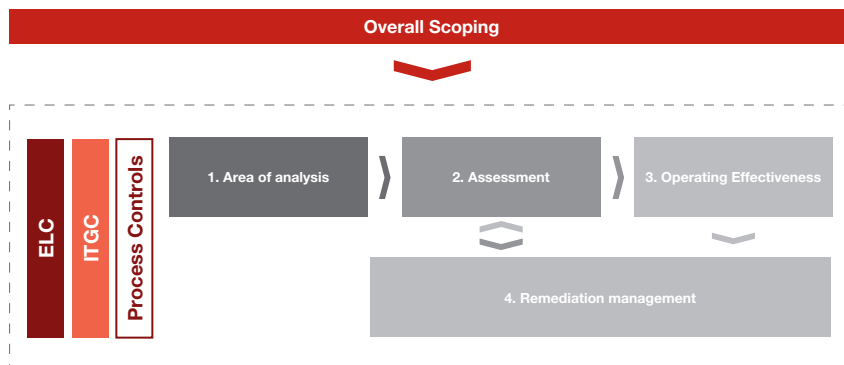
Group companies considered significant for MRFP purposes on the basis of quantitative and qualitative criteria

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As regards internal control over financial reporting, the following are generally recognised and accepted at international level:

- CoSO Internal Control – Integrated Framework, which defines guidelines for the evaluation and the development of an internal control system;
- COBIT (Control Objective for IT and Related Technology), which provides specific guidelines for the information systems area, supplemented by ITIL and ISO/IEC 27001.

The framework is divided into detail steps that determine its operational approach for evaluation of the administrative and accounting procedures on closure of the annual and half-yearly financial statements:



The overall scoping is determined on the basis of the accounts in the consolidated financial statements classed as relevant, determining for each Scope Company the Company processes which have a potential accounting impact on the said accounts, and all the Company processes directly relating to account closure activities in a given period.

The said scoping is also extended by taking into consideration qualitative factors relating to the risk profiles deriving from factors internal and external to the Companies, and is reviewed at least annually, depending on the changing conditions of the Group’s structure.

Overall Scoping

Operational approach

The preliminary stage, conducted at least once a year by GFRR, to identify the Companies in the Group which are significant for MPFR purposes and the significant accounts to be analysed. For each Analysis Level (ELC, ITGC and Process Controls), these significant Companies must perform the following activity stages:

1 Area of analysis

Definition of overall scoping for the FRR analysis.

2 Assessment

Periodic identification of the FRRs to which the Company is exposed, and definition of the administrative and accounting procedures by identifying the key controls that cover and mitigate the FRRs.

3 Operating effectiveness

Periodic checks designed to ensure that the administrative and accounting procedures are effectively operational and that the key controls are sufficient to cover and mitigate the associated FRRs, and operate effectively.

2a 3a Remediation management

Definition and implementation of corrective measures and/or improvement action plans to deal with deficiencies identified at the Assessment and Operating Effectiveness stages, with the aim of strengthening the internal control system as regards financial reporting.

Consistently with the ICRMS adopted by the Company, the financial reporting risk model involves the Company's governing bodies and operational and control structures in an integrated management, in accordance with different levels of responsibility, which are designed to guarantee the adequacy of the model at all times.

The MPFR reports periodically to the Board of Directors, including through the RCC, on the activities performed in the exercise of his functions.

Ongoing and extraordinary reports to the market: Group Policy governing management and communication to the public of the Generali Group's privileged information and share trading operations

The Company, implementing the new EU market abuse regulations, has updated its internal regulations, providing the Group with guidelines and fundamental principles which must be complied with to prevent market abuse. The Group Policy comprises practical rules designed to identify and manage privileged information relating directly or indirectly to the issuing companies belonging to the Group and to other issuers (not belonging to the Group), or the corresponding financial instruments.

The Company's internal regulations, as well as establishing rules for identification and management of privileged information, also cover disclosure to the public of privileged information, keeping of the Insider List, internal dealing (transactions performed by relevant parties with financial instruments issued by the Company), and obligations associated with market research.

The internal regulations also specify the characteristics that identify privileged information, the parties with power to classify information as privileged from its origin (and according to the type of origin of the information, ie. voluntary or external), possibly with the involvement of an ad hoc consultative committee consisting of the General Manager & Group CFO, Group General Coun-

sel, the Corporate Affairs Manager, the Group Compliance Officer and the Head of Supervisory Authorities Relations.

Generali, as issuer, is required to institute, maintain and regularly update a list of parties who have access to privileged information and process it in the course of their working or professional activities or the functions they perform. The Group Policy governs the objective and subjective criteria for the keeping and management of the list, assigned to the Corporate Affairs Manager in the capacity of List Manager.

Internal dealing regulations

Generali's market abuse policy establishes the rules for compliance with the information requirements relating to transactions performed by "Relevant Parties" or "Persons Closely Associated with Relevant Parties" on financial instruments issued by the Company and other Group companies listed on the European regulated markets which amount to at least EUR 5,000 a year, in accordance with the applicable legislative and regulatory provisions.

At present, Generali's "Relevant Persons" are: (i) the members of the Board of Directors (including the Group CEO) and the Board of Statutory Auditors; (ii) the first hierarchical reporting line of the Board of Directors; (iii) GMC members; (iv) the first reporting lines to the Group CEO; (v) the Regional Managers, if not included in the previous categories; (vi) any other party that holds at least 10% of the Generali's share capital, or a controlling interest in the Company. "Persons Closely Associated with Relevant Parties" are those identified in Regulation (EU) no. 596/2014 of 16 April 2014 (see the "Regulatory Box" below).

Blocking periods are imposed around the time of certain Company events, during which internal dealers are expressly prohibited from performing operations on relevant financial instruments.

REGULATORY BOX

Art. 3.1(26) of Regulation (EU) no. 596/2014 defines 'person closely associated' as: (a) a spouse, or a partner considered to be equivalent to a spouse in accordance with national law; (b) a dependent child, in accordance with national law; (c) a relative who has shared the same household for at least one year on the date of the transaction concerned; or (d) a legal person, trust or partnership, the managerial responsibilities of which are discharged by a person discharging managerial responsibilities or by a person referred to in point (a), (b) or (c), which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person.

Related-party transaction procedures

The Board of Directors adopted the RPT Procedures on 11 November 2010, to ensure that such transactions are performed in accordance with the principles of transparency and substantive and procedural correctness.

The Procedures, drawn up in compliance with the terms of s. 2391-bis of the Civil Code and the RPT Regulation that implements the statutory provisions, make a distinction between transactions of minor and major importance, imposing stricter rules for the latter in terms of the decision-making process and transparency towards the market. For both types of transaction, the Procedures state that a committee of independent directors (the RPTC) shall assess whether the Company has an interest in performing the transaction, and evaluate the benefits and substantive correctness of its terms. The opinion given is binding for all transactions of major importance, and those of minor importance which exceed given value thresholds.

For some transactions, it is not necessary to activate the decision-making procedure accompanied by the opinion of the RPTC; these transactions, identified in the RPT Procedures, are deemed unlikely to prejudice the interests protected by the legislation.

The Procedures apply to related-party transactions performed directly by the Parent Company and by each of its Subsidiaries.

On 17 March 2016, the Board of Directors approved an updated version of the RPT Procedures to take account of the experience gained. The new version came into force on 1 April 2016.

On 15 February 2017 the Board of Directors approved a further update to the RPT Procedures, the full text of which can be found in the "Governance" section of the Website.

Organisational and Management Model (OMM) and Supervision and Control Committee (SCC)

The Board of Directors has adopted the Organisational and Management Model (OMM) required by Decree 231, governing the administrative liability of organisations and legal persons for crimes committed in the interests or to the advantage of the Company, available in the Governance section of our Website.

The Parent Company informs its subsidiaries of the policies it has adopted in relation to developments in the legislation in question, the case law and the reference guidelines, suggesting the general criteria with which they can comply.

Generali's OMM consists of a "General Part" and various "Special Parts".

The General Part illustrates the rationale for and principles of Decree 231, illustrates the OMM and the principles of the ICRMS, and describes the elements constituting the components of the Model. The Special Parts supply a representation of the "underlying offence" contemplated by Decree 231. For this purpose, each Special Part contains a legislative analysis of the individual offences included in Decree 231, and the general principles of conduct by which behaviour in all areas potentially involving a crime risk must be inspired (see table below).


Our OMM also establishes the controls applicable to parties operating in our structures abroad, taking account of the specific risks associated with their operations.

In each risk area, the Company functions are involved are identified, together with sensitive activities, the specific offences theoretically possible, the methods by which they can be committed or conduct contributing to their commission, and the preventive controls and tasks of the Supervision and Control Committee (SCC) in this respect.

Special Part A	ss. 24-26 – Crimes against the Public Administration	Special Part E	s. 24- <i>bis</i> – Computer Crime and Illegal Data Processing
	s. 25- <i>decies</i> – Crimes of inducement not to make statements or to make untrue statements to the judicial authorities		s. 24- <i>ter</i> – Organised Crime
Special Part B	s. 25- <i>ter</i> – Corporate Crimes e.g. hindering the exercise of the functions of public supervisory authorities (s. 2638 of the Civil Code), misleading prospectus (s. 173- <i>bis</i> of the CFBA), etc.		Cross-border Offences pursuant to s. 10 of Statute 146/06
	s. 25- <i>sexies</i> – Market abuse Abuse of privileged information (ss. 184 - 187 <i>bis</i> CFBA) and market manipulation (ss. 185 - 187 <i>ter</i> CFBA)		s. 25- <i>bis</i> – Crimes relating to counterfeiting of currency, legal tender, revenue stamps and identification instruments or signs
Special Part B-bis	s. 25- <i>ter</i> – Crime of Private-to-Private Corruption		s. 25- <i>quater</i> – Crimes committed for the purpose of terrorism or overthrow of democratic order
Special Part C	s. 25- <i>septies</i> – Manslaughter or assault causing severe or very severe injury, committed in the course of breaches of the Health and Safety at Work legislation	s. 25- <i>undecies</i> – Environmental Offences	
Special Part D	s. 25- <i>octies</i> – Crimes of handling stolen goods, money-laundering and using money, assets or other things of value of illegal origin, and self-laundering		

On 11 May 2016, the Board of Directors appointed the Supervision and Control Committee for the three-year term 2016-2018 as a collective body consisting of 3 members:

Supervision and Control Committee

SCC		
	Forenames and Surname	Office
	Luigi Arturo Bianchi	Chair External professional
	Giuseppe Alessio Verni	Member External professional
	Maurizio Basso	Member Group Compliance Officer Manager

The Secretary of the SCC is Giuseppe Catalano.

Its members, as shown in the chart, meet the following requirements:

- independence, due to:
 - the presence on the SCC of a majority of external members, selected from professionals of proven authoritativeness and experience, who have no interests liable to conflict with the office and undermine their independence of judgement and evaluation;
 - independent positioning from all Functions belonging to the Company's organisational structure;
 - the absence of any kind of interference and/or influence by parties internal to the Company;
 - the fact that its internal member has no operational roles;
 - the financial resources necessary for the correct performance of its activities;

- Autonomy of the Supervision and Control Committee in defining its internal regulation on its role and tasks;

- professionalism, because:
 - its external members were selected on the basis of their professional expertise in the legal, economic and financial fields;
 - its internal member was selected on the basis of his specific skills in the field of internal control, risk management and compliance, and his organisational and operational knowledge of the Company.

The SCC is assisted by the Internal Audit function in the performance of its tasks. It reports to the Board of Directors on the adoption and effective implementation of the OMM, supervision of its operation and updates to it.

Milan, 15 March 2017

Board of Directors



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Table 1 - Data about share ownership

The format of this table complies with the Corporate Governance and Share Ownership Report Format recommended by Borsa Italiana (6th Edition, January 2017)

Declarant	Direct shareholder	% quota on the ordinary capital*
MEDIOBANCA	Mediobanca	13.036
	TOTAL	13.036
Gruppo CALTAGIRONE	Caltagirone Editore S.p.A.	0.215
	Echelto S.r.l.	0.026
	FGC S.p.A.	0.033
	Finanziaria Italia 2005 S.p.A.	0.170
	Fincal S.p.A.	1.119
	Fincel S.r.l.	0.151
	Gamma S.r.l.	0.408
	Mantegna 87 S.r.l.	0.173
	Pantheon2000 S.p.A.	0.263
	Quarta Iberica S.r.l.	0.106
	So.co.ge.im. S.p.A.	0.006
	SO.FI.COS. S.r.l.	0.304
	Viapar S.r.l.	0.071
	VM 2006 S.r.l.	0.506
	Francesco Gaetano Caltagirone	0.007
TOTAL	3.558	
DELFIN S.a R.L. (Gruppo LEONARDO DEL VECCHIO)	Delfin S.a R.L.	3.163
	TOTAL	3.163

* The ordinary capital is equal to the total amount of shares with voting rights

Table 2/a - Board of Directors and Board Committees in 2016

The format of this table complies with the Corporate Governance and Share Ownership Report Format recommended by Borsa Italiana (6th Edition, January 2017)

Board of Directors

Role	Members	Year of birth	Date of the first appointment*	Holding office since	until	List**	Executive	Non-executive	Indep. Code	Indep. CFBA	No. of other positions***	(*)
Chairman	Galateri di Genola Gabriele	1947	28.04.2003	28.04.2016	Adop. Fin. Stat. 2018	M		X		X	2	16/16
Vice-chairman	Calligirone Francesco Gaetano	1943	28.04.2007	28.04.2016	Adop. Fin. Stat. 2018	M		X		X	3	14/16
Vice-chairman	Rebecchini Clemente	1964	11.05.2012	28.04.2016	Adop. Fin. Stat. 2018	M		X		X	1	15/16
Managing Director ◊	Domest Philippe	1960	17.03.2016	28.04.2016	Adop. Fin. Stat. 2018	M	X				-	14/14
Director (28.04.2016)	Bardin Romolo	1978	28.04.2016	28.04.2016	Adop. Fin. Stat. 2018	M		X	X	X	1	09/10
Director	Barra Ornella	1953	30.04.2013	28.04.2016	Adop. Fin. Stat. 2018	M		X	X	X	1	15/16
Director (28.04.2016)	Di Benedetto Paolo	1947	28.04.2016	28.04.2016	Adop. Fin. Stat. 2018	M		X	X	X	2	10/10
Director	Figari Alberta	1964	30.04.2013	28.04.2016	Adop. Fin. Stat. 2018	M		X	X	X	-	14/16
Director (28.04.2016)	Moriani Diva	1968	28.04.2016	28.04.2016	Adop. Fin. Stat. 2018	M		X	X	X	3	09/10
Director	Pelliccioli Lorenzo	1951	28.04.2007	28.04.2016	Adop. Fin. Stat. 2018	M		X		X	3	12/16
Director (28.04.2016)	Percitti Roberto	1961	28.04.2016	28.04.2016	Adop. Fin. Stat. 2018	m		X	X	X	-	10/10
Director	Pucci Sabrina	1967	30.04.2013	28.04.2016	Adop. Fin. Stat. 2018	M		X	X	X	-	16/16
Director	Sapienza Paola	1965	24.04.2010	28.04.2016	Adop. Fin. Stat. 2018	m		X	X	X	-	16/16
Managing Director ◊ (until 9.02.2016)	Greco Mario	1959	01.08.2012	30.04.2013	09.02.2016	M	X				-	00/01
Director (until 28.04.2016)	Cattaneo Flavio	1963	05.12.2014	05.12.2014	28.04.2016	M		X			1	02/06
Director (until 28.04.2016)	Fourtou Jean-René	1939	06.12.2013	06.12.2013	28.04.2016	M		X	X	X	1	04/06
No. of meeting in 2016:												16

Required percentage for the submission of minorities lists for the election of members (ex s. 147-ter CFBA): 0.5% of the share capital

The following symbols must be used in the "Role" column:

- ◊ Director in charge of the internal control and risk management system.
- ◊ Responsibility on the issuer management (Chief Executive Officer or CEO).
- ◊ Lead Independent Director (LID).

* Date of the first appointment**

** This column shows the list of each director ("M": majority list; "m": minority list; "Board of Directors: list of the Board of Directors).

*** This column shows the number of positions in other listed companies in regulated market, including foreign markets, in the financial, banking or insurance sectors or in other large markets, for each director or auditor. In the corporate governance system, several positions in companies of the same group account for a single position. Roles are reported in full in this Report.

(*) This column shows the attendance of directors to the meetings of the Board of Directors (number of attended meetings on the total of meetings of the term).

Table 2/b (continued) - Board Committees in 2016

The format of this table complies with the Corporate Governance and Share Ownership Report Format recommended by Borsa Italiana (6th Edition, January 2017)

Members	From 01.01.2016 to the General Meeting of 28 April 2016					From General Meeting of 28 April 2016 until 31.12.2016				
	Control and Risk Committee	Investment Committee	Appointments and Corporate Governance Committee	Remuneration Committee	Related-Party Transaction Sub-Committee	Control and Risk Committee	Corporate Governance and Social & Environmental Sustainability	Investment Committee	Appointments and Remuneration	Committee Related-Party Transaction
	(*) (**)	(*) (**)	(*) (**)	(*) (**)	(*) (**)	(*) (**)	(*) (**)	(*) (**)	(*) (**)	(*) (**)
Galateri di Genola Gabriele	1/1	P until 17.3.2016	5/5 P			4/4 P				
Callagione Francesco Gaetano	3/3	M	5/5 M				7/7 M	4/5 M		
Rebecchini Clemente	6/6 M	3/3 M			6/7 M		7/7 M			
Donnet Philippe	2/2	P from 17.3.2016					7/7 P			
Bardin Romolo					7/7 M				2/2 M	
Baira Ornella				4/4 P				5/5 P	6/6 P	
Di Benedetto Paolo						4/4 M				2/2 P
Figari Alberta	6/6 P			2/2 P	7/7 P	4/4 M				
Moriani Diva							5/5 M	6/6 M	2/2 M	
Pelliccioli Lorenzo			5/5 M	4/4 M			4/5 M	5/6 M		
Perotti Roberto					7/7 M				2/2 M	
Pucci Sabrina	6/6 M			2/2 M	7/7 M		5/5 M			
Sapienza Paola	6/6 M	3/3 M		2/2 M			7/7 M		2/2 M	
Greco Mario										
Cattaneo Flavio										
Fourtou Jean-René			3/4 M							
	Control and Risk Committee 6	Investment Committee 3	Appointments and Corporate Governance Committee 5	Remuneration Committee 4	Related-Party Transaction Sub-Committee 2	Control and Risk Committee 7	Corporate Governance and Social & Environmental Sustainability 4	Investment Committee 7	Appointments and Remuneration 5	Committee Related-Party Transaction 2

(*) This column shows the attendance of directors to the meetings of the Board of Directors and Board Committees (number of attended meetings on the total of meetings of the term).

(**) This column shows the role of the director in the Board Committee: "C": Chair; "M": member.

Table 3 - Board of Statutory Auditors in 2016

The format of this table complies with the Corporate Governance and Share Ownership Report Format recommended by Borsa Italiana (6th Edition, January 2017)

Role	Members	Year of birth	Date of the first appointment*	Holding office since	until	List**	Independence Code	Attendance at the meetings of the Board of Auditors***	Number of other positions****
Chair	Dittmeier Carolyn	1956	30.04.2014	30.04.2014	Adop. Fin. Stat. 2016	m	X	34/35	-
Statutory Auditor	Di Bella Antonia	1965	30.04.2014	30.04.2014	Adop. Fin. Stat. 2016	M	X	35/35	1
Statutory Auditor	Pozza Lorenzo	1966	30.04.2014	30.04.2014	Adop. Fin. Stat. 2016	M	X	34/35	8
Alternate Auditor	Di Carlo Francesco	1969	30.04.2014	30.04.2014	Adop. Fin. Stat. 2016	M	X	-	3
Alternate Auditor	Olivotto Silvia	1950	30.04.2014	30.04.2014	Adop. Fin. Stat. 2016	m	X	-	3
No. of meetings in 2016: 35									
Required percentage for the submission of minority lists for the election of members (ex s. 148-ter CFBA): 0.5% of the share capital									

* "Date of the first appointment" for each auditor mean the date when the auditor was appointed for the role for the first time in the issuer board of auditor.

** This column shows the list of each director ("M": majority list; "m" minority list).

*** This column shows the attendance of auditors to the meetings of the Board of Auditors (number of attended meetings on the total of meetings of the term).

**** This column shows the number of positions of director or auditor of the person pursuant to art. 148-bis CFBA and in the relevant provisions of the CONSOB Issuers' Regulation. The complete list of positions is published by CONSOB in its Web site pursuant to s. 144-quinquiesdecies of the CONSOB Issuers' Regulation.

Annex 1 - Powers reserved to the Board of Directors by Board resolution

In addition to the powers reserved for the Board of Directors by the applicable legislation and regulatory provisions and the Articles of Association, the following powers are always reserved solely for the Board of Directors:

- to examine and approve the budget and the strategic, industrial and financial plans of the Company and the Group proposed by the Group CEO, monitoring their implementation on a quarterly basis and evaluating the general management trend, taking account, in particular, of the information received from the executive bodies, and periodically comparing the results achieved with the planned results;
- to establish, on the proposal of the Group CEO, the risk appetite compatible with the strategic goals of the Company and the Group and with the protection of assets of the Company and the Group, including in their evaluations all risks that may become significant for the medium/long-term sustainability of the business of the Company and the Group, and establishing the risk tolerance levels accordingly, to be reviewed at least once a year to ensure their effectiveness over time;
- to examine and approve, on the proposal of the Group CEO, the organisational structure of the Company and the Group; to assess the adequacy of the organisational, administrative and general accounting structure of the Company and its strategic Subsidiaries established by the Group CEO, with particular reference to the internal control and risk management system and management of conflicts of interest, ensuring their adequacy over time and approving the assignment of tasks and responsibilities to the operational units;
- to approve the system of delegated powers and responsibilities, ensuring their adequacy over time;
- to establish the ICRMS directives, with the support of the RCC, by assessing their adequacy, effectiveness and actual operation in relation to the characteristics of the Company and of Group at least once a year; to this end, ensuring that the Top Management implements the system in accordance with the directives issued and assesses its functionality, including by examining the prompt, regular information received on any critical issues;
- to evaluate, after consulting the Board of Statutory Auditors, the findings of the external auditors presented in their suggestion letter, if any, and in the report on crucial issues identified during the certification audit;
- to appoint the ICRM Director; to appoint, dismiss and establish the remuneration, on the proposal of the Group CEO, of the heads of the Internal Audit function (after obtaining the binding opinion of the RCC and that of the Board of Statutory Auditors) and the Risk Management, Compliance and Actuarial functions (after consulting the RCC); to evaluate and approve, after consulting the RCC, the annual activity plans and of the said Internal Control functions and their results;
- to examine, approve and periodically review, at the intervals specified therein, on the proposal of the relevant function and after consulting the RCC, the policies set out in the Solvency II Directive, specifying the extent to which they can be departed from and the intervals at which the parties with power to authorise such departures report to the Board of Directors on their activities;
- to grant and revoke delegated powers to the executive bodies, Committees and any sub-committees, establishing their limits and the procedures for their exercise; and to establish the intervals, not exceeding quarterly, at which the executive bodies must report to the Board of Directors on the activities performed in the exercise of the powers delegated to them;
- on the proposal of the Group CEO and after consulting the ARC:
 - to set up the GMC;
 - to establish the internal roles within the Company and the Group which carry membership of the GMC;
 - to appoints and dismiss those who hold internal positions within the Company and the Group which carry membership of the GMC: if the appointment or dismissal relates to the head of the Internal Control functions, the prior opinion is expressed by the RCC;
- to resolve, on the proposal of the Group CEO and after consulting the ARC, on the appointment, dismissal and remuneration of the chairs, executive directors and general managers (or top management executives holding equivalent positions) of the strategic subsidiaries, their non-executive directors, if appointed from outside the Company and the Group, and the members of their Boards of Statutory Auditors (or similar corporate bodies exercising control functions);
- to establish, after consulting the ARC, the succession plan for executive directors;
- to validate, on the proposal of the Group CEO and after consulting the ARC, a succession plan for the

- country CEOs and GLG members;
- on the proposal of the Group CEO and after consulting the IC, to approve the asset allocation strategy, monitoring its implementation at quarterly intervals and reviewing it at half-yearly intervals;
- to examine and approve in advance, after considering the opinions of the Risk Management and Compliance functions (formulated pursuant to the Group guidelines), the transactions of the Company and its subsidiaries, if the said transactions have significant strategic, economic, capital or financial importance for the Company, paying particular attention to situations in which one or more Directors have an interest on their own account or on behalf of third parties, without prejudice to the regulations governing related party-transactions. The following transactions, including those entered into through controlled companies, shall be deemed to have significant strategic, economic, capital or financial importance:
 - the issue of financial instruments with a total value exceeding € 100 million;
 - the grant of loans and guarantees for amounts exceeding € 100 million;
 - transactions relating to the provision of works and services, and collaboration agreements for the exercise and development of the company's business, for amounts exceeding € 100 million;
 - costs, including budgeted costs, of amounts exceeding € 50 million;
 - merger or spin-off operations in relation to which the total assets of the company taken over (merged) or the assets spun off exceed € 100 million;
 - transactions relating to investment and divestment, sale and purchase of shareholdings, businesses or business divisions and assets of all kinds, if the price of the company (or business division or assets) bought (or sold) exceeds € 100 million if the free assets of the Company and/or its subsidiaries are used, and in any event if it exceeds 2% of the average capitalisation of the Generali shares in the last six months;
 - the purchase and sale of rights over real estate and the grant of licences to use the same and mortgage restrictions thereover involving the use of the free assets of the Company and/or its subsidiaries exceeding € 50 million, and in any event for amounts exceeding 2% of the average capitalisation of the Generali shares in the last six months, without prejudice to decisions on investment/divestment transactions regarding Collective Investment Undertakings (OICRs) made by the Group's asset managers in the exercise of their independent management powers and not on the recommendation of Group companies, which not among the powers that the Board reserves for itself or delegates to the Group CEO, as they are vested in the OICRs;
- to approve the signature of shareholders' agreements of particular strategic importance relating to holdings in the capital of listed Italian and/or foreign companies;
- to examine, approve and review, at least once a year, the Intercompany Transaction Policy, consistently with its own strategy and with the investment policies, and to examine and approve intercompany transactions consistent with the said Policy;
- on the proposal of the Group CEO, to approve a procedure for the internal management and external communication of documents and information relating to the Company and the Group, with special reference to privileged information;
- to establish and periodically review, on the proposal of the ARC, the remuneration policies for members of the Company's governing bodies and its personnel, including remuneration plans based on financial instruments, verifying their correct application.
- on the proposal of the ARC and after consulting the Board of Statutory Auditors, to establish the remuneration of the Executive Directors and other directors who hold particular offices; on the proposal of the Group CEO and after consulting the ARC, to establish the remuneration of executive personnel who hold internal roles in the Group that carry membership of the GMC;
- on the proposal of the Group CEO and after consulting the ARC, to examine and approve the guidelines of the incentive system for GLG members
- at least once a year, with the support of the GSC, to assess the size, composition and functioning of the Board of Directors, the Board Committees and any sub-committees, taking account of factors such as the professional characteristics, experience, including managerial experience, and gender of its members, and their seniority in office, possibly providing guidance on the professional and managerial figures whose presence on the Board of Directors is deemed advisable;
- to provide information, in this Report, about the methods of application of the CG Code and any other legislative or regulatory requirements;
- after the appointment of a director who claims to be independent, and once a year thereafter, to evaluate, in accordance with the procedure set out in art. 10 of the BoD and Board Committees Regulation (BCR), the independence of its non-executive members, announcing the result of its evaluations (by means of

a press release to the market at the time of the appointment, and subsequently in the CG Report; and whether they meet the statutory respectability and professionalism requirements and those specified in the Fit&Proper Policy; to assessing whether any of the statutory grounds for incompatibility or debarment from office apply to other members of the top management;

- to express its view on the maximum number of directorships or positions as statutory auditor held in other Italian or foreign companies listed on regulated markets, in finance, banking or insurance companies or companies of significant size, which are deemed compatible with the effective performance of a directorship of the Company, taking account of Directors' participation in the Board Committees;
- to approve, with the support of the relevant Company function instituted at GHO, the text of the Regulation of the Board of Directors and Board Committees (BCR) and any amendments thereto required by legislation, the CG Code, the Articles of Association or resolutions of the Board of Directors, provided that the head of the Company function may amend the BCR to comply with mandatory provisions, providing that s/he informs the Board of Directors immediately.

Annex 2 - Powers assigned to the Managing Director and Group CEO by resolution of the Board of Directors

Philippe Donnet holds delegated powers including, but not limited to, operational management of insurance and reinsurance business, and the activities relating thereto, in Italy and abroad; responsibility for activities involving strategic planning, management control, enterprise risk management and ALM, mergers and acquisitions and management of the relevant shareholdings, and activities performed by the Group in the banking, financial and real estate sectors; responsibility for administrative, tax, legal and corporate affairs; responsibility for human resources and the work organisation, coordination of information technology activities, management and coordination of the companies belonging to the Group, and management of the communications, external relations and institutional relations of the Company and the Group.

Philippe Donnet also holds powers including, but not limited to, those listed below, relating to the performance of the delegated powers granted to him as Managing Director, provided that the quantitative and other limitations on

the powers granted shall be considered as internal limits between the delegating body and the party to whom powers are delegated:

- a) to propose to the Board of Directors the adoption of measures falling within its responsibility;
- b) to formulate proposals relating to the multi-annual plans and annual budgets of the Company and the Group, to be submitted for examination and approval by the Board of Directors;
- c) to issue directives for the formation of the Company's financial statements; to prepare proposals for submission to the Board of Directors regarding the draft annual financial statements and consolidated financial statements, and the quarterly and half-yearly reports;
- d) to formulate proposals relating to the asset allocation strategy to be submitted for examination and approval by the Board of Directors;
- e) to establish the general organisational structure of the Company and the Group, and submit it to the Board of Directors for the evaluation falling within its responsibility;
- f) to ensure that the resolutions of the General Meeting and the Board of Directors are implemented;
- g) to ensure the application of the corporate governance rules of the Company and the Group;
- h) as regards insurance and reinsurance:
 - i) to manage insurance and reinsurance business in Italy and abroad, authorising the taking of insurance and reinsurance risks in the sectors in which the Company is authorised to operate and the payment of the related compensation, to perform the activities relating thereto and to take the appropriate decisions;
 - ii) to supervise and guide the management of the Group's technical and actuarial activities and manage its research and development activities;
 - iii) to draft and approve the statements of the Company's Separate Internal Management Accounts and Internal Insurance Funds and establish the proportion of participation in the yield of the Separate Internal Management Accounts, without prejudice to any more favourable contractual terms and/or clauses which provide for a minimum yield to be withheld by the Company;
- i) as regards human resource management and organisation:
 - i) to formulate proposals to the ARC relating to the guidelines of the remuneration policy of the Company and the Group;
 - ii) to establish human resource development and management policies and the associated incentive system; to manage relations with trade unions

- and employers' associations, with power to sign agreements with them on the Company's behalf; to attempt conciliation, make settlements and sign the minutes relating to settlements;
- iii) to formulate proposals to the Board of Directors relating to:
1. the institution of the GMC;
 2. the definition of the internal roles in the Group relevant to the composition of the GMC;
 3. the appointment, revocation of the appointment and remuneration of the parties called on to hold internal roles in the Group carrying membership of the GMC;
- iv) with the exception of the exclusive powers of the Board of Directors pursuant to art. 32.2 of the Articles of Association, to take decisions on hiring, promotion, duties, delegated powers and remuneration of personnel of all grades belonging to the Company and the Group, with the exception of executives holding internal positions within the Company or the Group carrying GMC membership and having regard to the functional reporting of the human resources belonging to the area that reports to the General Manager. As regards the said personnel: to take the necessary measures, authorise the grant of financial subsidies and leave of absence, arrange transfers and secondments, and take all precautionary and disciplinary measures including dismissal and establishing severance pay;
- v) to determine, in accordance with the terms of arts. 38 and 39 of the Articles of Association, the scope of the power of representation and company signature of the Company's executives, excluding members of the GMC, and to grant the said power continuously to the Company's officers and revoke it;
- vi) to propose to the Board of Directors the nomination of the Chairmen, Managing Directors and General Managers (or members of the top management holding equivalent positions) of Subsidiaries with strategic importance, and to formulate proposals relating to revocation of their appointments and to their remuneration and that of the non-executive directors, if selected from figures external to the Group. For those purposes, the following companies are classed as strategic: Generali Italia S.p.A., Generali France S.A., Generali Deutschland Holding AG, Generali CEE B.V., Generali España Holding de Entidades de Seguros S.A., Generali Investments Europe S.G.R. p.A., Generali Real Estate S.p.A., Banca Generali S.p.A., Generali Holding Vienna AG, Generali Chi-
- na Life Insurance and Generali Schweiz Holding AG; to nominate the non-executive members of the Boards of Directors of Strategic Subsidiaries, if selected from persons belonging to the Group, and the executive members of the Boards of Directors of non-strategic subsidiaries; to nominate the members of the Boards of Statutory Auditors of subsidiaries without strategic importance;
- vii) to propose to the Board of Directors the signature of shareholders' agreements of particular strategic significance, relating to shareholdings in listed Italian and/or foreign companies;
- viii) to submit to the Board of Directors, after consulting the ARC, the succession plan for members of the GMC, country CEOs, and executives whose Hay score exceeds 1,200 points (or who belong to the GLG);
- j) to approve transactions relating to investment and divestment, purchase and sale of shareholdings, business or business divisions and assets of all kinds, if the price of the company (or business division or assets) bought (or sold) does not exceed € 100 million, if the free assets of the Company and/or its subsidiaries are used;
- k) as regards relevant shareholdings pursuant to s. 4 of Legislative Decree no. 173 of 26 May 1997:
- i) to acquire and/or increase shareholdings (directly or indirectly and by subscription of capital increases) up to the value of € 100 million, if the free assets of the Company and/or its subsidiaries are used; to authorise the waiver or assignment of stock options relating to capital increases in investee companies and the waiver of rights of pre-emption;
 - ii) to approve capital increases by investee companies; to approve Company transactions (such as mergers, spin-offs, contribution to capital of business divisions, issue of bonds or subordinated loans, purchase of own shares, etc.) performed by controlled or investee companies with which shareholders' agreements relating to the matters in question have been entered into: all up to € 100 million, if the free assets of the Company and/or its subsidiaries are used;
 - iii) to approve transactions involving the total or partial acquisition, increase or assignment of shareholdings (including subscription of capital increases and waiver of stock options on capital increases or rights of pre-emption) proposed by subsidiaries and investee companies up to the value of € 100 million if their free assets are used;
 - iv) to approve amendments to the Articles of Association of investee companies;

- v) to issue voting instructions for the General Meetings of subsidiaries and investee companies;
 - l) as regards other transactions:
 - i) to approve issues of financial instruments up to a total value of € 100 million;
 - ii) to approve the grant of loans and guarantees for amounts of up to € 100 million;
 - iii) to approve transactions relating to the provision of work and services, and cooperation agreements for the exercise and development of the Company's business, for amounts of up to € 100 million, if the free assets of the Company and/or its subsidiaries are used;
 - iv) to approve merger or spin-off operations in relation to which the total assets of the company taken over (merged) or the assets spun off do not exceed € 100 million;
 - m) as regards real estate management:
 - i) to authorise the purchase and assignment of rights relating to real estate and the grant of licences to use the same;
 - ii) to grant servient easements over the Company's real estate, with no value limits;
 - iii) to consent to the cancellation, reduction and restriction of mortgages and/or liens of any kind (with express power to identify the property to be cancelled for Land Registry and mortgage purposes) and deeds of subordination or subrogation; to consent to the cancellation of transcriptions and annotations, exonerating the Land Registrar and registrars of other offices from the responsibility to establish that the extinction has taken place or a corresponding reduction made in the debt claimed and/or that an authorising resolution has been passed by the appropriate body of the Company;
 - iv) for the transactions referred to in the previous paragraphs, the use of the free assets of the Company and/or its subsidiaries is allowed for amounts of up to € 50 million;
 - n) as regards expenditure: with reference to the Company, to authorise compulsory expenditure with no limit on the amount, and other costs up to € 50 million per item;
 - o) as regards legal matters:
 - i) to file suits and proceedings in courts and administrative tribunals, non-contentious proceedings and arbitration proceedings; to defend proceedings taken against the Company; to represent the Company in legal proceedings, both as Plaintiff and Defendant, before any authority, in any forum and at any level or stage of proceedings, and consequently in interlocutory, enforcement, appeal and cassation proceedings and arbitration proceedings, with all the corresponding powers, including power to conciliate and/or settle disputes, to sign arbitration agreements and compositions, to issue general and special powers of attorney ad litem and special powers of attorney pursuant to ss. 183 and 420 of the Italian Civil Procedure Code to represent the Company in legal proceedings, including with power to conciliate or settle disputes, to waive and accept waivers of judicial documents, to issue declarations as garnishee, and to claim damages in criminal proceedings; to file and withdraw complaints;
 - ii) to authorise payments of claims by third parties;
 - p) as regards service activities: to sign and terminate service contracting and/or outsourcing agreements relating to the performance of services for other companies in the Group;
 - q) Group management and coordination activities: to perform, within the guidelines established by the Board of Directors, management and coordination activities for the companies in the Group;
 - r) to establish guidelines for the exercise of the General Manager's powers;
 - s) power of subdelegation: to subdelegate to employees or non-employees one or more of the powers specified in the preceding paragraphs, with the obligation to predetermine any limits thereon;
 - t) emergency powers: to exercise any power held by the Board of Directors if, at his sole discretion, the urgency of the matter requires an immediate decision, excluding the powers set out in 2420-ter (Delegation to directors), 2423 (Drafting of financial statements), 2443 (Delegation to directors), 2446 (Reduction of capital due to losses), 2447 (Reduction of share capital below statutory limit), 2501-ter (Merger Plan) and 2506-bis (Spin-off Plan) of the Civil Code, with a value limit of € 100 million per operation. The value limit of € 100 million also applies to the case of multiple operations of the same type which, though individually falling below the said threshold, collectively fall into the same time, functional or planning scale.
- The exercise of emergency powers is subject to a prior check by the Group CEO, acting in liaison with the Chairman, to establish whether it is impossible to hold a meeting of the Board of Directors in time to pass a resolution falling within its powers, within a minimum of two days, as required by the Articles of Association in the case of calls to be issued in the event of emergency. Significant transactions performed to implement the above matters must be reported to the Board of Directors at its first meeting after the exercise of the delegated powers, but the actions performed remain valid in any event.

Philippe Donnet is also Chairman of the Investment Committee and executive director in charge of supervising the Internal Control and Risk Management System. In this capacity, he holds the following powers:

- 1) to identify the main company risks, taking account of the characteristics of the business carried on by the issuer and its subsidiaries, and periodically submit them for examination by the Board of Directors;
 - 2) to implement the policies established by the Board of Directors and arrange the design, the implementation and management of the ICRMS, regularly monitoring its adequacy and efficacy;
 - 3) to adapt the ICRMS to the dynamics of the operating conditions and the legislative and regulatory scenario;
 - 4) to request the Group Audit function to conduct audits on specific areas and compliance with the internal rules and procedures in the performance of Company transactions, notifying the Chairs of the RCC and the Board of Statutory Auditors at the same time;
 - 5) to report promptly to the RCC and the Board of Directors on any problems or critical factors which have emerged during the performance of his duties or which have come to his notice, so that the RCC and the Board of Directors may take any appropriate measures.
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- ii) supporting the Group CEO in establishing, supervising and reviewing the Group's strategic plan, the multi-annual plans and the annual budgets of the Company and the Group to be submitted for approval of the Board of Directors;
 - iii) coordinating and managing the budgeting process relating to GHO costs, and monitoring their development;
 - iv) supervising tax planning and advice activities at Group level (national, international, financial, and real estate activities, litigation, etc.), monitoring regulatory developments in the field of international taxation, and developing and managing a Group tax community;
 - v) supervising of Group debt activity; approval of issues of financial instruments and the grant of loans and guarantees for a total amount up to € 50,000,000.00 (fifty million euros) for each transaction or for transactions that are connected by a single time scale, function or planning process;
 - vi) managing of financing requirements at Group level, credit lines, the Group guidelines on financial debt risk and intercompany financing transactions;
 - vii) supervising of corporate finance transactions including, for example, strategic hedging, corporate treasury and debt management, including by direct access to capital markets;
 - viii) ensuring the management of processes relating to M&A operations, supporting the Group CEO and the Board of Directors with the related activities;
 - ix) ensuring effective, prompt communication of financial and strategic information to the financial community (equity analysts, institutional investors, rating agencies, credit analysts, etc.);
 - x) acquiring and/or increasing shareholdings in subsidiaries/investee companies; approving capital increases of subsidiaries/investee companies, investment and divestment transactions, the acquisition and sale of shareholdings, business or business divisions, and other assets proposed by subsidiaries or investee companies, up to a limit of € 50.000.000,00 (fifty million euros) if the free assets of the Company and/or its subsidiaries are used;
 - xi) approving merger or spin-off operations in relation to which the total assets of the company taken over (merged) or the assets spun off do not exceed € 50,000,000.00 (fifty million euros);
 - xii) contributing to proposals to the Group CEO and the Board of Directors to enter into shareholders' agreements of particular strategic importance relating to shareholdings in listed Italian and/or foreign companies;

Annex 3 - Powers assigned to the General Manager by resolution of the Board of Directors

Alberto Minali, as General Manager of the Company, has been granted the managerial powers listed below by way of example, to exercised in accordance with the guidelines established by the Board of Directors and the Group CEO in the fields of Strategy & Business Development, Insurance & Reinsurance, Finance, Operations, Marketing, Data and functional management of human resources in the said areas, with authority to delegate one or more of those managerial powers to employees or non-employees, establishing their limits (if any) in advance.

1. Managing, supervising and coordinating processes relating to the following matters

a) In the Finance area:

- i) preparing the Company's individual financial statements and the Group's consolidated financial statements, and proposals to be submitted to the Board of Directors regarding the draft annual and consolidated financial statements, the quarterly reports and the half-year reports;

- xiii) issuing voting instructions for the General Meetings of subsidiaries and investee companies and representing the Company on the governing bodies of subsidiaries and investee companies in accordance with the applicable Company policies.
- b) In the Operations area:
- i) promoting the efficiency of the Group and the harmonisation of significant procedures in the field of operational activities, such as information technology (IT), procurement, and management of real estate facilities;
 - ii) maximising the return on investments on operating platforms (such as IT investments);
 - iii) establishing and implementing the IT infrastructure at Group level and guiding the IT infrastructure consolidation process, achieving the possible synergies in terms of cost at Group level;
 - iv) ensuring system availability and the introduction of controls and measures designed to ensure business continuity and IT disaster recovery;
 - v) providing IT support to all Group functions, Global Business Lines and companies falling under the responsibility of the Group CIO;
 - vi) establishing and implementing the Group procurement strategy and organisation (governance, processes and systems);
 - vii) establishing and implementing the premises and facilities management strategy, including the site strategy, and coordinating all facility management activities, including at Group level;
 - viii) managing, negotiating and authorising leases, licence agreements and any other documents or agreements relating to properties used exclusively by the Company and/or companies belonging to the Group (Direct use assets);
 - ix) managing general services for the GHO infrastructure;
 - x) establishing and implementing the Group operations strategy;
 - xi) developing and maintaining the Group's operating platforms and managing their design to ensure ongoing improvement;
 - xii) defining the metrics for COO performance measurement, consistent reporting of costs, Group cost governance and cost management policies and procedures.
- c) In the Insurance and Reinsurance area:
- i) monitoring the Group's technical insurance and reinsurance activities and performance by establishing the technical insurance and reinsurance objectives of the Business Units, reviewing the outcomes;
 - ii) directly managing insurance business, in particular acceptance, underwriting and termination of insurance policies, establishing the rates and conditions for all risks, life and non-life business for gross risk exposure amounts of up to € 2,000,000,000.00 (two billion euros) or unlimited cover in the statutory cases, settling claims, appointing claims assessors, entering into distribution agreements, and authorising of any other action relating to those activities;
 - iii) activating functional reporting lines to the technical managers of the Business Units and promoting optimisation of the Business Units' profitability levels, for example by issuing guidelines applicable at Group level (relating, for example, to pricing, product, claims settlement, portfolio analysis, reinsurance, sales and distribution);
 - iv) promoting the development and improvement of the efficacy and efficiency of traditional distribution channels and innovative forms of distribution;
 - v) promoting the development and improvement of the efficacy and efficiency of claims settlement processes;
 - vi) supervising contractual and optional reinsurance activities, modelling the catastrophe (CAT) risk and optimising reinsurance processes;
 - vii) in relation to accepted reinsurance, signing mandatory and optional reinsurance agreements (treaties) and all relevant and connected documents and correspondence up to various gross exposure amounts relating to life and non-life reinsurance accepted by Group companies or other companies;
 - viii) settling, negotiating or paying out claims relating to the activities described in the previous point;
 - ix) in relation to ceded reinsurance, signing mandatory and optional reinsurance or retrocession agreements (treaties) all any relevant and connected documents.
- d) In the Strategy & Business Development area:
- i) supervising all the activities supporting the development of the strategy and the business on the basis of instructions received from the GMC and the Group CEO;
 - ii) supervising and promoting the development of the Group's three-year Strategic Plan;
 - iii) promoting strategic communication with all the Group's Business Units and the development of strategies for key regions and Business Units, ensuring alignment of local annual plans and Group and local initiatives;
 - iv) coordinating the launch of new strategic projects

- and key business initiatives at Group level, supervising and monitoring their implementation and promoting ongoing alignment and the introduction of functional guidelines in the Business Units and other operational entities;
- v) ensuring delivery of strategic designs, monitoring deadlines and quality and providing support if necessary;
 - vi) supporting the establishment of the general organisational structure of the Company and the Group and submitting it to the Group CEO for the evaluations falling within his powers;
 - vii) arranging the identification of and feasibility studies relating to strategic partnerships and distribution agreements at Group and local levels in liaison with the Business Units;
 - viii) arranging the management of the bancassurance business at Group level, optimising and maximising distribution agreements and partnerships, taking direct action if necessary in the negotiating and entering into such agreements and promoting the identification and development of potential new partnerships at Group and local levels;
 - ix) managing the development of Health & Protection insurance products based on customer behaviour and shared value generation ("Generali Vitality");
 - x) developing, at Group level and throughout the geographical areas, activities correlated with the Accident & Health business, establishing the strategic approach and identifying innovative business models in liaison with the relevant Business Units, GBLs and GHO functions.
- e) In the Data area:
- i) establishing and implementing the strategy and methods used to acquire, analyse and govern data, supporting the establishment of new business initiatives and improving the Life, Non-life portfolio and business in the existing Accident and Health sectors in liaison with the relevant Group structures;
 - ii) developing a local network to ensure that data management and filing methods are consistently applied in all Business Units;
 - iii) promoting a data-driven problem-solving approach in the Group in order to innovate and accelerate decision-making processes;
 - iv) establishing data architectures (variables, database formats, information to be gathered from Group customers) by means of: a) guidance with the self-assessments conducted by each country to identify and share local best practices; b) identifying a data architecture blueprint; c) conducting a gap analysis between the local model and the said blueprint;
- v) identifying the main subject to be analysed by: a) gathering reports of critical situations which have arisen from the local Business functions, measured with KPIs (such as fraud-detection analysis of claims, portfolio retention, existing management, etc.); b) proactive detection of local problems and the associated processing in terms of "big data"; c) the conduct of market surveillance activities to identify the state of the art regarding the statistical methods used for data analysis, including by entering into partnerships with universities and research institutes.
- f) In the Marketing area:
- i) developing and coordinating the Generali brand and the customer relationship management strategy in the Group;
 - ii) promoting the development of a distinctive, innovative brand identity, developing guidelines and templates for consistent Group-wide use;
 - iii) promoting specific initiatives to maximise customer retention and customer value;
 - iv) promoting the establishment and implementation of market segmentation and target models;
 - v) promoting the Group's online visibility, leveraging social media and the internet, to improve the positioning of the Generali brand, in liaison with Group Communications & Public Affairs;
 - vi) in liaison with Group Communication & Public Affairs, promoting and developing key branding/sponsorship initiatives and projects;
 - vii) in liaison with Group Communication & Public Affairs, authorising third parties to use their brands together with the Generali brand for activities or events such as conferences, sponsorships and charity projects, establishing their terms and conditions.
2. In the capacity of MPFR, drawing up suitable administrative and accounting procedures for the preparation of the annual and consolidated financial statements and all other financial disclosures.
3. In the areas for which he is responsible:
- a) approving transactions involving works and services, cooperation agreements regarding the implementation and development of the Company's business, and purchase goods connected with the operation of the GHO structures to up to a maximum limit of

€ 25,000,000.00 (twenty five million euros) per transaction or for transactions are connected by a single time scale, function or planning process, and in any event in accordance with the budget process;

- b) arranging, in liaison with the Group HR & Organisation Director, the management and development of the human resources assigned to him/her, with a view to their professional development;
- c) contributing to the management of the available technical and technological resources in accordance with criteria of efficacy and efficiency, with a view to economising on their use;
- d) establishing, proposing and managing the assigned budget in accordance with the applicable internal procedures;
- e) ensuring the implementation of internal controls designed to ensure the smooth operation of the functions, risk limitation and correct information flows;
- f) ensuring suitable synergies and information flows with the other structures of the GHO and the Group in order to optimise the Company's overall performance;
- g) checking and monitoring outsourced processes and activities, including in terms of costs;
- h) on behalf of the Company, signing service/outsourcing agreements in favour of Group companies;
- i) power of subdelegation: subdelegating some of the powers listed above, subject to agreement with the Group HR & Organisation Director, establishing their limits (if any) in advance.

Annex 4 - Responsibilities assigned to the Risk and Control Committee by resolution of the Board of Directors

The RCC ensures that the Board of Directors' evaluations and decisions relating to the ICRMS, approval of the financial statements and half-year reports, and relations between the Company and the External Auditors, are supported by adequate preliminary activities. In this context, the RCC's duties in the internal control field include:

- assisting the Board of Directors in performing the tasks assigned to it by the CG Code relating to the internal control;
- together with the Manager in charge of Preparation of the Company's Financial Reports and after consulting representatives of the External Auditors and Statutory Auditors, evaluating and expressing its opinion on the correct use of the accounting standards and their harmonisation in the Group for the purpose of

drawing up the consolidated financial statements and the consolidated half-year report, supervising the financial reporting process and verifying the adequacy of the controls and the procedures adopted, which are designed to ensure compliance with the public disclosure regulations;

- examining the substantiated proposal by the Board of Statutory Auditors on the appointment of the External Auditors and formulating its observations on the subject, reporting thereon to the Board of Directors;
- expressing its prior opinion on the Board of Directors' evaluation of the results presented in the External Auditors' report and the report on the fundamental issues identified in the certification process;
- obtaining information about the adequacy of the expenditure budget and the quantitative and qualitative profiles of the resources assigned to the Internal Control functions, monitoring the independence, adequacy, efficacy and efficiency of the Internal Audit function, and expressing its opinion to the Board of Directors;
- giving the Board of Directors its opinion on the adequacy of the system of delegated powers;
- supporting the Board of Directors, with adequate preliminary activities, in establishing the directives issued to the Group in the course of the management and coordination activity performed by the Company, expressing its opinion on the parent company's report drawn up as required by art. 28-bis of ISVAP Regulation 20 of 26 March 2008;
- receiving the report on outsourced activities as required by the relevant policy.

The RCC's duties in the risk management field include:

- assisting the Board of Directors in performing the tasks assigned to it by the CG Code regarding the risk management system;
- expressing its opinion on proposals regarding the appointment, dismissal and remuneration of the heads of the Internal Audit, Risk Management, Actuarial and Compliance functions; that opinion is binding in the case of proposals relating to the Internal Audit function;
- expressing its opinion on the adoption or revision of the Group required by the Solvency II Directive;
- supporting, with suitable preliminary activities, the Board of Directors' evaluations and decisions regarding management of risks deriving from prejudicial facts that have come to the Board's attention;
- assisting the Board in performing the evaluations falling within its sphere of jurisdiction regarding the soundness of the risk management system adopted by the Company and the Group, in terms of the

adequacy of the organisational and process controls regarding identification and management of the main risks of the Company and the Group, including a quantitative analysis thereof conducted by means of stress tests, at least on an annual basis;

- supporting the Board of Directors, with adequate preliminary activities, in determining the risk appetite and setting the risk tolerance levels, as defined in the Risk Appetite Framework, and drawing up the risk map, expressing its opinion thereon;
- supporting the Board of Directors, with adequate preliminary activities, in verifying the implementation of the Internal Model in the risk management system and economic and solvency capital valuation and allocation processes;
- assisting the Board of Directors with its evaluation of current and prospective risks and the criteria and methods used in that evaluation, with special reference to the risks considered most significant, also expressing its opinion on the ORSA report of the Company and the Group;
- receiving periodic reports on the capital and liquidity metrics of the Company and the Group, with special reference to situations where the hard and soft thresholds established are exceeded;
- receiving reports, at least every six months, on the investments made by the Group and the development of the private equity and alternative investment portfolios;
- assisting the Board of Directors, on plans drawn up to guarantee compliance and business continuity, and expressing its opinion thereon.

The RCC's duties in areas common to internal control and risk management include:

- expressing its opinion, at least once a year, on the draft Audit Plan and the associated Internal Audit Summary Report prepared by the Internal Audit Manager, with a view to their submission to the Board of Directors;
- expressing its opinion, at least once a year, on the draft Compliance Plan and the Annual Report on the Adequacy and Efficacy of the Measures taken by the Company to manage the non-compliance Risk, prepared by the Compliance Manager, before they are submitted to the Board;
- expressing its opinion, at least once a year, on the "Activity Plan of the Risk Management function" and the reports on the activities performed by the Risk Management function, before they are submitted to the Board;
- expressing its opinion, at least once a year, on the "Activity Plan of the Actuarial function" and the re-

ports on the activities performed by the Actuarial function, before they are submitted to the Board of Directors;

- reporting on the activities performed and the adequacy of the ICRMS to the Board of Directors at Board meetings called to approve the draft financial statements and the half-yearly reports;
- expressing its opinion on the draft "Annual Report on the Internal Control and Risk Management System" to be submitted for evaluation by the Board of Directors;
- at the request of the Board of Directors, expressing its opinions on specific aspects regarding the identification of the main corporate risks and the design, implementation and management of the ICRMS;
- preparing, with the support of the Internal Audit function, the drafting process designed to ensure that the Board of Directors performs its own evaluation of the adequacy of the organisational, administrative and general accounting structure of the Company (in line with the terms of the CG Code) and the subsidiaries with strategic importance;
- requesting the Internal Audit function to perform audits on specific operational areas if necessary, possibly notifying the chairman of the Board of Statutory Auditors.

Annex 5 - Responsibilities assigned to the Appointments and Remuneration Committee by resolution of the Board of Directors

The ARC performs consultative, recommendatory and preparatory functions for the Board of Directors on the subject of remuneration, and expresses its opinion on related-party transactions regarding the remuneration of key management personnel in accordance with the RPT Procedures.

Specifically, the ARC's responsibilities include:

- formulating non-binding opinions and proposals to the Board of Directors regarding the remuneration to which Directors are entitled;
- formulating opinions and proposals on the remuneration policies for members of the governing bodies and personnel, including remuneration plans based on financial instruments, verifying their correct application;
- submitting proposals and/or opinions to the Board of Directors on the amount of the remuneration pay-

able to Executive Directors and Directors holding other particular offices or positions in accordance with the Articles of Association, and on the setting of performance targets correlated with the variable component of the said remuneration, and checking that the performance targets have been met; the opinions and proposals relating to Executive Directors are expressed on the basis of a discretionary evaluation which takes account (*inter alia*) of the following parameters:

- importance of the responsibilities in the Company's organisational structure;
- impact on the Company's results;
- profit and loss figures;
- attainment of specific objectives specified in advance by the Board;
- expressing non-binding opinions and proposals on the amount of remuneration payable to the General Manager and the parties who hold internal roles in the Company and the Group carrying membership of the GMC, after a proposal by the Group CEO, according to a discretionary evaluation based on the following criteria:
 - the level of responsibility and the risks connected with the functions performed;
 - the results achieved in relation to the objectives set;
 - performance in the case of exceptional tasks;
- periodically evaluating the criteria adopted for the remuneration of Directors and key management personnel, in this latter respect using the information provided by the Group CEO and formulating general recommendations on the subject to the Board of Directors;
- verifying the proportionality of the executive directors' remuneration between them and compared with the Company's personnel;
- expressing an opinion of the Group CEO's proposal regarding the incentive system for resources belonging to the GLG;
- expressing an opinion on the proposals formulated by the Group CEO regarding the remuneration of the chairmen, executive directors and general managers (or top management executives who hold equivalent positions) and statutory auditors of subsidiaries with strategic importance, and of non-executive directors if recruited from outside the Company and the Group;
- reviewing the consistency of the remuneration and incentive systems with the Risk Appetite Framework;
- monitoring whether the decisions taken by the Board of Directors on the basis of the proposals submitted are implemented.

The ARC also performs consultative, recommendatory and preparatory functions for the Board of Directors, with the following tasks:

- submitting opinions, with the support of the GSC, to the Board of Directors regarding its size and composition, and to make recommendations regarding the professional figures whose presence on the Board of Directors is deemed advisable;
- proposing to the Board of Directors, after consulting the GSC, candidates for the position of Director in cases of co-opting, when Independent Directors need to be replaced;
- preparing for the drafting of the succession plan for Executive Directors, if adopted by the Board of Directors;
- expressing an opinion on the succession plan for GMC and for GLG members, where one has been put forward;
- expressing an opinion of the Group CEO's proposal regarding policies for the development and management of resources belonging to the GLG;
- formulating opinions regarding the institution of the GMC, establishing which internal roles in the Company and the Group carry membership of the GMC and, subject to suitable involvement of its members, the appointment and revocation of the appointment of those nominated to hold internal roles in the Company and the Group which carry membership of the GMC, except for the heads of the Internal Control functions;
- expressing an opinion on the proposal submitted by the Group CEO to the Board of Directors regarding the nomination (possibly by co-opting) of the Chairmen, Managing Directors and General Managers (or members of the top management holding equivalent positions) and Statutory Auditors of Subsidiaries with strategic importance, and formulating opinions on proposals relating to the revocation of their appointments; and of non-executive directors, if selected from persons external to the Company and the Group;
- expressing an opinion on proposals submitted by the Group CEO to the Board of Directors on other appointments or revocations.

Annex 6 - Checklist against the CG Code

LEGENDA

Applied: governance conforming to the CG Code – **Not Applied:** governance not conforming to the CG Code – **Inapplicable:** the pre-requisites in fact or law for the

terms of the CG Code to apply have not been fulfilled – **Page reference:** page numbers where information referring to the terms of the CG Code can be found.

Principles and Criteria of Corporate Governance Code		Applied	Not Applied	Inapplicable	Page reference
1. Role of the Board of Directors					
1.P.1.	Listed companies are governed by a Board of Directors that meets at regular intervals, adopts an organization and a modus operandi which enable it to perform its functions in an effective manner.	√			79 et seq.
1.P.2.	The directors act and make decisions with full knowledge of the facts and autonomously pursuing and placing priority on the objective of creating value for the shareholders over a medium-long term period.	√			81-82
1.C.1.	The Board of Directors shall:	√			40, 76, 80-81
	a) examine and approve the strategic, operational and financial plans of both the issuer and the corporate group it heads, monitoring periodically the related implementation; it defines the issuer's corporate governance and the relevant group structure;				
	b) define the risk profile, both as to nature and level of risks, in a manner consistent with the issuer's strategic objectives, taking into account any risk that may affect the sustainability of the issuer's business in a medium-long term perspective;	√			111, 132-134
	c) evaluate the adequacy of the organizational, administrative and accounting structure of the issuer as well as of its strategically significant subsidiaries in particular with regard to the internal control system and risk management;	√			77-78, 80-81
	d) specify the frequency, in any case no less than once every three months, with which the delegated bodies must report to the Board on the activities performed in the exercise of the powers delegated to them;	√			77 and 85
	e) evaluate the general performance of the company, paying particular attention to the information received from the delegated bodies and periodically comparing the results achieved with those planned;	√			76-77, 80-81 and 85
	f) resolve upon transactions to be carried out by the issuer or its controlled companies having a significant impact on the issuer's strategies, profitability, assets and liabilities or financial position; to this end, the Board shall establish general criteria for identifying the material transactions;	√			76-77, 132-134
	g) perform at least annually an evaluation of the performance of the Board of Directors and its committees, as well as their size and composition, taking into account the professional competence, experience, (including managerial experience) gender of its members and number of years as director. Where the Board of Directors avails of consultants for such a self-assessment, the Corporate Governance Report shall provide information on their identity and other services, if any, performed by such consultants to the issuer or to companies having a control relationship with the issuer;	√			17, 82-84
	h) taking into account the outcome of the evaluation mentioned under the previous item g), report its view to shareholders on the managerial and professional profiles, deemed appropriate for the composition of the Board of Directors, prior to its nomination;	√			82

Principles and Criteria of Corporate Governance Code		Applied	Not Applied	Inapplicable	Page reference
	i) provide information in the Corporate Governance Report on (1) its composition, indicating for each member the qualification (executive, non- executive, independent), the relevant role held within the Board of Directors (including by way of example, chairman or chief executive officer, as defined by article 2), the main professional characteristics as well as the duration of his/her office since the first appointment; (2) the application of article 1 of this Code and, in particular, on the number and average duration of meetings of the Board and of the executive committee, if any, held during the fiscal year, as well as the related percentage of attendance of each director; (3) how the self-assessment procedure as at previous item g) has developed;	√			66 et seq., 79 and 82-84 Tables 2a and 2b
	j) in order to ensure the correct handling of corporate information, adopt, upon proposal of the managing director or the chairman of the Board of Directors, internal procedures for the internal handling and disclosure to third parties of information concerning the issuer, having special regard to price sensitive information.	√			122
1.C.2.	The directors shall accept the directorship when they deem that they can devote the necessary time to the diligent performance of their duties, also taking into account the commitment relating to their own work and professional activity, the number of offices held as director or statutory auditor in other companies listed on regulated markets (including foreign markets) in financial companies, banks, insurance companies or companies of a considerably large size. The Board shall record, on the basis of the information received from the directors, on a yearly basis, the offices of director or statutory auditor held by the directors in the above-mentioned companies and include them in the Corporate Governance Report.	√			17, 67-71 and 74-75
1.C.3.	The Board shall issue guidelines regarding the maximum number of offices as director or statutory auditor for the types of companies referred to in the above paragraph that may be considered compatible with an effective performance of a director's duties, taking into account the attendance by the directors to the committees set up within the Board. To this end, the Board identifies the general criteria, differentiating them according to the commitment entailed by each role (executive, non-executive or independent director), as well as the nature and size of the companies in which the offices are performed, plus whether or not the companies are members of the issuer's group.	√			17 and 74-75
1.C.4.	If the shareholders' meeting, when dealing with organizational needs, authorizes, on a general, preventive basis, derogations from the rule prohibiting competition, as per Article 2390 of the Italian Civil Code, then the Board of Directors shall evaluate each such issue, reporting, at the next shareholders' meeting, the critical ones if any. To this end, each director shall inform the Board, upon accepting his/her appointment, of any activities exercised in competition with the issuer and of any effective modifications that ensue.			√	66
1.C.5.	The chairman of the Board of Directors shall ensure that the documentation relating to the agenda of the Board is made available to directors and statutory auditors in a timely manner prior to the Board meeting. The Board of Directors shall provide information in the Corporate Governance Report on the promptness and completeness of the pre-meeting information, providing details, inter alia, on the prior notice usually deemed adequate for the supply of documents and specifying whether such prior notice has been usually observed.	√			79 and 84
1.C.6.	The chairman of the Board of Directors, also upon request of one or more directors, may request to the managing directors that certain executives of the issuer or the companies belonging to its group, in charge of the pertinent management areas related to the Board agenda, attend the meetings of the Board, in order to provide appropriate supplemental information on the items on the agenda. The Corporate Governance Report provides information on the effective attendance of the Board meetings.	√			81

2. Composition of the Board of Directors

2.P.1.	The Board of Directors shall be made up of executive and non-executive directors, who should be adequately competent and professional.	√			16, 71-72 and 73-75
2.P.2.	Non-executive directors shall bring their specific expertise to Board discussions and contribute to the adoption of fully informed decisions paying particular care to the areas where conflicts of interest may exist.	√			75
2.P.3.	The number, competence, authority and time availability of non- executive directors shall be such as to ensure that their judgement may have a significant impact on the taking of Board's decisions.	√			75
2.P.4.	It is appropriate to avoid the concentration of corporate offices in one single individual.	√			67-71
2.P.5.	Where the Board of Directors has delegated management powers to the chairman, it shall disclose adequate information in the Corporate Governance Report on the reasons for such organizational choice.	√			48, 67 and 85

Principles and Criteria of Corporate Governance Code		Applied	Not Applied	Inapplicable	Page reference
2.C.1.	<p>The following are qualified executive directors for the issuer:</p> <ul style="list-style-type: none"> - the managing directors of the issuer or a subsidiary having strategic relevance, including the relevant chairmen when these are granted individual management powers or when they play a specific role in the definition of the business strategies; - the directors vested with management duties within the issuer or in one of its subsidiaries having strategic relevance, or in a controlling company when the office concerns also the issuer; - the directors who are members of the executive committee of the issuer, when no managing director is appointed or when the participation in the executive committee, taking into account the frequency of the meetings and the scope of the relevant resolutions, entails, as a matter of fact, the systematic involvement of its members in the day-to-day management of the issuer. <p>The granting of deputy powers or powers in cases of urgency to directors, who are not provided with management powers is not enough, per se, to cause them to be identified as executive directors, provided however, that such powers are not actually exercised with considerable frequency.</p>	√			67 and 85
2.C.2.	<p>The directors shall know the duties and responsibilities relating to their office.</p> <p>The chairman of the Board of Directors shall use his best efforts to allow the directors and the statutory auditors, after the election and during their mandate, to participate, in the ways deemed appropriate, in initiatives aimed at providing them with an adequate knowledge of the business sector where the issuer operates, of the corporate dynamics and the relevant evolutions, of the principles of proper risk-management as well as the relevant regulatory and self-regulatory framework.</p> <p>The issuer shall describe in the Corporate Governance Report the type and organizational manners of the activities that took place during the fiscal year of reference.</p>	√			81-82
2.C.3.	<p>The Board shall designate an independent director as lead independent director, in the following circumstances: (i) in the event that the chairman of the Board of Directors is the chief executive officer of the company; (ii) in the event that the office of chairman is held by the person controlling the issuer.</p> <p>The Board of Directors of issuers belonging to FTSE-Mib index shall designate a lead independent director whether requested by the majority of independent directors, except in the case of a different and grounded assessment carried out by the Board to be reported in the Corporate Governance Report.</p>		√		76
2.C.4.	<p>The lead independent director:</p> <ul style="list-style-type: none"> a) represents a reference and coordination point for the requests and contributions of non-executive directors and, in particular, those who are independent pursuant to Article 3 below; b) cooperates with the Chairman of the Board of Directors in order to guarantee that directors receive timely and complete information. 			√	76
2.C.5.	<p>The chief executive officer of issuer (A) shall not be appointed director of another issuer (B) not belonging to the same corporate group, in the event that the chief executive officer of issuer (B) is a director of issuer (A).</p>	√			75

3. Independent Directors

3.P.1	<p>An adequate number of non-executive directors shall be independent, in the sense that they do not maintain, directly or indirectly or on behalf of third parties, nor have recently maintained any business relationships with the issuer or persons linked to the issuer, of such a significance as to influence their autonomous judgement.</p>	√			67-71, 75-76
3.P.2	<p>The directors' independence shall be assessed by the Board of Directors after the appointment and, subsequently, on a yearly basis. The results of the assessments of the Board shall be communicated to the market.</p>	√			75-76, 80-81

Principles and Criteria of Corporate Governance Code		Applied	Not Applied	Inapplicable	Page reference
3.C.1.	<p>The Board of Directors shall evaluate the independence of its non- executive members having regard more to the substance than to the form and keeping in mind that a director usually does not appear independent in the following events, to be considered merely as an example and not limited to:</p> <p>a) if he/she controls, directly or indirectly, the issuer also through subsidiaries, trustees or third parties, or is able to exercise a dominant influence over the issuer, or participates in a shareholders' agreement through which one or more persons can exercise a control or dominant influence over the issuer;</p> <p>b) if he/she is, or has been in the preceding three fiscal years, a significant representative of the issuer, of a subsidiary having strategic relevance or of a company under common control with the issuer, or of a company or entity controlling the issuer or able to exercise over the same a considerable influence, also jointly with others through a shareholders' agreement;</p> <p>c) if he/she has, or had in the preceding fiscal year, directly or indirectly (e.g. through subsidiaries or companies of which he is a significant representative, or in the capacity as partner of a professional firm or of a consulting company) a significant commercial, financial or professional relationship:</p> <ul style="list-style-type: none"> - with the issuer, one of its subsidiaries, or any of its significant representatives; - with a subject who, also jointly with others through a shareholders' agreement, controls the issuer, or – in case of a company or an entity – with the relevant significant representatives; <p>or is, or has been in the preceding three fiscal years, an employee of the above-mentioned subjects;</p> <p>d) if he/she receives, or has received in the preceding three fiscal years, from the issuer or a subsidiary or holding company of the issuer, a significant additional remuneration (compared to the "fixed" remuneration of non- executive director of the issuer and to remuneration of the membership in the committees that are recommended by the Code) also in the form of participation in incentive plans linked to the company's performance, including stock option plans;</p> <p>e) if he/she was a director of the issuer for more than nine years in the last twelve years;</p> <p>f) if he/she is vested with the executive director office in another company in which an executive director of the issuer holds the office of director;</p> <p>g) if he/she is shareholder or quotaholder or director of a legal entity belonging to the same network as the company appointed for the auditing of the issuer;</p> <p>h) if he/she is a close relative of a person who is in any of the positions listed in the above paragraphs..</p>	√			75-76, 80-81
3.C.2	<p>For the purpose of the above, the chairman of the entity, the chairman of the Board of Directors, the executive directors and key management personnel of the relevant company or entity, must be considered as "significant representatives".</p>	√			75
3.C.3.	<p>The number and competences of independent directors shall be adequate in relation to the size of the Board and the activity performed by the issuer; moreover, they must be such as to enable the constitution of committees within the Board, according to the indications set out in the Code.</p> <p>As for issuers belonging to FTSE-Mib index, at least one third of the Board of Directors members shall be made up of independent directors. If such a number is not an integer, it shall be rounded down.</p> <p>Anyway, independent directors shall not be less than two.</p>	√			67, 71-73, 86-88
3.C.4.	<p>After the appointment of a director who qualifies himself/herself as independent, and subsequently, upon the occurrence of circumstances affecting the independence requirement and in any case at least once a year, the Board of Directors shall evaluate, on the basis of the information provided by the same director or available to the issuer, those relations which could be or appear to be such as to jeopardize the autonomy of judgement of such director.</p> <p>The Board of Directors shall notify the result of its evaluations, after the appointment, through a press release to the market and, subsequently, within the Corporate Governance Report.</p> <p>In the documents mentioned above, the Board of Directors shall:</p> <ul style="list-style-type: none"> - disclose whether they adopted criteria for assessing the independence which are different from the ones recommended by the Code, also with reference to individual directors, and if so, specifying the reasons; - describe quantitative and/or qualitative criteria used, if any, in assessing the relevance of relationships under evaluation. 	√			75-76, 80-81
3.C.5	<p>The Board of statutory auditors shall ascertain, in the framework of the duties attributed to it by the law, the correct application of the assessment criteria and procedures adopted by the Board of Directors for evaluating the independence of its members. The result of such controls is notified to the market in the Corporate Governance Report or in the report of the Board of statutory auditors to the shareholders' meeting.</p>	√			76
3.C.6.	<p>The independent directors shall meet at least once a year without the presence of the other directors.</p>	√			76
4. Internal Committees of the Board of Directors					
4.P.1.	<p>The Board of Directors shall establish among its members one or more committees with proposing and consultative functions according to what set out in the articles below.</p>	√			86-88

Principles and Criteria of Corporate Governance Code		Applied	Not Applied	Inapplicable	Page reference
4.C.1.	The establishment and functioning of the committees governed by the Code shall meet the following criteria:	√			86-88
	a) committees shall be made up of at least three members. However, in those issuers whose Board of Directors is made up of no more than eight members, committees may be made up of two directors only, provided, however, that they are both independent. The committees' activities shall be coordinated by a chairman;				
	b) the duties of individual committees are provided by the resolution by which they are established and may be supplemented or amended by a subsequent resolution of the Board of Directors;	√			86
	c) the functions that the Code attributes to different committees may be distributed in a different manner or demanded from a number of committees lower than the envisaged one, provided that for their composition the rules are complied with those indicated from time to time by the Code and is ensured the achievement of the underlying objectives;			√	86-88, 95-98
	d) minutes shall be drafted of the meetings of each committee and the Chairman of the committee shall inform the Board of Directors thereof during the first available meeting;	√			86-88, 92, 93, 97, 99, 101
	e) in the performance of their duties, the committees have the right to access the necessary company's information and functions, according to the procedures established by the Board of Directors, as well as to avail themselves of external advisers. The issuer shall make available to the committees adequate financial resources for the performance of their duties, within the limits of the budget approved by the Board;	√			87, 91-92, 98
	f) persons who are not members of the committee, including other Board members or persons belonging to issuer's structure, may participate in the meetings of each committee upon invitation of the same, with reference to individual items on the agenda;	√			87, 91, 94, 98, 100, 101
	g) the issuer shall provide adequate information, in the Corporate Governance Report, on the establishment and composition of committees, the contents of the mandate entrusted to them, as well as, on the basis of the indications provided for by each committee, the activity actually performed during the fiscal year, the number of meetings held, their average duration and the relevant percentage of participation of each member.	√			86-101
4.C.2.	The establishment of one or more committees may be avoided and the relevant duties may be assigned to the Board of Directors, under the coordination of the Chairman and provided that: (i) independent directors are at least half of the Board of Directors members; if the number of the Board members is odd, a rounding down to the lower unit shall be carried out; (ii) adequate time is dedicated during the Board meetings to actions that the Code requires the Committees to carry out, and this circumstance is disclosed in the Corporate Governance Report; (iii) as far as the control and risk committee is concerned, the issuer is neither controlled by another listed company nor it is subject to direction and coordination. The Board of Directors describes in detail in the Corporate Governance Report the reasons underlying the choice not to establish one or more committees; in particular, it provides adequate grounds for the choice not to establish the risks and control committee in consideration of the complexity level of the issuer and the sector in which it operates. In addition, the Board shall periodically reassess the choice made.			√	86
5. Appointment of Directors					
5.P1	The Board of Directors shall establish among its members a committee to propose candidates for appointment to the position of director, made up, for the majority, of independent directors.	√			95
5.C.1.	The committee to propose candidates for appointment to the position of director shall be vested with the following functions:	√			95
	a) to express opinions to the Board of Directors regarding its size and composition and express recommendations with regard to the professional skills necessary within the Board as well with regard to the topics indicated by articles 1.C.3. and 1.C.4.;				
	b) to submit the Board of Directors candidates for directors offices in case of co-optation, should the replacement of independent directors be necessary.	√			95
5.C.2.	The Board of Directors shall evaluate whether to adopt a plan for the succession of executive directors. In the event of adoption of such a plan, the issuer shall disclose it in the Corporate Governance Report. The review on the preparation of the above mentioned plan shall be carried out by the nomination committee or by another committee established within the Board of Directors in charge of this task.	√			73
6. Remuneration of Directors					
6.P1	The remuneration of directors and key management personnel shall be established in a sufficient amount to attract, retain and motivate people with the professional skills necessary to successfully manage the issuer.	√			Rem. Rep. 20, 25, 30

Principles and Criteria of Corporate Governance Code		Applied	Not Applied	Inapplicable	Page reference
6.P.2.	<p>The remuneration of executive directors and key management personnel shall be defined in such a way as to align their interests with pursuing the priority objective of the creation of value for the shareholders in a medium-long term timeframe. With regard to directors with managerial powers or performing, also de-facto, functions related to business management, as well as with regard to key management personnel, a significant part of the remuneration shall be linked to achieving specific performance objectives, possibly including non-economic objectives, identified in advance and determined consistently with the guidelines contained in the policy described in principle 6.P.4.</p> <p>The remuneration of non-executive directors shall be proportionate to the commitment required from each of them, also taking into account their possible participation in one or more committees.</p>	√			20, 84, Rem. Rep. 26, 30-38
6.P.3.	The Board of Directors shall establish among its members a remuneration committee, made up of independent directors. Alternatively, the committee may be made up of non-executive directors, the majority of which to be independent; in this case, the chairman of the committee is selected among the independent directors. At least one committee member shall have an adequate knowledge and experience in finance or remuneration policies, to be assessed by the Board of Directors at the time of his/her appointment.	√			95, 98
6.P.4.	The Board of Directors shall, upon proposal of the remuneration committee, establish a policy for the remuneration of directors and key management personnel.	√			80 and 84
6.P.5.	In case of the end of office and/or the termination of the employment relationship with an executive director or a general manager, the issuer discloses, through a press release, detailed information, following the internal process leading to the assignment or recognition of indemnities and/or other benefits..	√			85 and 102
6.C.1.	<p>The policy for the remuneration of executive directors and other directors covering particular offices shall define guidelines on the issues and consistently with the criteria detailed below:</p> <p>a) the non-variable component and the variable component are properly balanced according to issuer's strategic objectives and risk management policy, taking into account the business sector in which it operates and the nature of the business carried out;</p>	√			20, Rem. Rep. 20 and 21
	b) upper limits for variable components shall be established;	√			Rem. Rep. 21
	c) the non-variable component shall be sufficient to reward the director when the variable component was not delivered because of the failure to achieve the performance objectives specified by the Board of Directors;	√			Rem. Rep. 6
	d) the performance objectives – i.e. the economic performance and any other specific objectives to which the payment of variable components (including the objectives for the share-based compensation plans) is linked – shall be predetermined, measurable and linked to the creation of value for the shareholders in the medium-long term;	√			Rem. Rep. 21 30-32, 35-37
	e) the payment of a significant portion of the variable component of the remuneration shall be deferred for an appropriate period of time; the amount of that portion and the length of that deferral shall be consistent with the characteristics of the issuer's business and associated risk profile;	√			Rem. Rep. 35-38
	f) contractual arrangements shall be provided in order to permit the company to reclaim, in whole or in part, the variable components of remuneration that were awarded (or to hold deferred payments), as defined on the basis of data which subsequently proved to be manifestly misstated;	√			Rem. Rep. 22
	g) indemnities eventually set out by the issuer in case of termination of directors shall not exceed a fixed amount or fixed number of years of annual remuneration. Termination payments shall not be paid if the termination is due to inadequate performance.	√			Rem. Rep. 23, 42-43
6.C.2.	<p>In preparing plans for share-based remuneration, the Board of Directors shall ensure that:</p> <p>a) shares, options and all other rights granted to directors to buy shares or to be remunerated on the basis of share price movements shall have an average vesting period of at least three years;</p>	√			Rem. Rep. 35-36
	b) the vesting referred to in paragraph a) shall be subject to predetermined and measurable performance criteria;	√			Rem. Rep. 35-38
	c) directors shall retain a certain number of shares granted or purchased through the exercise of the rights referred to in paragraph a), until the end of their mandate.	√			Rem. Rep. 38
6.C.3.	<p>The criteria 6.C.1 and 6.C.2 shall apply, mutatis mutandis, also to the definition – by the bodies entrusted with that task – of the remuneration of key management personnel.</p> <p>Any incentive plan for the person in charge of internal audit and for the person responsible for the preparation of the corporate financial documents shall be consistent with their role.</p>	√			Rem. Rep. 28-38, 40

Principles and Criteria of Corporate Governance Code		Applied	Not Applied	Inapplicable	Page reference
6.C.4.	The remuneration of non-executive directors shall not be – other than for an insignificant portion – linked to the economic results achieved by the issuer. Non-executive directors shall not be beneficiaries of share-based compensation plans, unless it is so decided by the annual shareholders' meeting, which shall also give the relevant reasons.	√			20, Rem. Rep. 40-41
6.C.5.	The remuneration committee shall: <ul style="list-style-type: none"> - periodically evaluate the adequacy, overall consistency and actual application of the policy for the remuneration of directors and key management personnel, also on the basis of the information provided by the managing directors; it shall formulate proposals to the Board of Directors in that regard; - submit proposals or issues opinions to the Board of Directors for the remuneration of executive directors and other directors who cover particular offices as well as for the identification of performance objectives related to the variable component of that remuneration; it shall monitor the implementation of decisions adopted by the Board of Directors and verify, in particular, the actual achievement of performance objectives. 	√			95-97
6.C.6.	No director shall participate in meetings of the remuneration committee in which proposals are formulated to the Board of Directors relating to his/her remuneration.	√			95
6.C.7.	When using the services of an external consultant in order to obtain information on market standards for remuneration policies, the remuneration committee shall previously verify that the consultant concerned is not in a position which might compromise its independence.	√			98
6.C.8.	According to principle 6.P.5., the press release should provide: <ul style="list-style-type: none"> a) adequate information on the indemnity and/or other benefits, including their amount, timing of disbursement – distinguishing both between the component immediately paid out and the one subject to deferral mechanisms and between the component received as director from the other one related to an employment relationship, if any – and “claw-back” clauses, if any, in particular with reference to: <ul style="list-style-type: none"> - indemnities for the end of office or termination of the employment relationship, specifying the circumstances of its accrual (for example, expiry, revocation or settlement agreement); - maintenance of rights related to any incentive plans, monetary or financial instruments based; - benefits (monetary and non-monetary ones) subsequent to the end of office; - non-competition commitments, describing their main contents; - any other payment assigned for any reason and in any form; b) information about the compliance or non-compliance of the indemnity and/or other benefits with the remuneration policy and, in case of even a partial non-compliance with the remuneration policy, information about internal procedures applied according to Consob related party transactions' regulation; c) information about the application, or non-application, of any mechanism that provides restrictions or corrections to the indemnity in case of termination due to the achievement of objectively inadequate results, as well as whether requests have been formulated for the reclaim of remuneration already paid out; d) information as whether the replacement of the ceased executive director or general manager is governed by any succession plan adopted by the company and, in any case, information about procedures that have been or will be applied for the replacement of the director or manager. 	√			85 and 102

7. Internal Control and Risk Management System

7.P.1.	Each issuer shall adopt an internal control and risk management system consisting of policies, procedures and organizational structures aimed at identifying, measuring, managing and monitoring the main risks. Such a system shall be integral to the organizational and corporate governance framework adopted by the issuer and shall take into consideration the reference model and the best practices that are applied both at national and international level.	√			110 et seq.
7.P.2.	An effective internal control and risk management system contributes to the management of the company in a manner consistent with the objectives defined by the Board of Directors, promoting an informed decision-making process. It contributes to ensuring the safeguarding of corporate assets, the efficiency and effectiveness of management procedures, the reliability of the information provided to the corporate bodies and to the market and the compliance with laws and regulations, including the by-laws and internal procedures.	√			110 et seq.
7.P.3.	The internal control and risk management system involves each of the following corporate bodies depending on their related responsibilities: <ul style="list-style-type: none"> a) the Board of Directors, that shall provide strategic guidance and evaluation on the overall adequacy of the system, identifying within the Board: 	√			111

Principles and Criteria of Corporate Governance Code		Applied	Not Applied	Inapplicable	Page reference
	(i) one or more directors to be charged with the task of establishing and maintaining an effective internal control and risk management system (hereinafter, the "director in charge of the internal control and risk management system"), and	√			112
	(ii) a control and risk committee in line with the requirements set forth by principle 7.P.4., to be charged with the task of supporting, on the basis of an adequate control process, the evaluations and decisions to be made by the Board of Directors in relation to the internal control and risk management system, as well as to the approval of the periodical financial reports;	√			112
	b) the person in charge of internal audit, entrusted with the task to verify the functioning and adequacy of the internal control and risk management system;	√			112-113 and 115-116
	c) the other roles and business functions having specific tasks with regard to internal control and risk management, organized depending on the company's size, complexity and risk profile;	√			112-115
	d) the Board of statutory auditors, also as "audit committee", which is responsible for oversight of the internal control and risk management system.	√			117
	Each issuer shall provide for coordination methods between the above mentioned bodies in order to enhance the efficiency of the internal control and risk management system and reduce activities overlapping.				111, 113, 117
7.P.4.	The control and risk committee is made up of independent directors. Alternatively, the committee can be made up of non-executive directors, the majority of which being independent ones; in this case, the chairman of the committee is selected among the independent directors. If the issuer is controlled by another listed company or is subject to the direction and coordination activity of another company, the committee shall be made up exclusively of independent directors. At least one member of the committee is required to have an adequate experience in the area of accounting and finance or risk management, to be assessed by the Board of Directors at the time of appointment.	√			88-92, 112
7.C.1.	The Board of Directors, with the opinion of the control and risk committee, shall:	√			80-81, 111
	a) define the guidelines of the internal control and risk management system, so that the main risks concerning the issuer and its subsidiaries are correctly identified and adequately measured, managed and monitored, determining, moreover, the level of compatibility of such risks with the management of the company in a manner consistent with its strategic objectives;				
	b) evaluate, at least on an annual basis, the adequacy of the internal control and risk management system taking into account the characteristics of the company and its risk profile, as well as its effectiveness;	√			80-81, 111
	c) approves, at least on an annual basis, the plan drafted by the person in charge of internal audit, after hearing the Board of statutory auditors and the director in charge of the internal control system;	√			80-81, 111, 116
	d) describe, in the Corporate Governance Report, the main features of the internal control and risk management system and how the different subjects involved therein are coordinated, expressing the evaluation on its adequacy;	√			80-81, 110-111
	e) after hearing the Board of statutory auditors, it assesses the findings reported by the external auditor in the suggestions letter, if any, and in the report on the main issues resulting from the auditing.	√			111
	The Board of Directors shall, upon proposal of the director in charge of the internal control and risk management system, subject to the favourable opinion of the control and risk committee, as well as after hearing the Board of statutory auditors:	√			80-81, 111
	- appoint and revoke the person in charge of the internal audit function;				
	- ensure that such a person is provided with the adequate resources for the fulfilment of his/her responsibilities;				
	- define the relevant remuneration consistently with company's policies.				
7.C.2.	The control and risk committee, when assisting the Board of Directors shall:	√			89-91
	a) evaluate together with the person responsible for the preparation of the corporate financial documents, after hearing the external auditors and the Board of statutory auditors, the correct application of the accounting principles, as well as their consistency for the purpose of the preparation of the consolidated financial statements, in any;				
	b) express opinions on specific aspects relating to the identification of the main risks for the company;	√			89-91, 112
	c) review the periodic reports of the internal audit function concerning the assessment of the internal control and risk management system, as well as the other reports of the internal audit function that are particularly significant;	√			89-91, 112

Principles and Criteria of Corporate Governance Code		Applied	Not Applied	Inapplicable	Page reference
	d) monitor the independence, adequacy, efficiency and effectiveness of the internal audit function;	√			91
	e) request the internal audit function to carry out reviews of specific operational areas, giving simultaneous notice to the chairman of the Board of statutory auditors;	√			91
	f) report to the Board of Directors, at least every six months, on the occasion of the approval of the annual and half-year financial report, on the activity carried out, as well as on the adequacy of the internal control and risk management system;	√			89-91, 111-112
	g) support, with adequate preliminary activities, the Board of Directors assessments and resolutions on the management of risks arising from detrimental facts which the Board may have become aware of.	√			89, 112
7.C.3.	The chairman of the Board of statutory auditors or another statutory auditor designated by this chairman shall participate in the works of the control and risk committee; the remaining statutory auditors are also allowed to participate.	√			91, 117
7.C.4.	The director in charge of the internal control and risk management system, shall:	√			112
	a) identify the main business risks, taking into account the characteristics of the activities carried out by the issuer and its subsidiaries, and submit them periodically to the review of the Board of Directors;				
	b) implement the guidelines defined by the Board of Directors, taking care of the planning, realization and management of the internal control and risk system, constantly monitoring its adequacy and effectiveness;				
	c) adjust such system to the dynamics of the operating conditions and the legislative and regulatory framework;				
	d) request to internal audit function to carry out reviews of specific operational areas and on the compliance of business operation with rules and internal procedures, giving simultaneous notice to the chairman of the Board of Directors, the chairman of control and risk committee and the chairman of the Board of statutory auditors;				
	e) promptly report to the control and risk committee(or to the Board of Directors) issues and problems that resulted from his/her activity or of which he/she became aware in order for the committee (or the Board) to take the appropriate actions.				
7.C.5.	The person in charge of internal audit shall:	√			80-81, 115-116
	a) verify, both on a continuous basis and in relation to special needs, in conformity with international professional standards, the adequacy and effective functioning of the internal control and risk management system, through an audit plan, to be approved by the Board of Directors. Such a plan shall be based on a structured analysis and ranking of the main risks;				
	b) not be responsible for any operational area and be subordinated to the Board of Directors;	√			42, 115-116
	c) have direct access to all useful information for the performance of its duties;	√			115-116
	d) draft periodic reports containing adequate information on its own activity, and on the company's risk management process, as well as about the compliance with the management plans defined for risk mitigation. Such periodic reports contain an evaluation on the adequacy of the internal control and risk management system;	√			115-116
	e) prepare timely reports on particularly significant events;				91, 115-116
	f) submit the reports indicated under items d) and e) above to the chairman of the Board of statutory auditors, the control and risk committee and the Board of Directors, as well as to the director in charge of the internal control and risk management system;	√			115-116
	g) verify, according to the audit plan, the reliability of information systems, including the accounting one.	√			115-116
7.C.6.	The internal audit function may be entrusted, as a whole or by business segments, to a person external to the issuer, provided, however, that it is endowed with adequate professionalism, independence and organization. The adoption of such organizational choices, with a satisfactory explanation of the relevant reasons, shall be disclosed to the shareholders and the market in the Corporate Governance Report.	√			115-116

Principles and Criteria of Corporate Governance Code		Applied	Not Applied	Inapplicable	Page reference
8. Statutory auditors					
8.P.1.	The statutory auditors shall act with autonomy and independence also vis-à-vis the shareholders, which elected them.	√			106
8.P.2.	The issuer shall adopt suitable measures to ensure an effective performance of the duties typical of the Board of statutory auditors.	√			106
8.C.1.	The statutory auditors shall be chosen among people who may be qualified as independent also on the basis of the criteria provided by this Code with reference to the directors. The Board of statutory auditors shall check the compliance with said criteria after the appointment and subsequently on an annual basis, submitting the result of such verification to the Board of Directors that discloses it, after the appointment, through a press release to the market and, subsequently, in its Corporate Governance Report, according to manners complying with the ones provided with reference to directors.	√			106
8.C.2.	The statutory auditors shall accept the appointment when they believe that they can devote the necessary time to the diligent performance of their duties.	√			106
8.C.3.	The remuneration of statutory auditors shall be proportionate to the commitment required from each of them, to the importance of his/her role as well as to the size and business sector of the company.	√			107 and Rem. Rep.
8.C.4.	A statutory auditor who has an interest, either directly or on behalf of third parties, in a certain transaction of the issuer, shall timely and exhaustively inform the other statutory auditors and the chairman of the Board about the nature, the terms, origin and extent of his/her interest.	√			106 - 107
8.C.5.	In the framework of their activities, the statutory auditors may demand from the internal audit function to make assessments on specific operating areas or transactions of the company.	√			117
8.C.6.	The Board of statutory auditors and the control and risk committee shall exchange material information on a timely basis for the performance of their respective duties.	√			111-112, 117
9. Relations with the Shareholders					
9.P.1.	The Board of Directors shall take initiatives aimed at promoting the broadest participation possible of the shareholders in the shareholders' meetings and making easier the exercise of the shareholders' rights.	√			56-59
9.P.2.	The Board of Directors shall endeavour to develop a continuing dialogue with the shareholders based on the understanding of their reciprocal roles.	√			59-61
9.C.1.	The Board of Directors shall ensure that a person is identified as responsible for handling the relationships with the shareholders and shall evaluate from time to time whether it would be advisable to establish a business structure responsible for such function.	√			59-61
9.C.2.	All the directors usually participate in the shareholders' meetings. The shareholders' meetings are also an opportunity for disclosing to the shareholders information concerning the issuer, in compliance with the rules governing price-sensitive information. In particular, the Board of Directors shall report to the shareholders' meeting the activity performed and planned and shall use its best efforts for ensuring that the shareholders receive adequate information about the necessary elements for them to adopt in an informed manner the resolutions that are the competence of the shareholders' meeting.	√			56-58
9.C.3.	The Board of Directors should propose to the approval of the shareholders' meeting rules laying down the procedures to be followed in order to permit an orderly and effective conduct of the shareholders' meetings of the issuer, without prejudice, at the same time, to the right of each shareholder to express his or her opinion on the matters under discussion.	√			58
9.C.4.	In the event of significant changes in the market capitalization of the company's shares or in the composition of its shareholders, the Board of Directors shall assess whether proposals should be submitted to the shareholders' meeting to amend the by-laws in respect to the majorities required for exercising actions and rights provided for the protection of minority interests.	√			56

Principles and Criteria of Corporate Governance Code		Applied	Not Applied	Inapplicable	Page reference
10. Two-tier and one-tier systems					
10.P.1	In the event of adoption of a two-tier or one-tier management and control system, the above articles shall apply insofar as compatible, adapting individual provisions to the particular system adopted, consistently with the objectives of good corporate governance, transparency of information and protection of investors and the markets pursued by the Code and in the light of the criteria provided by this article.			√	
10.P.2.	In the event that a new management and control system is proposed, the directors shall inform the shareholders and the market with regard to the reasons for such proposal, as well as on how it is envisaged that the Code will be applied to the new management and control system.			√	
10.P.3.	In the first Corporate Governance Report published after the modification of the management and control system, the issuer shall describe in detail how the Code has been applied to such system. Such information shall be published also in the subsequent reports, indicating any amendments to the procedure followed in applying the Code to the selected management and control system.			√	
10.C.1.	In the event of adoption of the two-tier management and control system, the Code shall be applied according to the following criteria: <ul style="list-style-type: none"> a) except as provided in paragraph (b) below, the articles of the Code that make reference to the Board of Directors and the Board of statutory auditors, or their members, are applied, in principle, to the Management Board and Supervisory Board, or their members respectively; b) due to the specific options of the by-laws adopted, in the configuration of the management and supervisory bodies – also in relation to the number of their members and the powers and duties attributed to them – as well as of the specific circumstances existing, the issuer may apply the provisions concerning the Board of Directors or directors to the Supervisory Board or its members; c) the provisions relating to the appointment of directors provided by Article 5 of this Code shall apply, insofar as compatible, to the appointment of the members of the Supervisory Board and/or the members of the Management Board. 			√	
10.C.2.	In the event of adoption of the one-tier management and control system, the Code shall be applied according to the following criteria: <ul style="list-style-type: none"> a) the articles of the Code that make reference to the Board of Directors and to the Board of statutory auditors, or their members shall be applied, in principle, to the Board of Directors and to the Management Control Committee, or their members respectively; b) the duties attributed to the control and risk committee by Article 7 of this Code may be reported to the Management Control Committee provided by Article 2409-eighteenth of the Italian Civil Code, where it complies with the composition criteria set forth by article 7. 			√	

Glossary and acronyms

2011 General Meeting

The Company's Extraordinary and Ordinary General Meeting held on 30 April 2011.

2014 General Meeting

The Company's Extraordinary and Ordinary General Meeting held on 30 April 2014.

2015 General Meeting

The Company's Extraordinary and Ordinary General Meeting held on 30 April 2015.

2016 General Meeting

The Company's Extraordinary and Ordinary General Meeting held on 28 April 2016.

2017 General Meeting

The Company's Extraordinary and Ordinary General Meeting called for 25, 26 and 27 April 2017.

ACGC

The Company's Appointments and Corporate Governance Committee, instituted in compliance with the recommendations of the CG Code (art. 5), whose responsibilities were assigned partly to the ARC and partly to the GSC as from 28 April 2016.

ALM

Asset Liability Management.

ARC

The Company's Appointments and Remuneration Committee, set up in accordance with the recommendations of the CG Code (arts. 5 and 6).

Articles of Association

The Company's Articles of Association.

Board or BoD

The Company's Board of Directors.

Board Committees

Until 28 April 2016, the RCC, RPTSC, IC, ACGC and RemCom. From 28 April 2016 the RCC, RPTC, ARC, GSC and IC. On 25 January 2017 the name of the IC changed to "Investment and Strategic Transactions Committee".

BSA

The Company's Board of Statutory Auditors.

Business Units

The BUs, which belong to the Group's organisational structure, promote local entrepreneurship and autonomies, and provide international control through the Geographical Areas and global lines. The Business Units are represented by Italy, France, Germany, the CEE region, Global Business Lines & International, and the investment area.

CFBA or Consolidated Finance Act

Legislative Decree no. 58 of 24 February 1998 (the Consolidated Finance Broking Act pursuant to ss. 8 and 21 of Statute no. 52 of 6 February 1996), in the formulation in force as at the date of this Report.

CG Code

The Listed Companies' Corporate Governance Code approved in July 2015 by the Corporate Governance Committee, promoted by Borsa Italiana S.p.A., ABI, ANIA, Assogestioni, Assonime and Confindustria, published on the website www.borsaitaliana.it, and ratified by the Company by resolution of the BoD.

Chairman

The person who holds the office of Chairman of the Company's Board of Directors.

Civil Code / CC

The Italian Civil Code.

Company (also Parent Company or Generali)

Assicurazioni Generali S.p.A.

CONSOB

The Italian Securities and Exchange Commission.

Decree 231

Legislative Decree no. 231 of 8 June 2001 entitled "Provisions governing the administrative liability of legal persons, companies and associations, including those without legal personality, pursuant to s. 11 of Statute no. 300 of 29 September 2000".

Directors

Members of the Company's BoD.

EIOPA

The European Insurance and Occupational Pensions Authority, ie. the organisation to which all insurance authorities in the European Union which are responsible for supervising the European insurance market belong.

External Auditors

Reconta Ernst & Young S.p.A., appointed by the 2011 General Meeting for the period 2012-2020, and responsible for certifying the Company's financial statements.

Fit&Proper Policy

The policy governing the professional skills and respectability of members of the Company's governing bodies and those who hold certain important offices or roles. Approved by the BoD, by way of implementation of the terms of ISVAP Regulation no. 20/2008.

General Manager

The Company's General Manager.

General Meeting or AGM

The Company's General Meeting.

General Meeting Regulation

The Regulation that governs the conduct of the Company's General Meeting.

GFRR

The Group Financial Reporting Risk function, instituted at GHO, in the organisational area that reports to the Group CFO.

GHO

Group Head Office.

Represents the set of Company functions that perform the strategic activity of guidance and coordination in support of the Business Units.

GLG

Global Leadership Group.

The group of executives of the Company and the Group who hold the positions with the greatest organisational importance and impact on the results and the process of devising the strategy, such as the CEOs of the subsidiaries, the branch managers, the strategic positions in the countries, the business lines, and the head office positions with a global impact on the Group's results.

GMC

Group Management Committee. The group of executives of the Company and the Group, with functions of supporting the Group CEO, who meet to discuss fundamental decisions for the Group, evaluate proposals to be submitted to the Board of Directors, and evaluate the main risks, investments and financial and industrial results. As at 31/12/2016, its members were the Group CEO, who chairs the Committee, the CEE Regional Officer, the Manager of the Global Business Lines & International Division, the Group CFO, the Group CRO, the Group CIO, the Group Chief Insurance Officer, and the country managers for Italy, Germany and France.

Group

The Company and the Italian and foreign companies subject to its control, pursuant to s. 93 of the CFBA.

Group CEO

The Chief Executive Officer, who is the person mainly responsible for the management of the Company and the Group.

Group CFO

The Group's Chief Financial Officer.

Group CIO

The Group's Chief Investment Officer.

Group CRO

The Group's Chief Risk Officer.

GSC

The Company's Corporate Governance and Social & Environmental Sustainability Committee.

IC

The Company's Investment Committee.

ICRM Director

The Director formally appointed by the Company's BoD to institute and maintain an effective ICRMS, in compliance with the recommendations of the CG Code (art. 7).

ICRMS or System

The Group's Internal Control and Risk Management System.

Independent Director(s)

Directors who meet the independence requirement laid down by the CG Code, as confirmed by the Board of Directors.

Interim financial reports

Additional periodic financial reports (previously called "Quarterly Reports") pursuant to s. 82- of the Issuers' Regulation.

Internal Control functions

The Internal Audit, Compliance, Risk Management and Actuarial functions, instituted at GHO.

Issuers' Regulation or IR

The implementing regulation of the CFBA, in the formulation in force as at the date of this Report.

ISVAP Regulation no. 20/2008

ISVAP Regulation no. 20 of 26 March 2008 (Regulation governing internal controls, risk management, compliance and outsourcing of the business of insurance companies pursuant to ss. 87 and 191.1 of Legislative Decree no. 209 of 7 September 2005, called the Private Insurance Code).

ISVAP Regulation no. 25/2008

ISVAP Regulation no. 25 of 27 May 2008 (Regulation concerning the supervision of the intercompany transactions referred to in Part XV Chapter III of Legislative Decree no. 209 of 7 September 2005, called the Private Insurance Code).

ISVAP Regulation no. 39/2011

ISVAP Regulation no. 39 of 9 June 2011 (Insurance Companies' Remuneration Policy Regulation).

IVASS

The Italian Insurance Supervision Institute. The Regulator that supervises the Italian insurance market, to ensure its stability and protect consumers.

LID

Lead Independent Director. A figure contemplated by the CG Code, but not appointed by Generali, as in the Company's current governance structure, the Chairman of the BoD is a non-executive director and does not control the Company.

Managing Director or MD

The Director to whom specific powers have been delegated by the Board of Directors pursuant to s. 2381 of the Civil Code.

Model or OMM

The Company's organisational, management and control model, as required by Decree 231.

MPFR

The Manager in charge of Preparation of the Company's Financial Reports pursuant to s. 154-bis of the CFBA.

Parent Company

Assicurazioni Generali S.p.A. acting as holding company.

RCC

The Company's Risk and Control Committee, set up in accordance with the recommendations of the CG Code (art. 7).

Register

The Register of persons with access to Privileged Information, held by the Company and instituted by the procedure adopted by the Board of Directors pursuant to s. 115-*bis* of the CFBA and the implementing regulation (as amended).

RemCom

The Company's Remuneration Committee, instituted in compliance with the recommendations of the CG Code (art. 6), whose responsibilities were assigned to the ARC on 28 April 2016.

Report

This Corporate Governance and Share Ownership Report relating to the 2016 financial year, approved by the Board of Directors on 15 March 2017.

RPT procedures

The Related-Party Transaction Procedures, approved by the Board of Directors in compliance with CONSOB resolution no. 17221 of 12 March 2010.

RPT Regulation

The Related-Party Transaction Regulation, adopted by CONSOB in resolution no. 17221 of 12 March 2010 and amended by resolution no. 17389 of 23 June 2010, in the formulation in force as at the date of this Report.

RPTC

The Company's Related-Party Transactions Committee.

RPTSC

The Company's Related-Party Transactions Sub-Committee, whose responsibilities were assigned to the RPTC as from 28 April 2016.

SCC or Supervision and Control Committee

The Company's Supervision and Control Committee, required by Decree 231.

Secretary

The Secretary to the Company's BoD, Board Committees and SCC.

S&G

The Shareholders & Governance Unit, which belongs to the Company's Corporate Affairs function.

Shareholders

The Company's shareholders.

Site

The Company's institutional website www.generali.com.

Solvency II

The set of legislative and regulatory provisions introduced following the issue of Directive 2009/138/EC of the European Parliament and the Council of 25 November 2009 on the taking-up and pursuit of the business of insurance and reinsurance, published in the Official Journal of the European Union on 17 December 2009.

Statutory Auditor(s)

The permanent or alternate member(s) of the Company's Board of Statutory Auditors.

Subsidiary/ies

The company/companies controlled directly or indirectly by Assicurazioni Generali S.p.A., as defined by the applicable legislation. Generali's governance is based on two definitions of a subsidiary with strategic importance (hereinafter called "Strategic Subsidiary"). The **first definition** is based on evaluation of the adequacy of the organisational, administrative and general accounting systems; in this context, the following companies are classed as Strategic Subsidiaries as at the date of this Report: AachenMünchener Lebensversicherung AG, AachenMünchener Versicherung AG, Alleanza Assicurazioni S.p.A., Central Krankenversicherung AG, Ceska Pojistovna a.s., Cosmos Lebensversicherungs AG, Generali Business Solutions S.C.p.A., Generali China Life Insurance Co. Ltd, Generali CEE Holding B.V., Generali Italia S.p.A., Generali France S.A., Generali France Assurance S.A., Generali Deutschland Holding

A.G., Generali Deutschland Informatik Services GmbH, Generali Deutschland Schadenmanagement GmbH, Generali Deutschland Services GmbH, Generali España Sociedad Anónima de Seguros y Reaseguros, Generali Espana Holding de entidades de Seguros S.A., Generali Holding Vienna AG, Generali IARD S.A., Generali Investments CEE a.s., Generali, Investments Deutschland Kapital MBH, Generali Investments Europe S.p.A. S.G.R., Generali Lebensversicherung AG, Generali Real Estate S.p.A., Banca Generali S.p.A., Generali Personenversicherungen AG, Generali Schweiz Holding AG, Generali Versicherung AG, Generali Vie S.A., Generali VIS Informatik GmbH, Genertellife S.p.A. and Grupo Generali España Agrupación de Interés Económico. The **second definition** is used for the appointment of the Group's top management. For those purposes, the following companies are classed as strategic: Generali Italia S.p.A., Generali France

S.A., Generali Deutschland A.G., Generali CEE Holding B.V., Generali Espana Holding de entidades de seguros S.A., Generali Investment Europe S.p.A. S.G.R., Generali Real Estate S.p.A., Banca Generali S.p.A., Generali Holding Vienna A.G., Generali China Life Insurance Co. Ltd and Generali Schweiz Holding A.G..

Top Management

Those who hold the office of Managing Director, General Manager and the senior executives who, at GHO, cover the first reporting lines of the Managing Director or General Manager.

Vice-Chairman/Vice-Chairmen

The Company's Vice-Chairman/Vice-Chairmen.

Contacts

Corporate Affairs

giuseppe.catalano@generali.com

Manager: Giuseppe Catalano

Shareholders & Governance

governance@generali.com

Manager: Michele Amendolagine

Group Integrated Reporting & CFO HUB

integratedreporting@generali.com

Manager: Massimo Romano

Group Reward

group_reward@generali.com

Manager: Giovanni Lanati

Investor & Rating Agency Relations

ir@Generali.com

Manager: Spencer Horgan

Media Relations

press@generali.com

Manager: Roberto Alatri



Launched in 2015, the new corporate Web site, generali.com, has a lean and modern layout, a focus on the visual approach, contents on international topics and Group news.

The Web site was designed to be viewed on any device and it was developed in line with the Group Web guidelines and the Web Accessibility Initiative (WAI).

Editing
Corporate Affairs
Shareholders & Governance

Coordination
Group Communications
& Public Affairs

The document is
available on
www.generali.com

Illustrations
Andrea Mongia

Photos on pages 8, 16, 36, 37, 67, 68, 69,
70, 71, 88, 93, 95, 98, 100, 103, 104, 124
Giuliano Koren

Photos on pages 100, 102, 103, 124
Federico Guida

Photos on pages 22, 23
Alessandra Chemollo

Photos on pages 28, 29
i Stock

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