

187th year

Corporate Governance and Share Ownership Report 2018



Corporate Governance and Share Ownership Report 2018*

The information in this Report reflects the situation as at 31 December 2018, save as otherwise specified.



Contacts: see end of the Report

* This Report is required pursuant to s. 123-bis of the Consolidated Finance Broking Act and s. 144-decies of the CONSOB Issuers' Regulation.

Corporate bodies at 13 March 2019

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)

Secretary to the Board

Giuseppe Catalano

Assicurazioni Generali S.p.A.

A company established in Trieste in 1831.
Registered Office in Trieste (Italy), Piazza Duca degli Abruzzi 2.
Fully paid-on share capital € 1,565,165,364.00.
Fiscal code, VAT and Venezia Giulia Companies' Register
no. 00079760328.
Company entered in Section I of the Register of Italian Insurance
and Reinsurance Companies under no. 1.00003.
Parent Company of Generali Group, entered in the Register of
Italian Insurance groups under n° 026.
Certified email address: assicurazionigenerali@pec.generaligroup.com

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

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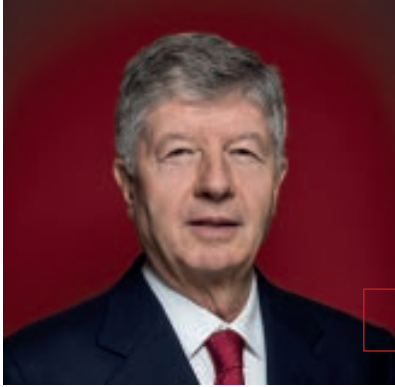
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Letter of the Chairman of the Corporate Governance and Social & Environmental Sustainability Committee



Gabriele Galateri di Genola
Chairman

Dear Shareholder,

This year's General Meeting closes the three-year term of the current Board of Directors and of the Corporate Governance and Social & Environmental Sustainability Committee, which I represent here as chairman.

It has been a demanding time during which Generali has faced many important challenges: financial, economic and social conditions have proved particularly challenging, with low interest rates, and uncertain market and industrial scenarios, whose repercussions are also reflected at social level, and to which the political community, not only in Europe, is struggling to find decisive responses. This growing complexity therefore increases the need for answers that are clear and simple, but rooted in detailed, competent analyses.

In this context, a contribution must come from the business and financial world, avoiding the easy vision of immediate results, which can only be achieved from a longer-term perspective.

This is the perspective for the results achieved by Generali in 2018, the final year of the 2016-2018 three-year plan, whose goals have been attained in full, to the great satisfaction of the market. Over these three years, Generali has distributed dividends for more than 5 billion euro and reported a rise of almost 13% in its share price.

In November, we launched our new strategic plan for 2019-21. This is an important and challenging program not just at financial level, but also as regards the way Generali intends to achieve its strategic objectives. The plan sets out clear targets, including quantitative goals, of significance to our social and environmental sustainability policy, on which the Company intends to benchmark itself against the market and on which it will report in detail.

Sustainability is not pure philanthropy, far less a bundle of measures adopted with a view to self-promotion or marketing. For Generali, sustainability means integrating its approach to running a profitable business with a responsible attitude to the communities and markets it addresses, so that the Group's profitability and growing value are sustainable over the medium/long-term. This approach is intrinsic to Generali's DNA, and so has been naturally incorporated into its business model and its strategy: as an insurer and as a pension fund manager investing its clients' assets, Generali has always taken a medium/long-term view of its business, in order to safeguard and guarantee all its policyholders and shareholders.

We have launched a sustainability matrix, which incorporates into the Generali strategic vision the vision of all its stakeholders (our shareholders, but also all our clients, employees, agents, suppliers and the communities in which the Group operates); we have drawn up a climate change strategy and clear targets, on which we will report systematically in our Integrated Annual Report. We have also moved ahead with “The Human Safety Net” program as a way to support the communities in which the Group operates, with three key projects: for families in difficulties, for refugees and for the fight against cot deaths.

Turning to governance, we have extended dialogue to address a larger number of shareholders and gradually involve small shareholders and engage a broader spectrum of institutional investors. We are doing this because we believe that today, for Generali and its shareholders, investors and stakeholders in general, mutual understanding and trust is increasingly decisive, with a view to ensuring stakeholders’ alignment with and support for the Company.

The next General Meeting will elect the new Board of Directors; for this, the current Board of Directors, supported by the Appointments & Remuneration Committee and the Corporate Governance and Social & Environmental Sustainability Committee, has drawn up an opinion to provide guidance for the shareholders electing the new board and, more specifically, for shareholders intending to present lists.

This opinion – published on the Generali website well ahead of the General Meeting – presents the vision of the outgoing Board of Directors on the optimal size and composition of the incoming board, which will be responsible for implementing the new strategic plan. The opinion offers a message of continuity, but also of possible evolution intended to further strengthen our team, a necessity given constantly changing social, economic and market conditions. I invite you all to examine our opinion in order to contribute, through your vote at the General Meeting, to the formation of the new Board of Directors.

This invitation ends my letter of introduction to the 2018 corporate governance report, a simplified document compared with previous years: this simplification has been achieved in part by flanking the report with a compendium providing additional information on specific questions of a more technical nature, which are useful but probably of significance only to certain sections of our stakeholders. We have also improved the integration of the report’s content with respect to our corporate reports as a whole, by adopting the so-called “core&more” approach to the letter; as a result this report is one of a series of documents examining in depth certain issues of the core report, the Integrated Annual Report.

Thank you for your attention.

Gabriele Galateri di Genola

Chairman, Corporate Governance and Social & Environmental Sustainability Committee



The integrated overview of our reports

The Group reporting approach is based on the integrated thinking and Core&More¹ concept also this year: the **Annual Integrated Report** is our **Core** report, centred on material financial and non-financial information while **other reports and channels of communication (More)** present more detailed information, some of which targets a specialized audience.



Group Annual Integrated Report

It provides a concise and integrated view of the Group's financial and non-financial performance, also pursuant to legislative decree 254/2016 (leg. decree 254/2016).

Annual Integrated Report and Consolidated Financial Statements

It expands the content of the Annual Integrated Report, providing details of the Group's financial performance in compliance with national and international regulations.

Remuneration Report

It provides specific information on the remuneration policy adopted by the Group and its implementation.

Management Report and Parent Company Financial Statements

It provides information on the performance of Assicurazioni Generali, in accordance with currently effective regulations.



generali.com

for further information on the Group.



¹ Core&More is a reporting approach developed by Accountancy Europe which provides for a core report, including a summary of all key information required to evaluate and understand a company, and more reports, presenting more detailed information. www.accountancyeurope.eu for further information.

Information on this Report

Our corporate governance and share ownership report complies with the disclosure provisions of s. 123-*bis* of the **Consolidated Finance Broking Act (CFBA)**, which requires issuers to provide accurate information to the market, on an annual basis, on share ownership, implementation of corporate governance conduct codes, as well as on the organisation and operation of the corporate bodies and on governance practices.

Since 1999, the Company has implemented the principles of the **Corporate Governance Code for listed companies**, as amended from time to time. The corporate governance system of the Company described in this Report is compliant with the principles and criteria set out in the latest version of the CG Code (July 2018), and is also based on the recommendations of the 6th Report on CG Code implementation, adopted on 10 December 2018 by the Corporate Governance Committee. For the convenience of readers, the separate Compendium (available on the website) includes a check-list providing, for each principle/criterion of the Code, the reference to the relevant page of the Report.

The Report references the check-list envisaged by the **Borsa Italiana Format** for the corporate governance and share ownership report (VIII Edition – January 2019).

The **Report layout** includes an introductory section (**Executive summary**) with significant information and macro-data providing a meaningful summary of the financial, management and governance events concerning the Group in 2018.

The introductory section is followed by the main body of the Report, subdivided into **4 chapters**, on, respectively, our corporate governance model, shareholders and investors and our relations with them, the various corporate governance players, and the internal control and risk management system. The Report closes with a section consisting of **Tables**.

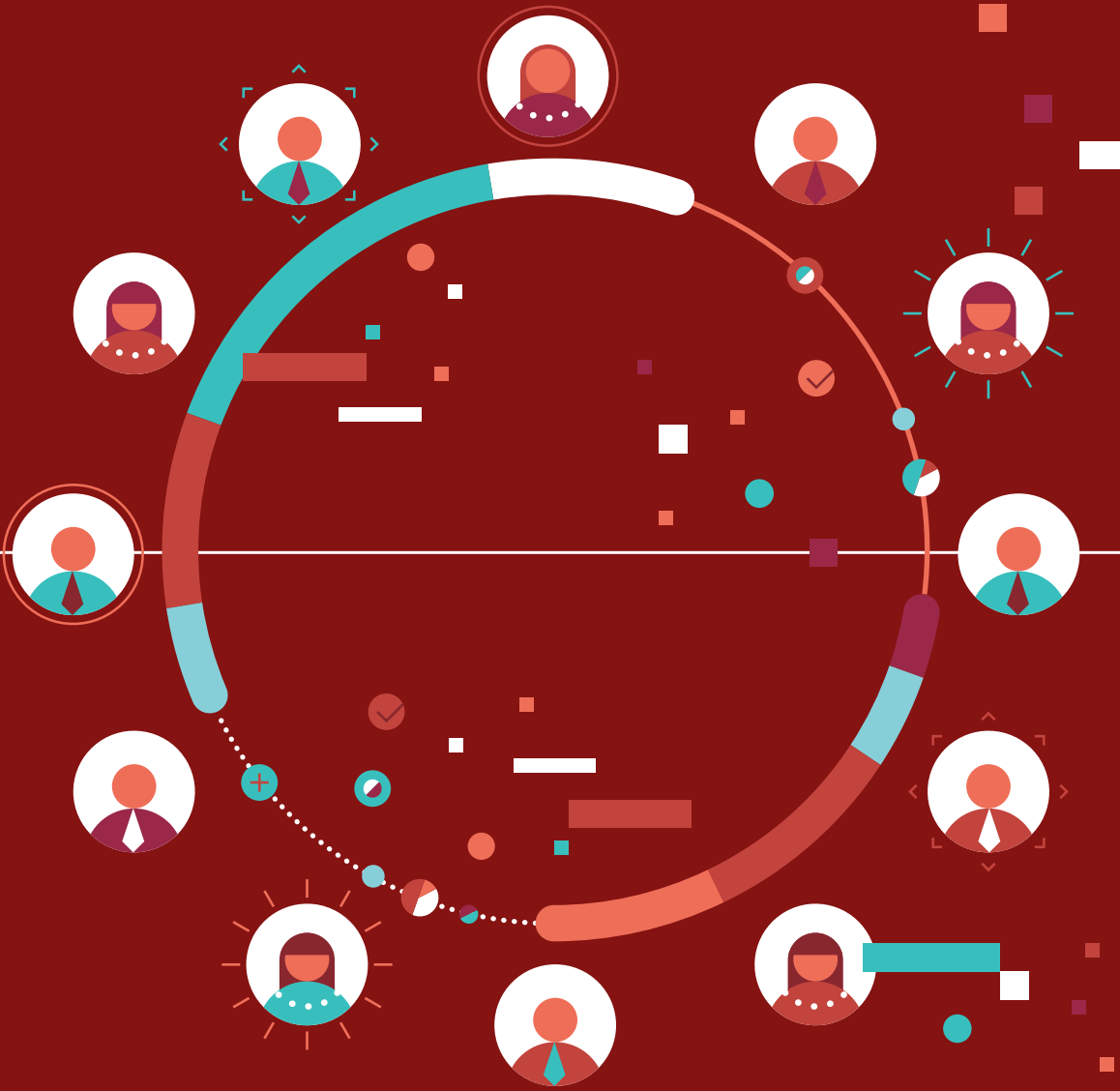
The separate **Compendium** mentioned above (available on the website) details the responsibilities of the Board of Directors and those assigned by the Board to other corporate bodies, and provides a Code compliance check-list with cross-references to the Report.

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



Corporate Governance and Share Ownership Report

It outlines the corporate governance system of Assicurazioni Generali and its ownership structure.



Executive summary

12	Group highlights
12	Share price 2018
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Group highlights

(amounts in millions of euro)	31/12/2018	31/12/2017	Var. %
Gross written premiums	66,691	64,381	4.90%
ROE	4,857	4,713	3.00%
TSR	1.39%	13.54%	-12.15 p.p.
Capitalisation	22,851	23,749	-3.8%
Group net profit	2,309	2,110	9.40%
Proposed per-share dividend (in euro)	0.90	0.85	5.90%
Overall Assets Under Management (in billions of euro)	488	487	0.40%
of which SRI (in billions of euro)	33.2	33.9*	-2.10%
Regulatory Solvency Ratio	216%	207%	+9 p.p.
Our people	70,734	71,327	-0.80%
Our clients (in millions of unit)	61	57	7.00%
Our distributors (in thousands of unit)	155	155	n.s.
Total emissions (t CO₂)	107,394	112,782	-13.8% vs base year 2013

Change in Gross written premiums is on equivalent terms, i.e. at constant exchange rates and consolidation scope ex IFRS 5. Changes in Operating result and Assets Under Management consider, in accordance with IFRS 5, 2017 comparative data restated following the divestment of Belgian, German and Guernsey businesses as well as the disposal of the Dutch and Irish operations completed in February and June 2018, respectively. Please refer to the paragraph Changes in the presentation of the performance indicators of the Group in the Note to the Management Report and Consolidated Financial Statements 2018 for further information.

* The change considers 2017 comparative data restated following a change in methodology.

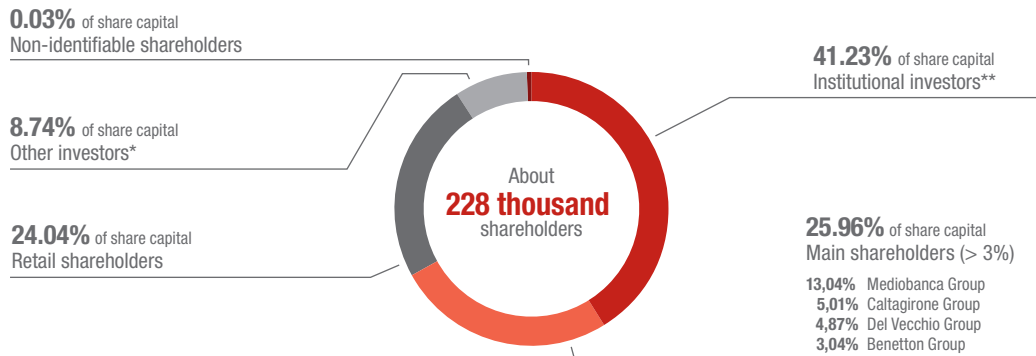
Share price 2018



Share ownership

At the closing of the registration procedure in the Book of shareholders entitled to dividend in 2017, the number of shareholders was about 228,000. The following chart on our shareholders is updated as at 4 March 2019¹.

Our shareholders

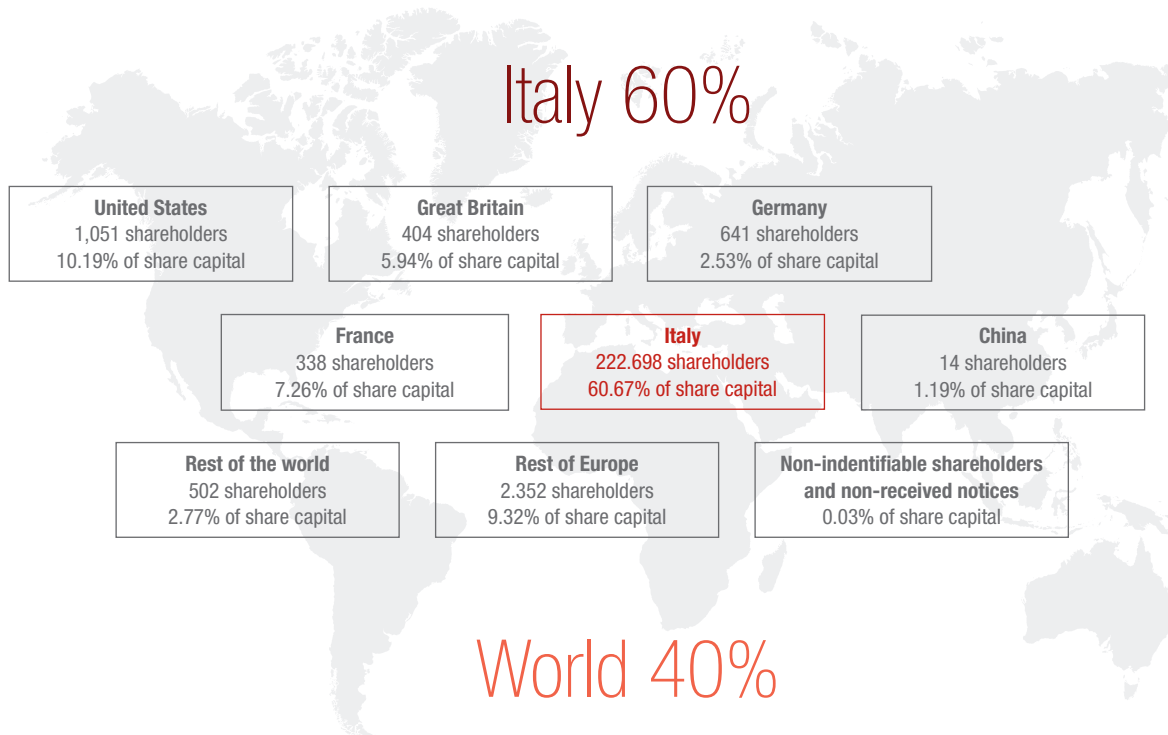


* The category includes corporate entities such as foundations, trust companies, religious and charitable institutes.

** The category includes asset managers, sovereign funds, pension funds, life insurance companies.

Data as at 4 March 2019

Breakdown of shareholders by geographical area



¹ As per the shareholders register, mainly from the records on the payment of dividends of 23 May 2018, as well as from the notices received pursuant to s. 120 CFBA and other available data.



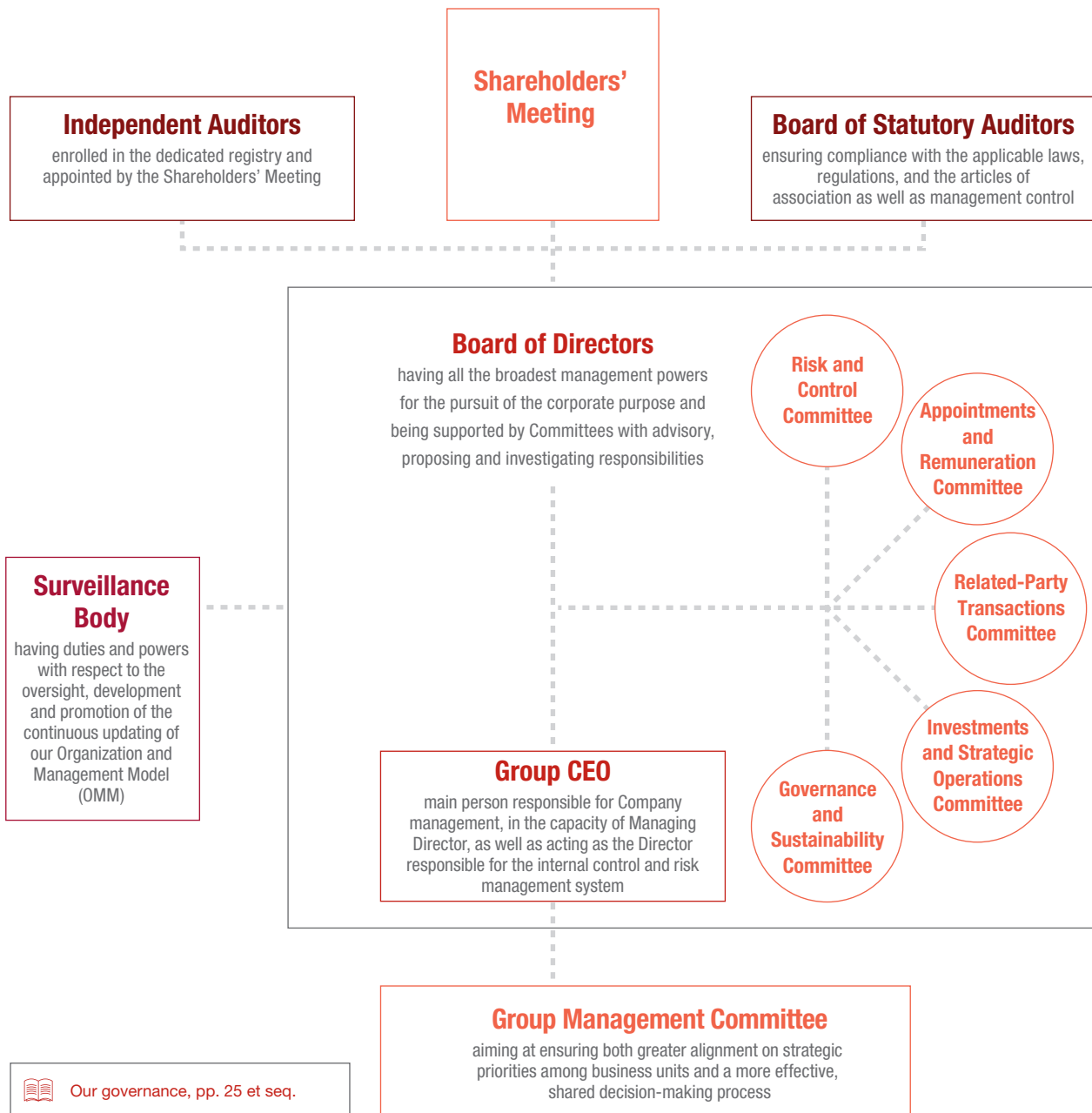
For continuous updates on share ownership
www.generali.com/investors/share-information-analysts/ownership-structure

Our corporate governance model

The Generali corporate governance model is based on the **traditional Italian administration and governance system**. It consists of two bodies appointed by the General Meeting: a Board of Directors (actually 13 members), holding full powers for ordinary and extraordinary management of the Company and the Group, and a Board of Statutory Auditors, which oversees management and compliance with the law and the Articles of Association.

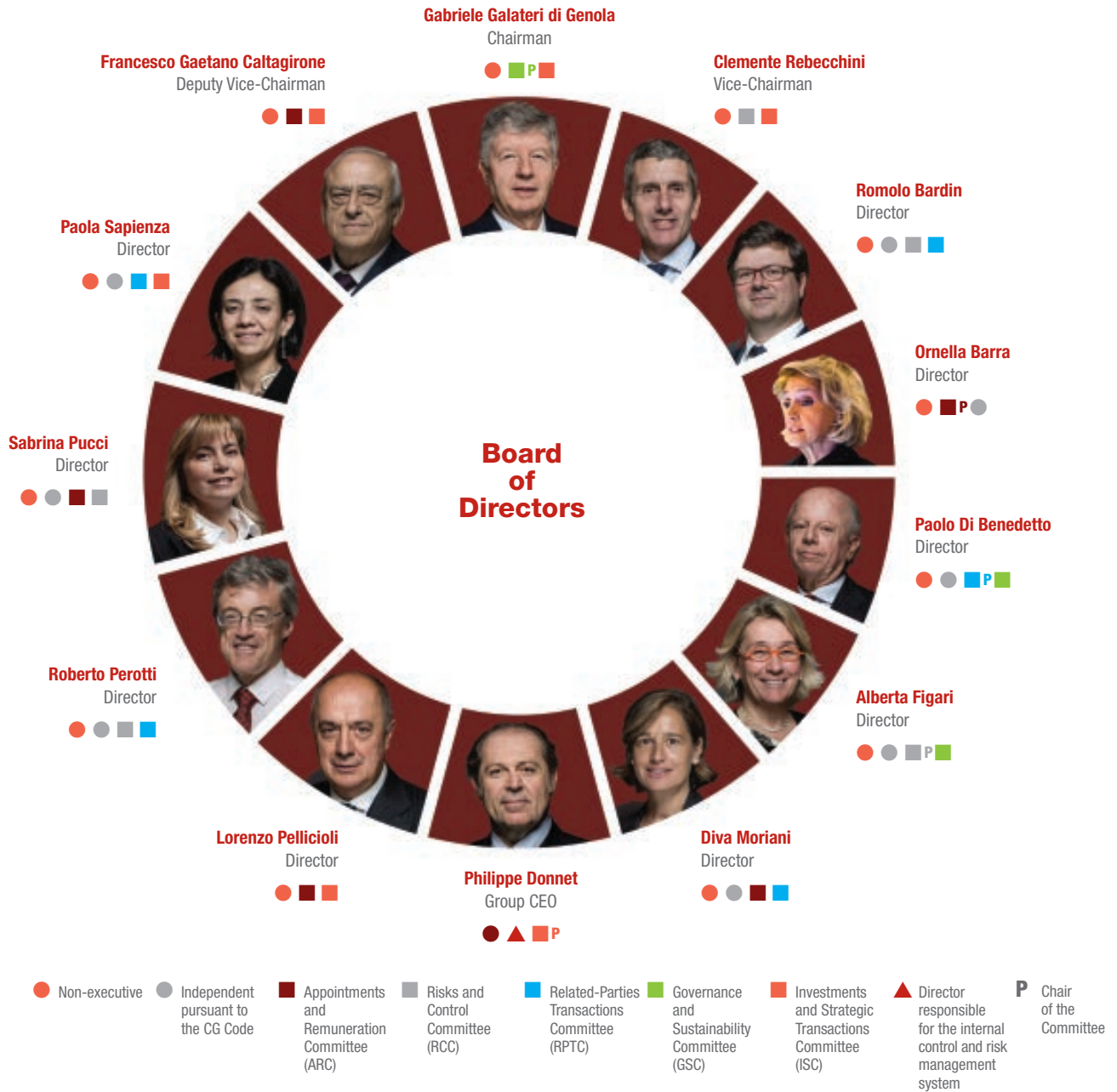
The statutory audit is performed by an external firm of auditors (“EY S.p.A.”, formerly “Reconta Ernst & Young S.p.A.”), a member of the relevant register, appointed by the General Meeting upon the proposal of the Board of Statutory Auditors.

Also in line with the recommendations of the CG Code, the Board of Directors has set up **5 Board Committees** performing recommendatory, advisory and preparatory functions for the Board of Directors. The Surveillance Body ex leg. decree no. 231/2001 is appointed by the Board of Directors.



Focus on the Board of Directors

The tables and charts on the membership of the Board of Directors are updated at 31 December 2018.



Competences and experience

62%
international experience

62%
managerial experience

23%
entrepreneurial skills

38%
academic experience

62%
knowledge of legal context and regulatory requirements

77%
financial and accounting skills

77%
insurance experience

62%
industrial experience

54%
experience in large cap companies

Tenure (non-executive directors)

33%
Up to 3 years

25%
3 - 6 years

25%
6 - 9 years

17%
More than 9 years

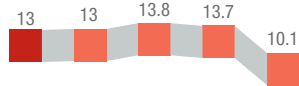
Other posts as directors or statutory auditors in other companies

The following table shows the number of posts as director and auditor that each director holds in other companies, of significance under Generali policy, that is, in listed companies operating on Italian or international regulated markets in banking, insurance or large companies (whose net equity exceeds EUR 10 billion). Posts held in companies in the same group qualify as a single post.

Director	Offices
Gabriele Galateri di Genola	2
Philippe Donnet	-
Francesco G. Caltagirone	1
Clemente Rebecchini	1
Romolo Bardin	3
Ornella Barra	1
Paolo Di Benedetto	2

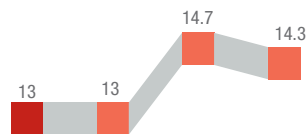
Director	Offices
Alberta Figari	-
Diva Moriani	3
Lorenzo Pellicoli	1
Roberto Perotti	-
Sabrina Pucci	1
Paola Sapienza	-

Size – European peers



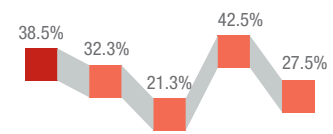
Generali
FTSE MIB*
Germany**
France**
UK**

Size – National peers



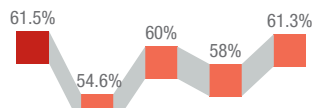
Generali
FTSE MIB*
Financial*
Insurance**

Gender diversity 2018



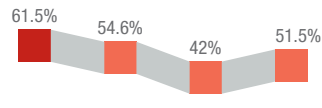
Generali
Italy**
Netherlands**
France**
UK**

% Independence – European peers



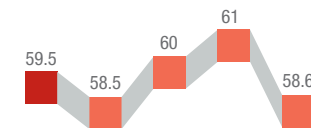
Generali
FTSE MIB*
Germany**
France**
UK**

% Independence – National peers



Generali
FTSE MIB*
Insurance**
Banks**

Average age 2018



Generali
FTSE MIB*
Insurance**
Banks**
UE***

* Assonime "La Corporate Governance in Italia: autodisciplina, remunerazioni e comply or explain (anno 2018)".

** Spencer Stuart "Italia Board Index 2018".

*** Spencer Stuart "Italia Board Index 2018": EU average used in the analysis.

The **2018 Board Review** was conducted by the BoD with the support of the Governance and Sustainability Committee.

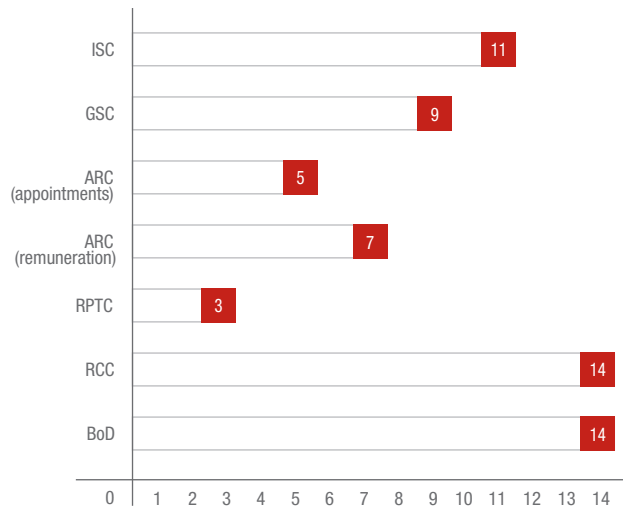


For further details on the offices of each director, see pp. 54 et seq.

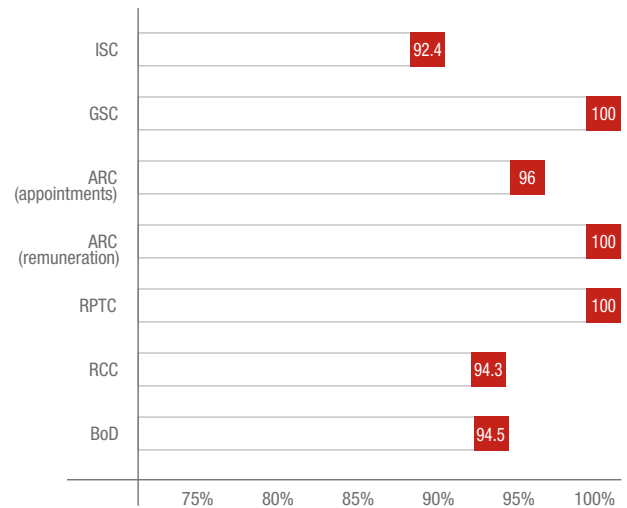
Trends in the Board of Directors – Term comparison

	Term 2016/2018	Previous term
Directors	13	11
Directors from the minority list	2	1
Quota less represented gender	38.4%	36.4%
Quota Independent Directors	61.5%	63.6%
Average age of directors	59.5	59.1
Status of Chairman	non-executive	non-executive
Lead independent director	no	no

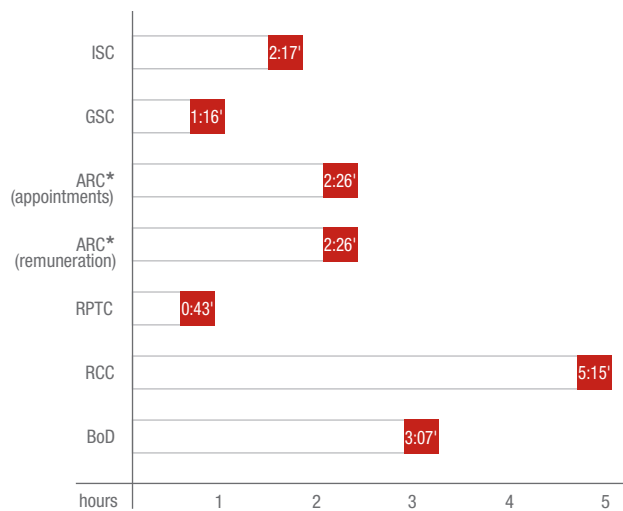
Number of meetings of BoD and Board Committees 2018



Average % attendance at meetings of BoD and Board Committees 2018



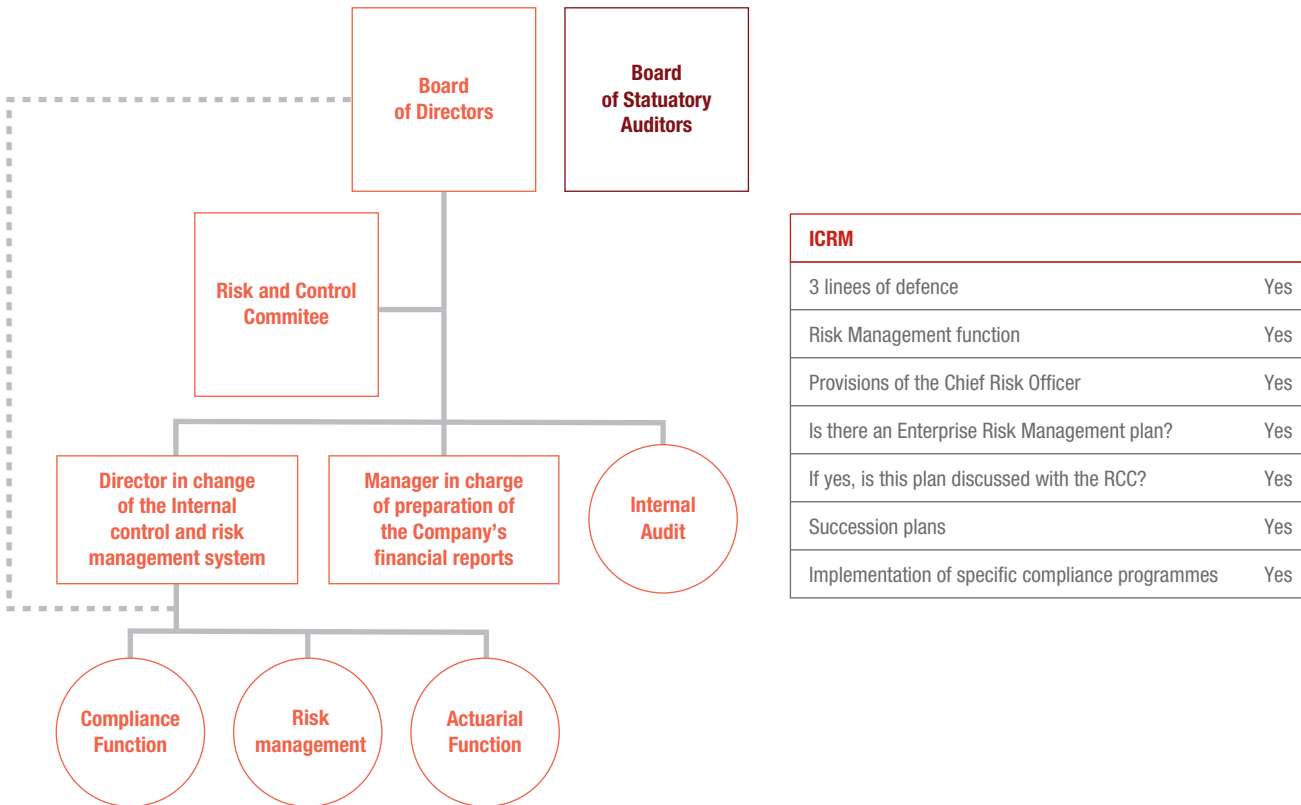
Average duration of meetings of BoD and Board Committees 2018



* The figure indicates the average length of whole meetings, with no distinction for subject matter.

Internal control and risk management system

The **ICRM** System adopted by the Company is an integrated system that applies to the whole organisation. Each component of the organisation has precise tasks and responsibilities. The aim is to create and maintain an efficient system compliant with current legislation, in which roles and competences are well defined and procedures for coordination between players are clearly defined and easily identifiable. The System is illustrated in the chart:



Related-party transactions

In line with statutory provisions (s. 2391-Bis of the Civil Code) and the RPT implementing regulation, since 2010 Generali has employed specific formal internal procedures – reviewed on a regular basis – to ensure that transactions are performed compatibly with the principles of transparency and substantial and procedural correctness. It has also formed a specific Board Committee, composed entirely of non-executive independent Directors, which provides opinions on issues under its competence in line with RPT procedures. The Committee's opinion is binding for all key transactions and for minor transactions whose value exceeds specific thresholds.

Corporate administrative liability: OMM and Surveillance Body

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 legislative decree no. 231/2001 – that may result in administrative liability in court. Furthermore, a **Surveillance Body** (SB) has been formed, whose membership meets the requirements of autonomy and independence. The Committee reports to the Board of Directors on the adoption and proper implementation of the OMM, ensures its proper operation and reviews it on a regular basis.



Remuneration policy

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

- a fixed annual fee of EUR 100,000 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.

There are no agreements with the non-executive Directors regarding severance provisions.

Members of the **Board Committees** and the **SCC**, pursuant to s. 2389 of the Civil Code, receive the following fees:

Role	Annual fee before taxes (EUR)	Attendance fee per meeting (EUR)
Members of the Risk and Control Committee	30,000	2,000
Chair of the Risk and Control Committee	50,000	2,000
Members of the Governance and Sustainability Committee	15,000	2,000
Chair of the Governance and Sustainability Committee	20,000	2,000
Members of the Investment and Strategic Transaction Committee	30,000	2,000
Chair of the Investment and Strategic Transaction Committee *	no fee	no fee
Members of the Appointments and Remuneration Committee**	20/15,000	2,000
Chair of the Appointments and Remuneration Committee	30,000	2,000
Members of the Related-Party Transaction Committee	20,000	2,000
Chair of the Related-Party Transaction Committee	25,000	2,000
Members of the Surveillance Body***	20,000	--
Chair of the Surveillance Body	30,000	--

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

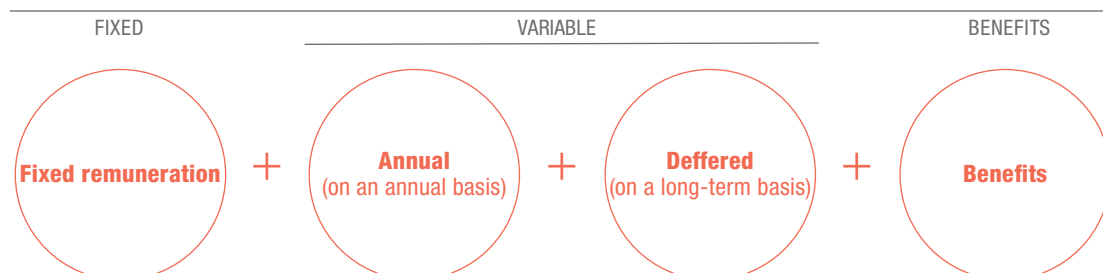
** The different fees refer respectively to members responsible for appointments and remuneration, and those responsible for appointments only.

*** The fee of members who are Generali managers is transferred to the employer.

The **Managing Director/Group CEO**, **GMC** members and **other executives with strategic responsibilities** are entitled to a remuneration package consisting of a fixed component, a variable component and benefits, based on the following principles:

Equity and consistency with respect to responsibilities assigned and proven skills	Alignment with corporate strategies and targets	Competitiveness vs. market practices and trends	Focus on merit and performance in terms of results, conduct and implemented principles	Clear Governance and compliance with regulations
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Target total remuneration*



* Target remuneration package for the entire population described, except for control functions who are subject to a specific remuneration policy and rules as described in Section I of the Remuneration Report.



Details in the Remuneration Report

Generali strategy 2021

Being a life-time partner to customers, offering innovative, personalized solutions thanks to an unmatched distribution network

Profitable Growth

STRENGTHEN LEADERSHIP IN EUROPE:

reinforce #1 market position²

FOCUS ON HIGH POTENTIAL INSURANCE MARKETS:

15%-25% earnings CAGR 2018-2021 depending on country/segment

Capital Management and Financial Optimization

INCREASE CAPITAL GENERATION:

> € 10,5 billion cumulative capital generation 2019-2021

ENHANCE CASH REMITTANCE:

+35% cumulative cash remitted to holding 2019-2021 compared to period 2016-2018

Innovation and Digital Transformation

BECOME LIFE-TIME PARTNER TO CUSTOMERS

ENABLE DIGITAL TRANSFORMATION OF DISTRIBUTION

about € 1 billion total investment in internal strategic initiatives 2019-2021

our
people

a strong
brand



Further details <https://www.generali.com/investors/investing-in-generali/strategy>

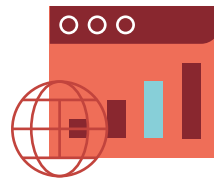
Leading the European insurance market for individuals, professionals and SMEs, while building a focused, global asset management platform and pursuing opportunities in high potential markets

**DEVELOP GLOBAL ASSET
MANAGEMENT PLATFORM:**
15%-20% earnings CAGR
2018-2021

**REDUCE DEBT LEVEL
AND COST:**
€ 1,5-2,0 billion debt reduction
by 2021;
€ 70-140 million reduction in
annual gross interest expense
by 2021 vs 2017

**TRANSFORM AND
DIGITALIZE OPERATING
MODEL**

Generali 2021 – Financial Targets



**GROWING EARNINGS
PER SHARE:**

6%-8%

EPS CAGR range³
2018-2021



GROWING DIVIDEND:

55%-65%

dividend pay-out range⁴
2019-2021



**HIGHER RETURN FOR
SHAREHOLDERS:**

>11,5%

average return on equity⁵
2019-2021



**continued commitment
to sustainability**

2 Based on gross premiums written pursuant to the IAS-IFRS in Europe at the end of financial year 2017.

3 CAGR over three years; normalised to take account of the effect of capital gains and losses arising on divestments.

4 Normalised to take account of the effect of capital gains and losses arising on divestments.

5 Based on IFRS Equity excluding OCI, and on overall net profit/loss.

Continued commitment to sustainability

The Board of Directors is also responsible for establishing Group sustainability goals and commitments, and evaluating related risks, opportunities and areas for improvement. It is supported in this by the GSC, which performs an advisory, recommendatory and preparatory role to assist the Board of Directors regarding the corporate governance and social and environmental sustainability decisions for which it is responsible.

The **Charter of Sustainability Commitments** approved by the Board of Directors renews the Group's commitment with respect to our stakeholders and to society in general. Doing business in a sustainable manner by aiming at excellence in our internal processes, and being a responsible member of society by taking an active role in communities where we operate, are the two pillars of our sustainability vision.



For some time, the Group has been actively developing the sustainability of its business, consistently with its commitment to communities in responding to major global challenges, beginning with climate change. In line with the principles of the Global Compact, to which Generali subscribes, and the Paris Pledge for Action established under COP 21, to which Generali subscribed in 2015, on 21 February 2018 the Board of Directors approved the **climate change strategy** which envisages specific action on investments and underwriting, and identifies dialogue and engagement of our interlocutors as a key tool for facilitating the transition towards a society with a low environmental impact. Further to this resolution, in November 2018, the Group published a technical note detailing the operational implications of its strategy.

The new **Group strategy for 2019-2021** is aligned with the Charter of Sustainability Commitments. Among its key objectives for a responsible business, Generali also undertakes to increase by 7%-9% gross written premiums from products with social and environmental value and to allocate EUR 4.5 billion for green and sustainable investments by 2021.

Our rules for correct operation

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

Doing business in a sustainable manner by aiming at excellence in our internal processes, and being a responsible member of society by taking an active role in communities where we operate, are commitments to our stakeholders and society in general, which we have renewed in the **Charter of Sustainability Commitments**.

We also have a set of **public Group policies and guidelines**, which provide support for us to work in a sustainable and responsible manner. These include:

Code of Conduct, which sets out the fundamental principles of conduct all Group personnel are required to follow, articulated in specific guidelines designed, for example, to promote diversity and inclusion, management of conflicts of interest, protection of personal data and prevention of corruption

Group Policy for the Environment and Climate, which sets out the guiding principles of reference for our environmental management strategies and objectives

Responsible Investment Guideline, which codifies responsible investment activities at Group level

Responsible Underwriting Group Guideline, which sets out the principles and rules for assessment of the environmental, social and governance characteristics of potential and current clients in the P&C underwriting process

Ethical Code for suppliers, which highlights the general principles for proper and profitable management of relations with contractual partners



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

Together, these Group policies and guidelines also help ensure **respect for human rights**. Our goal is to identify, prevent and mitigate the main direct risks of violation of human rights to which the Group is exposed, identifying areas and activities for improvement. In line with international principles and tools, the due diligence we are conducting enables us to evaluate human rights with respect to the direct business risk and the country risk, and has delivered an initial assessment on the countries that present potentially greater exposure. Based on these results, the Group has drawn up a long-term action plan.



Our governance

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Our governance

Significant governance events in 2018

February

The Board of Directors approved an **update to the Regulation of the Board of Directors and Board Committees**.

The Board of Directors ascertained that the members of the governing and control bodies met the **professionalism, respectability and independence requirements** (as per the Corporate Governance Code, CFBA and CAP). The Board of Directors approved the **climate change strategy**.

March

The Board of Directors approved the **2017 financial statements**, including the Non-Financial Declaration, the other corporate disclosures for 2017 and called the General Meeting.

April

The General Meeting approved the 2017 financial statements, the **long-term incentive plan** and the consequent amendments to the Articles of Association.

May

The **new Articles of Association** came into effect following the resolutions carried by the General Meeting. The Board of Directors appointed the Data Protection Officer.



June

The Board of Directors approved an amendment to the **internal capital model for the purposes of Solvency II** and the Group ORSA Report, the Regulatory Supervisory Report and the Group 2017 Solvency Financial Condition Report.

July

The Board of Directors approved the **Half-year financial report**. The Board of Directors appointed Frédéric de Courtois as **General Manager** and Cristiano Borean as the new **Group CFO and MPFR**, as from 1 September 2018.

November

The Board of Directors approved the **2019-21 Strategic Plan**, resented to the market at Investor Day on 21 November 2018. The Board of Directors appointed Anna Pieri as new Head of the **Group Actuarial Function**, as from 1 January 2019.

December

The Board of Directors examined the results of the **2018 Board Review**. The Board of Directors updated the Regulation of the Board of Directors and Board Committees for alignment with **IVASS Regulation no. 38/2018**.



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;
- the **Board of Statutory Auditors**, which performs 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 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 national and international best practice.

The membership, powers and operating methods of the Company's governing bodies are governed by law, 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 adopted by the Company 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.

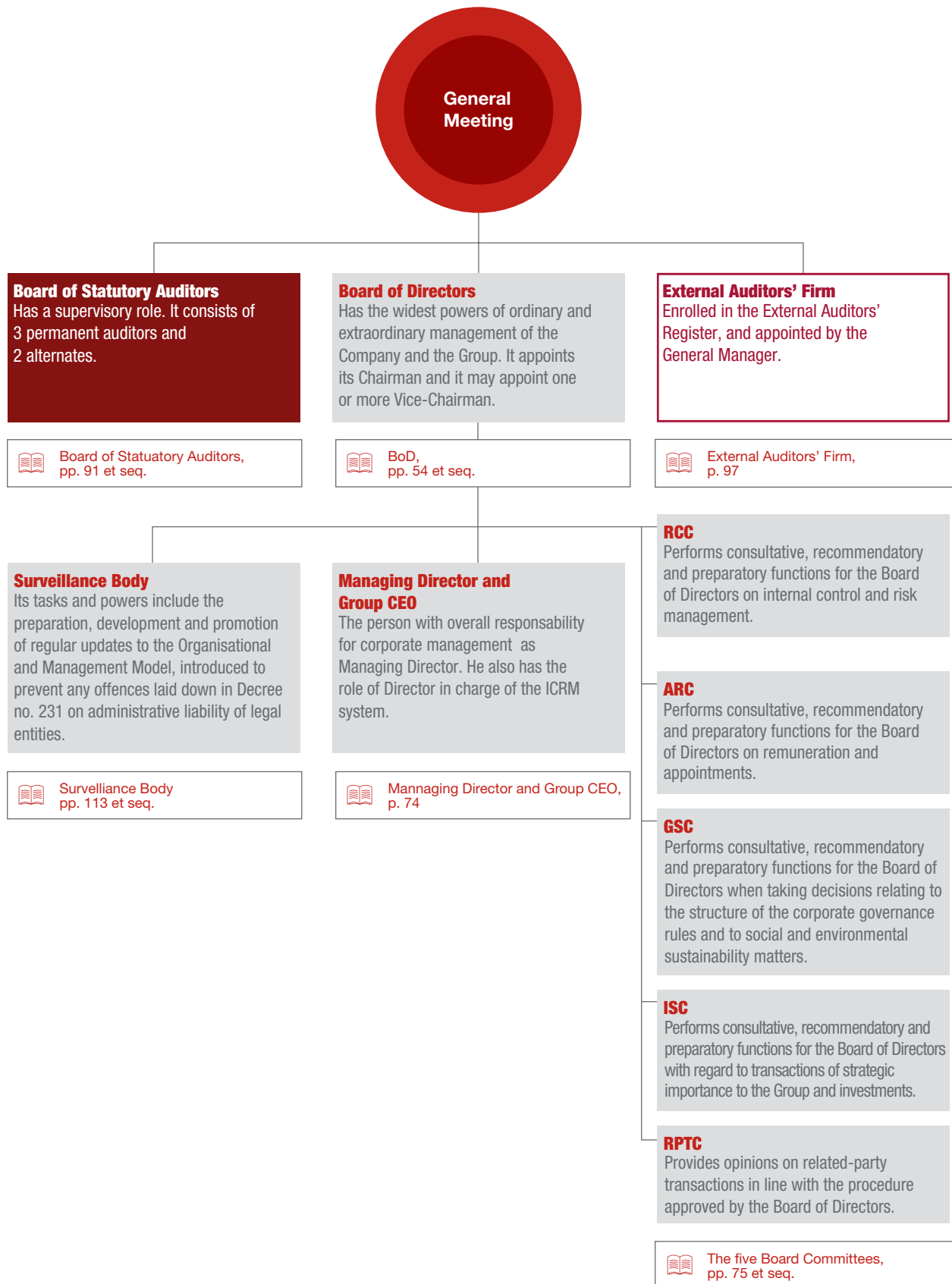
CG Code

This year as in previous years, Generali, like all Italian listed issuers, received a letter from the chair of the Italian Corporate Governance Committee (formed by the main company and professional investor associations and by Borsa Italiana S.p.A.), addressed to chairmen and managing directors to promote greater awareness and substance in the application of the Corporate Governance Code.

The letter was brought to the attention of the GSC and subsequently of the Board of Directors, both of which examined the recommendations of the Corporate Governance Committee to the market, in light of the contents of its annual report on application of the Corporate Governance Code, and concluded that the Company is aligned with the recommendations and also with the principles and criteria set forth in the Corporate Governance Code.



The chart below illustrates the Company's corporate governance system as at 31 December 2018:



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 top-level corporate organisational structure, i.e., the set of corporate functions constituting GHO whose managers report directly to the Group CEO. The Company's organisation

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

As parent company, Generali manages and coordinates the other Group companies, and accordingly the GHO functions are responsible for strategic policies, control and coordination of the Business Units.

REGULATORY BOX

The meaning of words such as "business", "firm", "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 Italian Civil Code defines *azienda* as "the set of assets organised by the entrepreneur for the operation of the enterprise".

A **company** is a form of 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

The Group's organisational structure is based on two elements: the **Group Head Office** and the **Business Unit**. The new organisational model adopted by Generali as from 1 September 2018 enhances the Group's ability to pursue the ambitious challenges of the 2019-2021 Strategic Plan, which is based on three pillars: financial optimisation, profitable growth, innovation and transformation of the business model. These objectives require implementation of integrated Group-wide projects and close engagement of the operating companies.

The *new* structure facilitates coordination of the transformation process among the various GHO functions and the Business Units, by simplifying the organisation and reducing the Group CEO's reporting lines with the creation of the role of General Manager. It improves sharing of business performance in the Group Management Committee (GMC), by redefining the responsibility of the Global Business Lines and accelerating their integration

with the Business Units. Equally, it focuses on the challenges of geographical optimisation and growth initiatives through dedicated supervision.

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

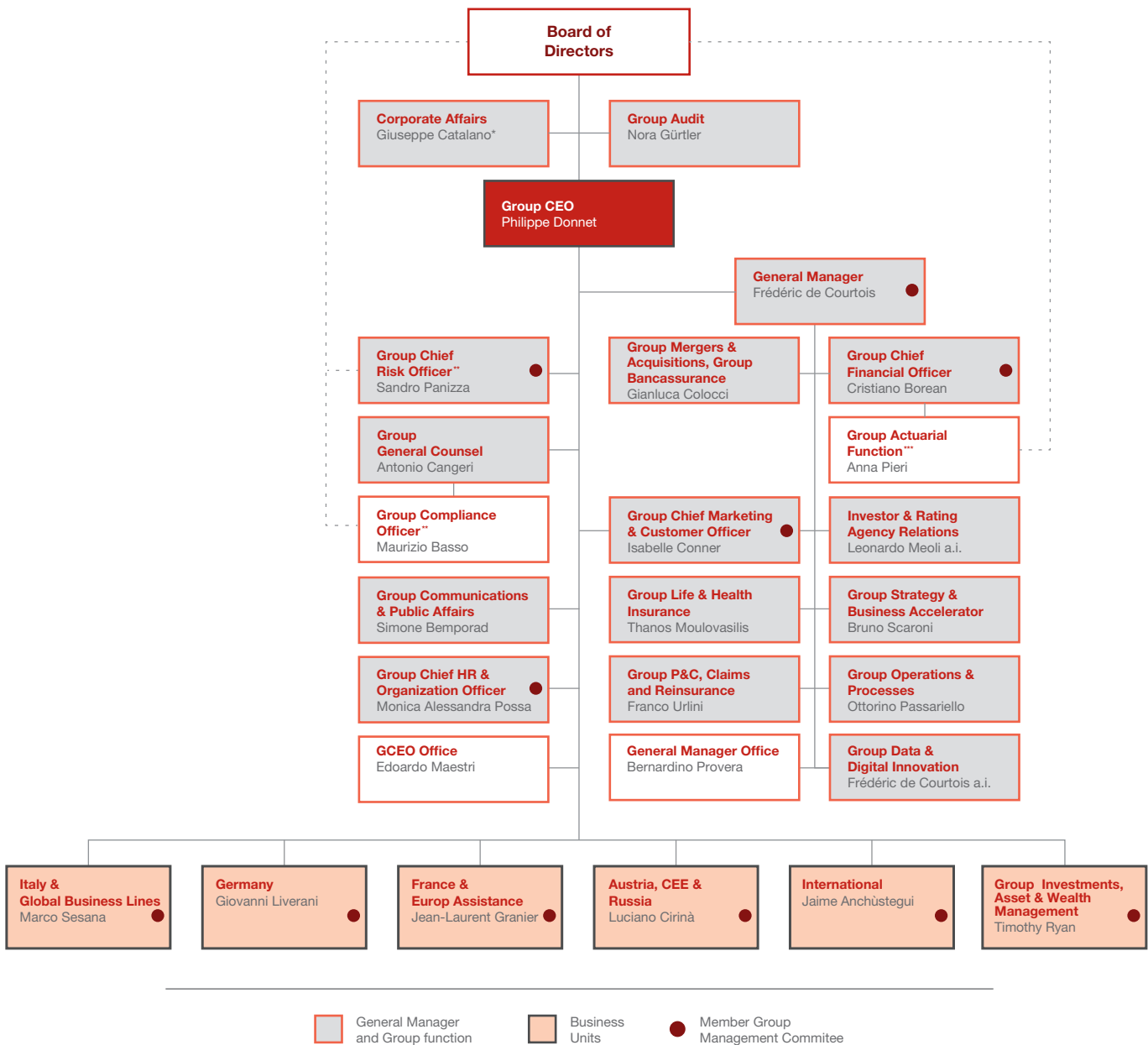
- geographical areas, which lead local strategies and establish a targeted approach by customer segments in the creation of products, implementation of distribution channels and provision of services;
- global lines, which leverage business opportunities by developing insurance solutions at global level.

The 6 Business Units are:

- Austria, CEE & Russia;
- Country Italy & Global Business Lines;
- Country Germany;
- Country France & Europ Assistance;
- Group Investments, Asset & Wealth Management;
- International.

Structure of GHO and the Group

The chart below illustrates the structure of GHO and Group management, focusing on the functions, Business Units and GMC members, as at 1 February 2019.



* The Head of Corporate Affairs also reports to the Group CEO for the relevant aspects

** The Group Chief Risk Officer and the Group Compliance Officer report directly to the Board of Directors

*** The Group Head of Actuarial Function reports directly to the Board of Directors for the relevant aspects

Organisational governance is implemented by integration and coordination mechanisms between the Business Units and GHO functions. 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;
- the Business Strategic Reviews, which ensure consistency between GHO and the Business Units on strategic objectives and performance;
- the 3 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 capital, the financial statements and risk assessment results, at both Group and Local level;
 - the Finance Committee, which examines and evaluates extraordinary investments and transactions;
 - the Product & Underwriting Committee, which examines the profitability and risk level of new insurance business and the profitability of in-force portfolios, as part of a centralised analysis and review process;
- the Business Strategic Reviews, the Clearance Meetings and the Capital & Cash Deep Dives, which ensure alignment between GHO and the BUs, with a focus, respectively, on: strategic action and discussions, financial-business performance, capital remittance and optimisation;
- 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. Specifically:
 - “solid functions”, characterised by hierarchical reporting to GHO, in compliance with local legislation, in a direct, systematic way to guide key decisions on functional and human resource issues (e.g., recruitment, dismissal, assignment of annual targets). The solid functions reinforce the control mechanisms of the main corporate risks, introducing greater separation of powers between the so-called Fundamental Functions and the business functions;

- “dotted functions”, characterised by functional reporting, which perform 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: Group CRO, Group General Counsel, including Group Compliance, and Group Audit; the other Group functions are dotted functions.

Focus on the Group Management Committee (GMC)

The GMC's aim is to improve consistency among the Business Units on strategic priorities and increase the efficiency of and consensus on the decision-making process, through 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 with an impact on several countries.

On 31 July 2018 and with effect from 1 September 2018, the Board of Directors created the **new role of General Manager**, appointing Frédéric de Courtois to the post; it also revised the scope of competence of the CEO GBL & International role, re-named CEO International, appointing Jaime Anchústegui to the post. It is planned that both roles be members of the GMC.

With effect from 1 September 2018, the GMC was joined by Cristiano Borean in his capacity as new Group CFO, after the termination of the contract between the Company and the previous Group CFO, Luigi Lubelli.

The scope of responsibility of Marco Sesana, Country Manager Italy, was extended to the Global Business Lines. The scope of responsibility of Jean-Laurent Granier, Country Manager France, was extended to the Europ Assistance business.

As a result of this re-organisation, the composition of the GMC is now as follows:

- Philippe Donnet - Group CEO
- Jaime Anchústegui - CEO International
- Cristiano Borean - Group Chief Financial Officer
- Luciano Cirinà - Austria, CEE & Russia Officer
- Isabelle Conner - Group Chief Marketing and Customer Officer
- Frédéric de Courtois - General Manager
- Jean-Laurent Granier - Country Manager France & Europ Assistance
- Giovanni Liverani - Country Manager Germany
- Sandro Panizza - Group Chief Risk Officer
- Monica Alessandra Possa - Group Chief HR & Organization Officer
- Timothy Ryan - Group Chief Investment Officer and CEO Asset & Wealth Management
- Marco Sesana - Country Manager Italy & Global Business Lines



Sustainability development bodies

The GSC performs a consultative, recommendatory and preparatory role for the Board of Directors regarding not only corporate governance, but also the 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 committees, functions, and workgroups have 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:

- the Sustainability Committee, whose sponsor is the Group CEO, is chaired by the Group CIO and consists of the heads of the GHO functions and of the Countries and Regions: its main responsibilities are to guide the Group to full integration of sustainability issues with the core business, to anticipate sustainability-related risks and opportunities, to guarantee a consistent approach among all the GHO functions and Business Units, and to monitor progress and results;
- the Group Sustainability and Social Responsibility function, which reports to the Group Communications & Public Affairs Director, and is responsible for establishing, implementing and reporting financially on the Group social responsibility model on the basis of dialogue with the GHO functions and involvement of the country sustainability managers;
- in order to achieve greater integration of sustainability with the core business, two additional interfunctional committees and two workgroups focus on specific issues:
 - the EMS Review Committee, an internal body which reviews the Group environmental management system in compliance with the ISO 14001 standard;
 - the Responsible Investment Committee, an interfunctional body that assesses issuers on the basis of the Group's environmental, social and governance

criteria, and supports the Group CIO's decisions regarding exclusions from the Group's investments;

- the Responsible Business Lab, a workgroup involving the Group Sustainability and Social Responsibility function, the Group Investments, Assets & Wealth Management function, the Group Life & Health Insurance function and the Group P&C Claims & Reinsurance function, whose objective is to coordinate sustainability operations of significance for Group business;
- the Integrated Reporting Lab, a workgroup involving the Group Sustainability and Social Responsibility functions, the Group Chief Financial Officer and Corporate Affairs, which defines and implements a common corporate reporting approach;
- the Sustainability Community, the network of Country sustainability managers. Moreover, in some countries Sustainability Committees have been formed to operate at national level with a view to improving the organisation and coordination of activities in the social and environmental fields.

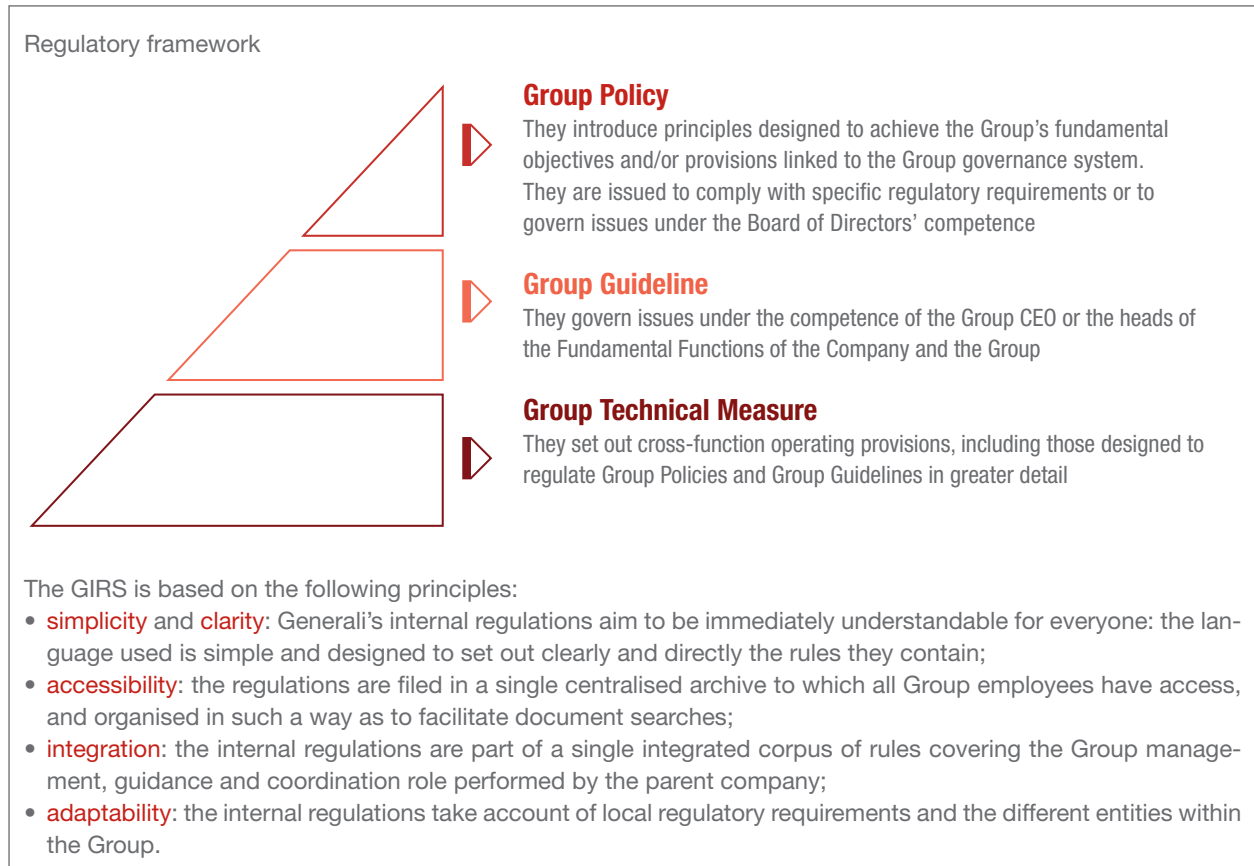
The Generali Internal Regulations System (GIRS)

Generali believes that an effective governance system implemented across the Group is one of the mainstays of its business. To this end the Company has introduced the Generali Internal Regulations System (GIRS), a structured system of internal regulations applicable throughout the Group, designed to promote solid governance and consistent implementation of the Group internal regulations among all units.

The GIRS governs the hierarchy and characteristics of the internal regulations issued by the parent company in conducting its management, guidance and coordination activities: it identifies the roles and responsibilities of the parties involved in the life cycle of the internal regulations, comprising the stages of drafting, approval, dissemination, implementation, monitoring and reporting.

The hierarchy of the internal regulatory sources is based on three tiers, as illustrated below.

II framework normativo



Code of Conduct and Whistleblowing

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 ensure that conduct and 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 de-

signed to raise full awareness among all employees of the importance of the Code and their responsibility to report any breaches that come to their notice. The Company encourages employees and also third parties working with the Group to report any problems associated with breaches of the Code or potentially critical situations. Confidentiality is guaranteed, and no forms of reprisal will be tolerated.

Comprehensive information is available on the Company 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 – Torre Generali in Milan
- by freephone telephone numbers or webforms in all countries in which Generali operates:

www.compliancehelpline.generali.com

This 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.”, a company in the “Navex Global” group), which can be used to report alleged breaches of the Code, or request guidance as to whether certain types of conduct comply with the regulations.

Group employees may 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.

A new “Compliance Week” was held from 24 to 28 September 2018, to raise Group employees and all collaborators awareness about their general responsibility for managing compliance risks on a daily basis: the campaign slogan was *Risk is no joke! Awareness is the key to managing risks in your daily activities. Your commitment is essential!*. On the previous week, at GHO and some international Business Units, the event was preceded by a guerrilla media campaign to draw attention to the concept of risk in a light-hearted, humorous way: gadgets including anti-stress balls, mints and toothbrushes – all with a message on assumption of risk – were located in meeting rooms, cafeterias and restrooms.

The following week, the digital campaign was launched on the Group Portal and the local intranets to underline that the recent introduction of tougher penalties for breach of compliance risks made it vital to establish and develop a Compliance Management System, for the Company and for the Group, in which all employees are required to play their part.

As part of the event, daily articles were published on a number of recent international scandals that led to heavy financial losses for the companies concerned, as the result of the failure of an adequate Compliance Management System. Abroad, the event was organised through initiatives confirming that the Group’s cultural diversity is a key asset. Lastly, during the year the Group held two e-learning courses on the Code: an introductory course intended for new employees and an update for people who had already completed the introductory course.

Authorised representatives

Articles of Association

The system of legal representation, governed by articles 38 and 39 of the Articles of Association, is designed to guaran-

tee the greatest operational flexibility and, at the same time, adequate control over the Company’s formal 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 may 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 may 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 may 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 may not 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 may 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 authorised representation is consistent with the organisational responsibilities allocated, and constitutes an internal control tool and also a fundamental monitoring instrument to prevent the offences specified in Decree 231 governing the administrative liability of legal persons.

The system of delegated powers, consistently with the current corporate governance structure established by the Board of Directors, envisages the definition of 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 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 such 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; sub-delegees are in turn required to report in an adequate manner to the manager who sub-delegated powers to them;
- full alignment between 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 independent spending powers relating to the purchase of goods, services and consultancy services are granted on the basis of the role assigned.

The system also envisages the assignment, by means of specific powers of attorney or Group CEO resolution, of power to represent the Company in dealings with third parties for the exercise of the powers and performance of the delegated responsibilities; 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 4 Fundamental Functions report 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 2018 and the first few months of 2019

On 31 July 2018, the Board of Directors approved the new GHO and Group organisational structure.

The new structure creates the role of **General Manager**, reporting directly to the Group CEO; Frédéric de Courtois was appointed to the role with responsibility for the fol-

lowing GHO areas:

- Group Chief Financial Officer
- Group Chief Marketing & Customer Officer
- Investor & Rating Agency Relations
- Group Mergers & Acquisitions, Bancassurance
- Group Strategy & Business Accelerator
- Group Life & Health Insurance
- Group P&C, Claims and Reinsurance
- Group Operations & Processes
- Group Data & Digital Innovation

Luigi Lubelli, formerly Chief Financial Officer, left the Company on 31 December 2018. He was replaced as Group CFO, with effect from 1 September, by Cristiano Borean, previously CFO of Generali France, who has become a member of the GMC. Cristiano Borean is also Manager in charge of preparation of the Company's financial reports.

Developments relating to the organisational structure of the **Business Unit** were as follows:

- Global Business Lines & International was re-organised as follows: the Country Manager Italy, Marco Sesana, was assigned responsibility for Global Corporate & Commercial, Generali Employee Benefits and Generali Global Health; the Country Manager France, Jean-Laurent Granier, was assigned responsibility for Europ Assistance Group. Jaime Anchustegui was appointed as CEO International, reporting directly to the Group CEO. The scope of the International Business Unit includes two Regions (Asia and Americas & Southern Europe) and four Countries (Spain, Switzerland, Belgium and Guernsey);
- Country Italy was strengthened with regard to Client-Market-Network issues and the Health & Welfare business;
- Group Investments, Asset & Wealth Management was reviewed in 2018 in order to actively supervise growth opportunities for the Business Unit and support the definition and implementation of the Multi-Boutique Platform for Generali.
- The former Generali Investments Europe company was re-organised as follows: Generali Insurance Asset Management SGR, assigned to CEO Santo Borsellino, for the management of insurance and pension portfolios, and Generali Investments Partners SGR, assigned to CEO Carlo Trabattoni, whose main activity is management of portfolios based on unconstrained strategies.



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Shareholders and investors

Share Ownership

Share capital structure

The Company's subscribed and paid-up share capital amounts to EUR 1,565,165,364.00, divided into an equal number of registered ordinary shares with a par value of EUR 1.00 each.

On 16 April 2018, the share capital was increased by EUR 3,357,102.00 to implement a long-term incentive plan (LTI Plan 2015).

On 13 March 2019 the Board of Directors resolved, by way of implementation of a long-term incentive plan (LTI Plan 2015), and exercising the delegated power granted by the 2016 General Meeting pursuant to s. 2443 of the Civil Code, to increase the share capital by **4,435,531** 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 in mid-April 2019.

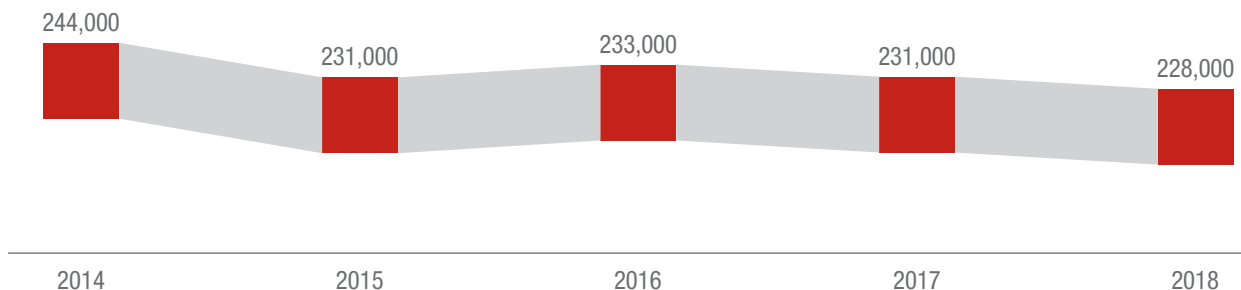
	no. of shares (*)	% of share capital	Listed / Unlisted	Rights and obligations (**)
Ordinary shares	1,565,165,364	100.00	FTSE MIB	See note
Shares carrying multiple, limited or no voting rights and other (***)	-	-	-	-

(*) 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 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 section "Share Ownership" in the previous chapter "Executive summary" (p. 13).

Shareholders holding over 3% of the Company's share capital – directly or indirectly through intermediaries, trustees or subsidiaries – are listed in **Table 1** (p. 116).

Generali declares, as required by s. 123-bis.1.e) of the CFBA, that it has no employee stock ownership plans actually.

Nevertheless, the Board of Directors decided to submit a proposal on the matter to the 2019 General Meeting, regarding which reference should be made to the documentation published on the website, in the section *Governance/Annual General Meeting 2019*.

As required by s.123.bis.1.g) thereof, moreover, Generali

is not aware of any shareholders' agreements concerning its shares as defined in s. 122 of the CFBA.

The Company facilitates attendance at General Meetings for beneficiaries of the share-based long-term incentive plans (LTI) by providing them with the services of the designated representative pursuant to s.135-*undecies* of the CFBA, in accordance with the foresaid law.

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

Capital increases and purchases of own shares, 2016-2018

Decision-making body	Name	Maximum number of shares that can be issued per Plan	Capital increases (ss.2443 and 2349, paragraph 1, Civil Code)			Purchases of own shares (ss. 2357 and 2357-ter 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
General Meeting 2016	2016 LTI Plan	10,000,000	by 28/04/2021	€ 1.00	10,000,000	expired on 28/10/2017	N.A.	N.A.	N.A.
General Meeting 2017	2017 LTI Plan	12,500,000	by 27/04/2022	€ 1.00	12,500,000	expired on 19/04/2018	N.A.	N.A.	N.A.
	Special Plan for the Group CEO	250,000	by 27/04/2022	€ 1.00	250,000	expired on 19/04/2018	N.A.	N.A.	N.A.
General Meeting 2018	2018 LTI Plan	11,500,000	by 19/04/2023	€ 1.00	11,500,000	expired on 07/05/2019	€ 1.00	Min. € 1.00 Max +5% of listed price on the day before the transaction	11,500,000
For the purpose of implementation of the LTI Plans, 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, through the issuance of shares pursuant to s. 2349.1 of the Civil Code.

Information about resolutions relating to the 2016 and 2017 LTI Plans is included in the 2016 and 2017 Corporate Governance and Share Ownership reports.

The **2018 General Meeting** resolved, pursuant to ss. 2357 and 2357-ter of the Civil Code, to authorise the purchase of a maximum of 11.5 million ordinary shares issued by the Company with a par value of EUR 1.00 each, for the purposes of the 2018 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 most recently 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 among 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 may 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 2018 Extraordinary General Meeting also resolved to allocate to the Board of Directors, pursuant to ss. 2443 and 2349.1 of the Civil Code, for a 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 Civil Code, using the profits and/or retained profits, by a maximum par value of EUR 11,500,000.00, by issuing a maximum of 11.5 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 2016 LTI Plan, 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

Pursuant to s. 123-*bis*.1.i of the CFBA, 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 may be paid in the event of fraudulent conduct or gross negligence).

The following terms (severance provisions) apply to the sums payable to the Managing Director/Group CEO 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, subject to future legislative changes;
- 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 amount due under statutory and contractual provisions in lieu of notice¹.

"Recurring remuneration" means the gross annual remuneration incremented by the average amount actually received by the party concerned by way of variable annual 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 Generali 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 grounds 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.

Any amount disbursed will be subject to "clawback" if the performance on which the incentive was awarded is later found to be unsustainable or was achieved as a result of wilful misconduct or gross negligence.

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 may 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 time 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 information that could 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 paragraph 3.3.2 Long-Term Incentive (LTI) of the Assicurazioni Generali Remuneration Report.

With regard to the cessation of agreements with key management personnel, see paragraph *Severance provisions in the event of termination* of said Remuneration Report.

¹ That is, in addition to other terms of a comparable kind and/or for comparable purposes envisaged by the applicable local laws. In the event of fixed-term agreements, severance limits usually refer to amounts due until natural expiry of the term.

Management and coordination

According to the applicable legislation, Generali is not subject to management and coordination by Italian or foreign organisations or companies. Vice versa, the Company manages and coordinates all the companies belonging to the Group: the Integrated Annual Report 2018 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 to the composition of the Group, the CG Code recommends that the Board of Directors should consider proposing to the General Meeting amendments to the Articles of Association regarding the percentages established for the exercise of the shares and privileges introduced to protect minority shareholders. This was not done in 2018, 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;

- securities carrying special controlling rights;
- restrictions on the voting rights carried by the shares.

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 law 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 Tuesday 07 May 2019, 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-2019.html



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

Call of General Meeting

The General Meeting is called by a 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 the notice is sent directly to the shareholders who attended the most recent General Meetings.

The General Meeting may not pass resolutions on items that are not listed on 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.

When the General Meeting is 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 meeting, **whereas it is postponed 21 days before** 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 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 may be extended to 180 days. The General Meeting is usually held in Trieste, but may 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 the General Meeting

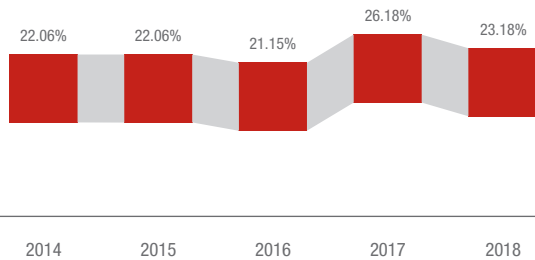
Shareholders holding voting rights may attend the General Meeting, provided that they prove their entitlement in the statutory forms. Entitlement to attend the General Meeting and exercise voting rights is certified by a notice sent to the Company by the intermediaries in accordance with their books 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.

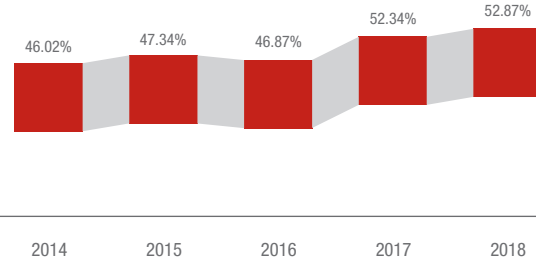
Shareholders may appoint proxies to represent them at the General Meeting; by law, the right of representation may be conferred on only one proxy for each General Meeting, save for the power to indicate substitutes, but a different proxy may be appointed for each of the accounts to which the intermediary's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

For each General Meeting the Company designates a **representative whom shareholders may 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 may 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 may be notified to the Company in a specific section of the website or by certified e-mail, using the procedures indicated in the notice of call.

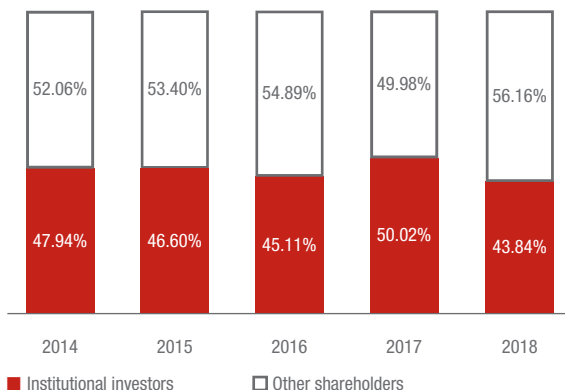
Percentage of share capital represented by institutional investors present at the General Meeting in the last five years



Percentage of share capital present at the General Meeting in the last five years



Ratio of institutional investors to shareholders present at the General Meeting in the last five years



■ Institutional investors

□ Other shareholders

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 used by many listed and unlisted Italian companies 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 shares.

Proceedings of the 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 may 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 may authorise attendees to submit requests to speak by raising their hand. Board members and Statutory Auditors may also ask to speak during the discussion.

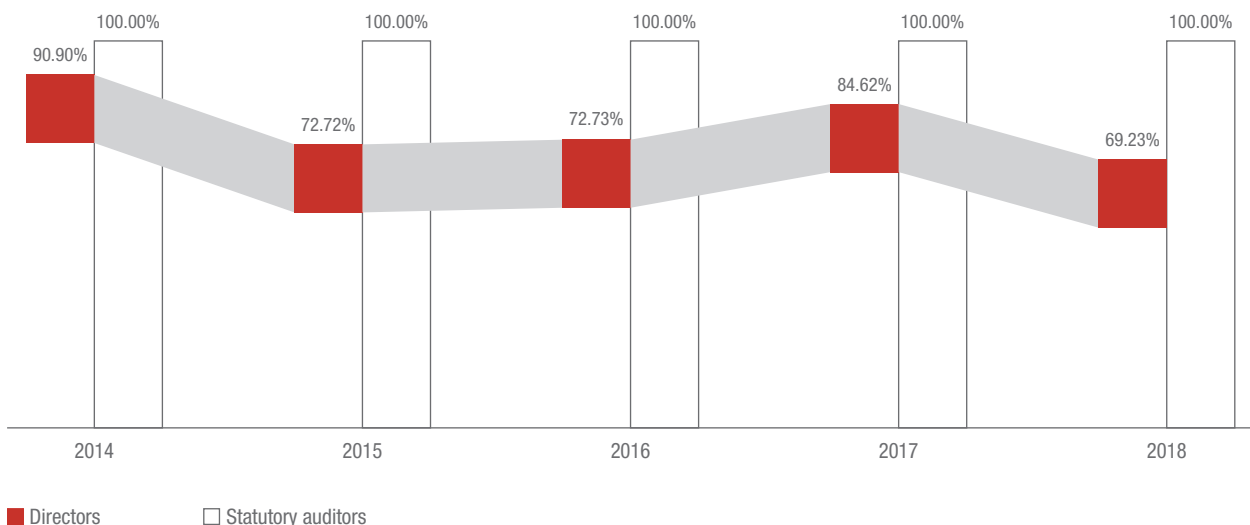
To ensure that replies to questions asked by authorised parties are as exhaustive as possible, such parties may deliver written notes on the subjects on which they intend to request permission to speak, even before the constitution of the General Meeting.

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 was almost 80%, and all statutory auditors always attended.

General Meeting: attendance of directors and statutory auditors



General Meeting majorities

The Company has not established any majorities different from the statutory majorities for passing resolutions. The majorities required for the **General Meeting in ordinary session** are needed to pass resolutions on:

- the annual financial statements;
- distribution of the net profit;
- appointment of the Board of Directors, the Board of Statutory Auditors and its chair;
- 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 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 Investor & Rating Agency Relations (IR) is the GHO unit responsible for dealings with institutional investors. The Corporate Affairs function, through the Shareholders & Governance (S&G) unit, 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).

During the whole year, intensive relational activities with institutional investors and proxy advisors were conducted, in liaison with IR and with the active involvement of the Group HR & Organisation functions (Group Reward & Inst. HR Processes) as part of a special roadshow. These activities focused on issues relevant to the financial community, regarding corporate governance and remuneration. They are designed to convey the Group's corporate governance decisions and receive feedback, which provides useful input for the continuous internal evaluation and review process.

In June and July, a process of proactive communication began with institutional investors sensitive to

Environmental, Social and Governance issues (ESG), with the organisation of roadshows and attendance at an ESG conference with the S&G, IR and Sustainability & Social Responsibility functions. Between the end of 2018 and the beginning of 2019, Corporate Affairs conducted specific engagement activities with key investors and shareholders for the purpose of drafting a Guidance opinion for shareholders relating to the appointment of the new Board of Directors.

Meetings with institutional investors and management are held regularly throughout the year, but were particularly intensive after the publication last 21 November of the new Strategic Plan, at Investor Day in Milan. Meetings

were organised with key investors in the main European and American financial communities.

S&G's tasks include continuous management of relations with the large number of retail shareholders, currently accounting for almost one third of the share capital; this peaks 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.



www.generali.com/investors.html



www.generali.com/governance.html



www.generali.com/our-responsibilities.html



www.generali.com/media.html

Engagement with institutional investors and proxy agencies 2018

Outreach with <i>proxy agency</i>	March and April
Governance & Remuneration Roadshow engagement before General Meeting	January and February
Roadshow e Conferenza ESG Roadshow post Investor Day	June and July November and December
Roadshow pre guidance opinion 2019 engagement on appointment of new BoD and amendments to Articles of Association	December and January 2019

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 2018

Meetings with retail shareholders	2018 saw the continuation of the dialogue initiative promoted by the Chairman through a number of cultural events sponsored by the Company to facilitate a better understanding of the Company's activities and greater participation in its institutional life
General Meeting	S&G is the corporate unit supporting General Meeting activities for retail and institutional shareholders
Investor info	Newsletter sent twice a year, one before the 2018 General Meeting (in early April) and the second after publication of the third-quarter results and presentation of the new 2019-2021 business plan
General Meeting brochure: Kit for the General Meeting	Sent to shareholders in early April. It contains the notice of call, and documents and information useful for attendance at the General Meeting. The brochure was also published on the institutional website
Guide for the shareholder	The purpose of the "Guide" is to establish an active relationship with the shareholders in general, and with small shareholders in particular, in order to raise awareness of the rights associated with the shares they own. The Guide was distributed during the 2018 General Meeting and was published on the institutional Website well in advance of the event
Video: participation, dialogue, debate	A video providing information on participation and related procedures for the General Meeting, posted on the Website in March 2018
Live streaming of the opening reports of the Chairman, the Group CEO and the Group CFO at the General Meeting	At the 2018 General Meeting, for the first time Assicurazioni Generali offered the opportunity to follow the opening reports of the Chairman, the Group CEO and the Group CFO in live streaming. This enabled an increasingly large number of shareholders and stakeholders to follow this key institutional communication event easily. The live streaming service was available in Italian, and also with simultaneous translation in English, French, German and Spanish
General Meeting extended inclusion	Under the programme launched in 2016, additional services were organised for the General Meeting to mitigate the impact of physical, communication and sensorial barriers; in some cases, shareholders were asked to book services as indicated in the procedure published on the Website in the section Governance / Annual General Meeting. Services included: simultaneous translation into a number of languages, sign language and captioning in Italian, reception and check-in, professional medical assistance
Chairman's statement	All shareholders who attended the last General Meeting received a letter from the Chairman with his Christmas greetings
Documents	Upon request, the S&G unit sends Company documents to individual shareholders, e.g., financial statements, minutes of General Meetings

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 address for retail shareholders

The corporate website www.generali.com

Compliance and transparency at the service of stakeholders

In the 2017/2018 “Webranking” by Comprend – for many years a leading analyst of the online institutional communication of the top 500 European companies – **generali.com was once again ranked among the top ten websites** of the 111 listed issuers examined in Italy and the best European insurance website, consolidating its presence in the top tier of this prestigious ranking in the last 7 years. Specifically, the analysis of the situation in Italy identified generali.com as an example of best practice in terms of financial transparency and governance: the finding is recognition of the Company’s commitment to the informative quality of content and transparency: the corporate website is the main channel used for **timely** and **global circulation** of key information about the Company, including price-sensitive information disclosed to the market as required by law. The Website, in English and Italian, is regularly updated to provide all stakeholders with accurate, clear, comprehensive information.

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), the Website adopts a modern, simple, clear graphic design, and navigation aligned 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 is 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 illustrated with a wide variety of documentary and video materials and constitute the main topics of the homepage at the relevant time of year. As noted above, at the 2018 General Meeting, for the first time Assicurazioni Generali offered the opportunity to follow the opening reports of the Chairman, the Group CEO and the Group CFO in **live streaming**. This enabled an increasingly large number of shareholders and stakeholders to follow this key institutional communication event easily. The service was available in Italian – also in **sign language** – and with a simultaneous translation service in English, French, German and Spanish.

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, agency ratings and information about the Generali shares. The Investors section presents 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 devoted solely to retail shareholders, together with contact details for institutional investors and retail shareholders.

Media section

The latest press releases and news about the Group are published in this section. The *Multimedia Gallery* section presents the main videos produced by Generali. A large section is devoted to Macroeconomic and Insurance surveys. The *Events Calendar* subsection sets out all the main events for the current year of relevance to the Group.

Functionality and creativity for an excellent user experience

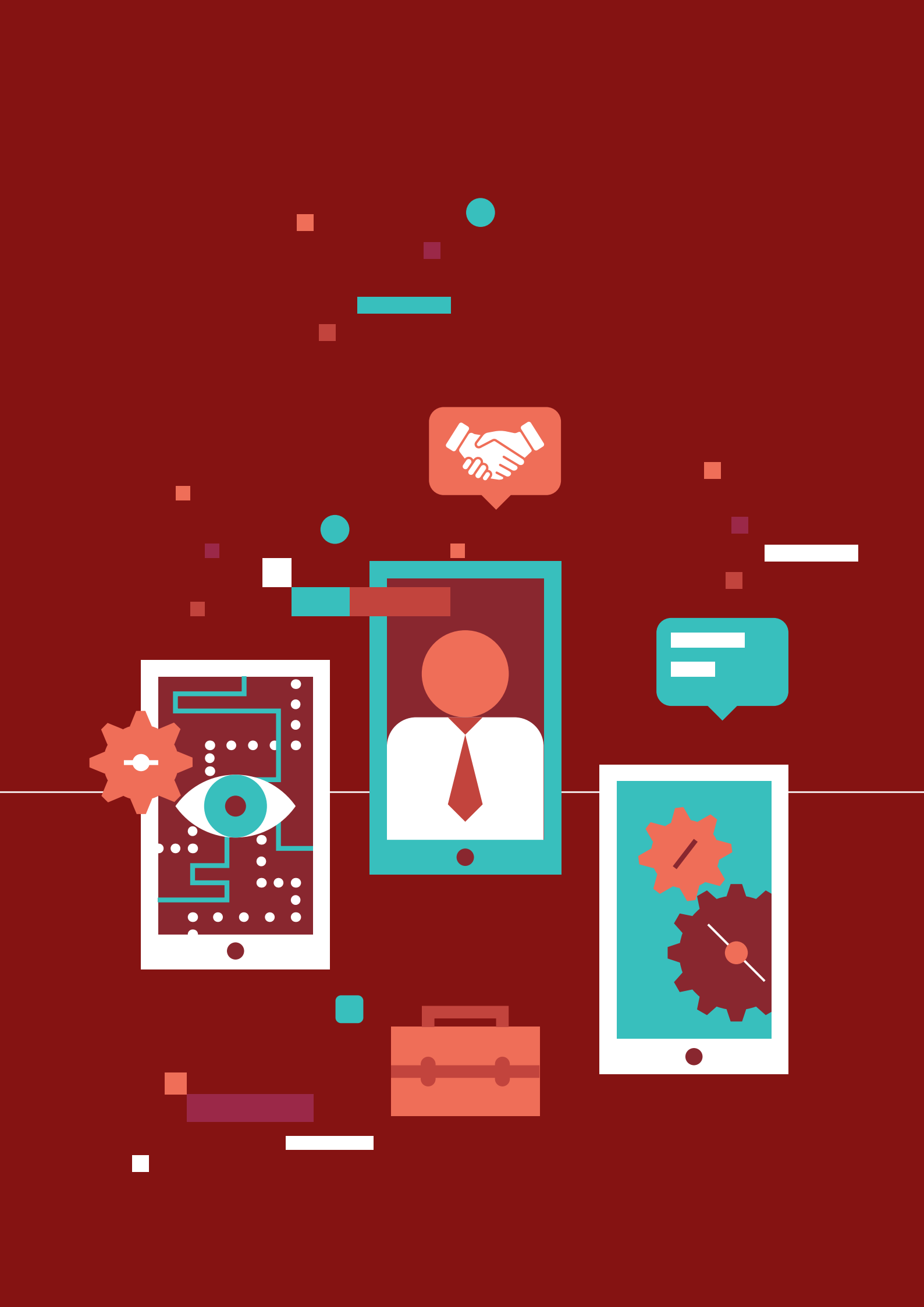
Committed creative efforts continued in 2018 to develop an **editorial plan** of more general interest (innovation, sustainability, insurance, welfare, “The Human Safety Net”) with a direct, appealing **visual approach**. Wide use was made of videos, photos and infographics, and numerous success stories were published, to satisfy the requirements of a public increasingly used to digital information. Furthermore, the available material was organised along theme-based lines, to facilitate content searches not only on the basis of macro categories but also through tags.

Initiatives include “**Insurance for Dummies**”, a series of video cartoon tutorials using a humorous language to present the main insurance classes and engage young people with the issues of prevention and safety, frequently considered difficult and too technical. Another important initiative are the “**Guess the finance**” videos explaining the main terms of financial jargon in an appealing way. Other high-impact videos include the “**I’m Generali**” series, where international colleagues are asked to describe the Generali Group they work in, in 30 seconds.

To broaden the categories of users and stakeholders by using a more modern style of language, during 2018 the Company enhanced the quality of its input on the two new institutional social network channels (Twitter and Instagram) and intensified use of the professional channel LinkedIn as a tool for both international recruitment and disclosure.

Special mention must be made of “The Human Safety Net”, the Group flagship programme focusing on three main themes (Families / Refugee start-ups / Newborns) and designed to help disadvantaged people to express their full potential and improve their lives and those of their families and communities. A specific section of the generali.com website is devoted to the project and provides a link to the project website (www.thehumansafetynet.org).

Based on direct experience, the findings of international assessments and feedback received directly from stakeholders through the anonymous online survey at the end of 2017, a **graphic restyling and function and content improvement** was undertaken to consolidate still further the excellent response among users. The restyling was completed in the summer of 2018.



Corporate governance players

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Corporate governance players

Board of Directors

Appointment: 28 April 2016	Committees: 5
End of term: 2019 General Meeting	Risk and Control Committee Related-Party Transactions Committee Investment and Strategic Transaction Committee Appointments and Remuneration Committee Corporate Governance and Social & Environmental Sustainability Committee
Members: 13	
Executive Directors: 1	
Independent Directors: 8	

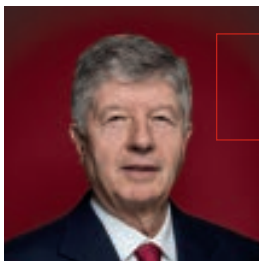
Membership - Current directors

The current Board, consisting of 13 directors, was appointed by the 2016 General Meeting and will hold office until the approval of the financial statements for the 2018 financial year. 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 shareholders who presented the minority list also attested to the absence of direct and indirect links with the relative majority shareholder. 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.

As regards independence requirements, 8 Directors (Bardin, Barra, Di Benedetto, Figari, Moriani, Perotti, Pucci and Sapienza) declared compliance with the independence requirements laid down in ss. 147ter.4, and 148.3 of the CFBA and in article 3 of the CG Code.

All the directors declared compliance with the requirements of professionalism, respectability and independence envisaged by law for the insurance sector.



Gabriele Galateri di Genola
Chairman – Non-executive Director

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

Board Committees: chair of the Corporate Governance and Social & Environmental Sustainability Committee - Investment and Strategic Transaction Committee

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 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 held 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., of which he was a director until April 2014. From 26 April 2003 until 24 April 2010, he was a director and Vice-chairman of Assicurazioni Generali S.p.A.

Relevant positions under policy on directors' plurality of offices

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

Other positions

Non-executive member of the Board of Directors of Fondazione Giorgio Cini and Lavazza S.p.A.. Chair of Istituto Italiano di Tecnologia (Italian Institute of Technology), 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.



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

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

Board Committees: Investment and Strategic
Transaction Committee - Appointments and
Remuneration Committee (on appointments)

Career

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

Relevant positions under policy on directors' plurality of offices

Chairman of Caltagirone S.p.A.

Other positions

Chairman of Il Messaggero S.p.A. and non-executive member of the Board of Directors of Aalborg Portland Holding A/S (Il Messaggero S.p.A. and Aalborg Portland Holding A/S are part of the FGC Group).



Clemente Rebecchini
Vice-Chairman - Non-executive Director

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

Board Committees: Risk and Control
Committee - Investment and Strategic
Transaction Committee

Career

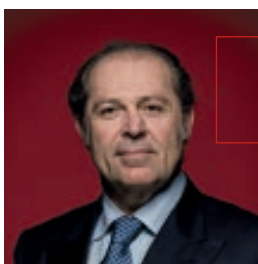
He was born in Rome on 8 March 1964 and, after graduating in Economics and Business from La Sapienza University in Rome, he became a certified public tax accountant in 1988. He joined Mediobanca in 1989, where he is currently Central Director, with responsibility for the Principal Investing Division. He was a member of the Board of Directors of Gemina S.p.A., Atlantia S.p.A., Aeroporti di Roma and Telco S.p.A., where, from 2012 to 2015, he also held the post of chairman.

Relevant positions under policy on directors' 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 Directors of Istituto Europeo di Oncologia S.r.l.



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

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

Board Committees: chair of the Investment
and Strategic Transaction Committee

Career

He was born in Suresnes (France) on 26 July 1960. He graduated at the École Polytechnique and the Institut des Actuaire Français in Paris. From 1985 to 2007 he held a number of positions in the AXA Group. In 2007 he became the Managing Director for Asia Pacific at Wendel Investissements, Singapore. In 2010, he was appointed Managing Partner of the HLD investment management company in Paris. On 7 October 2013, he joined Generali as Country Manager Italy and CEO of Generali Italia, a position he held until May 2016. In this role, he oversaw the project for the merger of the Group's five brands in Italy, one of the most complex integration and simplification projects in Europe.

From 2008 to 2016 he was a member of the General Assembly of Vivendi, from 2013 to 2016 a member of the Board of Directors of Banca Generali S.p.A., and from 2016 to 2017 vice-chairman of ANIA.

Chevalier de l'Ordre National du Mérite. Chevalier dans l'Ordre de la Légion d'honneur.

Relevant positions under policy on directors' plurality of offices

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

Other positions

Chairman of Generali Italia S.p.A. and Generali Services Pte. Ltd. Member of the General Council of Fondazione Giorgio Cini and member of the Board of Directors of Fondazione Generali The Human Safety Net Onlus.



Romolo Bardin
Non-executive independent Director*

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

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

Career

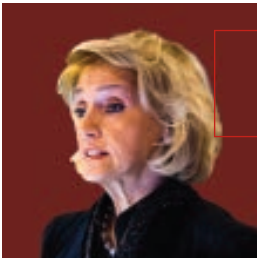
He was born in Belluno on 23 April 1978. He graduated in Business Administration from Ca' Foscari University in Venice. Since 2002, he has worked for the Del Vecchio Group, first at Luxottica S.p.A., later at Delfin S.a.r.l.. He is currently CEO at Delfin S.a.r.l. and at other companies of the Delfin S.a.r.l. group. He was a director of Molmed S.p.A., a company listed on the Milan stock exchange.

Relevant positions under policy on directors' plurality of offices

Chief Executive Officer of Delfin S.a.r.l. Member of the Board of Directors, the Audit Committee and the Strategic and Investment Committee of Covivio S.A. (formerly Fonciere des Regions), a company listed on the Paris stock exchange. Member of the Board of Directors, the Audit Committee and the Appointments and Remuneration Committee of EssilorLuxottica S.A., a company listed on the Paris stock exchange.

Other positions

Member of the Board of Directors of Fondazione Leonardo Del Vecchio.



Ornella Barra
Non-executive independent Director*

Nationality: Monegasque
Professional background: Entrepreneur
Position 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. After graduating in Pharmacy at the University of Genoa, she started her career in the healthcare sector, initially managing a pharmacy, and subsequently purchasing her own pharmacy. In 1984 she founded the Di Pharma pharmaceutical distribution company, which was subsequently bought by Alleanza Salute Italia. Since then, she has held positions of responsibility as a member of the Board of Directors of many companies (listed and unlisted) in the Group. This led to the creation, in 2014, of Walgreens Boots Alliance (Nasdaq: WBA), the leading global company in the healthcare and wellness industry based in pharmaceuticals.

Relevant positions under policy on directors' plurality of offices

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

Other positions

Non-independent member of the Board of AmerisourceBergen. 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. Member of the Efficient Consumer Response Europe Council and of the Bocconi University International Advisory Council.



Paolo Di Benedetto
Non-executive independent Director*

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

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

Career

He was born in Rome on 21 October 1947. He graduated in Law with specialisation in Administrative Sciences from La Sapienza University, Rome. He started his career at Banco di Napoli. Subsequently, he was a senior manager in Consob. From 2003 to 2010 he was a Consob commissioner. Later, he was Managing Director of SIM Poste S.p.A., BancoPosta Fondi SGR and a member of the Board of Directors of Acea S.p.A., Banca Finnat S.p.A. and Istituto Poligrafico e Zecca dello Stato S.p.A. He has taught courses on securities law at the LUISS University in Rome and the Tor Vergata University.

Relevant positions under policy on directors' plurality of offices

Member of the Board of Directors, Chair of the Remuneration Committee, member of the Control and Risks Committee, member of the surveillance body and member of the Related-Party Transactions Committee of Edison S.p.A.. Member of the Board of Directors, Lead Independent Director, chair of the Control and Risks Committee, chair of the Remuneration Committee and member of the Related-Party Transactions Committee of Cementir Holding S.p.A..

Other positions

Chair of the Fondo Nazionale di Garanzia since 2010.

* Independence under the CG Code



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 from the University of Milan in 1988. She received a Master of Laws at King's College, London, and joined the Bar Association of Milan in 1992.

Relevant positions under policy on directors' 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 has 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 Transactions 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, where she became a member of the Board of Directors in 2002 and Executive vice-chair in 2007. She is also vice-chair of KME AG and holds executive roles in other companies of the Intek Group.

Relevant positions under policy on directors' plurality of offices

In addition to her position in Intek Group S.p.A., she is a non-executive member of the Board of Directors, Chair of the Appointments and Remuneration Committee and member of the Related Parties Committee of Moncler S.p.A.; non-executive member of the Board of Directors, chair of the Appointments Committee and member of the Risk and Control Committee and the Remuneration Committee of ENI S.p.A..

Other positions

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



Lorenzo Pellicoli
Non-executive Director

Nationality: Italian
Professional background: Lawyer
Position held since 30 April 2007

Board Committees: Investment and Strategic Transaction Committee - 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. He moved to the Costa Crociere Group, where, 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 policy on directors' plurality of offices

Managing Director of De Agostini S.p.A., 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 S.p.A. group).

Other positions

In the De Agostini Group, he is also a member of the Board of Directors and the Executive Committee of De Agostini Editore. He is also a member of the Surveillance Board of Banijay Group S.a.s. and 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 board of Palamon Capital Partners.



Roberto Perotti
Non-executive independent Director*

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

Board Committees: Risk and Control Committee - Related-Party Transactions Committee Environmental Sustainability Committee

Career

He was born in Milan on 7 April 1961. He graduated in Economics from the Bocconi University in Milan and obtained a Ph.D. at the Department of Economics at MIT. From 1991 to 2001 he was professor of Economics at Columbia University in New York; since 2005 he has been full professor of Economics at the Bocconi University. He was the editor of the Journal of the European Economic Association. He is the author of essays and many scientific papers published in national and international magazines.

Relevant positions under policy on directors' plurality of offices

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

Other positions

Member of the National Bureau of Economic Research, Cambridge, Massachusetts. Member of the Centre for Economic Policy Research, London, and member of the Advisory Scientific Committee of CREI, Universitat Pompeu Fabra.



Sabrina Pucci
Non-executive independent Director*

Nationality: Italian
Professional background: University professor
Position 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. After graduating in Economics and Business at La Sapienza University in Rome and many years of experience at the regulatory authority, she began an academic career. Her main research areas include international accounting principles, risk, insurance, banks, financial instruments, non-tangible assets, and pension funds. She has written numerous scientific papers on these topics.

Relevant positions under policy on directors' plurality of office

Member of the Board of Directors and member of the Human Resources Committee at Luxottica S.p.A. Independent member of the Board of Directors of EssilorLuxottica S.A., a company listed on the Paris stock exchange.

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 EFRAG (European Financial Reporting Advisory Group) and Chair of the Insurance Commission set up by the Italian Accounting Body (OIC).



Paola Sapienza
Non-executive independent Director*

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

Board Committees: Related-Party Transactions Committee - Investment and Strategic Transaction Committee

Career

She was born in Catania on 19 March 1965. After graduating in Political Economics at Bocconi University in Milan, she later specialised 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 specialisation areas and the subjects of numerous papers written by her include corporate governance, business finance and banking economics. On the strength of her academic research, she was included in the Thompson Reuter list of "The most influential scientific minds" in 2014, 2015, 2016 and 2018. From 2011 to 2013, she was a member of the Board of Directors of the American Finance Association.

Relevant positions under policy on directors' plurality of offices

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

Other positions

She is a professor at the Kellogg School of Management of Northwestern University. She is a Research Associate at the National Bureau of Economic Research and Research Affiliate at the Center for Economic Policy Research. She is also a member of the Board of the Academic Female Finance Committee of the American Finance Association.

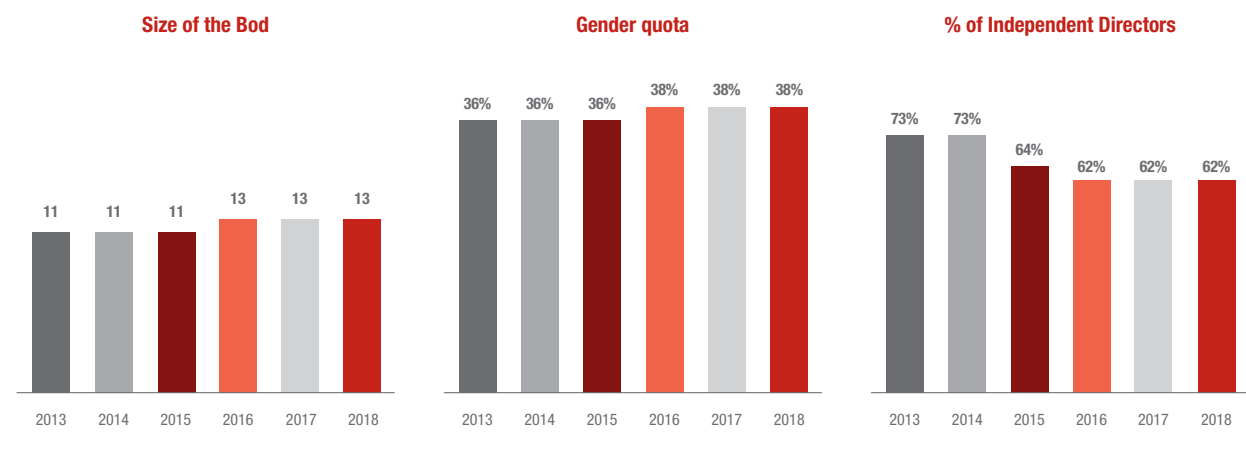


Giuseppe Catalano
Board secretary

Nationality: Italian
Professional background: Manager
Position 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 responsibility for coordinating the Group's legal and corporate advisory activities. 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 has practised law and obtained a post-graduate diploma from the Sant'Anna School of Advanced Studies in Pisa. He teaches international commercial law and was the public prosecutor's consultant in a criminal proceeding on the organisational and control models, pursuant to Legislative Decree 231/2001, of the companies under investigation. He has written numerous scientific papers in various areas of civil and commercial law.



Also in light of lgs. decree no. 254/2016, on 13 December 2017 the Board of Directors approved a specific **Diversity Policy** for the members of our governing bodies: the Policy brings together in a single text the provisions already drawn up by regulatory sources inside and outside the Company and simultaneously formalises the goals pursued by the Company and its commitment to promoting generally recognised principles of non-discrimination. The Company recognises and upholds the value of generally accepted diversity and inclusion laws and principles (on matters such as ethnic origin, race, disability, sexual orientation), in line with the European Commission's Guidelines on non-financial reporting. Diversity on the Board of Directors has long been guaranteed also by the Articles of Association, the Regulation of the Board of Directors and Board Committees, and the Fit&Proper Policy, which establish compliance with gender quotas, and respectability, professionalism and independence requirements for directors, in view of the size and complexity of the Company, its business objectives, its strategic vision and the markets on which it operates. With regard to internationality, the Diversity Policy recommends that shareholders consider the international profile of candidates, whatever their nationality, in addition to their educational and cultural background.

Generali recognises the benefits that may result from diversity of gender, age group, seniority, education and professional background on the Board of Directors, with a view to promoting robust, constructive debate and avoiding group-thinking among the directors.

The Policy has the following **objectives**:

- to guarantee better understanding of stakeholder needs and requests;
- to reduce the risk of group-thinking among members of the various bodies;
- to achieve a more effective and thought-through decision-making process;
- to enrich discussion at meetings through the inclusion of general strategic or specific technical competences developed outside Generali;
- to fuel debate, the *sine qua non* of a considered and informed decision;
- to enable the members of the governing bodies to examine management decisions in a constructive manner;
- to facilitate change inside the governing bodies.

With regard to **implementation** of the Policy, as recommended by the CG Code, the Board of Directors conducts an annual self-assessment of its own and its Boards' operation, size and composition. The self-assessment

verifies that Italian and international professional and managerial competences are adequately represented, taking into account the benefits that may result from diversity of gender, age group and seniority on the Board. As recommended by the CG Code, before the presentation of lists and subsequent appointment of the directors, the outgoing Board of Directors, with the support of the Appointments and Remuneration Committee and considering the findings of the self-assessment, issues advice for shareholders on the ideal qualitative and quantitative membership for the activities of the incoming Board. Also with reference to the principles of the CG Code, the shareholders should take this advice into account when choosing the characteristics of the candidates in terms of profession, experience, including managerial experience, and gender.

In terms of the **results of implementation** of the Diversity Policy, the following should be noted:

- as regards **gender diversity**, women account for 38% of the Board of Directors;
- as at 31 December 2018 the average **age** of the members of the Board of Directors was approximately 59 (58 in 2017);
- in terms of **seniority**, the current composition of the Board of Directors is balanced: with average seniority of 6 years (5.4) over the past 14 years, 38% (38%) of members exceeded the average seniority, 23% (23%) were between the average and 3 years, and the remaining 38% (38%) under 3 years;
- in terms of **professional skills, education and professional experience**, the Board, either directly or indirectly, includes leading Group shareholders, business people from a wide variety of industries, executives from major Italian and foreign companies, university 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 62% 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. The current membership also has a significant international profile, given the positions held by the large majority of its members in non-Italian corporate, professional or academic fields;

- regarding **independence**, detailed information is provided in the specific section of the Report (see p. 63).

Appointment and replacement

The Articles of Association provide that the Board of Directors shall consist of not fewer than 10 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 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 Auditors¹. 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); the repeal of these limits will be discussed at an extraordinary session of the 2019 General Meeting.

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

¹ The positions of director meeting such independence requirements and minority director may be held by the same person.

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 not possible to draw the necessary number of directors of the less represented gender from the list that obtained the highest number of votes, the missing directors are appointed by the General Meeting by majority vote.

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;
- 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 Appointments 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.

On a proposal by the Group CEO and after consulting the ARC, the Board of Directors also draws up a succession plan for the members of the GMC and development and management policies for GLG resources, who are key executives of the Company and the Group. The plan is linked to an annual review of the performance and potential of senior managers, based on the Group competence model and designed to foster the professional growth of managers and ensure sustainability by identifying short- and medium-term successors to the roles held by executives with strategic responsibilities and for the other key managerial positions.

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 qualifying professional activities. They must also meet specific **requirements of respectability and independence**, namely those laid down in the CFBA, the CG Code and Ministerial Decree no. 220/2011 (see the REGULATORY BOX below). Loss of the respectability or independence requirements laid down in the Articles of Association entails debarment from office. In accordance with an amendment to the Articles of Association approved by the 2017 General Meeting, the loss during term of office of the independence requirements laid down in the CFBA does not entail debarment from office of the director concerned, if such requirements continue to be met by the

minimum number of directors established by the Articles of Association, that is, one third of the members. As already stated, the repeal of the current limit established by the Articles of Association that persons aged 77 or more at the time of appointment cannot be elected as directors will be presented for discussion and approval at an extraordinary session of the 2019 General Meeting.

To ensure compliance with the terms of the Solvency II Directive and art. 5.2.1 of IVASS Regulation no. 38/2018, Generali has approved a Fit&Proper Policy, mentioned earlier, which sets out the minimum mandatory requirements of professionalism and respectability for holders of certain key offices or roles ("Key Personnel"²) 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 offices are situated in Italy, which candidates must possess to be eligible. During their term of office, lack of those requirements and the presence of disqualifying situations entail debarment from the appointment, which the board of directors must declare within 30 days of the date of the appointment or on learning 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. 148.3. However, the Articles of Association increases 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 is rounded down to the nearest unit. In this case, loss of the requirement entails debarment from office of the director concerned, only if the minimum number of independent directors specified by the Articles of Association is not met. 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 Board of Directors from both the individual and the collective stand-point. 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);
- the 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 (i.e., 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 re-

spectability requirement. Evaluations regarding the respectability requirements for Key Personnel are 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. To this end, 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 performance 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 exec-

² Key Personnel: members of the Board of Directors; members of the Board of Statutory Auditors; the Group CEO and his first reporting line ("Key management personnel"); personnel of the Internal Control Functions; personnel who exercise control over some outsourced activities (management of insurance portfolio, management of financial and real estate assets).

utive officer is a director of the Company. As every year, the independence, professionalism and respectability requirements were reviewed, also according to the terms of the Fit&Proper Policy; although director Caltagirone declared that he did not meet the independence require-

ment pursuant to the CBFA, no situations were found involving loss of the requirements, incompatibility (also pursuant to s. 36 of law no. 214/2011, see the REGULATORY BOX below), or exceeding the allowed number of offices.

REGULATORY BOX

S. 36 of Decree law no. 201 of 6 December 2011, converted to **law 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, establishes that:

- 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 law 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 within that time, 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 the 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 2018, 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 presented 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 section dedicated to the Board Committees.

The independence requirement laid down in the insurance supervision legislation (Decree of the Ministry for Economic Development no. 220 of 11 November 2011) and the independence requirement laid down by the CFBA were reviewed at the Board meeting held on 21 February 2018.

The meeting ascertained the existence of the independence requirement:

- established by the insurance supervision legislation: for all the directors;
- established by the CG Code: for the directors Bardin, Barra, Di Benedetto, Figari, Moriani, Perotti, Pucci and Sapienza. In ascertaining this, the Board of Directors, supported by the GSC, used assessment parameters specified in the CG Code reinforced by further specification;
- established by the CFBA: for the directors Bardin, Barra, Di Benedetto, Figari, Galateri, Moriani, Pelliccioli, Perotti, Pucci, Rebecchini and Sapienza.

The ascertainment by the Board of Directors that the requirements under the CG Code and the CFBA were met was conducted on the basis of the information provided by the directors who had declared their independence in specific supplementary statements, focusing on the existence of the relations or dealings defined in the CG Code and the CFBA³; and also on the basis of information available to the Company, partly obtained with a special written operating procedure. The latter also applies for assessment of the independence of the members of the Board of Statutory Auditors.

Pre-defined quantitative criteria, set out in the Regulation of the Board of Directors and Board Committees, were also used to establish the relevance of the above rela-

³ These are trade, financial or professional relations or subordinate employment relations under the CG Code (implementing criterion 3.C.1.c) and independent or subordinate employment relations as well as other financial or professional relations under the CFBA (s. 148.3.c).

tions and dealings. Subject to the existence of specific circumstances to be assessed on a case-by-case basis in accordance with the principle that substance prevails over form, relevant relations are usually deemed to exist when the consideration (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 sustained 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 (pursuant to the insurance supervision regulation, the CG Code and the CFBA) was again ascertained – using the procedure described above – at the board meeting of 20 February 2019 and the results confirmed the findings of 2018. The Board of Statutory Auditors 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 in some cases by the CG Code, is unnecessary, because under our governance structure, the Chairman is not an executive director and does not control the Company; also, the majority of the independent directors has not so far submitted a proposal to appoint an LID to the Board of Directors. The Independent Directors met twice in 2018.

The average attendance of the Independent Directors at board meetings was 95% in 2018, 97% in 2017 and 95% in 2016. For more detailed information, see **Table 2** annexed to this Report, containing information about each director's attendance.

Role

The Board of Directors is vested with the broadest management powers for the furtherance of the corporate ob-

jectives. 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 the 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 and Business Units.

The Board of Directors' 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;
- resolutions on the commencement or termination of operations in individual business sectors;
- appointing the General Manager, establishing his powers and duties and their revocation;
- taking decisions on the criteria for management and coordination of the group companies and implementation of instructions issued by IVASS;
- resolutions on the other matters which by law may not be delegated.

As regards accounting documents, the responsibilities of the Board of Directors under the law and the Articles of Association include preparation of:

- the annual financial report;
- the half-yearly financial report as at 30 June of each year and, if envisaged, quarterly financial disclosures.

REGULATORY BOX

S. 2381 of the Civil Code establishes that the subjects for which the Board of Directors has sole responsibility are 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).

The further responsibilities reserved for the Board of Directors by Board resolution are listed in full in the “Information Compendium” to this Report (available on the website).

Following legislative changes introduced in 2016, the Board of Directors decided to publish a **quarterly interim financial report** containing a more concise overview of our business with a focus on significant data, including the following quantitative Key Performance Indicators (KPIs), 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 P&C breakdown);
- combined ratio trend;
- operating profit/loss (at Group level with life and P&C breakdown);
- profit/loss for the period;
- net equity;
- capital position (economic and regulatory view).

If necessary, the interim report also contains 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. Also, a conference call is held with the press and analysts; in line with Generali’s quarterly reporting approach, the results and additional financial data will only be provided with the publication of the half-year and annual reports.

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 in-

terest, on their own account or on behalf of third parties. The information 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 2018, after the preliminary activities performed by internal functions and as far as the RCC and GCS are concerned, 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: 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 that, although the size of their capital is not significant, make an essential contribution to the Group in view of the activities they perform. The subsidiaries currently of 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.Generallife S.p.A. 4.Generali Business Solutions S.C.p.A.
France	FR	1.Generali Vie S.A. 2.Generali France S.A. 3.Generali IARD S.A.
Germany	D	1.Generali Deutschland 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
Austria, CEE & Russia	CZ	1.Generali CEE Holding B.V. 2.Ceska Pojistovna a.s. 3.Generali Investments CEE a.s.
International	A	1.Generali Holding Vienna AG 2.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
Investments, Asset & Wealth Management	RC	1.Generali China Life Insurance Co. Ltd
	Generali Investments	1.Generali Insurance Asset Management S.p.A. SGR
	Generali Real Estate	1.Generali Real Estate S.p.A.
	Gruppo Banca Generali	1.Banca Generali S.p.A.

REGULATORY BOX

Art. 151 of the CONSOB 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 revenue is less than 5% of the consolidated revenue, provided that the sum of the assets and revenue of the said companies does not exceed 10% or 15% of the consolidated assets and revenue 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 the statutory time limits and an annually approved schedule published on the website. It is organised and operates in such a way as to guarantee the efficient, effective performance of its functions.

The Board has adopted **2 specific regulations** to govern and schedule its activities:

- the *Regulation of the Board of Directors and Board Committees*, which incorporates the system of Company regulations governing the activities of the said bod-

ies 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. The Regulation was amended in February 2018, to take account of the changes introduced by lgs. decree 254/2016 on non-financial information, with the formalisation, within the Regulation of the respective tasks of the Board of Directors and the Board Committees; and in December 2018, for alignment with IVASS Regulation no. 38/2018 and IVASS Regulation no. 42/2018;

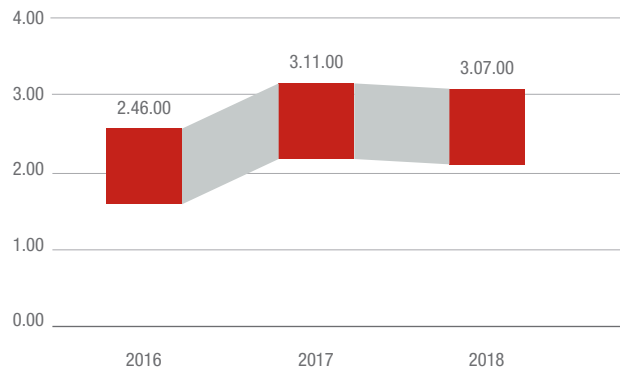
- the *Internal Regulation governing the preparation of the agenda of meetings of the Board of Directors and the*

Board Committees, which ensures that the process for preparing the agenda for meetings of the board and the committees is efficient and effective and that directors receive adequate, timely information about the items on the agenda.

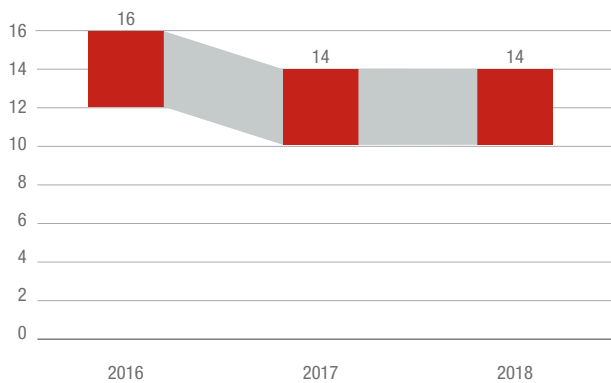
To ensure that directors are fully informed when passing resolutions, and that Board meetings operate efficiently, the Chairman, when setting the agenda, must specify in detail the subjects to be discussed and clarify on which items directors are required to pass a resolution, and which merely require them to take note of a report. The Chairman also ensures that documentation prepared for meetings is delivered to directors at least 4 working days before each meeting. During 2018, this term was consistently complied with, except on a few occasions when some functions were late in producing documents, although in sufficient time. Also, the term of 4 working days was not applied to the documentation produced by the Fundamental Functions, who are required to express opinions on the proposals drawn up by the Business Units. The findings of the 2018 Board Review reflect a high level of satisfaction among directors with the efficiency and efficacy of the pre-board information process.

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.

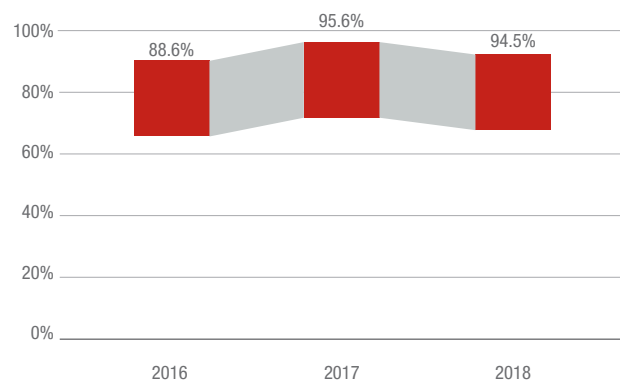
Board of Directors: average length of meetings



Board of Directors: number of meetings



Board of Directors: average attendance at meetings *



* The attendance target for directors at meetings of the board and the board committees is 100%, in compliance with legal requirements: failure to attend meetings may be justified by specific reasons, which the Board of Directors examines from time to time.

At each meeting of the Board of Directors, the Chairman, as required by s. 2391 of the Italian Civil Code, always asks directors to declare any interest in any of the items on the agenda, either on their own account or on behalf of others; 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 as far as it's concerned.

Table 2 annexed to this Report shows directors' individual attendance; in the event of absences, the directors in question always sent appropriate justification.

BOARD DIARY 2018 – Main goals

Month	Strategy and finance	Internal control and risk management	Governance
January	<ul style="list-style-type: none"> Assessment of attainment of the 2017 targets of the heads of the Fundamental Functions and targets for 2018 Financial affairs and equity investments 	<ul style="list-style-type: none"> Approval of expenditure budget of RCC and SCC Resolutions and disclosures concerning the ICRMS and remuneration of the heads of the Fundamental Functions Update of Group policies Approval of expenditure budget of Board Committees and SCC 	<ul style="list-style-type: none"> Group incentive systems
February	<ul style="list-style-type: none"> Approval of climate change strategy Financial affairs and equity investments 	<ul style="list-style-type: none"> Approval of impairment testing procedures Approval of expenditure budget of ARC Examination of issues relating to the ICRMS Examination of actuarial report on the Company's technical reserves Report of the head of the Internal Audit function on complaints management 	<ul style="list-style-type: none"> Approval of proposed amendments to Articles of Association Initial analysis of the DNF Examination of findings of the 2017 Board Review Ascertainment of professionalism, respectability and independence requirements of the members of the Board of Directors and the Board of Statutory Auditors Ascertainment of the requirements laid out by the Fit&Proper Policy for key personnel for the purposes of the policy Information on communication of the Italian Corporate Governance Committee of 13 December 2017 Resolutions on representatives of the strategic subsidiaries Remuneration of top managers
March	<ul style="list-style-type: none"> Approval of Consolidated Financial Statements, Parent Company's draft financial statements, associated reports on operating performance and proposed dividend payout Information on state of progress of the strategic plan Financial affairs and equity investments 	<ul style="list-style-type: none"> Examination of remuneration of members of the GMC Approval of the Group Remuneration Internal Policy Review on the adequacy of the organisational, administrative and accounting structure of the Company and the strategic subsidiaries Approval of MPFR's activity plan and expenditure budget Examination of the reports of the Fundamental Functions on implementation of the remuneration policies, ex ISVAP Regulation 39/2011 	<ul style="list-style-type: none"> Call of the 2018 General Meeting and approval of reports 2017/18 Remuneration Report 2017 Governance Report Implementation 2015 LPIT Designation and determination of remuneration of top managers of strategic subsidiaries importance Information on RPT
April	<ul style="list-style-type: none"> Financial affairs and equity investments 	<ul style="list-style-type: none"> Examination of additional report of the external auditors, ex art. 11 Regulation EU 537/2014 	
May	<ul style="list-style-type: none"> Strategy Day Approval of interim financial information as at 31 March 2018 Financial affairs and equity investments 	<ul style="list-style-type: none"> Approval of Parent Company's 2017 ORSA Report Approval of RSR and SFCR Approval of Internal Model Policy Information and resolutions on the ICRMS and Group policies 	<ul style="list-style-type: none"> Appointment of the Data Protection Officer Information on RPT

BOARD DIARY 2018 – Main goals (cont.)

Month	Strategy and finance	Internal control and risk management	Governance
June	<ul style="list-style-type: none"> Financial affairs and equity investments 	<ul style="list-style-type: none"> Issues on the ICRMS and review of Group policies Amendments to internal capital calculation model ex Solvency II Approval of 2017 Group ORSA Report Approval of Group RSR and Group SFCR 	
July	<ul style="list-style-type: none"> Half-year reports as at 30 June 2018 Financial affairs and equity investments 	<ul style="list-style-type: none"> Examination of ICRMS issues Assessment of adequacy and efficacy of the ICRMS Half-year report on SCC activities Report of the head of the Internal Audit function on complaints management 	<ul style="list-style-type: none"> Review of GH0 organisational structure Appointment of GM and CFO/MPFR Approval of 2018 LTIP Regulation Designation of members of strategic subsidiaries Check on interlocking situations ex art. leg.d 201/2011 relating to directors and statutory auditors Periodic review of Group CEO succession plan policy Group CEO succession plan GMC members succession plan Information on RPT
September	<ul style="list-style-type: none"> Financial affairs and equity investments 	<ul style="list-style-type: none"> Approval of Parent Company Product Oversight and Governance Policy and review of Group Outsourcing Policy Examination of ICRMS issues 	<ul style="list-style-type: none"> Information on start-up of 2018 Board Review process
October		<ul style="list-style-type: none"> Update on strategic issues 	<ul style="list-style-type: none"> Check on interlocking situations ex art. leg.d 201/2011 relating to the MPFR Update on climate change strategy Update on The Human Safety Net programme
November	<ul style="list-style-type: none"> Strategy Day Approval of 2019-2021 Strategic Plan Approval of interim financial information as at 30 September 2018 Financial affairs and equity investments 	<ul style="list-style-type: none"> Review of Liquidity Risk Management Plan, Recovery Plan and Systemic Risk Management Plan 	<ul style="list-style-type: none"> Appointment of head of Fundamental Function Examination of possible amendments to Articles of Association Information on RPT
December	<ul style="list-style-type: none"> Examination of 2018 forecast and 2019 budget and Strategic Asset Allocation Financial affairs and equity investments 	<ul style="list-style-type: none"> Review of Group policies Update of investment policy Appointment of head of reinsurance distribution activity Review of Risk Appetite Framework 	<ul style="list-style-type: none"> Findings of the 2018 Board Review Examination of possible amendments to Articles of Association Adjustments to the IVASS Regulation 28/2018 (Definition of corporate governance model and amendments to the Regulation of the BoD and Board Committees)

2019 calendar for approval of financial statements, half-year financial statements and interim financial information

Data	Event	Focus
13 March 2019	Board of Directors	Approval of consolidated financial statements and draft annual financial statements as at 31 December 2018
7 May 2019	General Meeting	Approval of 2018 annual financial statements
15 May 2019	Board of Directors	Approval of interim financial information as at 31 March 2019
31 July 2019	Board of Directors	Approval of half-year financial report as at 30 June 2019
6 November 2019	Board of Directors	Approval of interim financial information as at 30 September 2019

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, in order to provide information about the items on the agenda.

In 2018, the Group CFO and 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 Fundamental Functions, 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 kept informed about the main legislative and regulatory innovations relating to the Company and its governing bodies. The Board of Directors is also systematically updated about international economic events that are liable to have significant repercussions on our business.

In the early months of 2019, update and discussion sessions were held on the impact of the future application of the IFRS 9 and IFRS 17 accounting standards and IT impacts in the insurance sector ("Insurtech").

Directors and Statutory Auditors are kept up to date on Generali share trends through monthly reports drawn up by the Investor & Rating Agency Relations function. The reports provide comparisons with the performance of the Group's main 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.

Strategy Day

The Company held 3 meetings (Strategy Day) for directors and statutory auditors in 2018. 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 targets. The 2018 Strategy Days focused in particular on the formulation of the new strategic plan for 2019–21.

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 most of the Italian issuers with the highest capitalisation, Generali has for some time outsourced the task of supporting the relevant Board Committee, and, consequently, the Board of Directors, to a firm of external consultants. For the three years 2016-2018, the consultants selected by the Board of Directors after consultation with the GSC was “Egon Zehnder International”. In 2018, this company also provided consultancy services for other Group companies, for considerations such as not to affect its independence of judgement.

The Board of Directors provided for the consultant to be actively involved in the Board Reviews for the financial years 2016 and 2018, with the preparation of a questionnaire for the members of the Board of Directors and the chair of the Board of Statutory Auditors, followed by interviews. The activity for financial year 2017 was performed in-house.

As always, the 2018 Board Review involved all the directors and the chair of the Board of Statutory Auditors, and consisted of responses to a questionnaire, followed by interviews conducted by the external consultant Egon

Zehnder International, in order to better assess the individual contribution of each director. The assessment covered the operation and efficiency of the Board of Directors and its committees, as well as their size and composition, as envisaged by the CG Code. A special section was devoted to a comparison of the Board Review’s respondents’ experience in Generali with their experience on other boards of directors. The replies were managed by the external consultant, whose reference was the GSC and the Corporate Affairs unit: the information was treated confidentially and consolidated into the final self-assessment report.

The results of the Board Review were presented and discussed by the Board of Directors on 12 December 2018, after consulting the GSC, who also expressed an opinion on the possible remedial measures identified by management. The Board of Directors expressed valuations in terms of strengths (see table below) and areas requiring attention (see brief description below the table), which summarise the results as a whole. On 30 January 2019, the Board examined the points requiring attention, raised by a minority of directors, in order to achieve additional improvements within a situation deemed nevertheless widely satisfactory by the directors.

The process officially ended when the Board of Directors approved this Report in its meeting held on 13 March 2019. A report on the results of the Board Review was then published.

Key strengths identified by the 2018 Board Review

Area	Focus
Size, composition and competences of the Board of Directors	Adequacy of size of Board of Directors
	Appropriate ratio between executive and non-executive directors (1:12) and between independent and non-independent directors (8:5)
	Appreciation of mix of skills and experience in the board
	Adequacy of appointment processes and selection criteria
	Satisfaction with mechanism for regulating presence of minorities in the Board
	Number and type of offices held by directors deemed to be commensurate with commitment required by the role
Organisational structure	Adequacy of governance structure of the governing bodies
	Adequacy of number and type of external positions held by directors, guaranteeing sufficient time for performance of role

Key strengths identified by the 2018 Board Review (cont.)

Area	Focus
Operation and training of directors	General satisfaction with training for the Board, designed to facilitate growing distinctive understanding of the Generali business and key scenarios, although room for improvement
	Strengthened appreciation of the internal climate of the Board, motivation of directors and spirit of mutual esteem, as bases for open, direct and effective debate to which everyone can contribute
	Appreciation of substantial independence and judgement of directors
	Efficiency and efficacy of decision-making process, given the substantial key role of the Board
	Central importance of strategic discussion, in part thanks to Strategy Days
	Appreciation of custom of organising some Board meetings at Group international offices, to deepen knowledge of local top management
	Efficacy of minute-taking at board meetings
Role of Chairman and Group CEO	Appreciation of Chairman's role and leadership style at meetings
	Recognition of constructive and balanced relationship between Chairman and Group CEO
	Adequacy of division of powers between Board of Directors and Group CEO, in balancing strategic and management functions
	Appreciation of top management and confirmation of importance of involving key executives in board meetings
	Growing satisfaction with proactive approach of Group CEO in providing overviews and analyses of insurance business
	Appreciation of clarity and efficacy of managers' presentations to Board
Board of Statutory Auditors	Satisfaction with Board of Statutory Auditors' activities and appreciation of authoritativeness of chair on internal control and risk management

Most of those interviewed for the 2018 Board Review expressed full satisfaction with the efficacy and operation of the Board of Directors, while a small minority indicated areas requiring attention, a significantly smaller number than the previous year: this is also due to the resolution of various areas for improvement that emerged in the past, thanks to implementation of the measures agreed by the Board after the 2017 Board Review with regard to balancing the agenda of Board meetings; the work on the Group CEO succession plan; the greater focus on social and environmental sustainability and management of related-party transactions.

The following areas requiring attention that emerged were therefore fewer than in the past: a qualified minority of directors would like to devote more time, during board meetings and Strategy Days, to issues relating to human

resources and organisation; and suggested intensifying benchmarking and recurring analysis of trends of significance to the Group business.

Taking account of the findings of the 2018 Board Review, on 20 February 2019, with the support of the ARC and the GSC, the Board of Directors, compliantly with the recommendations of the CG Code, drew up its advice for shareholders on the size and composition of the Board, in preparation for the renewal of the Board of Directors whose term of office ends with the approval of the 2018 financial statements. In accordance with best practice, the advice has been published on the website more than 65 days before the date of the General Meeting on first call, to enable shareholders to evaluate the aspects suggested by the outgoing Board and agreed with the Board of Statutory Auditors when electing the directors.

The advice is available on the website in the section on the 2019 General Meeting.

In extreme synthesis, the advice of the outgoing Board of Directors (available in full on the website) with regard to:

- the size of the new Board of Directors, confirms the number of directors at 13, to ensure optimal composition of the board committees;
- the composition of the new Board of Directors, deems it important to ensure a governance structure built on the strategic role of the board committees, regarding which it recommends that the model applied over the last three years be confirmed.

The outgoing Board of Directors also emphasises the importance of:

- a majority of independent directors;
- a constructive balance between soft skills and hard skills (including control competences) among the directors and at Board level;
- ensuring an adequate distribution of the seniority and age diversity of the directors;
- recognising the availability of time and energy as a key component for effective performance of the role of company director;
- consistently with business objectives and the new strategic plan, favouring knowledge of the insurance and financial business and market; the ability to understand and assess medium/long-term scenarios; greater attention to candidates' international profile and the need for candidates to be open to the challenges of technological innovation (including profiles relating to information technology, cybersecurity and operations) and, in particular, of digitalisation in insurance and, more generally, in finance.

Remuneration of directors and management personnel with strategic responsibilities

Pursuant to s. 123-ter of the CFBA, IVASS Regulation no. 38/2018, 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 ARC, which will be submitted for examination and approval to the 2019 General Meeting. The report will be available on the website under the Governance heading, in the Remuneration and General Meeting sections.



[Details in the Remuneration Report](#)

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. Subject to the proposed amendment to the Articles of Association to be presented to the 2019 General Meeting, currently a person who has already reached the age of 70 at the time of appointment may not 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 name⁴.

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 not less than 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.

⁴ For further details, see paragraph on "Authorised representatives"

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, sets their agendas, ensures that directors are able 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, and in any case within the deadline for distribution of documentation for the subsequent meeting.

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 him. IVASS Regulation no. 38/2018 lays down that the chair of the Board of Directors of insurance companies and Italian ultimate parent companies subject to the so-called “strengthened regime” (of which Generali is one) must have a non-executive role and may not perform any management function, nor be a member of the executive committee, if formed, but may attend committee meetings, without the right to vote. Consequently, on 30 January 2019, the Board of Directors approved, pursuant to s. 2365 civil code and article 32.2.g of the Articles of Association, the amendment to the text of articles 29.3, 29.4 and 35.3 of the Articles of Association. The proposal concerning the procedure for appointment of the chair of the Executive Committee will be discussed at an extraordinary session of the 2019 General Meeting.

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. Under the Articles of Association, the Vice-Chairman is automatically a member of the Executive Committee, if appointed.

Managing Director and Group CEO

The Board of Directors may appoint one or more Managing Directors from among its members, and establish their powers.

Under the Articles of Association, the Managing Director 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 specified value limits, without prejudice to the powers granted by law 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 the “Information Compendium” to this Report (available on the website).

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 the powers and responsibilities for the management of the Company and the Group. The Board of Directors elected by the General Meeting in 2016 then confirmed Philippe Donnet’s appointment as Managing Director and Group CEO for the three-year term 2016-2018, and the powers already assigned; these powers were updated in April 2017 consistently with the review of the organisation of powers assigned to the governing bodies with responsibility for investment and divestment.

To monitor exercise of the delegated powers of the Group CEO, the Group has a specific policy approved by the Board of Directors, which envisages a systematic information flow from all company and Group units. Assisted by one of his own functions, the Group CFO collects and examines the information to support the Group CEO in drawing up quarterly reports to the Board of Directors and Board of Statutory Auditors. This policy and the related operational procedures were regularly applied in 2018.

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

The five Board Committees

At its meeting on 28 April 2016, the Board of Directors set up 5 Board Committees, which perform recommendatory, advisory and preparatory functions for the Board of Directors. The Risk and Control Committee (RCC) and the Appointments and Remuneration Committee (ARC) were appointed in compliance with the recommendations of the CG Code. The Board also formed the Related-Party Transactions Committee (RPTC), in line with the provisions of the RPT Regulation, the Corporate Governance and Social & Environmental Sustainability Committee (GSC) and the Investment Committee (IC). At its meeting on 25 January 2017, the Board of Directors decided to extend the competences of the IC to strategic transactions, and changed the committee's name to Investment and Strategic Transaction Committee (ISC).

The basis for the institution of the Board Committees is art. 34 of the Articles of Association, which empowers the Board of Directors to set up advisory 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 fewer than 3 per committee) are appointed by the Board of Directors and, unless otherwise decided by the Board, are selected from among its members: in accordance with an established practice, no director is appointed to more than 2 committees. The Board Committees lapse when the Board of Directors ceases: if, during the term of office, one or more members should be impeded for any reason, the Board of Directors replaces them, if it thinks fit, with its own 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 meet-

ing, they submit a report on the activities performed by their committees and the proposals, opinions and recommendations formulated. In the event of their absence or inability to act, the chairs 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 of Directors has appointed Giuseppe Catalano as secretary to all the Board Committees.

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 the event of an emergency, this period may be reduced to 2 days. Documentation relating to meetings is made available to directors at the same time as the notice of call. On some occasions in 2018 the deadline was slightly delayed, although the documentation was made available ahead of the meetings and in time for members to make an assessment of the questions, which were also illustrated in depth during the actual meetings. These exceptional situations concerned a small number of documents (e.g., presentations for review after internal function opinions, a presentation on a transaction still under negotiation when the deadline expired). The findings of the 2018 Board Review reflect a high level of satisfaction among directors with the efficiency and efficacy of the pre-committee information process.

The Board Committees meet on the basis of a calendar proposed by their chairs and approved by the Board of Directors, and updated whenever the respective chair thinks fit and/or necessary on the basis of developments in the Company's business; their meetings are held 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 may 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 votes. In the event of a tie the Committee chair has the casting vote. Votes cannot be cast by proxy.

Minutes are drawn up of each meeting, and signed by the Committee chair and its secretary.

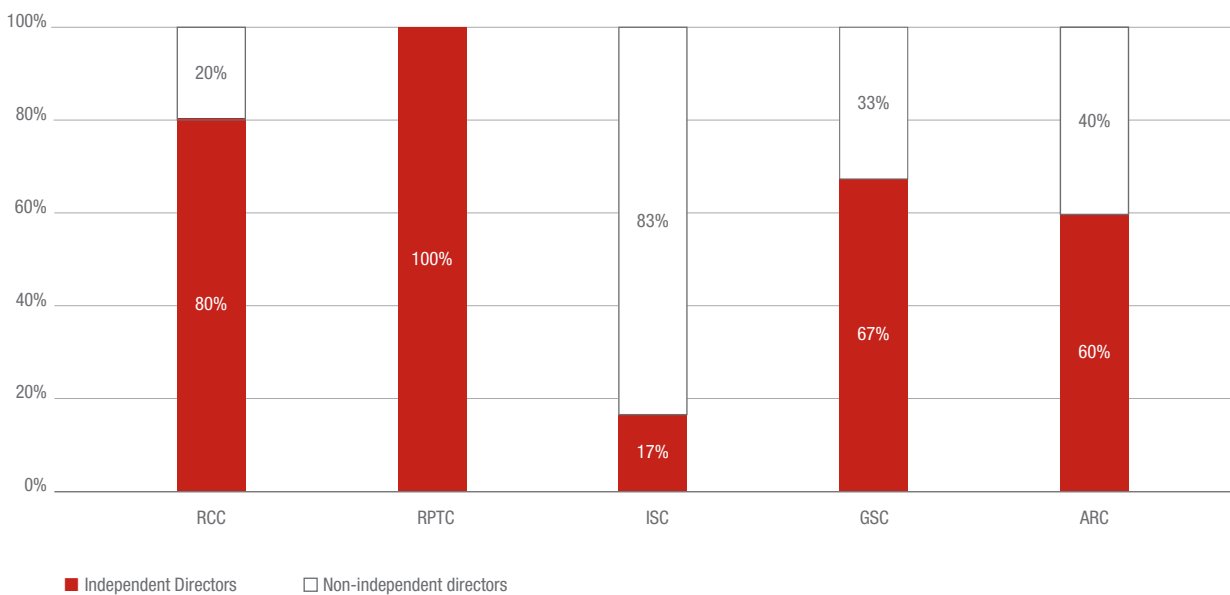
The Board Committees, in the performance of their functions, are entitled to access the information and corporate units deemed necessary for the performance of their duties, and to call on external consultants, on the terms established by the Board of Directors. In this context, attendance at meetings by the Company's executives with expertise in the items on the agenda was requested several times in 2018, 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, also 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 a fee (if any) established by the Board of Directors.

In line with best practices and the recommendations of the Corporate Governance Codes of the main European countries, the vast majority of members of Generali's Board Committees (and sometimes all members) are Independent Directors, with the exception of the ISC.

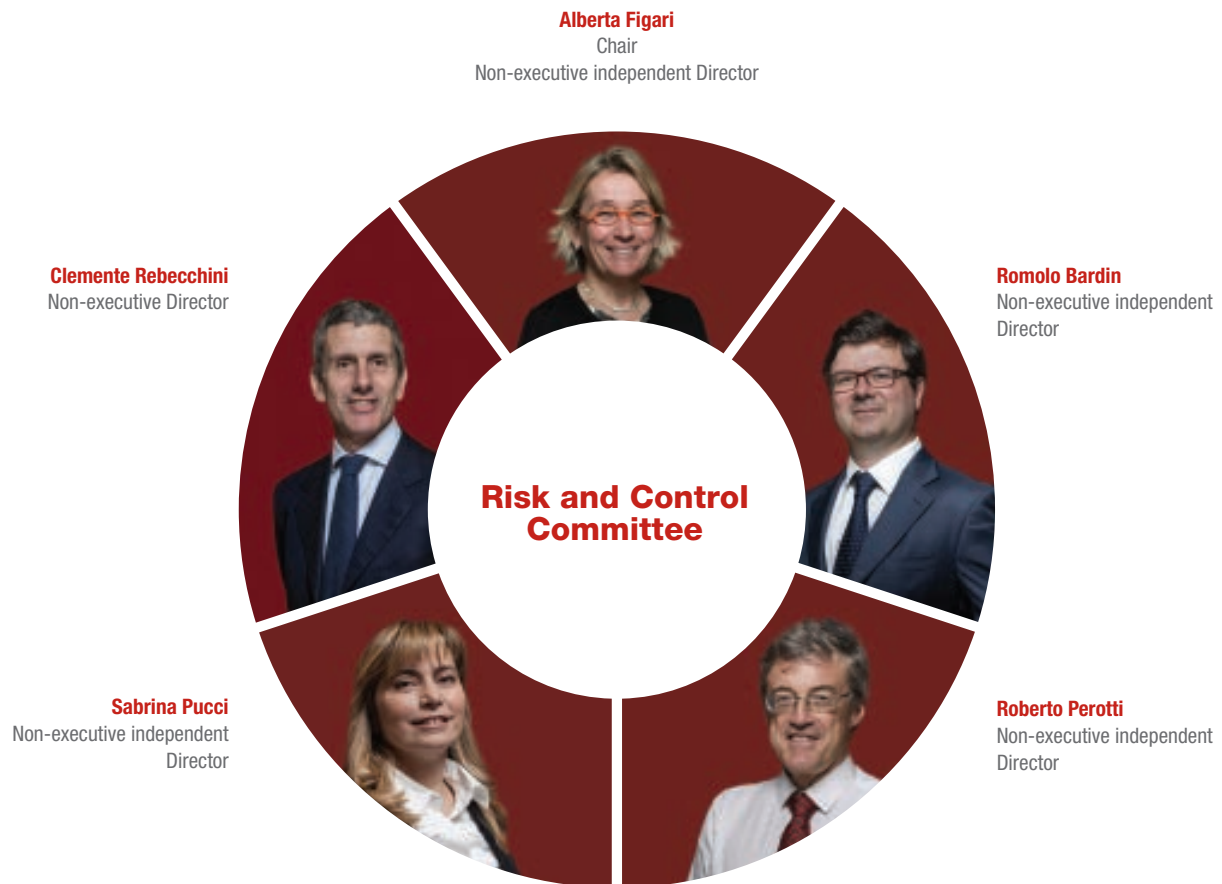
Composition of the Committees



The following pages contain a detailed description of each committee, indicating the duties assigned to them and the activities performed during the year. With regard

to the meetings held in the year, also for comparative purposes, the tables indicate the number, duration and average attendance in the last three years.

Risk and Control Committee



The majority of members of the RCC possess specific skills and experience in accounting and financial matters. The independence requirement was ascertained for 4 of the 5 members; the non-independent director Clemente Rebecchini was appointed as a member in view of his extensive experience in financial matters and risk management. The meetings are attended by the heads of the Company and the Group's Fundamental Functions, who have permanent invitations.

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

It assists the Board of Directors in determining the guide-

lines of the internal control and risk management system, the periodic check on its adequacy and effective operation, and the identification, evaluation and management of the main business risks, including those deriving from prejudicial facts which come to the notice of the Board of Directors and those relating to questions of a non-financial nature. It issues opinions on proposals regarding the appointment, dismissal and remuneration of the heads of the Company and the Group's Fundamental Functions and their activity plans.

The competences of the RCC are described in full in the "Information Compendium" to this Report (available on the website).

RCC DIARY 2018 – Main opinions and valuations

Month	Solvency II	Internal controls, risk management	Financial and accounting documents, investments
January	<ul style="list-style-type: none"> Examination of changes to the internal capital calculation model pursuant to Solvency II 	<ul style="list-style-type: none"> Committee budget proposal for 2018 Examination of results of 2017 Risk Assessment relating to operating and compliance risks 2018 activity plans for the Company and the Group and expenditure budgets of the Fundamental Functions and report on 2017 activities Examination of remunerations of heads of the Fundamental Functions (meeting of 2017 targets and setting of 2018 targets) 	
February		<ul style="list-style-type: none"> Information on monitoring of Group concentration risks at 30 September 2017 Report of the head of the Internal Audit function on complaints management 	<ul style="list-style-type: none"> Information on correct uniform application of accounting standards Information on goodwill impairment test procedures, pursuant to joint Bank of Italy/ CONSOB/ISVAP document no. 4 of 3 March 2010
March	<ul style="list-style-type: none"> Information on Group risk capital pursuant to Solvency II at the end of 2017 	<ul style="list-style-type: none"> Assessment of the adequacy and efficacy of the internal control and risk management system Update on the activities of MPFR and opinion on 2018 activity plan and related budget Examination of actuarial report on the Company's technical reserves Examination of findings of investigation into adequacy of the organisational, administrative and accounting structure of the Company and its strategic subsidiaries Examination of the report of the compliance function on activities performed for control of compliance with the joint Bank of Italy/CONSOB Regulation of 29 October 2007 and opinion on the report drawn up by the compliance function, pursuant to CONSOB resolution no. 17297 of 28 April 2010, on complaints regarding distribution of insurance and financial products Examination of the report of the head of Group Audit on implementation of remuneration policies, pursuant to art. 23 of ISVAP Regulation no. 39 of 9 June 2011 	<ul style="list-style-type: none"> Assessment of correct use of accounting standards and their uniformity among the Group companies for the purpose of the consolidated financial statements, and assessment of correct use of accounting standards for the parent company's financial statements Examination of the additional report ex art. 11 Regulation (EU) 537/2014 drawn up by the external auditors Examination of reporting on investments as at 31 December 2017

RCC DIARY 2018 – Main opinions and valuations (cont.)

Month	Solvency II	Internal controls, risk management	Financial and accounting documents, investments
May	<ul style="list-style-type: none"> Report on Assicurazioni Generali S.p.A. technical provisions pursuant to Solvency II, underwriting and reinsurance Report on Group risk capital pursuant to Solvency II at 31 March 2018 Report on local solvency positions at 31 December 2017 	<ul style="list-style-type: none"> Examination of the Assicurazioni Generali S.p.A. 2017 ORSA Report Examination of the Assicurazioni Generali S.p.A. Regulatory Supervisory Report and Solvency Financial Condition Report Examination of the proposed appointment of a Data Protection Officer Examination of the Group Audit Report at 31 March 2018 Report on Concentration pursuant to IVASS Regulation 30/2016 	<ul style="list-style-type: none"> Examination of investment reporting at 31 March 2018
June	<ul style="list-style-type: none"> Examination of changes to the internal capital calculation model pursuant to Solvency II and associated documents for presentation to IVASS Report on Group technical reserves ex Solvency II, Underwriting and Reinsurance Examination of the year's results concerning the impact of Long-Term Guarantee measures for the Company Report on local solvency positions at 31 March 2018 	<ul style="list-style-type: none"> Examination of the Generali Group's 2017 ORSA Report Examination of the Group's RSR and SFCR Report on Concentration pursuant to IVASS Regulation 30/2016 	<ul style="list-style-type: none"> Report on private equity investments at 31 March 2018
July	<ul style="list-style-type: none"> Report on Group risk capital pursuant to Solvency II at 30 June 2018 Report on the results of the 2018 EIOPA stress test 	<ul style="list-style-type: none"> Report on the status of activities of the Fundamental Function at 30 June 2018 Assessment of the adequacy and efficacy of the internal control and risk management system Report of the head of the Internal Audit function on complaints management 	<ul style="list-style-type: none"> Report on the half-year reports as at 30/6/2018 and the partial audits thereof conducted by the external auditors, and assessment of correct use of accounting standards and their uniformity among the Group companies, for the purposes of the Group consolidated half-year report Update by the MPFR Examination of reports on investments at 30 June 2018
September	<ul style="list-style-type: none"> Report on local solvency positions at 30 June 2018 	<ul style="list-style-type: none"> Report on IT security issues Report on concentration, ex IVASS Regulation 30/2016 	
October	<ul style="list-style-type: none"> Report on risk capital pursuant to Solvency II at Group level at 30 September 2018 Revision of Liquidity Management Plan, Recovery Plan and Systemic Risk Management Plan 	<ul style="list-style-type: none"> Report on market trends and the Italian political and financial situation Examination of the Group Audit Report at 30 September 2018 	<ul style="list-style-type: none"> Examination of reports on investment at 30 September 2018
November		<ul style="list-style-type: none"> Opinion on proposed appointment of the head of the Group actuarial function and related remuneration 	
December	<ul style="list-style-type: none"> Examination of the Company and Group Risk Appetite Framework 		<ul style="list-style-type: none"> Examination of the framework resolution on the Company's investments, ex IVASS Regulation 24/2016 Report on private equity investments at 30 September 2018

In 2018, on the invitation of the chair, RCC meetings were attended by the heads of the 4 Fundamental 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 Chairman participates in order to ensure proper coordination with the BoD.

The notice of call is also sent to the Board of Statutory Auditors to enable all its members to attend the meetings. In 2018, the percentage attendance by Statutory Auditors was 83.3% (as against 94.9% in 2017).

The RCC did not call on the assistance of external consultants in 2018.

At the meetings held in 2018, the heads of the 4 Fundamental 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 Fundamental Functions had direct access to all the information required to perform their duties.

In 2018 the RCC issued various opinions and recommendations on specific aspects relating to identification of the main company risks; it monitored the independence, efficacy and efficiency of the resources assigned to

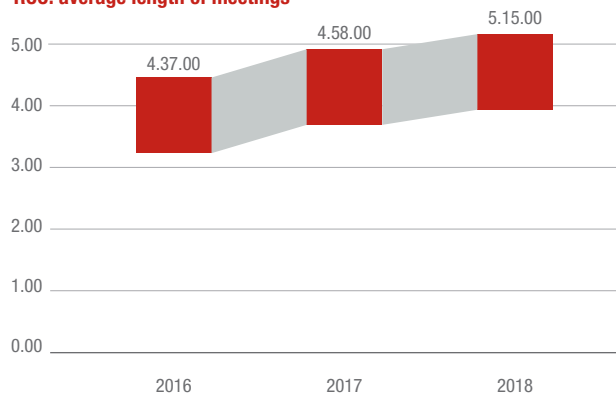
the Fundamental Functions, and requested (during RCC meetings attended by the Board of Statutory Auditors) that checks be conducted on specific operating areas.

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 to attend meetings.

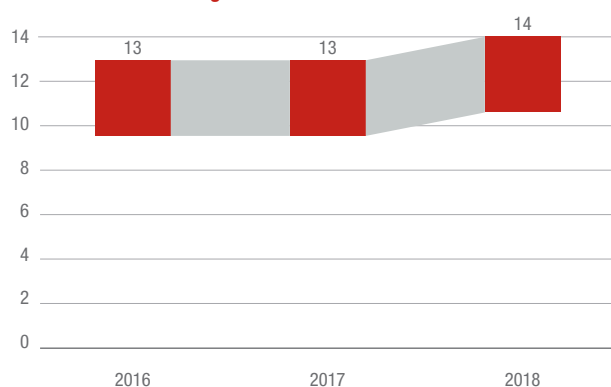
The meetings of the RCC are held in time to resolve matters involving interaction with the Board of Directors.

The chair and the secretary drew up the minutes of each meeting, which were approved at the next meeting.

RCC: average length of meetings



RCC : number of meetings



RCC: average attendance at meetings

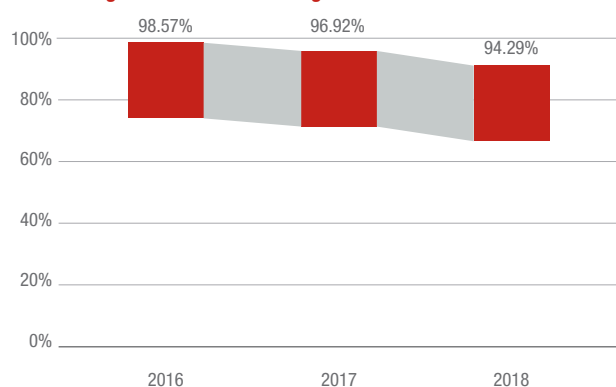
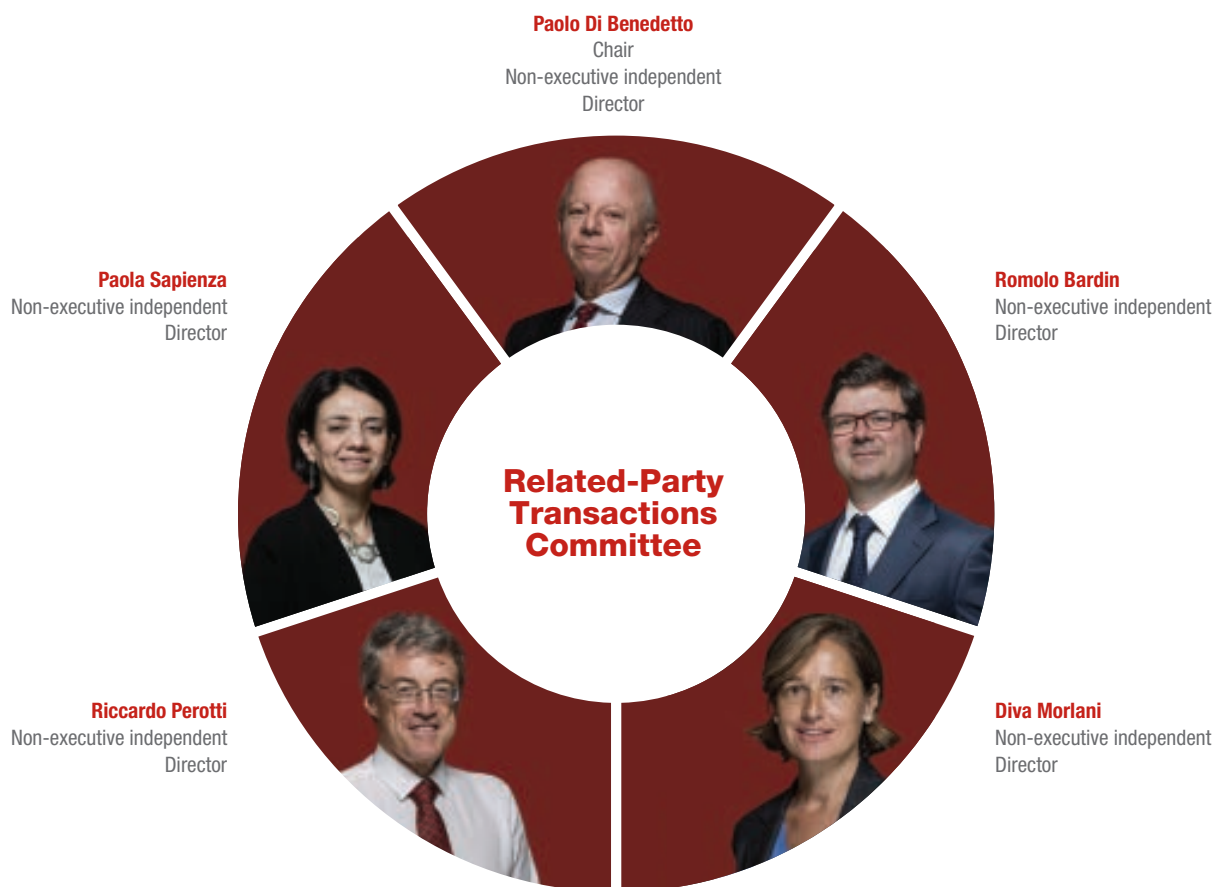


Table 2 annexed to the Report shows the attendance of each member of the RCC. Twelve meetings are currently scheduled for 2019.

In the 2018 financial year, the financial resources provided to the RCC for activities falling within its powers amount-

ed to EUR 250,000, in line with its expenditure budget. At the meeting held on 26 January 2019, the RCC drew up its expenditure budget for the 2019 financial year at EUR 250,000, approved by the Board of Directors at its meeting on 30 January 2019.

Related-Party Transactions Committee



The Board of Directors has assigned to the RPTC 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. The opinion considers 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 amend-

ments to the RPT Procedures; when issuing its opinions, it can call on the assistance of one or more independent experts.

Under 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 governance of the RPTC, which is also formalised in the RPT Procedures, was amended in 2017 in order to achieve more effective coordination with the other committees that deal with matters of common interest.

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 2018 the RPTC met 3 times: each year, it holds at least one meeting to receive a report on transactions classified as exempt in the previous year.

The minutes of each meeting were prepared by the chair and the secretary, and approved at the next meeting.

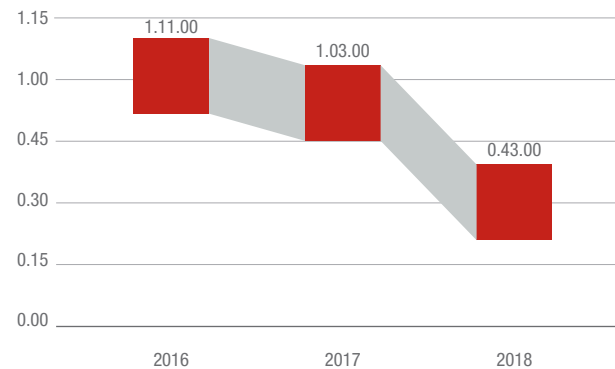
The notice of call is also sent to the Board of Statutory Auditors so that its members can attend the meetings. In 2018, the percentage attendance by statutory auditors was 77.8% (as against 100% in 2017).

As resolved by the Board of Directors, RPTC members receive a gross annual fee (EUR 25,000 for the chair and

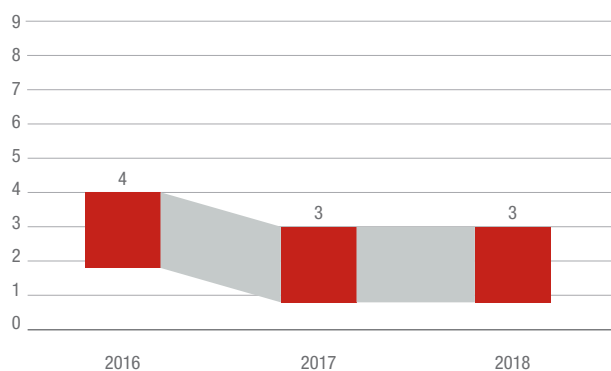
EUR 20,000 for the other members), and an attendance fee of EUR 2,000 per meeting, together with reimbursement of expenses incurred to attend meetings.

In the comparison with the two previous years, the 2016 data for the number, duration and average attendance includes the meetings of the related-party transactions sub-committee, active until 28 April 2016, as well as those of the RPTC.

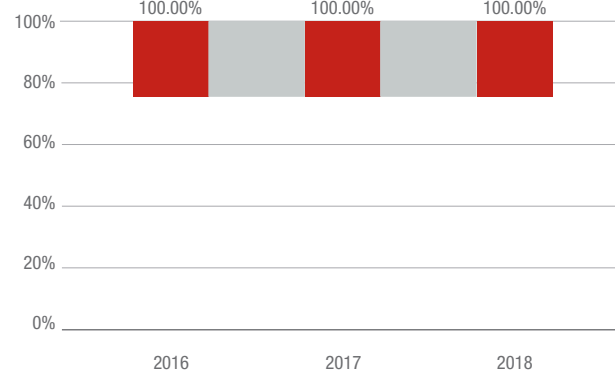
RPTC: average length of meetings



RPTC: number of meetings*

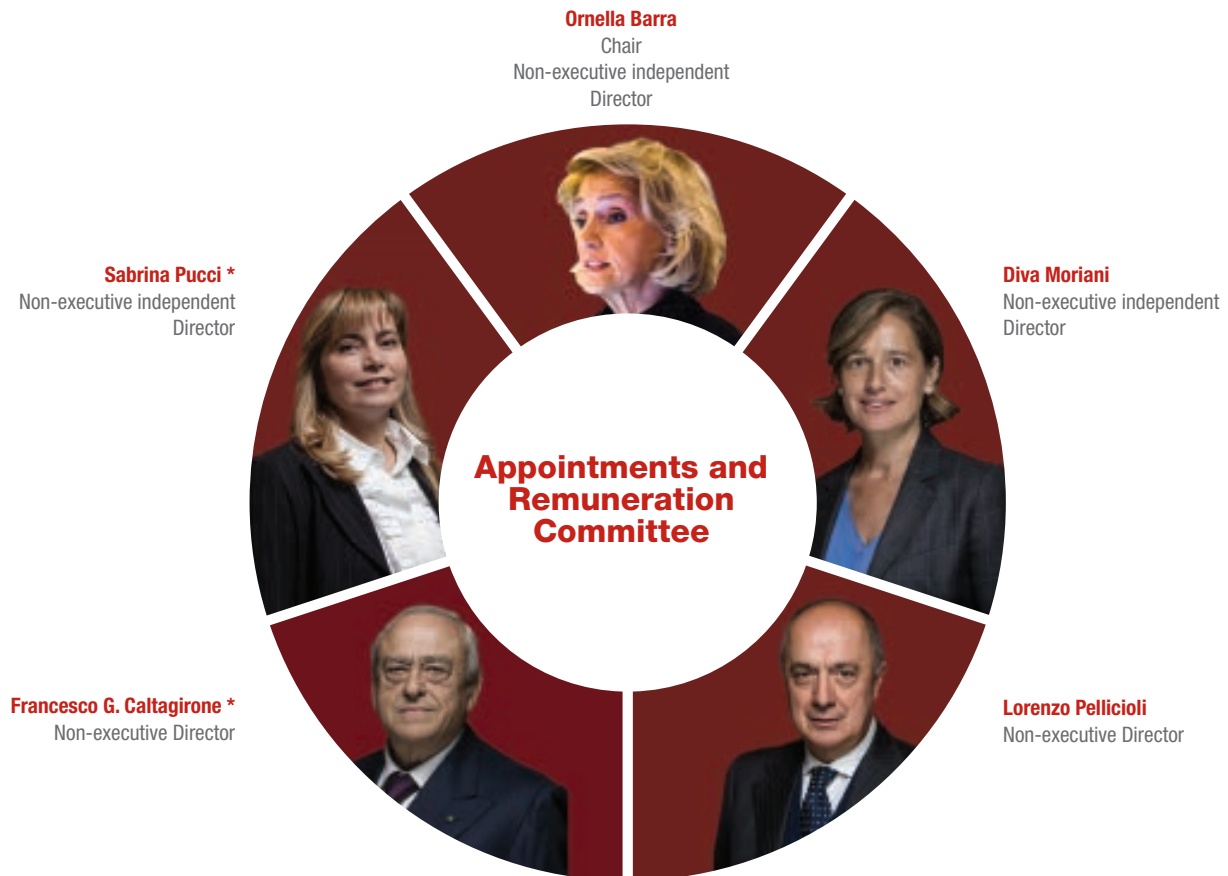


RPTC: average attendance at meetings



* Two of the four meetings held in 2016 were in the form of a sub-committee.

Appointments and Remuneration Committee



* Members of the committee for appointments only.

The Board of Directors decided 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). During the previous three-year periods, the responsibilities held today by the ARC were assigned to two separate committees.

The ARC consists of five members (reduced to three when remuneration issues are discussed). The Chairman participates in order to ensure proper coordination with the BoD.

If one or more members 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 on 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 is provided by an independent expert appointed by the Board of Directors.

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

The ARC performs advisory, 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 on the proposals of the Group CEO on the succession plan for GMC members and on the development and management policies of 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 that carry membership 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 ver-

ifies 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 general managers of the strategic subsidiaries.

The responsibilities reserved for the ARC by resolution of the Board of Directors are listed in full in the "Information Compendium" to this Report (available on the website).

ARC DIARY 2018 – Main opinions and assessments

Month	Appointments	Remuneration	Group subsidiaries
January		<ul style="list-style-type: none"> Proposal on the Group 2018 incentives system for GMC members Proposal on the 2018 STI targets for the Group CEO and GMC members 	
February	<ul style="list-style-type: none"> Periodic assessment of the Group CEO's succession plan policy 	<ul style="list-style-type: none"> Proposal on the committee budget proposal for 2018 Opinion on remuneration of the Group's top management Opinion on results of 2017 incentive plans for the Group CEO and GMC members Proposal on 2018 STI targets for the Group CEO and GMC members 	<ul style="list-style-type: none"> Opinion on proposals relating to designation of top managers at strategic subsidiaries
March	<ul style="list-style-type: none"> Periodic evaluation of the Group CEO's succession plan policy and update report on performance review and succession planning processes 	<ul style="list-style-type: none"> Opinion on increase of share capital for the purposes of the 2015 LTI Plan Opinion on results of 2017 incentive plans for the Group CEO and GMC members Examination of the Remuneration Report, information for the 2018 General Meeting and the Group Remuneration Internal Policy Examination of reports of the heads of the Fundamental Functions on implementation of remuneration policies, ex ISVAP Regulation 39/ 2011 Opinion on proportionality of remuneration between Group CEO and the Company's personnel Remuneration of GMC members Opinion on key targets and ranges relating to 2018 STI targets for the Group CEO and GMC members 	<ul style="list-style-type: none"> Opinion on proposals concerning top management of strategic subsidiaries Opinion on remuneration of top management of strategic subsidiaries Report on the 2018 Long Term Incentive plan (LTI) 2018 of a strategic subsidiary
June		<ul style="list-style-type: none"> Examination of the market benchmark on the remuneration of the Group CEO Examination of IVASS disposition 23 May 2018 and update on 2019 incentive systems for the Group CEO, GMC Execution of the 2018 Long Term Incentive plan (LTI): opinion on the Regulation and consequent assignment 	<ul style="list-style-type: none"> Opinion on the proposed designation of top managers of strategic subsidiaries

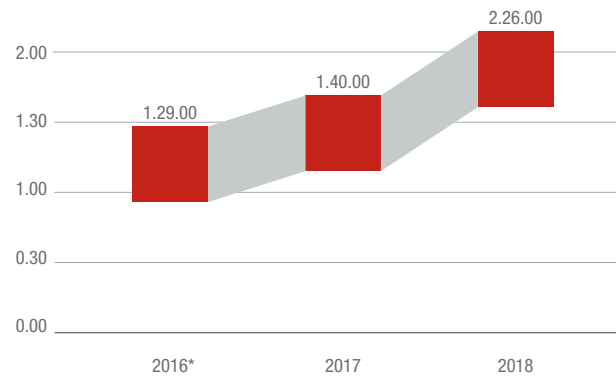
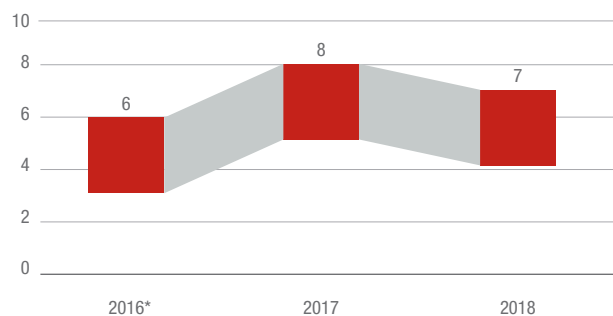
ARC DIARY 2018 – Main opinions and assessments (cont.)

Month	Appointments	Remuneration	Group subsidiaries
July	<ul style="list-style-type: none"> · Examination of succession plan for GMC members · Examination of succession plan for the Group CEO · Periodic assessment of the Group CEO's succession plan policy · Opinion on the proposed appointment of the General Manager and the Group CFO and MPFR 		<ul style="list-style-type: none"> · Opinion on remuneration of the Group's top management
November		<ul style="list-style-type: none"> · Update on the 2018 incentives system · Summary of IVASS Regulation 38/2018 and related documents with respect to remuneration policies · Examination of a preliminary proposal for the Group 2019 incentives system for GMC members 	
December		<ul style="list-style-type: none"> · Examination of a preliminary proposal for the Group 2019 incentives system for GMC members 	<ul style="list-style-type: none"> · Examination of a preliminary proposal for the Group 2019 incentives system for GMC members

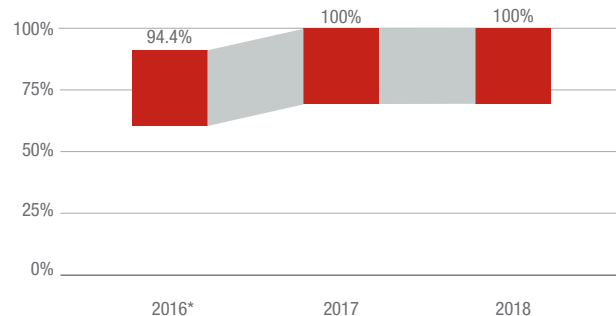
In the 3 tables below illustrating committee data in the last 3 years, for the purposes of comparison, the figures for 2016 refer to meetings as from the formation of the committee (28 April 2016) in its current form (previously the responsibilities of the ARC were assigned to two separate committees).

The chair and the secretary 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.

ARC: average length of meetings**ARC: number of meetings**

ARC: number of meetings - Only on 'appointments' questions
2016* = 5; 2017 = 7; 2018 = 5.

ARC: average attendance at meetings

ARC: average attendance at meetings - Only on 'appointments' questions
2016* = 92%; 2017 = 94.3%; 2018 = 96%.

* As from 28 April.

Six meetings have so far been scheduled for 2019. 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 reimbursement of attendance expenses.

At the meeting held on 18 February 2019, the ARC set its own expenditure budget for the 2019 financial year at EUR 100,000, and this budget was approved by the Board of Directors at its meeting held on 20 February 2019.

In 2018, the ARC called on the services of external independent experts.

The Board of Directors ascertained 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 2018, on the invitation of the chair, the head of the Group HR & Organisation function and other members of 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 2018, percentage attendance by Statutory Auditors was 66.67% (as against 62.50% in 2017).

Corporate Governance and Social & Environmental Sustainability Committee



The Board of Directors has set up a Board Committee with responsibility for corporate governance matters and also for the increasingly important issues of social and environmental sustainability, thus effectively meeting the

need for suitable support when establishing strategy (and monitoring its implementation) regarding sustainable development and promotion of social responsibility initiatives in the Group.

The GSC performs advisory, 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; 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 di-

rectors, statutory auditors and the General Manager (if appointed).

As regards social sustainability, the GSC is required to express its opinion on the “Charter of Sustainability Commitments”, the “Group 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.

As introduced by lgs.decreto no. 254 of 30 December 2016 on reporting of non-financial information, the GSC is also required to support the Board of Directors with regard to decisions on matters in its area of competence, expressing an opinion on the reporting method, the definition of material indicators and the “Diversity Policy” for members of the Company’s governing bodies.

GSC DIARY 2018 – Main opinions and assessments

Month	Governance	Sustainability
February	<ul style="list-style-type: none"> · Examination of findings of 2017 Board Review · Report on communication of the Italian Corporate Governance Committee of 13 December 2017 · Evaluation on assessment of professionalism, respectability and independence requirements for directors and statutory auditors · Evaluation on assessment of the requirements of the Company Fit&Proper Policy for key personnel, as defined by the Policy · Opinion on the Policy for Group CEO succession plan · Opinion on proposed amendment to the Regulation of the Board of Directors and Board Committees 	<ul style="list-style-type: none"> · Report on the climate change strategy focus on investments and underwriting · Initial analysis of content of the non-financial disclosure
March	<ul style="list-style-type: none"> · Opinion on the 2017 corporate governance and share ownership report · Opinion on the notice of call of the General Meeting and the associated reports 	<ul style="list-style-type: none"> · Report on the non-financial disclosure
July	<ul style="list-style-type: none"> · Opinion on the check on interlocking situations envisaged by art. 36 of decree law no. 201 of 6 December 2011, for directors and statutory auditors · Report on outcome of the meeting of the Italian Corporate Governance Committee · First report on the new content introduced by IVASS Regulation 38/2018 · Examination of a proposed re-organisation 	<ul style="list-style-type: none"> · Report on climate strategy · Report on the non-financial disclosure
September	<ul style="list-style-type: none"> · Report on the 2018 Board Review process · Report on the review of the Articles of Association in light of IVASS Regulation 38/2018 	<ul style="list-style-type: none"> · Report on climate strategy

GSC DIARY 2018 – Main opinions and assessments (cont.)

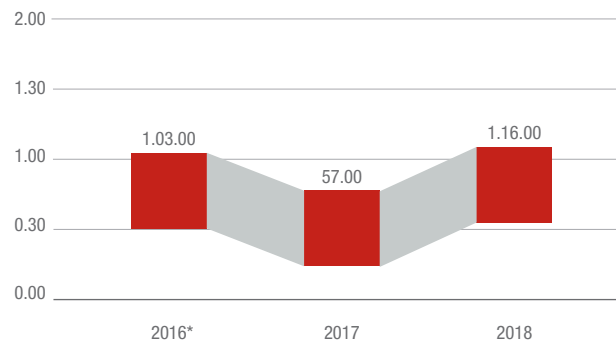
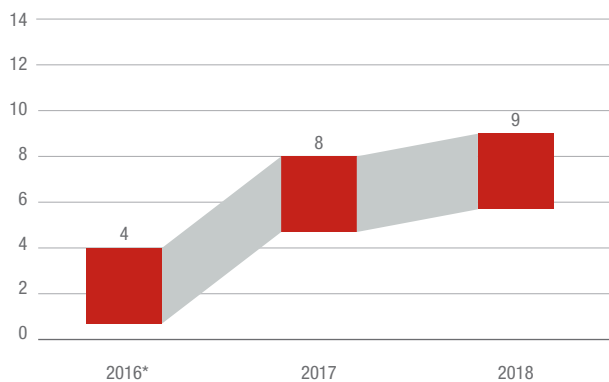
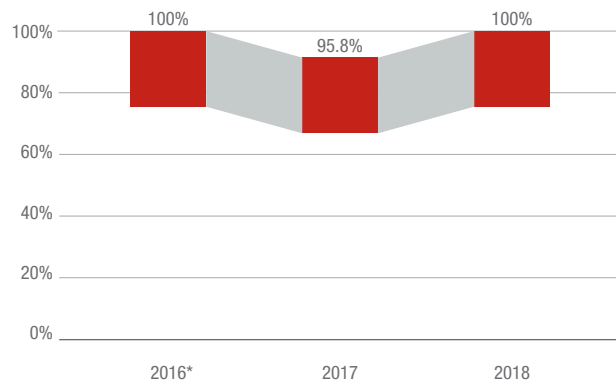
Month	Governance	Sustainability
October	<ul style="list-style-type: none"> Report on activities relating to “The Human Safety Net” Opinion on the check on interlocking situations ex DL 201/2011 for the MPFR 	<ul style="list-style-type: none"> Report on climate strategy
November	<ul style="list-style-type: none"> Proposal for review of the Articles of Association in light of IVASS Regulation 38/2018 Examination of possible additional amendments to the Articles of Association 	<ul style="list-style-type: none"> Report on climate change strategy Report on non-financial disclosure
December	<ul style="list-style-type: none"> Examination of outcome of the 2018 Board Review Examination of possible amendments to the Articles of Association Examination of issues for alignment with the prescriptions of IVASS Regulation 38/2018 	

In the three tables below setting out data on the activities of the committee in the last three years, for the purposes of comparison, the figures for 2016 refer to meetings since the formation of the committee in its current form (28 April 2016); (previously responsibility for governance questions was combined with responsibility for ‘appointment’ questions in a specific committee).

The minutes of each meeting were prepared by the chair and the secretary, and approved at the next meeting.

Table 2 annexed to this Report shows the attendance of each GSC member.

Five meetings have so far been scheduled for 2019.

GSC: average length of meetings**GSC: number of meetings****GSC: average attendance at meetings**

* As from 28 April.

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 at GSC meetings was 62.96% in 2018 (87.50% in 2017).

Investment and Strategic Transaction Committee



At its meeting on 28 April 2016, the Board of Directors decided to retain a specific Investments Committee (IC), keeping its membership unchanged from the previous three-year term: the committee was chaired by the Group CEO and consisted of 3 non-executive directors and 2 top managers of the Company. At its meeting on 25 January 2017, the Board of Directors extended the competences of the committee to strategic transactions, and changed its name to Investment and Strategic Transaction Committee (ISC). The Board also changed

the membership. The Group CFO, the Group CRO and the Group CIO regularly attend the meetings.

The ISC performs advisory, 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, on transactions of strategic importance for the Group and on investments.

Specifically, it performs prior assessments of transactions, operations or other initiatives of strategic importance or with an impact on the Group's structure or business model. It conducts prior examinations and expresses an opinion on investment and divestment transactions falling within the sphere of responsibility of the Board of Directors, and examines Group strategic asset allocation and asset liability management strategies.

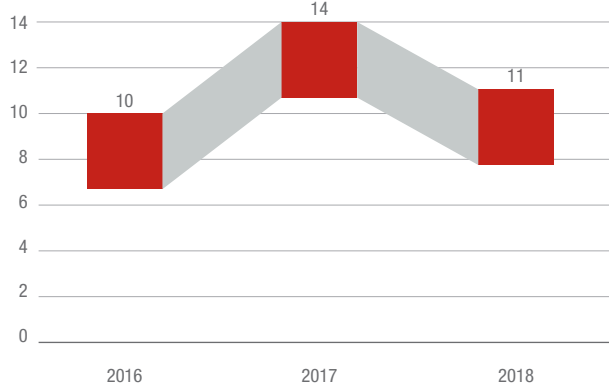
The ISC is also required to perform a periodic analysis of the investment policies, the main operational guidelines and their results, evaluating their adequacy in order to advise the Group CEO to submit proposed changes to the Board of Directors. This periodic analysis also relates to the Group's strategic asset allocation (by asset class and main concentrations, also by comparison with the main competitors), the ALM situation, 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

2018, the percentage attendance by Statutory Auditors was 84.85% (as against 81% in 2017).

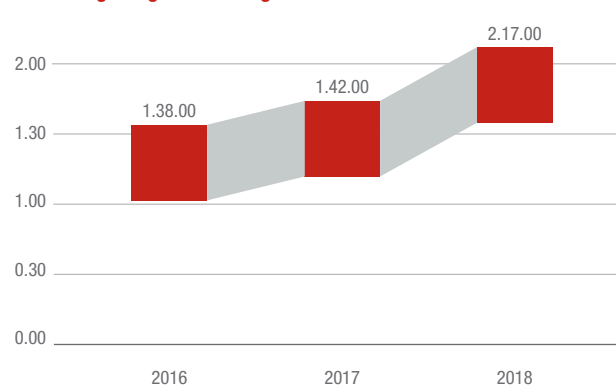
ISC members receive a gross annual fee (EUR 30,000 for all members apart from the chair) and an attendance fee of EUR 2,000 per meeting, together with reimbursement of expenses incurred for attending meetings.

ISC: number of meetings



The minutes of each meeting were prepared by the chair and the secretary, and approved at the next meeting.

ISC: average length of meetings



ISC: average attendance at meetings

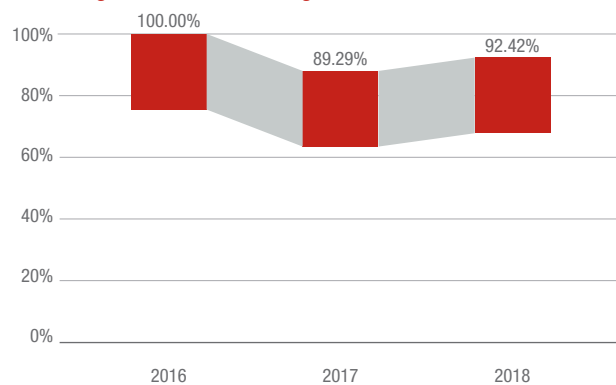


Table 2 annexed to this Report shows the attendance figures for each member of the ISC.

Nine meetings are currently scheduled for 2019.

Board of Statutory Auditors

Composition

The current Board of Statutory Auditors was appointed by the 2017 General Meeting, which confirmed the composition of the previous board in its entirety.

The Board of Statutory Auditors holds office for three years; the term of office of the current Board of Statutory Auditors will therefore end on the approval of the 2019 financial statements.

From the majority list presented by the shareholder Mediobanca S.p.A. (approximately 13% of share capital), 2 permanent auditors (Lorenzo Pozza and Antonia Di Bella) and 1 alternate auditor (Francesco Di Carlo) were elected.

From the minority list presented by a number of institutional investors under the aegis of Assogestioni (1.63% of share capital), the chair of the Board of Statutory Auditors (Carolyn Dittmeier) and 1 alternate auditor (Silvia Olivotto) were elected.

The minority list declared the absence of direct and/or indirect links with the relative majority shareholder.

All the statutory auditors declared that they met the professionalism, respectability and independence requirements laid down by law and the CG Code.

The Board of Statutory Auditors met on 34 occasions in 2018; 24 meetings were held in 2017, and 35 in 2016.

Attendance was 97.1% in 2018, 97.2% in 2017 and 98.1% in 2016. 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 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 has 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). She was an independent director and chair of the control and risks committee of Autogrill S.p.A. and Italmobiliare S.p.A..

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

None.

Other positions

Independent director and chair of the audit committee in Alpha Bank AE and Senior Advisor for Ferrero SA as a member of the Audit Committee since 2016. She is also a member of the Scientific Committee of Nedcommunity, the association of non-executive directors, where she serves as coordinator of the work group on risk control and management systems.



Antonia Di Bella
Permanent Statutory Auditor

Nationality: Italian
Position held since 30 April 2014

Career

She was born in Drapia (Vibo Valentia) 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 a lecturer in Accounting and Management in Insurance on the master's degree course at the Faculty of Banking, Finance and Insurance at Università Cattolica del Sacro Cuore in Milan. She has spent her professional career first in the KPMG network, 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 head of the insurance sector at Mazars S.p.A. She has held the position of Statutory Auditor and Chair of the Board of Statutory 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., Ariston Thermo Group S.p.A., Merloni Group, Pininfarina S.p.A., ERPTech and Nuova Società di Telecomunicazioni. Independent director of Interpump Group S.p.A.. Chair of the Board of Statutory Auditors of SFP Emilia-Romagna S.c.a.r.l., BT Enia Telecomunicazioni S.p.A. and Atlanet S.p.A.. Sole statutory auditor of Yolo Group Srl and Yolo Srl.

Other positions

Member of the Steering Committee at MIRM, Master in Insurance Risk Management in Trieste, of the Insurance Technical Committee of the OIC and of the Corporate Governance and Integrated Reporting committees established by the Milan Association of Certified Accountants. She currently practices on an individual basis from her own office in Milan and is Of Counsel of NCTM Studio Legale.



Lorenzo Pozza
Permanent 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 the Bocconi University in Milan. He is a certified public accountant and an advisor for a number of enterprises in various business sectors, with experience as a company director and statutory auditor. He is the author of a number of publications on financial reports and enterprise capital value.

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

Chair of the Board of Statutory Auditors of Ariston Thermo S.p.A. and Gas Plus S.p.A., member of the Board of Directors of Amplifon S.p.A. and Rudra S.p.A., Permanent Auditor of Bracco Imaging S.p.A., Leonardo & Co. S.p.A., Merloni Holding S.p.A., Edison S.p.A. and Transalpina di Energia S.r.l.. Deputy chair of Angel Capital Management S.p.A..



Silvia Olivotto
Alternate Auditor

Nationality: Italian
Position held since 30 April 2014

Career

She was born in Varallo (Vercelli) 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 an auditor at Arthur Young (today EY 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 an auditor at Reconta Ernst & Young S.p.A. (now EY S.p.A.), where she was CFO from 2002 to 2006. 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 Statutory Auditors of Garmin Italia S.p.A., sole auditor of Expedia Italy S.r.l. and Venere Net S.r.l., permanent auditor at Leica Geosystems S.p.A., Resindion S.r.l., Sas Institute S.r.l., Smith & Nephew S.r.l., Greif Italy S.r.l. and Hexagon Geosystems Services S.p.A..



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 and 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 (now FIVELEX Studio Legale), he has worked for many years as an advisor for leading Italian and international operators on issues connected with the regulation of corporate, banking, insurance, financial markets and listed issuers. His clients include some of the leading Italian and international groups operating in the financial industry. He has worked with the main Authorities for years. He has 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

Chair of the Board of Statutory Auditors of Italmobiliare S.p.A., Equita SIM S.p.A., and Equita Group S.p.A., Regular Auditor of Mediobanca S.p.A. and Clessidra S.p.A. Member of the Board of Directors of Milano Investment Partners SGR S.p.A..

Other positions

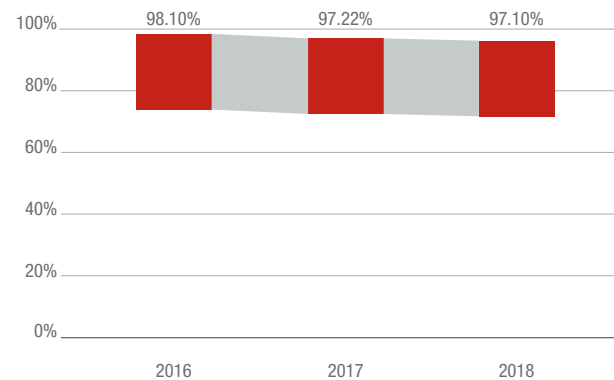
Member of supervisory boards of joint stock companies pursuant to Decree 231.

Table 3 annexed to this Report describes in detail the attendance of each member of the Board of Statutory Auditors in 2018.

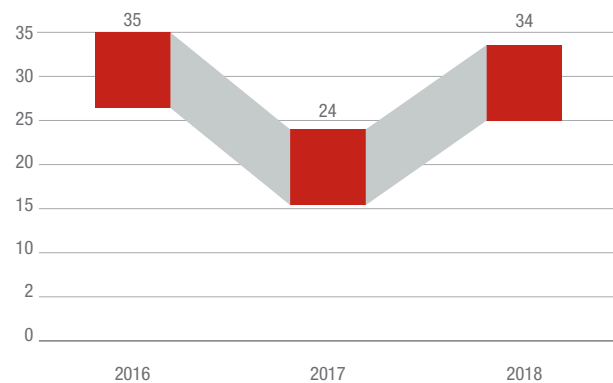
The average length of meetings in 2018 was about 3:15 hours (about 2 hours in 2017). The average attendance of statutory auditors at meetings of the Board of Directors was 95.2% in 2018, compared with 100% in the two previous years; members unable to attend always sent apologies for absence. The entire Board of Statutory Auditors always attended the General Meetings held in the last 3 years.

The average age of the statutory auditors is approximately 57 (including the alternates), while the average seniority of the current members is approximately 4.5 years.

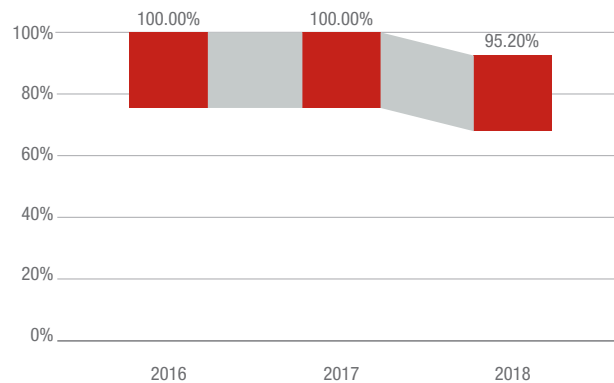
BSA: average attendance at meetings



BSA: number of meetings



BoD: average attendance of Statutory Auditors at meetings



The “**Diversity Policy**” for the members of the Company’s governing bodies includes the members of Board of Statutory Auditors. Diversity on the Board of Statutory Auditors has also been guaranteed for many years by the Articles of Association and the Fit&Proper Policy, which establish compliance with gender quotas, and respectability, professional and independence requirements for the statutory auditors. Specifically, the Fit&Proper Policy provides for the Board of Directors to assess, with the support of the GSC, the competence and respectability of the statutory auditors individually and collectively in the event of an appointment or change in the membership of the Board of Statutory Auditors, and, in any case, at least once a year.

The Policy pursues the same **objectives** as those described in the section on the Board of Directors, to which the reader is referred.

With regard to **implementation** of the Policy, in preparation for a General Meeting to appoint the Board of Statutory Auditors, the Board of Directors drafts a specific report setting out suggestions for shareholders entitled to present lists on the composition of the lists, consistently with the Policy. The report recommends that shareholders consider candidates from different age groups as well as the candidacy of an appropriate number of statutory auditors already in office, in order to optimise continuity in the management of the Board of Statutory Auditors’ activities. At least one third of statutory auditors should belong to the gender with fewer representatives; therefore, with the exception of lists presenting fewer than three candidates, the lists must contain a number of candidates to ensure an adequate gender balance. Shareholders are asked to file, together with the lists, the curriculum vitae of each candidate setting out comprehensive information on his/her professional characteristics and expertise. The Policy envisages that at collegiate level the Board of Statutory Auditors has adequate experience and knowledge at least of the market on which Generali operates, its strategy and business model, its governance system, accounting, financial and actuarial analysis and legislation. Assessment of the requirements of professionalism is conducted by the Board of Directors, with the support of the GSC, in the event of appointments or changes to the composition of the Board of Statutory Auditors, and in any case at least once a year.

In terms of the **results of implementation** of the Diversity Policy, the following should be noted:

- as regards **gender diversity**, the less represented gender is the male gender, with 40% representation (33.3%, when only considering permanent statutory auditors);
- at 31 December the average **age** of the members of the Board of Statutory Auditors was about 57;

- as regards **seniority**, the membership of the current Board of Statutory Auditors is homogeneous, as all the members have been in office for about three and a half years;
- in terms of **professional competences, educational and professional background**, the Board of Statutory Auditors presents a varied range of professional characteristics, also as regards international experience, with members offering competences in auditing, financial auditing, and experience in academia and the liberal professions.

Appointment and replacement

Persons may not be elected as statutory auditors 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 *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;
- 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 that 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 vote for) one list only; 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 ("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 ("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.

The Fit&Proper Policy, which sets out compulsory standard minimum requirements of professionalism and respectability, also applies to the members of the Board of Statutory Auditors. The assessment at both individual and collective level is conducted by the Board of Directors.

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, presenting the result of the verification in the Report.

The current Board of Statutory Auditors duly performed this review in February 2019 to establish whether its permanent members met the independence requirement set by the CG code. It was found that the requirement was met, and the Board of Directors was notified accordingly.

In February 2019, the Board of Statutory Auditors conducted an independent self-assessment on the suitability and adequacy of its composition.

On 20 February 2019, the Board of Directors also verified compliance with the requirements of professionalism, respectability and independence set by law and by the Fit&Proper Policy.

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, under the traditional administration and control model adopted by Generali, the tasks of monitoring compliance with the law 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, where 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.

With regard to training and updates for the statutory auditors, in the early months of 2019, update and discussion sessions were held on the impact of the future application of the IFRS 9 and IFRS 17 accounting standards and IT impacts in the insurance sector ("Insurtech"). In 2018 the statutory auditors took part in the Strategy Days.

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 needs associated with the tasks performed, dedicated support is supplied by the Corporate Affairs unit.

The Board of Statutory Auditors has power to supervise the independence of the External Auditors (as well as

proposing their appointment), with an obligation to check 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 may also 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 2018 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 2018 will be illustrated in the annual report submitted to the 2019 General Meeting called to approve the 2018 financial statements. In the same report the Board of Statutory Auditors will report on the checks conducted on the implementation of the corporate governance rules laid down by the CG Code.

In February 2019, the Board of Statutory Auditors adopted an internal regulation to govern the organisation of its operations.

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 Generali transaction, either on their own account or on behalf of third parties. The pre-requisites for such reports never arose in 2018.

Remuneration

The remuneration of the Board of Statutory Auditors is submitted 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 the statutory auditors, 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.

Pursuant to s. 123-ter of the CFBA, the general remuneration policy also covers the remuneration of members of the Board of Statutory Auditors. It is illustrated in the specific report approved by the Board of Directors, after consultation with the ARC, and will be presented for the scrutiny and approval of the 2019 General Meeting.

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



[Details in the Remuneration Report](#)

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. (now EY S.p.A.).

That company, which must be registered in a special register held by CONSOB, is 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 it consider open to criticism, 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 law provides that the appointment be for a term of 9 financial years and may be re-assigned to the same firm

after at least 3 financial years have elapsed from the date on which the previous appointment ended.

The audit manager must be replaced after 7 financial years and may not be reappointed in that capacity, even on behalf of another firm of external auditors, or with reference to the financial statements of subsidiaries, associates 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 appointment may be revoked before the expiry date, on the substantiated proposal of the Board of Statutory Auditors, only for just 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 annexed 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. The external auditors also conduct a limited assurance on the consolidated non-financial declaration pursuant to lgs.d. no. 254/16.

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



Internal control and risk management system

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Internal control and risk management system

Generali's Internal Model

The Internal Control and Risk Management System (ICRMS or System) is an essential component of the Company's organisational, administrative and accounting structure. It was formulated in accordance with the Solvency II directive - including the guidelines and delegated acts issued by EIOPA - and the statutory and regulatory provisions that transposed the directive 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 may therefore be used to compute the SCR at Group level and at the level of the main Business Units for the Italian, German, French and Czech companies. In November 2018 the Regulator approved extension of the use of the PIM to compute the SCR at Group level and at the level of the main Business Units for the Austrian companies, and at Group level for the Swiss companies. Further details may be found in the Group Risk Report.

Also during 2018, in compliance with Solvency II, the related Group internal policies were updated or defined with the following aims:

- to regulate the ICRMS, establishing the roles and responsibilities of the corporate units to which the Key Functions are assigned;
- to establish the processes associated with management of individual risks (investment, underwriting, concentration 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 the dissemination, at GHO and throughout the Group, of the internal control culture and on raising awareness of how the ICRMS operates.

Although Generali is no longer classed as a systemic organisation, in 2018 the Group again confirmed its monitoring by updating the Systemic Risk Management Plan,

the Liquidity Risk Management Plan and the Recovery Plan, the latter in light of the recent provisions of IVASS Regulation no. 38/2018 regarding strengthened emergency plans.

The System

The ICRMS is the set of company rules, procedures and structures that ensure the effective operation of the Company and the Group; and identify, manage and monitor the main risks to which they are exposed, also having regard to Generali's role as parent company of an insurance group. The efficacy of the System ensures the correct operation of the business mechanisms, compliance with law and the reliability of all the information disclosed to the market through the governing bodies.

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

At a meeting on 12 December 2018, with the favourable opinion of the GSC, the Board of Directors defined the Generali "strengthened" corporate governance model – also in Generali's capacity as the last Italian controlling company pursuant to s. 210.2 of the CAP. This model, which in practice Generali has already applied for some time, implies elements such as the non-executive status of the Chair, the existence of the RCC and a remuneration committee, the effective and efficient performance of the Key Functions by specific organisational units (that are separate from the operating functions and not outsourced), assigned to competent parties. The model provides further indications with regard to the remuneration policy, for which reference should be made to the Remuneration Report.



Generali Internal Regulation System (GIRS), pp. 34-35

REGULATORY BOX

The Private Insurance Code and IVASS Regulation no. 38/2018 are the main regulatory references for corporate governance and the internal control and risk management system of Italian insurers. Since the new Solvency II regime came into effect on 1 January 2016, Italian insurance legislation has evolved, to take the EIOPA “Guidelines” and Regulation no. 38 into account.

The current provisions of insurance legislation, the CFBA and the CG Code have further defined the tasks and responsibilities of the various players of the corporate organisational structure.

The Company applies this legislative framework through its own internal regulations, based on the Generali Internal Regulation System (GIRS – see p. 34) and other sources, including the “Regulation of the Board of Directors and the Advisory Committees”.

Roles and responsibilities

Each player in our organisational and corporate governance 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 competences are well defined, implemented and monitored, and where procedures for coordination among the parties involved are clearly delineated and easily identified.

Board of Directors

The Board of Directors is the leading player in the organisational structure and the System, with 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 activities. In 2018, the assessment of the adequacy and efficacy of the ICRMS was performed in March with reference to the second half of 2017, and in July with reference to the first half of 2018; the assessment relating to the second half of 2018 was conducted in March 2019. The results of all the assessments were deemed favourable, in agreement with the RCC.

One of the main elements of the ICRMS is the internal audit activity plan, which the Board of Directors approves annually after consulting the Board of Statutory Auditors and the ICRMS Director: the Board of Directors approved the plan in 2018.

In performing its tasks, the Board of Directors ensured that the System enables identification, evaluation (including forward-looking evaluation) and risk control, including control of risks deriving from non-compliance with laws and from

prejudicial facts, in order to safeguard the Company’s assets, also with a view to medium/long-term sustainability. The System has been extended to Generali’s subsidiaries, who take account of any specific requirements of their national legislation in applying it.

The Board of Directors examined the opinions and reports received from the other System players. Coordination of the ICRMS players was pursued not only by means of reports to the Board of Directors and the Board of Statutory Auditors by the chair of the RCC and the regular attendance of the Board of Statutory Auditors at the meetings of the Board of Directors, but also by attendance at the meetings of the Board of Directors and the RCC by the heads of the units responsible for the **4 Key Functions**, for their areas of competence (for further details see the section on the Key Functions later in this chapter) and, systematically, by the MPFR.

There is also continuous dialogue between the Board of Statutory Auditors and the units responsible for the Key Functions, who 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;
- making decisions, on the proposal of the ICRMS 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 2018, as in previous years, the External Auditors did not

consider it necessary to submit a suggestions letter; the report on the fundamental issues that emerged during their audit was supplied by E&Y S.p.A. to the Board of Statutory Auditors on 27 March 2018, and presented to the RCC and the Board of Directors for matters within their spheres of competence, 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 the third chapter entitled Corporate Governance players) and the “Information compendium” attached to the Report (available on the Website).

Risk and Control Committee

The Risk and Control Committee (RCC) performs advisory, recommendatory and preparatory functions for the Board of Directors on the subject of internal controls and risk management. In particular, it 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 that come to the notice of the Board of Directors.

On 28 April 2016, the current Board of Directors set up an independent Related-Party Transaction Committee – which is also an important component of the system – to replace the previous RCC sub-committee of the same name.

To ensure regular, timely exchanges of information relevant for the performance of their respective tasks, the Group CEO (who is also the ICRMS Director), the MPFR, the Board of Statutory Auditors and the heads of the units responsible for the 4 Key Functions systematically attend RCC meetings.

For further details about the RCC, see the section *The five Board committees* (in the third chapter *Corporate governance players*) and the “Information compendium” (available on the Website).

Director in charge of the internal control and risk management system

The Board of Directors has assigned the role of ICRMS Director to the Group CEO: in this capacity, he identifies the main business risks, taking account of the characteristics of the activities performed by the Company and its

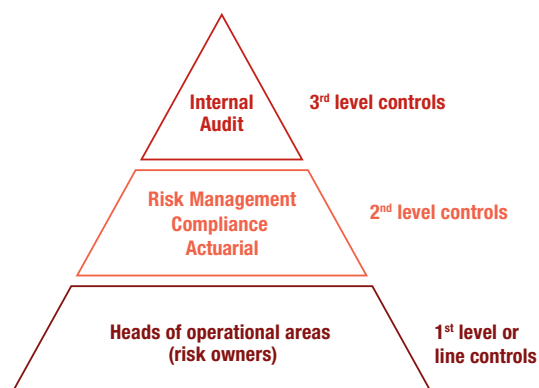
subsidiaries, and periodically submits them for examination by the Board of Directors; implements the directives set by the Board of Directors, by organising the design, implementation and management of the ICRMS, and regularly verifying its adequacy and efficacy; and adapts the System to changing operating conditions, laws and regulations.

In his capacity as ICRMS Director, the Group CEO may ask Group Audit to audit specific areas and check 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. The Group CEO also reports promptly to the RCC and the Board of Directors on issues or critical factors that emerge in the performance of his activities or come to his notice, so that the necessary measures may be taken.

Key Functions

Under the System, all Company units have a clear position within the “3 lines of defence” to which they belong respectively:

- the operational areas, including the MPFR, responsible for conducting line **controls** (or **first-level controls**);
- the risk management, compliance and actuarial units, responsible for **second-level controls**;
- the internal audit unit, 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 of introducing suitable controls, in compliance with the organisational, administrative and accounting structure, and with the 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 under 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 greater detail later in this chapter) 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 preparation of the annual and consolidated financial statements and all other financial disclosures.

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 these controls is assigned to three GHO organisational units (Group Actuarial, Group Compliance and Group Risk Management), which have no operational duties and are devoted solely to guaranteeing effective risk control. To ensure that these units have the necessary independence, their heads report directly to the Board of Directors.

The **third-level controls** are assigned to Group Audit, which monitors and assesses the efficacy and efficiency of the ICRMS. Group Audit is characterised by strong independence from the business and a high degree of autonomy; the head of the unit does not depend hierarchically on any head of an operational area, but is answerable directly to the Board of Directors and reports to its chair.

The role, responsibilities and organisational position of the 4 units responsible for the Key Functions, second- and third-level controls and the relationships between these GHO units and their local counterparts are established by specific Group policies.

Risk management function

The table below sets out the Group risks map, approved by the Board of Directors and compliant with Solvency II.

Group risks map					
Risks covered by the Partial Internal Model					
Internal Model				Standard Formula	
Financial risks	Credit risks	P&C underwriting risks	Life underwriting risks	Operational risks	Non-quantifiable risks
Interest Rates	Spread Broadening	Pricing	Catastrophe Mortality		Liquidity
Interest-rate Volatility	Credit Default	Reserving	Non-Catastrophe Mortality		Strategic
Share Price	Counterpart Default	Catastrophe	Longevity		Reputation
Share Volatility		P&C Surrenders	Morbidity/Invalidity		Emerging
Real Estate			Life Surrenders		Contagion
Currencies			Expenses		Intragroup transactions*
Concentration			Disease Catastrophes		Concentration*
			Disease Claims		Risk Interdependence*

* Risks of significance only at Group level.



The risk management function is assigned to the GHO **Group Risk Management** unit, headed by the Group CRO: the unit assists the Board of Directors and top management in formulating risk management strategies and in establishing and measuring monitoring tools, and provides the information required to evaluate the soundness of the ICRMS as a whole through a reporting system. The role and position of the Risk Management unit is defined in the Group risk management policy, on the basis of the “Group Corporate Governance System Directives”. In particular, the Group CRO:

- assists in establishing the risk management policy and supports the definition of the risk strategy, the solvency objective and risk tolerance;
- establishes risk assessment criteria and methodologies and the outcome of assessments, subsequently notified to top management and the Board of Directors;
- supports the Board of Directors with regard to risk management on strategic issues, M&A transactions, significant projects and investments and, more generally, pursues the integration of risk management with decision-making;
- proposes risk limits to be assigned to the operational units with regard to 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 for updating the risk strategy, risk propensity and risk tolerance within the *Risk Appetite Framework (RAF)* and for the ORSA.

To ensure a consistent uniform approach within the Group, the Group CRO coordinates and monitors the adoption of the risk management Policy at Group level, depending on the nature and complexity of the risks run, in line with the GIRS and subject to any adaptations required by the laws in the countries where the Group companies operate. 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, and the processes and procedures designed to ensure effective risk management and mitigation, on the basis of the risk propensity and risk tolerance established in the RAF;
- the principles governing the preparation of the ORSA Report at Group level.

Risk reporting is coordinated by the Risk Management unit of the parent, to ensure an agreed structured system that takes account of changes required by local laws and the business models of the individual Group companies.

At parent company level, in addition to the ORSA Report and the report on changes in the risk profile and compliance with risk tolerances, the function also provides information about the general soundness of the risk management system as required by the applicable regulations and further established under 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 individual Group companies who assist monitoring of correct implementation of the System in accordance with Group policy. Group management and coordination activities envisage a solid-line reporting model between the Group CRO and the CROs at the various levels.

To reinforce coordination and sharing of best practices at Group level a Group Risk Council has been instituted; its members are the Group CRO (supported by the main unit heads at GHO level) and the CROs in the Business Units.

In 2018, in addition to planning the activities presented to the RCC, the Group CRO reported regularly to the Board of Directors, including through the RCC, on business trends and on risk management methods and models.

Compliance checking function

The need to operate in compliance with statutory and regulatory provisions and the principles laid down by the Group Code of Conduct is an integral part of the culture of our business organisation, which is required to introduce controls at every level in order to prevent the risk of penalties, pecuniary losses or damage to reputation arising from non-compliance with laws, regulations or rulings of the Regulators or with CG codes (compliance risks).

Within the System the GHO **Group Compliance** unit is responsible for ensuring that the ICRMS is adequate to protect the Company and the Group from such risks.

More specifically, Group Compliance pursues the following main objectives:

- to support the Board of Directors in the field of compliance with legislative, regulatory and administrative provisions;
- to assess the possible impacts on the Company's business of legislative changes;
- to identify and assess compliance risks;
- to help preserve the Company's integrity and reputation;
- to consolidate awareness of compliance, transparency and responsibility to Generali's stakeholders;
- to support the Company's operations and business in order to create a sustainable competitive advantage, integrating compliance risk management into everyday activities and strategic planning;
- to assess the appropriateness of the compliance risk management system with respect to the size, complexity, structure and business of the subsidiaries.

In the pursuit of its objectives, Group Compliance takes an approach based on risk materiality, assessed for both Assicurazioni Generali and the Group with the same risk assessment methods. At its meeting on 31 January 2018, as required by current regulations, the Board of Directors approved the Group Compliance unit's Compliance Plan, previously examined by the RCC on 26 January 2018.

The head of the unit consequently reported regularly to the Board of Directors, also through the RCC, on the activities performed and the Group's exposure to non-compliance risks. Group Compliance also supervised the correct management of related-party transactions.

Actuarial function

Within the second line of defence of the ICRMS, this function is assigned to the GHO unit known as **Group Actuarial Function**, whose main responsibility is to coordinate, monitor and validate calculation of the technical reserves as required by Solvency II. In addition to its tasks relating to the technical reserves and in line with the provisions of Solvency II, the function is required to express an opinion on the underwriting policy and on reinsurance agreements. It also contributes to the effective implementation of the ICRMS, in collaboration with the Risk Management unit.

Consistently with the organisational model established by the Board of Directors, the Actuarial Function is positioned in the area of the Group CFO to guarantee effective coordination of calculation of the technical reserves. To ensure operating independence, the head of the function reports to the Board of Directors, on matters of competence, to which s/he has independent direct access. The Board of Directors itself ensures that the independence of the head of the function is preserved and that conflicts of interest are adequately managed when establishing the objectives of the head of the Actuarial Function, which are not related to company performance.

To guarantee a consistent uniform approach inside the Group, the Group Actuarial Function Policy establishes the organisational model for the Actuarial Function (at local level and Group level) and the main roles and responsibilities, in accordance with Solvency II. Each Group company is required to apply the policy guidelines, subject to adaptations required by local legislation. Reporting lines between the local units and GHO have been established to provide the GHO unit with appropriate information to support its activities.

In this context, under Solvency II, the head of the Group Actuarial Function is required to present the Board of Directors with an opinion, on at least an annual basis, on the adequacy of the technical reserves calculation, on underwriting policy and reinsurance agreements, highlighting any weakness and, if necessary, making recommendations on solutions. In 2018 the head of the function presented his opinion to the Board of Directors, with regard to both the Group and the Company. He also drew up the Group Actuarial Function Plan, which was approved by the Board of Directors on 31 January 2018, after examination by the RCC.

Internal audit function

The internal audit function is assigned to the independent GHO unit known as **Group Audit**, set up by the Board of Directors to perform assurance and advisory tasks. It assesses and monitors the efficacy, efficiency and adequacy of the internal control system and the additional components of the corporate governance system, as well as any necessary adjustments, also providing support and consultancy for the other company units. It takes a systematic professional approach – to assess control, risk management and corporate governance processes – on the basis of the internal Code of Conduct and profession-

al ethics, consistently with the professional standards established by the Institute of Internal Auditors.

The Group Audit manager, who meets the respectability, professionalism and independence requirements laid down by law, maintains a constructive, useful and transparent relationship of cooperation with the Regulator. He also ensures that the unit is adequately staffed and technologically equipped, and that its personnel are suitably qualified to perform their tasks professionally and correctly.

The Group Audit manager does not report hierarchically to the head of any operational area; internal audit activities are not subject to any type of interference from the company organisation, and maintains full autonomy and objective judgement in identifying, planning and executing processes to be audited and reporting on results.

Internal Audit staff are not assigned operational tasks in the Company areas under audit. Consequently, they cannot be involved in implementing controls, establishing and implementing Company procedures and systems, or performing any other activities that might affect their independence of judgement.

There are no limits on the scope of internal audit activities. Group Audit is responsible for the confidentiality and protection of corporate data, and has full and prompt access to all organisational units and to documentation relating to the areas being audited. All employees are required to support Group Audit in performing its roles and responsibilities. In this respect, to guarantee the unit's independence, the Group Audit manager may interact directly with the Board of Directors and the Board of Statutory Auditors.

To ensure a uniform approach and rapid identification of any critical areas in the Group, on 18 June 2018, after consultation with the RCC, the Board of Directors confirmed the existing Group Audit Policy. Under this Policy, the heads of the local internal audit units report to their respective Boards of Directors as well as to the

Group Audit manager, through the heads of the internal audit units of the individual Business Units, in compliance with local laws and regulations. This hierarchical reporting system ensures adequate independence from operational management, and a more effective communication flow to the parent company. It includes responsibility for the correct sizing of the local audit units, assessment of attainment of targets, the review of the Audit Plan and the method to be used and organisational structure to be adopted (in terms of recruitment, appointment, dismissal and remuneration of the head of the internal audit unit).

At least once a year, the Group Audit manager submits an Audit Plan to the Board of Directors, subject to the opinion of the RCC, setting out the audits planned for the coming year and the resources required. The Plan also includes checks on the reliability of information systems and accounting systems and is drawn up on the basis of identification of priority areas for audit, using a risk-based method and considering any suggestions from management and the Board of Directors. Before the Plan is presented to the Board of Directors, it may be discussed with the relevant management; it may be revised 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 review of the Plan as part of the regular reporting process. The 2018 Audit Plan was approved by the Board of Directors on 31 January 2018, after examination by the RCC, and was most recently reviewed on 7 November 2018.

At the end of each audit activity, the Group Audit manager or his/her representative draws up an audit report and sends it to the appropriate recipients. The Board of Directors is informed immediately if any significant anomalies or critical factors are found. Audit reports include management's replies regarding identification and planning of the corrective measures required to remedy the problems identified. Group Audit ensures proper monitoring of the anomalies identified and the agreed corrective measures.

Group Audit may also perform advisory activities on issues relating to governance, risk management and control, as well as special unplanned activities specifically requested by the Board of Directors, management or the Board of Statutory Auditors. It is also responsible for reporting situations involving significant exposure to risks and also weaknesses in controls (including the risk of fraud or shortcomings in the corporate governance system). It is also required to report to the Board of Directors on any other issue of interest.

The Group Audit manager reports at least on a quarterly basis to the RCC, submitting a summary of audit activities performed and the weaknesses or shortcomings found during the quarter and the progress made in implementing the corrective measures agreed with management. After examination by the RCC, the summary is forwarded to the chairs of the Board of Directors and the Board of Statutory Auditors, and to the ICRMS Director. Should particularly serious events occur within the normal reporting cycle, the Group Audit manager immediately informs management, the RCC, the Board of Directors and the Board of Statutory Auditors.

In addition, as part of the summary on the assessment of the adequacy and efficacy of the ICRMS - with which the RCC reports, at least every six months, to the Board of Directors on activities performed and the adequacy and efficacy of the ICRMS at Group level - the Group Audit manager provides information on their activities, on how risk management was conducted, on compliance with risk-containment plans and on the adequacy of the ICRMS itself.

Group Audit develops and supports a quality assurance and improvement programme covering all aspects of internal audit activities. This programme includes an assessment of the compliance of internal auditing with the "Group Audit Methodology Manual", the "Internal Audit Definition" and the "international Standards"; it also checks compliance with the Generali Code of Conduct by the internal auditors. The program assesses the effi-

ciency and efficacy of internal auditing and identifies opportunities for improvement. The Group Audit manager reports to the RCC and management on the results of the quality assurance and improvement programme, which provides for an external audit to be performed at least every five years.

Board of Statutory Auditors

As already mentioned, under current law, the Board of Statutory Auditors oversees compliance with legislation and the Articles of Association and monitors correct administration and the adequacy and functioning of the organisational, administrative and accounting systems.

The Board of Statutory Auditors attends the meetings of the Board of Directors and of the five Board committees (ARC only on remuneration matters), exchanges information with them on a regular and timely basis for performance of their respective tasks.

With regard to the internal control system, the responsibilities of the Board of Statutory Auditors include issuing an opinion on:

- the Group Audit Plan;
- the appointment and revocation of the Group Audit manager, the adequacy of the resources assigned to him/her and his/her remuneration.

The Board of Statutory Auditors also monitors the work of the independent auditors regarding the issue of the additional report envisaged by law.

The Board of Statutory Auditors duly exercised these powers in 2018: for this purpose, it interacted with all the corporate units that perform control tasks. In this context, it may ask Group Audit to audit specific operational areas or Company operations.

For further information, see the section on the Board of Statutory Auditors in the third chapter *Corporate governance players*.

Manager in charge of preparation of the Company's financial reports

Pursuant to s.154-*bis* of the CFBA, on 31 July 2018, the Board of Directors appointed the Group CFO Cristiano Borean as Manager in charge of preparation of the

Company's financial reports (MPFR), having ascertained that he possessed the required experience in administration, finance and control, and met the respectability requirements that the Board of Directors is required to monitor periodically. Cristiano Borean replaced Luigi Lubelli, who held the post until 31 August 2018.

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 regarding disclosure of the listed issuer's accounts.

Additionally, art. 40 of the Articles of Association states that the MPFR is to be chosen from candidates with adequate experience of administration, finance and control in companies of significant size or in professional practice, who 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.

In order to perform his/her 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 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.

While exercising its supervisory activities, should the Board of Directors consider that the powers and resources allocated to the MPFR are insufficient for the exercise of his/her statutory duties, it adopts 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

Periodical disclosure to the market

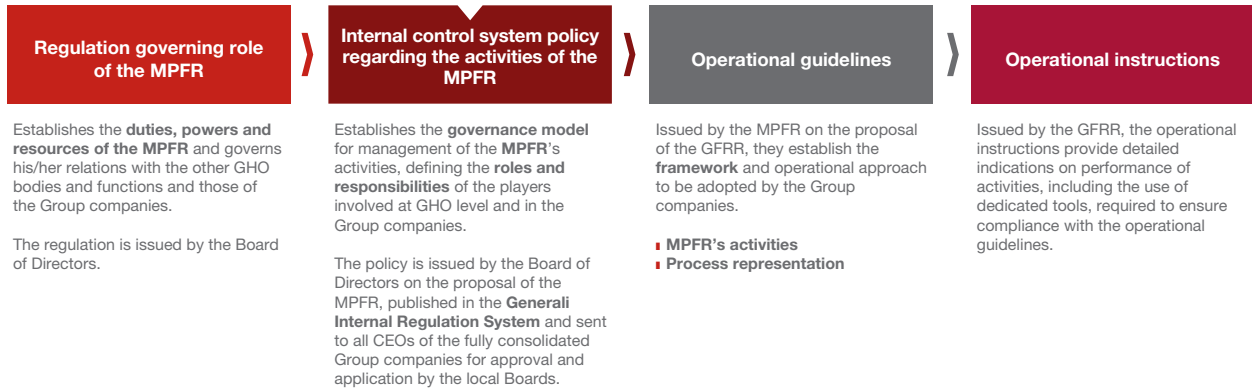
The MPFR contributes to the efficacy of the overall system of internal control over financial reporting.

The objective of identifying, evaluating and controlling the financial reporting risk¹, to which the Company and the Group are exposed and establishing appropriate administrative/accounting procedures, is pursued through application of a specific organisational structure (governance) and a financial reporting risk (framework).

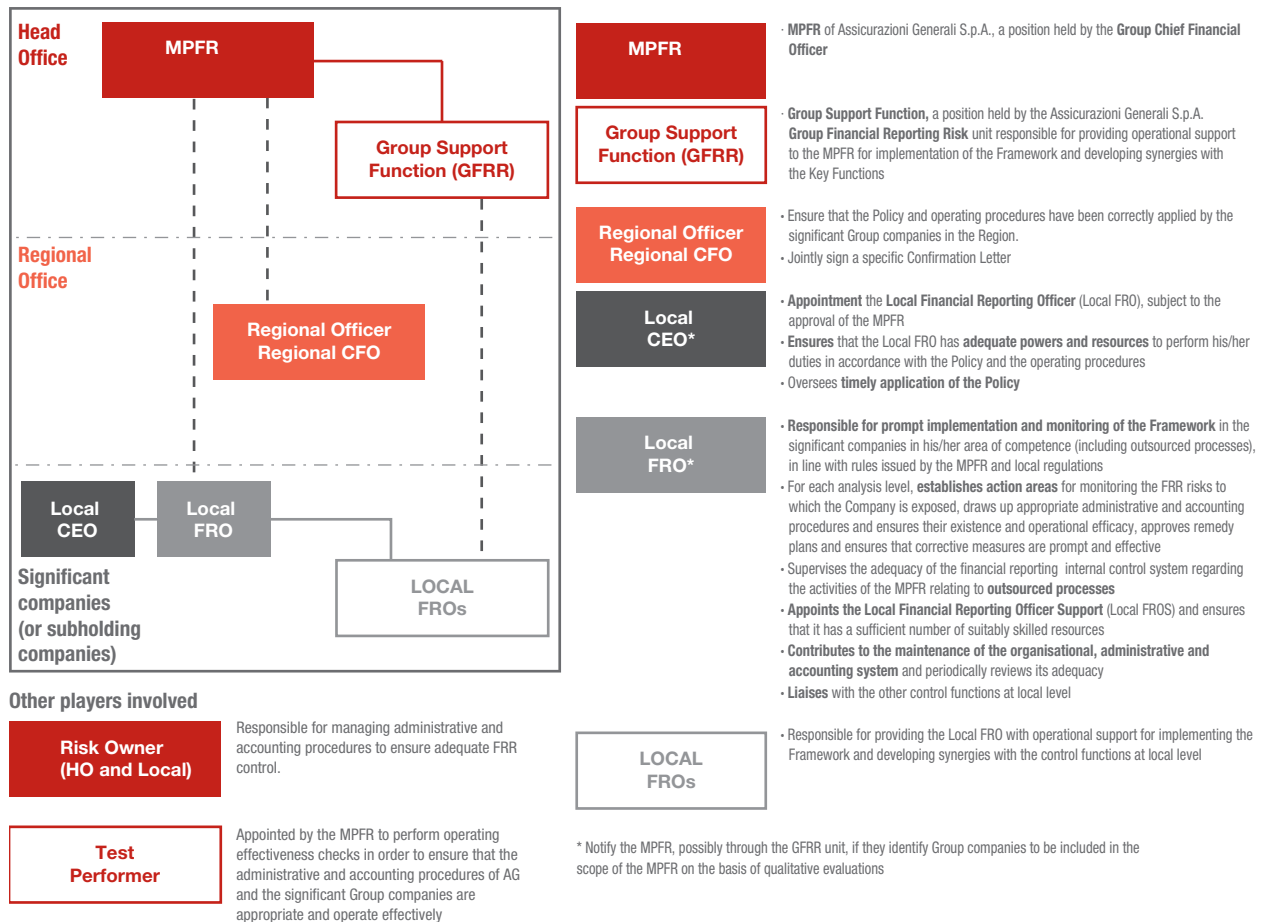
The related documents are consistent with the instructions contained in the "Group Directives on the internal control and risk management system", as detailed in the chart below:

¹ The term "financial reporting risk" is the risk of incorrect accounting of data generated by a company transaction, leading to untrue and incorrect representation of the Company's assets and liabilities, operations and financial situation in the separate financial statements, in the annual and half-yearly consolidated financial statements and in all other financial disclosures.

Group directives on the Internal Control and Risk Management System



To provide a comprehensive overview of the subject, the chart below illustrates the MPFR's governance model for the Group companies included in the financial reporting scope².



² The "Scope companies" are companies that, with regard to application of the ratios between assets, revenue and profits of the individual companies and the respective consolidated totals, exceed given thresholds consistent with best market practice. In particular, in the 2018 financial year, the Scope Companies represented over 90% of total consolidated assets.

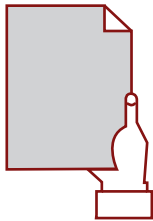
A structured set of policies, guidelines and operating instructions has been prepared to give the Group companies suitable tools to guarantee application of the Framework.

With the support of the relevant organisational units, the Local Financial Reporting Officer (Local FRO) checks and guarantees that the financial reports supplied to GHO correspond to the entries in the books and accounts and comply with the accounting standards and methodologies adopted by the Group, in accordance with the applicable legislation; s/he also checks that the financial

reporting submitted in general to GHO provides a true and correct representation of the assets, operations and financial situation of the company/ies, including evaluations of the main risks and uncertainties. The Local FRO provides the scope companies with suitable administrative and accounting procedures for the financial reports supplied to GHO for the preparation of the consolidated financial statements and all other financial communications.

The framework was established in line with best practice³ and a gradual implementation plan has been drawn up.

Confirmation Letters



Scope of application

Quarterly certificates signed by the CEOs and CFOs, or personnel in equivalent positions, of all the Group companies and by the CEOs and Local FROs of sub-holdings (if any), certifying that:

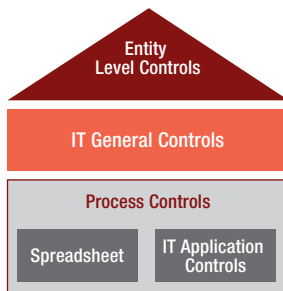
- the report on the representation of the business, financial and capital situation of the Group companies is complete, timely, accurate, truthful and compliant with the accounting standards and Group methods;
- complies with the applicable legislation and the Generali Group's accounting manual;
- the corresponding administrative and accounting procedures, internal control on financial disclosures 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 the Regional CFOs.

All the fully consolidated Group companies

Analysis levels



Scope of application

Entity Level Controls

Controls that operate at company level 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, adequate policies, etc.).

IT General Controls

Controls operating at company level, specifically associated with the Information Technology management processes supporting execution of company processes.

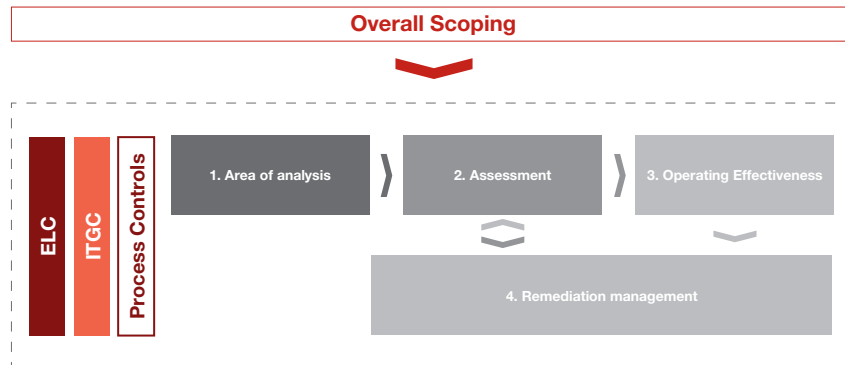
Controls operating at company procedure level (IT and other procedures), whose execution shows that adequate administrative and accounting procedures are in place to ensure effective internal control over financial reporting. They include:

- *Spreadsheet*: files produced with individual IT tools (e.g., office automation software), used to support or run process-level controls (e.g., generation or inputting of accounting data);
- *IT Application Controls*: automatic procedures implemented in specific IT applications operating at process level.

Group companies considered significant for MPFR purposes on the basis of quantitative and qualitative criteria

³ 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 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 the ITIL and by ISO/IEC 27001.

The framework consists of a series of steps that determine the operational approach for the assessment of administrative and accounting procedures on closure of the annual and half-yearly financial statements:



Overall scoping is determined on the basis of the accounts in the consolidated financial statements classed as significant, determining for each scope company the corporate processes with a potential accounting impact on said accounts, and all the corporate processes directly

related to the account closing activities for a specific period. The scope is integrated by considering qualitative factors relating to the risk profiles arising from factors internal and external to the companies, and is reviewed at least annually, depending on changes in the Group structure.

Overall Scoping

Operational approach

The preliminary stage, conducted at least once a year by GFRR, to identify the Group companies of significance for the purposes of the MPFR, and the significant accounts to be analysed. For each analysis level (ELC, ITGC and Process Control), the significant companies must implement the following activities:

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 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

4 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 Company's ICRMS, the financial reporting risk model involves the governing bodies and the operational and control units in integrated management, compatibly with the different levels of responsibility, to ensure the adequacy of the model at all times.

The MPFR reports periodically to the Board of Directors, also through the RCC, on the activities performed in the exercise of his/her functions, and did so in 2018.

Ongoing and extraordinary disclosure to the market: Group Policy governing management and public disclosure of the Generali Group's insider information and share trading transactions

In implementing the EU market abuse regulations, the Company has updated its internal regulations, providing the Group with guidelines and fundamental principles to be followed to prevent market abuse. The Group Policy envisages practical rules designed to identify and manage material information and insider information concerning, directly or indirectly, issuers in the Group and other issuers (not belonging to the Group) or their financial instruments.

The Company's internal regulation sets out rules for the identification⁴ and management of insider information, and also regulates public disclosure of such information, the management of the *Insider list*, internal dealing (transactions by relevant parties on financial instruments issued by the Company) and obligations associated with market surveys.

As an issuer, Generali is required to form, maintain and constantly update a List of people who have access to insider information and process it by virtue of the functions

they perform in the course of their professional activities.

The Group Policy governs the criteria for the keeping and management of the List, which is the responsibility of the head of the Corporate Affairs unit in his/her capacity as List manager.

Internal dealing regulations

With a resolution carried on 18 June 2018, the Board of Directors updated the Company's Market Abuse Policy. The section on internal dealing regulates market disclosure requirements and the limits on material transactions performed by internal dealers and persons closely associated with them, in accordance with current legislation.

At present, Generali "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) the members of the GMC;
- (iv) the other first reporting lines of the Group CEO, excluding their staff;
- (v) anyone holding at least 10% of the share capital or a controlling interest in Generali.

"Persons Closely Associated with the Relevant Persons" are those indicated in Regulation (EU) no. 596/2014 of 16 April 2014 (see the REGULATORY BOX below).

Prior to specific Company events, blocking periods are imposed during which internal dealers are prohibited from conducting transactions on material financial instruments.

Transactions conducted by Relevant Persons are detailed in the Governance section of the Website.

⁴ The market abuse policy also provides for the involvement of an ad hoc advisory committee – composed of the Group CFO, the Group General Counsel, the head of Corporate Affairs, the Group Compliance Officer and the Group Supervisory Affairs & Group Entities Corporate Matters manager – which may be asked to give an opinion on the designation of a piece of information as "Insider Information", in accordance with current market abuse legislation, in the event of doubts among those assigned to classify information.

REGULATORY BOX

Art. 3.1 (26) of **Regulation (EU) no. 596/2014** defines Persons Closely Associated with the Relevant Persons as one of the following: (a) a spouse or a partner considered equivalent to a spouse under national law; (b) a dependent child pursuant to national law; (c) a relative who has shared the same home for at least one year on the transaction date; (d) a legal person, trust or partnership, whose managerial responsibilities are discharged by a person with administrative, control or management functions or a person as defined in heads a), b) or c), or directly or indirectly controlled by such a person, or formed for the benefit of such a person, or whose economic interests are substantially equivalent to the interests 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 RPT Procedures comply with s. 2391-bis of the Civil Code and the RPT Regulation, which enacts the law. They 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 its benefits and substantive correctness. The opinion given is binding for all transactions of major importance, and those of minor importance that 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.

The full text of the RPT Procedures is published in the Governance section of the Website.

Organisational and Management Model (OMM) and Surveillance Body (SB)

The Generali Organisational and Management Model (OMM or “Model”) adopted pursuant to Decree 231/2001 was approved by the Board of Directors in its current form on 11 May 2016.

In 2018, updating began of the Models of the parent company and some of the Group’s Italian companies, and with some international subsidiaries, in order to enact the recent amendments to Decree 231 and the organisational and/or operational changes that have been introduced. The parent company informs its subsidiaries of the policies it has adopted in relation to developments in legislation, case law and the reference guidelines, indicating the general criteria with which subsidiaries can comply.

Generali’s OMM consists of a “General Part” and various “Special Parts”. The General Part is available on the www.generali.com Website, in the Governance section. Besides describing the legislative background of the OMM, the General Part illustrates the structure and objectives of the Model, describes how the SB operates, sets out the regulatory and sanctions system, and the methods for communicating, forming and updating the Model. Each one of the Special Parts contains a legislative analysis of the individual offences governed by Decree 231, and the general principles of conduct to be followed in all areas at risk of an offence being committed, and the “principles of preventive control” to be applied in each area.

Our OMM also establishes the controls applicable to recipients including those operating in our international offices, taking account of the specific risks associated with their activities.

<p>Special Part A</p>	<p>ss. 24-26 - Crimes against the Public Administration</p>	<p>Special Part D</p>	<p>s. 25-<i>octies</i> - Crimes of handling stolen goods, money laundering and use of money, assets or other values of illicit origin, and self-laundering</p>
<p>Special Part B</p>	<p>s. 25-<i>decies</i> - Crimes of inducement not to make statements or to make false statements to the judicial authorities</p>	<p>Special Part E</p>	<p>s. 24-<i>bis</i> - Computer crime and unlawful data processing</p>
<p>Special Part B-bis</p>	<p>s. 25-<i>ter</i> - Corporate Crimes E.g., hindering the exercise of the functions of the public regulators (s. 2638 civil code), misrepresentation in financial statements (s. 173-bis CFBA), etc.</p>		<p>s. 24-<i>ter</i> - Organised crime</p>
<p>Special Part C</p>	<p>s. 25-<i>sexies</i> - Market abuse Abuse of insider information (ss. 184 – 187-bis CFBA) and market manipulation (ss. 185 – 187-ter CFBA)</p>		<p>Cross-border offences pursuant to s. 10 Law no. 146/06</p>
	<p>s. 25-<i>ter</i> - Private-to-private corruption</p>		<p>s. 25-<i>bis</i> - Crimes of counterfeiting currency, legal tender, revenue stamps and identification instruments or signs</p>
	<p>s. 25-<i>septies</i> - Manslaughter or serious or grievous bodily harm, committed in breach of workplace health and safety legislation</p>		<p>s. 25-<i>quater</i> - Crimes for the purpose of terrorism or subversion of the democratic order</p>
			<p>s. 25-<i>undecies</i> - Environmental Offences</p>

In line with jurisprudence and industry guidelines, the Surveillance Body (SB) appointed for the three-year term 2016-2018 is composed of two external professionals,

Luigi Arturo Bianchi (chair) and Giuseppe Alessio Verni, and the Group Compliance Officer. The secretary of the SB is Giuseppe Catalano.

Surveillance Body



The composition of the SB guarantees that the requirements of autonomy, independence, and professionalism are met.

The Model also sets out specific indications on the subjective eligibility requirements of the SB members and regulates causes of cessation involving the whole committee or an individual member.

Group Audit supports the SB in its control activities, on the basis of a Plan approved by the SB. It may conduct additional checks and inspections, even without prior notice or prior authorisation, to ascertain possible breaches of the OMM or to ensure correct performance of its duties. The SB is also supported by a special internal unit (Unit 231).

In addition to the provisions set out in the Model, the SB has its own internal Regulation governing the exercise of its activities: operation and internal organisation, supervisory activity, management of reports and breaches, allo-

cation of financial resources (SB budget).

In 2018, the SB provided the Board of Directors with regular reports on its activities.

To ensure effective disclosure to the SB, the Model sets out a series of requirements regarding disclosure and reporting of potential breaches. As part of these information flows, the Company has a specific “Management of information flows to the Surveillance Body” protocol, which clearly illustrates the type of informations that must be sent to the SB.

In order to strengthen the system of information flows and incentivise recipients to comply with the Model and prevent the commission of crimes, the heads of the identified corporate units are also required to send to the SB an “Evidence Form”, setting out a periodical declaration of compliance with the Model for their area, as well as additional specific information regarding the activities at risk they manage.

Milan, 13 March 2019

The Board of Directors

Tables

Table 1 – Significant shareholdings in the Company

The format of this table complies with the Corporate Governance and Share Ownership Report Format recommended by Borsa Italiana (8th Edition – January 2019)

Situation as at 4 March 2019, as reflected in the Shareholders' Register principally as regards registration of payment of the dividend on 23 May 2017, supplemented with the information received pursuant to art. 120 of the CFBA and with other available information.

Declarant	Direct shareholder	% quota of the ordinary capital*
MEDIOBANCA	Mediobanca	13.041
	TOTAL	13.041
Gruppo CALTAGIRONE	Caltagirone Editore S.p.A.	0.214
	Caltagirone S.p.A.	0.204
	Capitolium SpA	0.032
	Echetlo S.r.l.	0.032
	FGC S.p.A.	0.033
	FGC Finanziaria S.r.l.	0.160
	Finanziaria Italia 2005 S.p.A.	0.256
	Fincal S.p.A.	2.115
	Fincel S.r.l.	0.201
	Gamma S.r.l.	0.407
	Mantegna 87 S.r.l.	0.319
	Pantheon 2000 S.p.A.	0.262
	Quarta Iberica S.r.l.	0.179
	So.co.ge.im. S.p.A.	0.013
	VM 2006 S.r.l.	0.575
	Francesco Gaetano Caltagirone	0.007
	TOTAL	5.009
Gruppo LEONARDO DEL VECCHIO	Delfin S.à R.L.	4.871
	TOTALE	4.871
Gruppo BENETTON	Schematrentatre S.p.A.	3.042
	TOTAL	3.042

* The ordinary capital is equal to the total amount of shares with voting rights.



For continuous updates on the Company's "Key shareholders"
www.generali.com/investors/share-information-analysts/ownership-structure

Table 3 – Board of Statutory Auditors in 2018

The format of this table complies with the Corporate Governance and Share Ownership Report Format recommended by Borsa Italiana (8th Edition – January 2019)

Role	Members	Year of birth	Date of first appointment *	Holding office since	Holding office until	List**	Independence as per Code	Attendance at meetings of Board of Statutory Auditors***	Number of other positions****
Chair	Dittmeier Carolyn	1956	30.04.2014	27.04.2017	Adop. Fin. Stat. 2019	m	X	32/34	-
Permanent Auditor	Di Bella Antonia	1965	30.04.2014	27.04.2017	Adop. Fin. Stat. 2019	M	X	34/34	12
Permanent Auditor	Pozza Lorenzo	1966	30.04.2014	27.04.2017	Adop. Fin. Stat. 2019	M	X	33/34	10
Alternate Auditor	Di Carlo Francesco	1969	30.04.2014	27.04.2017	Adop. Fin. Stat. 2019	M	X	-	6
Alternate Auditor	Olivotto Silvia	1950	30.04.2014	27.04.2017	Adop. Fin. Stat. 2019	m	X	-	9
Number of meetings held during 2018: 34									
Required percentage for the submission of lists by minorities for the election of one or more members (exs.148 CFBA): 0.5% of the share capital									

* Date of first appointment indicates the date when the auditor was appointed for the first time to the Board of Statutory Auditors of the issuer.

** "M"=majority list; "m"= minority list.

*** Number of meetings attended on the total number of meetings the auditor could have attended; e.g., 6/8;8/8, etc.

**** Number of positions as director or auditor held by the person pursuant to s. 148-*bis* CFBA and the relevant provisions of the Consob Issuers' Regulation. The complete list of positions is published by Consob on its Website pursuant to s. 144-*quinquiesdecies* of the Consob Issuers' Regulation.

Glossary and acronyms

2011 General Meeting

The Company's Extraordinary and Ordinary General Meeting held on 30 April 2011.

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 held on 27 April 2017.

2018 General Meeting

The Company's Extraordinary and Ordinary General Meeting called for 17-18-19 April 2018.

2019 General Meeting

The Company's Extraordinary and Ordinary General Meeting called for 30 April, 3 and 7 May 2019.

ALM

Asset Liability Management

ARC

The Company's Appointments and Corporate Governance Committee, formed in accordance with the recommendations of the CG Code (arts. 5 and 6).

Articles of Association

The Company's Articles of Association.

Board of Statutory Auditors

The Company's Board of Statutory Auditors.

Board Committees:

The RCC, GSC, ARC, RPTC and ISC (the latter was IC - Investment Committee until 23 January 2017).

Board of Directors or BoD

The Company's Board of Directors.

Business Units

The Business Units, which are part of the Group's organisational structure, promote local entrepreneurship and autonomies, and provide international control through the geographical areas and global lines. The 6 Business Units are: the 3 main countries (Italy, France, Germany); the Austria, CEE & Russia conglomerate; the International unit; Group Investments, Asset & Wealth Management.

CAP

Legislative decree no. 209 of 7 September 2005 and subsequent amendments and additions, known as the "Codice delle Assicurazioni Private" (private insurance code).

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 law no. 52 of 6 February 1996), in the version ruling at the date of this Report.

CG Code

The Listed Companies' Corporate Governance Code approved in July 2018 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 Board of Directors.

Chairman

The person appointed to chair the Company's Board of Directors.

Civil Code / c.c.

The Italian civil code.

Company (also Generali or parent company)

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 law no. 300 of 29 September 2000".

Directors

The members of the Company Board of Directors.

EIOPA

"European Insurance and Occupational Pensions Authority". The body responsible for supervising the European insurance market, to which all insurance authorities in the European Union belong.

External Auditors' Firm

"EY S.p.A." (formerly "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 the members of the Company's governing policy and those who hold important roles or offices. Approved by the Board of Directors, as implementation of IVASS Regulation 38/2018.

Fundamental Functions

The internal audit, compliance, risk management and actuarial functions assigned by the Company to four GHO organisational units.

General Meeting

The General Meeting of the Company's shareholders.

General Meeting Regulation

The Regulation that governs the proceedings of the Company's General Meeting.

Generali (also Company or parent company)

Assicurazioni Generali S.p.A.

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

The Global Leadership Group. The Company and Group executives who hold the positions of greatest organisational importance and with greatest impact on results and on strategy-making, 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

The Group Management Committee. The Company and Group executives with support functions for the Group CEO, who meet under the chairmanship of the Group CEO 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. The GMC members as at 31/12/2018 are shown in the diagram on page 33 of the Report.

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, the person with chief responsibility for the management of the Company and the Group.

Group CFO

The Group's Chief Financial Officer.

Group CIO and CEO Asset & Wealth Management

The Group's Chief Investment Officer and CEO Asset & Wealth Management.

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, which changed its name (to ISC) and membership on 25 January 2017.

ICRM Director

The Director formally appointed by the Company's Board of Directors 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 ascertained by the Board of Directors.

Information compendium

Accompanying document to the Report, available on the website, setting out the competences of the Board of Directors, those attributed by resolution of the Board of Directors to the other governing bodies, and a cross-reference checklist with the CG Code.

Interim financial reports

Additional periodic financial reports – previously called “Quarterly reports” – pursuant to s. 82-ter of the Issuers' Regulation.

ISC

The Company's Investment and Strategic Transaction Committee.

Issuers' Regulation

The implementing regulation of the CFBA, in the version in force as at the date of this Report.

ISVAP Regulation 39/2011

ISVAP Regulation no. 39 of 9 June 2011 (governing insurance companies' remuneration policies – abrogated after the entry into force of IVASS Regulation 38/2018).

IVASS

The Italian Insurance Supervision Institute, the regulator that supervises the Italian insurance market, to ensure its stability and protect consumers.

IVASS Regulation 24/2016

IVASS Regulation no. 24 of 6 June 2016 (governing investments and assets covering technical reserves).

IVASS Regulation 30/2016

IVASS Regulation no. 30 of 26 October 2016 (governing surveillance of intragroup transactions and concentration).

IVASS Regulation 38/2018

IVASS regulation no. 38 of 3 July (governing corporate governance systems pursuant to ss. 29-bis, 30, 30-bis, 30-quater, 30-sexies, 30-septies, 215-bis, of legislative decree no. 209 of 7 September 2005 – Private insurance code).

IVASS Regulation 42/2018

IVASS regulation no. 42 of 2 August 2018 (governing external audits of public disclosures - SFCR).

LID

Lead Independent Director. A figure contemplated by the CG Code, but not present in Generali. Under the Company's current governance structure, the Chairman is a non-executive director and does not control the Company.

List

The list of parties with access to insider information, kept by the Company and formed under the procedure adopted by the Board of Directors pursuant to s.115-*bis* of the CFBA and enacting regulations (as subsequently amended and supplemented).

Model or OMM

The Company's organisational, management and control model, as required by Decree 231.

Managing Director

The Director to whom specific powers have been delegated by the Board of Directors pursuant to s. 2381 of the Civil Code.

MPFR

The Manager in charge of Preparation of the Company's Financial Reports pursuant to s. 154-bis of the CFBA.

NFD

The Non-Financial Disclosure, pursuant to Directive 2014/95/EU and legislative decree no. 254 of 30 December 2016.

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).

Report

This "Corporate Governance and Share Ownership Report" relating to the 2018 financial year, approved by the Board of Directors on 13 March 2019.

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 regulation governing related-party transactions, adopted by the CONSOB with resolution no.17221 of 12 March 2010 and subsequently amended with resolution no. 17389 of 23 June 2010, in the version ruling 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.

RSR

The Regulatory Supervisory Report, pursuant to Solvency II.

SAA

Strategic Asset Allocation.

SB or Surveillance Body

The Company's SB or Surveillance Body, as required by Decree 231.

Secretary

The secretary to the Company's Board of Directors, Board Committees and the SCC.

S&G

The Shareholders & Governance unit, part of the Company's Corporate Affairs function.

SFCR

The Solvency Financial Condition Report, pursuant to Solvency II.

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 exercise of insurance and reinsurance activities, 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.

Shareholders

The Company's shareholders.

Shares

The shares issued by the Company.

Subsidiary/ies

The company/companies controlled directly or indirectly by Assicurazioni Generali S.p.A., as defined by the applicable legislation. Generali's governance envisages two categories of subsidiaries of strategic importance (hereinafter "strategic subsidiary"). The first category is significant for the purposes of evaluation of the adequacy of the organisational, administrative and general accounting systems; in this context, the following subsidiaries are classified 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 Deutschland A.G., Generali Deutschland Informatik Services GmbH, Generali Deutschland Schadenmanagement GmbH, Generali Deutschland Services GmbH, Generali España Sociedad Anónima de Seguros y Reaseguros, Generali España Holding de entidades de Seguros S.A., Generali Holding Vienna AG, Generali IARD S.A., Generali Investments CEE a.s., Generali

Insurance Asset Management S.p.A. SGR, Generali Lebensversicherung AG, Generali Real Estate S.p.A., Banca Generali S.p.A., Generali Personenversicherungen AG, Generali Schweiz Holding AG, Generali Versicherung AG (Vienna), Generali Vie S.A., Genertellife S.p.A., Grupo Generali España Agrupación de Interés Económico. The second category is used for the appointment of the Group's top management. For these 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 España Holding de entidades de seguros S.A., Generali Insurance Asset Management S.p.A. SGR, Generali Real Estate S.p.A., Banca Generali S.p.A., Generali Versicherung AG (Vienna), Generali China Life Insurance Co. Ltd. and Generali Schweiz Holding AG.

Top Management

Those who hold the office of Managing Director, General Manager and the senior executives who, at GHO, are the first reporting lines of the Managing Director or General Manager.

Vice-Chairman/Vice-Chairmen

The Company's Vice-Chairman/Vice-Chairmen.

Website

The Company's institutional website www.generali.com.

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