



Assicurazioni Generali

CORPORATE GOVERNANCE
REPORT



177th
year

2008

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REPORT

2008







GENERALI

Assicurazioni Generali S.p.A.

Registered Office and Central Head Office in Trieste
Head Office for Italian Operations in Mogliano Veneto
Capital (fully paid in) Euro 1,410,113,747.00
Fiscal code and Trieste Companies Register 00079760328
Company entered in the Register of Italian Insurance and
Reinsurance Companies under no. 100003
Parent Company of Generali Group,
entered in the Register of Insurance Groups

CHAIRMAN

Antoine Bernheim

VICE-CHAIRMAN

Gabriele Galateri di Genola

MANAGING DIRECTORS

(*) He acts also as General Manager

Sergio Balbinot (*) / Giovanni Perissinotto (*)

DIRECTORS

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

Luigi Arturo Bianchi / Ana Patricia Botin
Francesco Gaetano Caltagirone (**) / Diego Della Valle
Leonardo Del Vecchio / Loïc Hennekinne / Petr Kellner
Klaus-Peter Müller / Alberto Nicola Nagel (**) / Alessandro Pedersoli
Lorenzo Pelliccioli (**) / Reinfried Pohl / Kai Uwe Ricke
Paolo Scaroni / Claude Tendil

GENERAL COUNCIL

Comprising, besides the below listed elective Members, the Members of the Board of Directors and the General Managers

Giorgio Davide Adler / José Ramón Álvarez Rendueles
José María Amusatégui de la Cierva / Francesco Maria Attaguile
Claude Bébéar / Kenneth J. Bialkin / Gerardo Brogini
Giacomo Costa / Maurizio De Tilla / Enrico Filippi
Carlos Fitz-James Stuart y Martínez de Irujo / Albert Frère / Georges Hervet
Dietrich Karner / Khoon Chen Kuok / Stefano Micossi
Benedetto Orsini / Arturo Romanin Jacur / Guido Schmidt-Chiari
Alejandro Valenzuela Del Río / Theo Waigel / Wilhelm Winterstein

BOARD OF AUDITORS

Eugenio Colucci, Chairman
Giuseppe Alessio Verni / Gaetano Terrin
Maurizio Dattilo (substitute) / Michele Paolillo (substitute)

GENERAL MANAGER

(***) Chief Financial Officer and Manager in charge of the preparation of the company's financial reports

Raffaele Agrusti (***)

DEPUTY GENERAL MANAGERS

(****) Secretary of the Board of Directors

Lodovico Floriani / Andrea Mencattini
Aldo Minucci / Vittorio Rispoli (****) / Valter Trevisani



A marked presence across the world

The pictures featured in this volume were taken in squares of China and India - countries where Assicurazioni Generali is present -

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Introduction

As usual, the updates to the Corporate Governance Report, which follows the September 2008 report, take account of the purely numerical variations in the various sections presented.

The sections devoted to the Manager in charge of preparation of the Company's financial reports and the Company's organisation chart (corporate centre) have also been amended to incorporate the changes which have occurred in the meantime.

In addition to this information, the section regarding the Internal Control and Risk Management System has been completed. This topic had already been updated in the last version of the Report, which illustrated the new system in the light of the adoption of the provisions of ISVAP Regulation no. 20 of 26 March 2008. As the natural continuance of the last version, this Report contains a presentation of the Compliance Department, required by the said ISVAP Regulation and recently introduced by the Company's Board of Directors.

Finally, this version of the Report has been drafted as usual in accordance with the layout recommended by the Assonime guidelines and Emittenti Titoli, using the Stock Market format to check that the information routinely supplied by the Company corresponds to that requested by the Management Company of the regulated markets.

FIRST PART

Company Introduction

Objectives

Before defining the functioning of the Company's Corporate Governance, we deem it appropriate to explain certain principles which constitute a regular element of the Company's daily actions aimed at achieving its corporate objects.

As illustrated in greater detail in other corporate documents published by our Company, notably the Generali Group Sustainability Report and the European Social Chart ⁽¹⁾, Generali has for some time pursued the objective of setting corporate activities into a more general framework, one of the key elements of which is social solidarity. The Company has been traditionally characterised by social commitment, which is considered a real investment for all business sectors. Generali believes that economic competitiveness is inextricably linked to ethical aspects, environmental protection, awareness and promotion of social commitment.

With reference to environmental protection, we would also like to stress that the Group considers the environment as a basic asset. That is why the Group's business choices have been aimed at ensuring consistency between business initiatives and environmental needs, in compliance with the existing legislation and always with an eye to the development of scientific research and best experiences in this field.

In the context of measures that demonstrate the Group's growing commitment to Social Solidarity, in 2007 the Group set up a Sustainability Committee, a decision-making body with the task of defining sustainability strategies. The members of the Committee include representatives from all the countries in which the Group operates, who are directly involved in the processes of implementing the Company's Social Solidarity policies and drafting the Sustainability Report. The Company is also a signatory of Global Compact Italia, an international initiative promoted by the United Nations to uphold ten universal principles relating to human rights, working conditions, the environment and the campaign against corruption.

Moreover, the Generali Group's Ethical Code enshrines further principles to which the utmost importance is attached, such as professionalism, the promotion of human resources, health protection, free competition, transparency and correctness of information ⁽²⁾.

(1) The above-mentioned documents are available on Generali's website www.generali.com, in the "sustainability" and "career" sections respectively.

(2) Furthermore, last in 2005, the Generali Group adopted a specific Code of Ethics, designed to regulate relations with Suppliers. This document, which is a logical and natural extension of the document that broadly regulates the Group's ethics, from which it draws its fundamental principles, has the challenging task of determining the basic rules to follow in relations with Suppliers. The purpose of this initiative is to regulate an activity where the creation of a sound network of business relationships and the utmost behavioural transparency are crucial.

Share ownership information

Structure of share capital

Generali's subscribed and paid-up capital amounts to Euro 1,410,113,747.00. This is divided into 1,410,113,747 registered shares, all of which are ordinary shares, each with a par value of Euro 1.00.

	No. of shares	% in respect to share capital	Listed / Unlisted	Rights and obligations (**)
Ordinary shares	1,410,113,747	100	MTA	Refer to note
Restricted voting shares (*)		/	/	/
Non-voting shares (*)		/	/	/

(*) There are no restricted voting shares nor non-voting shares.

(**) Each ordinary share holder has rights and obligations in terms of equity and administration. Equity claims include the right to the dividend, the right of option on shares issued on increase for capital payment or reconstitution, proportionately to the number of hitherto owned shares, the right of free allocation of new shares in case of free capital increase, proportionately to the number of hitherto owned shares as well as the right to settlement share after company liquidation. Administrative rights include, inter alia, the right to participate in corporate plenary meetings and vote, the right to withdraw from the company in specific circumstances and the right to information. Finally, as to obligations, each Shareholder is bound to execute subscriptions as necessary elements for the implementation of the objects of the company.

Significant shareholdings

According to the Register of Shareholders, the notices received pursuant to s. 120 of Legislative Decree no. 58 of 24 February 1998, and other information available to the Company, the following parties own shareholdings amounting to over 2% of the Company's share capital either directly or indirectly, through intermediaries, trustees or subsidiaries.

Declarant	Direct Shareholder	% Share on ordinary share capital (*)
MEDIOBANCA Group (**)	Mediobanca	12.995
	Mediobanca (Voting right under contractual relationship)	1.576
	Spafid	0.120
	Compass	0.968
	Total	15.659
BANCA D'ITALIA	Banca d'Italia	4.444
	Bonifica Terreni Ferraresi e Imprese Agricole S.p.A.	0.007
	Total	4.451
UNICREDIT Group	Bayerische Hypo-und Vereinsbank AG (cash receiver or borrower)	0.013
	Bayerische Hypo-und Vereinsbank AG (property)	0.009
	Banca di Sicilia (pledge)	0.014
	Unicredit Banca di Roma S.p.A. (pledge)	0.004
	Unicredi Banca S.p.A. (pledge)	0.009
	Unicredit Corporate Banking (pledge)	0.002
	Unicredit Private banking S.p.A. (pledge)	0.007
	Unicredito Italiano Bank (Ireland) S.p.A.	3.183
	Total	3.241

(continues)

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Declarant	Direct Shareholder	% Share on ordinary share capital ^(*)
B&D HOLDING Group	De Agostini Invest S.A.	2.495
	B&D Finance S.A.	0.184
	Total	2.679
BARCLAYS Group	Barclays Global Investors Ltd.	0.591
	Barclays Global Investors NA	0.681
	Barclays Global Fund Advisors	0.428
	Barclays Global Investors	0.300
	Total	2.000

(*) Ordinary share capital and voting capital are coincident.

(**) On December 22nd of 2006 Mediobanca S.p.A. and MPS Finance Banca Mobiliare S.p.A. the latter having been taken over by MPS Capital Services Banca per le Imprese S.p.A as of September 9th of 2007, clinched a deferred delivery sales agreement due for June 30th of 2010, for a number of shares nowadays equal to 1.576%. In the case of Public Take-over Bid on Generali shares, Mediobanca has the right to request advanced delivery of securities. Therefore, on 35,180,000 shares, equal to 2.496% of Generali capital share, also considering securities held under repurchase or loan agreement, Mediobanca has no right to vote.

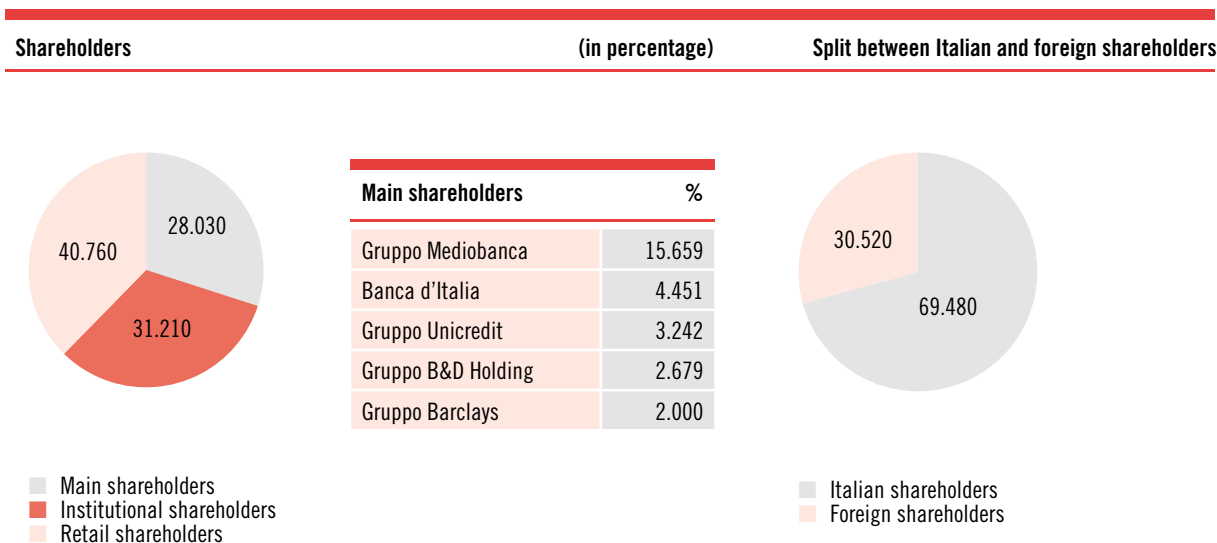
In relation to the terms of s. 123-*bis*.1.l of the CFBA, the Company and its subsidiaries, in the pursuance of its strategic policies, have entered into contractual agreements containing clauses based on the factor of change in the Company's control.

These clauses are not applicable at present, as no legal or natural person directly and/or indirectly, individual or jointly, currently holds enough shares to obtain a controlling interest in the Company. No other significant facts relating to control, required to be reported by s. 93 of the CFBA, relate to any other parties.

As required by current legislation, it is hereby declared that Generali is not subject to management and coordination by any company or organisation in Italy or abroad.

However, the Company itself performs management and coordination activities over all the companies belonging to the Group. Finally, the Annual Report on management performance which accompanies the financial statements contains detailed information about the relations between Generali and the said companies.

Shareholder structure



The registration procedures relating to shareholders who received dividends in 2007 are still being concluded, but according to the Register of Shareholders and other evidence, the number of shareholders is currently 226,204. Shares corresponding to 99.99% of the share capital are recorded in the central dematerialised securities system at Monte Titoli S.p.A. in Milan.

With regard to the additional information which s. 123-bis of the Consolidated Finance Act requires to be given in this report, it is hereby declared that there are no:

- restrictions on the transfer of the shares issued by the Company;
- securities which give special rights of control;
- restrictions on the voting rights carried by the shares issued by the Company;
- agreements between the Issuer and the Directors which involve compensation in the event of resignation, dismissal and/or revocation of office without just cause, or if the employment ceases following a takeover bid.

A system of stock options for employees exists, which provides that voting rights must always exercised directly by them ⁽³⁾.

⁽³⁾ The General Meeting held on 29 April 2006 approved a stock grant plan aimed at all employees of Assicurazioni Generali SpA and some of its subsidiaries expressly indicated in the corresponding Regulations. The plan in question implements the terms of the Generali Group's Private Pension Scheme entered into on 3 March 2006, which (inter alia) provided that a free allocation of shares should be made pursuant to s. 2349 of the Civil Code in favour of employees of the company and some other Italian companies in the Group, by means of specific resolutions passed by the competent company bodies. In accordance with the terms of the said Trade Union Agreement, the Board of Directors, at the meeting held on 10 May 2006, on the basis of the delegated power granted by the said General Meeting, increased the company's share capital for the purpose of the said stock grant plan, and granted the Chairman of the Board of Directors and the Managing Directors the necessary powers to implement the said resolution. By resolution of 23 June 2006, the company's Managing Directors implemented the said resolution. A certain number of new ordinary shares with a par value of € 1.00 each, having the same characteristics as those already in circulation, was allocated to employees of the company and the subsidiary companies expressly identified in the Regulation, as from 10 May 2006, in accordance with the terms and procedures governed by the said Regulation. The General Meeting held on 28 April 2007 to mark the 175th anniversary of the foundation of the Company, in order to acknowledge the contribution made by the Group's employees to its results, approved a stock grant plan, to be finalised by 31 December 2007 by means of a bonus issue pursuant to s. 2349 of the Civil Code, to all employees who, on were employed by a company belonging to the Generali Group on a permanent contract 31 December 2006, and were still working for their respective companies on the date of allocation of the said stocks. In particular, the said Meeting increased the Company's share capital in support of the stock grant plan in question, and granted the Managing Director responsible for human resources the necessary powers to implement the said resolution, including through special attorneys. The Company's Managing Director implemented the said resolution by resolution deed of 13 December 2007. 2,168,559 new ordinary shares with a par value of € 1 each, having the same characteristics as those already in circulation, were therefore allocated to employees of the company and the subsidiaries expressly identified in the Regulation as from 13 December 2007, on the terms and conditions set out in the Regulation.

Shareholders' Agreements

An extract from a shareholders' agreement entered into on 5 February 2003 by 13 members of the Assets Management Association ⁽⁴⁾, which represents a very small proportion of the Company's share capital, was published in *Il Corriere della Sera* on 15 February 2003. By 4 July 2005 the number of members had risen to 18.

Finally, the authorisation to purchase the Company's own shares, lasting 18 months, which was resolved on by the General Meeting on 29 April 2006, expired on 29 October 2007.

* * *

The following pages present Generali's Corporate Governance system, with special focus on the powers and responsibilities of its various bodies, their relations with one another, the ways in which their members are appointed, their terms of office, and rules for reappointment.

The main objective of this Report is to provide only significant information for stakeholders. However, as the Report is also aimed at foreign investors and analysts, we had to bear in mind that the basic operating rules governing Italian companies might not be completely familiar to them. Some readers may consequently find the amount of detail excessive, in which case we apologise for the inconvenience.

Corporate Organisation

Corporate Governance represents the sum of the methods, models and planning, management and control systems that are required for the operation of the Company's Governing Bodies. A correct system of Corporate Governance is based on a number of cornerstones, such as the central role played by the Board of Directors, the correct management of situations that present conflicts of interest, transparency in disclosing decisions regarding the management of the Company, and the effectiveness of the internal control system.

Being a joint-stock company governed by Italian law and compliant with the self-regulatory Code of Conduct ("the Code"), first published on 30 October 1999, Assicurazioni Generali is characterised by a Corporate Governance that is strongly committed to the Code and is mirrored by the activity of the following main governing bodies:

- A. Board of Directors
- B. Chairman and Vice-Chairmen of the Board of Directors
- C. Executive Committee
- D. Managing Directors
- E. Internal Control Committee
- F. Remuneration Committee
- G. Shareholders' Meeting
- H. Board of Statutory Auditors

The Company also includes a General Council. Further governing bodies of the Company include the company management and, according to the Company's Articles of Association, company officers acting as authorised representatives.

⁽⁴⁾ The agreement was set up as an association. None of the signatories holds more than 0.1% of shares. The exact percentages of the company's share capital owned by the signatories cannot be calculated, as they are infinitesimal fractions of it. The agreement states the right to purchase or have the Association purchase or subscribe, on behalf of its members, including through substitutes, financial instruments or stocks within the Generali Group. The agreement also sets a series of limits with regard to the transfer of financial instruments. Its object is the exercise of the right to vote on such instruments. It complies with the provisions laid down in paragraphs 1 and 5, letters b) and c), of article 122 of Legislative Decree no. 58 of 24 February 1998.

The **Board of Directors** (“Board”) is vested with the broadest management powers for the furtherance of corporate objectives. It is appointed on a three-yearly basis by the Shareholders’ Meeting and appoints a Chairman, one or more Vice-Chairmen, holding statutory powers, and an Executive Committee. The Board may furthermore appoint one or more **Managing Directors**. The Board determines the powers and remuneration of all these bodies.

The **Executive Committee**, the Remuneration Committee and the Internal Control Committee are bodies established by and composed of members of the Board. The Executive Committee is entrusted with important management functions for the Company and the Group, whereas the other Committees are only charged with the task of giving advice and making proposals.

It is the task of the **Remuneration Committee** to express its opinion and make non-binding proposals to the Board of Directors on the determination of the remuneration payable to the Chairman of the Board of Directors, Vice-Chairmen, Managing Directors and General Managers.

Moreover, the Committee periodically assesses the criteria adopted for the remuneration of managers with strategic tasks, monitors the application of the said criteria on the basis of the information gathered, and makes general relevant recommendations to the Board of Directors.

The **Internal Control Committee** has the task of assisting the Board of Directors in performing the obligations connected with the internal control system under the Code. The Committee is also called upon to assess the adequacy of the internal control system, express its opinion on the “Internal Audit Plan” and the “Report on Internal Audit”, and assess proposals for appointing the External Auditors.

The **Shareholders’ Meeting** (“Meeting”), when duly convened, is the corporate body that expresses the Company’s will through its resolutions. Resolutions adopted pursuant to the law and the Articles of Association are binding upon all shareholders, including absent and dissenting ones.

The **Board of Statutory Auditors’** tasks include ensuring that the Articles of Association are complied with and supervising management activities. The Board has no auditing functions; these are ascribed to a chartered **Auditing Firm**, an auditing body external to the Company. The Auditing Firm is responsible for verifying that the Company properly records its financial statements during the year and appropriately reports its operations in its accounting record. The Auditing Firm is also responsible for checking that the company and consolidated financial statements comply with the results recorded in the books and with the audits they carry out, and that the bookkeeping documents comply with the relevant regulations.

The governing bodies of the Company also include the **General Council**, an advisory body which concerns itself with the best attainment of the Company’s objects, with particular regard to the territorial expansion of the Company and to international insurance and financial problems.

The powers of the governing bodies and the way they function are governed by law, the Company’s Articles of Association and the resolutions passed by the competent bodies. In particular, the Articles of Association are available at Company offices or can be downloaded in Italian, English, French, German and Spanish from the “Governance” section of the Company’s website (www.generali.com).

Finally, neither the Company nor any of its subsidiaries of strategic importance is subject to non-Italian legislation which would affect the Company’s corporate governance structure.

SECOND PART

Corporate Governance Structure

Board of Directors

Role

The Board is vested with the broadest management powers for the furtherance of the company's objects. The Board is the corporate body designated specifically to ensure that resolutions passed by the Shareholders' Meetings are correctly and promptly executed.

Among the powers pertaining to the Board of Directors, the statutory powers reserved exclusively to it are concerned with the approval of the Company's strategic, business and financial plans, as well as transactions having a significant impact on the Company's profitability, assets and liabilities or financial position, with special reference to transactions involving related parties. According to the Company's Articles of Association, it also submits proposals for the allocation of profits.

These powers, which cannot be delegated, also include (pursuant to the Articles of Association):

- distributing interim dividends to shareholders during the current financial year;
- establishing or terminating Head Offices and business establishments outside Italy;
- passing resolutions on mergers, in the cases allowed by the law, on the establishment or termination of secondary head offices, and on the amendment of any provisions enshrined in the Company's Articles of Association which may become incompatible with new mandatory provisions of the law;
- establishing or terminating operations of individual Departments;
- appointing and removing from office one or more General Managers at the Central Head Office and a General Manager at the Head Office for Italy, as well as one or more deputy General Managers and Assistant General Managers at the Central Head office and at the Head Office for Italy, and establishing their authority and functions;
- determining the hierarchical organisation of the Company's managing personnel in Italy and abroad;
- resolving on other matters that cannot be delegated by law ⁽⁵⁾.

With reference to accounting documents, pursuant to the law, the Board is also empowered to draw up:

- the draft annual statements, plus a report on Company management performance ⁽⁶⁾;
- the Group consolidated financial statements ⁽⁷⁾, also including a report on Company management performance;
- the half-year financial report dated 30 June of each year;
- the intermediate management performance reports dated 31 March and 30 September of each year.

The Board further reserved the following powers to its own exclusive jurisdiction, except in the cases contemplated by provisions regulating urgency and/or necessity:

⁽⁵⁾ These are the subjects regulated by articles 2420-ter (*Delegation of powers to managing directors*), 2423 (*Drawing up of financial statements*), 2443 (*Delegation of powers to managing directors*), 2446 (*Reduction of capital for losses*), 2447 (*Reduction of paid-up capital below the legal limit*), 2501-ter (*Merger project*) and 2506-bis (*Division project*) of the Italian Civil Code.

⁽⁶⁾ The annual accounts, consisting of the Statement of Assets and Liabilities, the Profit and Loss Accounts and the Notes on the Accounts, are adopted by the Shareholders' Meeting (generally by the month of April of each year) after the latter has been presented with draft statements approved by the Board of Directors.

⁽⁷⁾ The consolidated accounts are definitively approved by the Board of Directors; the Shareholders' Meeting takes them into consideration when called upon to discuss and approve the company's annual accounts.

- defining strategic guidelines for the Company and the Group, as well as the Group's corporate structure;
- delegating powers to the Executive Committee and the Managing Directors and revoking them, specifying their contents, the limits on such powers and the methods of exercising them;
- assessing the general trend of management and the adequacy of the Company's organisational, administrative and accounting structure on the basis of reports received from the competent governing bodies;
- approving national and international agreements involving non-standard operations.

After assessing the recommendations of the relevant Committee and consulting the Board of Statutory Auditors, the Board shall determine the remuneration of Directors with delegated powers and persons holding particular offices.

The Board is empowered to increase the share capital on one or more occasions, by issuing:

- until 29th April 2011, up to 200,000 new ordinary shares with a par value of € 1.00 each to be assigned severally to employees of the Company or of subsidiary companies in compliance with article 46 of the Company's Articles of Association.

Notwithstanding the above-mentioned limitations and pursuant to the Articles of Association, the Board delegates powers to the Managing Directors and to the Executive Committee, specifying the limits to such powers, the manner for exercising them and the frequency – which may not be less than once every three months – with which such bodies must report to the Board on the activities performed in the exercise of the powers delegated to them.

As required by the Articles of Association, on the occasion of meetings and on at least a quarterly basis, the Board of Directors and the Board of Statutory Auditors shall receive a report, also drafted by delegated bodies, on the development of management issues and on the activities carried out by the Company and its subsidiary companies, on its expected evolution, on the main economic, financial and investment transactions, and especially on those transactions for which the Directors hold a stake – personally or on behalf of third parties – or which are influenced by any person exercising management and coordination activities. The report to the Board of Statutory Auditors can also be made directly or at the meetings of the Executive Committee, if by so doing it is rendered more timely. The Board of Directors will periodically compare the actual results with the planned results.

A Director who, either directly or indirectly, holds an interest in a certain operation to be performed by the company, shall inform the other Directors and the Board of Statutory Auditors and provide details of the type, terms, origin and scope of the said interest; if the Director is a Managing Director, he/she shall refrain from carrying out the operation and delegate it to the Board.

On a yearly basis, the Board of Directors shall draw up a report on the adequacy of the organisational, administrative and accounting structure of the Company and of its subsidiaries having strategic relevance. Within such context, particular attention is devoted to the internal control system and the management of conflicts of interest.

In 2009, the Board of Directors, with the assistance of the Internal Control Committee, also evaluated the suitability of the organisational, administrative and accounting system of the Company and its subsidiaries with strategic importance, having first consulted the Internal Control Committee. In order to identify the subsidiaries with these characteristics, reference was made not only to quantitative criteria based on the parameters set out in article 151 of the Issuers' Regulation⁽⁸⁾, but also to other qualitative parameters such as companies which,

⁽⁸⁾ Which establishes that Italian or foreign subsidiaries whose assets amount to under 2% of the consolidated assets and whose revenues are under 5% of the consolidated revenues do not have strategic significance, even if they are included in the consolidated accounts, provided that the sum of the assets and revenues of the said companies does not exceed 10% and 15% of the consolidated assets and revenues respectively. The same article states that the Italian or foreign subsidiaries which are liable to significantly influence the income, assets and financial situation of the group to which they belong in view of the type of business performed or the type of contracts, guarantees, commitments and risks entered into are classed as significant.

though of small size, make an essential contribution to the Group in view of the activities they perform within it ⁽⁹⁾.

Using those categories of criteria, the following companies were identified:

Area	Quantitative criteria	Qualitative criteria
ITALY	Allenza Assicurazioni S.p.A.	Generali Business Solutions S.C.p.A.
	Ina Assitalia S.p.A	Generali Gestione Immobiliare S.p.A.
	Intesa Vita S.p.A.	Generali Investment Italy S.p.A.
		Generali Investments Italy S.p.A. SGR
		Banca Generali S.p.A.
		Generali Properties S.p.A.
		Toro Assicurazioni S.p.A.
ABROAD	Generali Deutschland AG	Generali Deutschland Informatik Services GmbH
	AM Lebensversicherung AG	Generali Deutschland Schadenmanagement GmbH
	Central Krankenversicherung AG	Generali Deutschland Services GmbH
	Generali Lebensversicherung AG	Generali Beteiligungs-GmbH
	Generali Versicherung AG	Generali Invest. Deutschland Kapital MBH
	Generali France S.A.	AM Versicherung AG
	Generali Vie S.A.	Deutsche Bausparkasse Badenia
	BSI S.A.	Generali Holding Vienna AG
	Migdal Insurance Co. Ltd	Generali VIS Informatik GmbH
		Generali Investments France S.A.
		Generali IARD S.A.
		B source
		Generali Schweiz Holding AG
		Grupo Generali Espana A.I.E
		La Estrella S.A.
		Banco Vitalicio de Espana - Compania Anonima de S.
	Generali Espana Holding de Entidades de Seguros S.A.	
	Generali PPF Holding B.V.	
	PPF Asset Management a.s.	
	Flandria Participations Fin.	

Furthermore, the Board has recently introduced its own Operating Regulation, which complies not only with the provisions of the Code, but also with the relevant international best practices. In view of the current composition of the Board of Directors which took office on 28 April 2007, it was considered advisable to make a single amendment to the text of the Regulations in question relating to the calculation of the number of offices held by each Director in companies which are not part of the Generali Group but belong to a single group. This amendment will be described in greater detail in the chapter entitled "Requisites for office".

⁽⁹⁾ Such as the supply of essential services to the Group and the coordination and/or development of *core business* activities which cause it to play a leading part in the Group's future growth prospects.

The Generali Board meets at regular intervals, at least once every three months, in compliance with legal requirements, according to a calendar which is approved on a yearly basis ⁽¹⁰⁾. The Board adopts an organisation and a modus operandi enabling it to guarantee effective and efficient performance of its functions. The Board met on six occasions during the 2003 and 2005 financial years, on five occasions during 2004, nine occasions during 2006, ten occasions in the 2007 financial year, and seven in 2008. The average attendance of members at meetings was 86.9% in 2003, 83.4% in 2004, 80.3% in 2005, 82.3% in 2006, 79.1% in 2007, and 80.71% in 2008. In the last financial year the average duration of each meeting was three hours.

Table 1 attached to this Report shows individual attendance information for each Director; in the case of absence, this was duly justified.

Number of Directors, appointment and term of office

In conformity with its Articles of Association, the Company is managed by a Board consisting of not less than 11 and not more than 21 members appointed by the Shareholders' Meeting after deciding upon the number of members.

With the introduction of list voting into the Company's governance from the time of appointment of the Board of Directors which will office for the three-year period 2010-2012, the majority list is entitled to appoint the entire Board of Directors except for 1, 2 or 3 directors taken from the list which obtains the second-highest number of votes, having regard to whether the number of Directors to be elected is 11, between 12 and 15, or over 15 ⁽¹¹⁾.

⁽¹⁰⁾ The calendar is usually approved during the last Board meeting of the year. Starting from 2003, the calendar including the most important corporate events is disseminated by the issuers of securities listed on the Italian Stock Exchange (which then publishes it) within 30 days of the end of the financial year. In the current year, only one meeting has been held so far (on 4 February 2009). Further meetings are scheduled for: Friday 20 March 2009 – Board of Directors Meeting (approval of 2008 draft financial statements and approval of 2008 consolidated financial statements); Friday 24 April 2009 – General Meeting (approval of 2008 financial statements); Wednesday 13 May – Board of Directors Meeting – (approval of the quarterly report as at 31 March 2009); Thursday 6 August – Board of Directors Meeting (approval of half-yearly report as at 30 June 2009) and Thursday 5 November 2009 – Board of Directors Meeting (approval of quarterly report as at 30 September 2009).

⁽¹¹⁾ The Articles of Association state that the members of the Board of Directors shall meet the requirements of professionalism, honourableness and independence laid down by current legislation. At least one-third of the Directors shall meet the independence requirements laid down by law for Internal Auditors. If the number of members of the Board of Directors established by the Shareholders' Meeting is not a multiple of three, the number of Independent Directors called on to compose it shall be rounded down to the nearest whole number.

Specifically, the Board of Directors shall be appointed on the basis of lists, in accordance with the following procedure.

The lists shall contain a number of candidates not exceeding the number of members to be elected, listed in accordance with a sequential number. Each candidate may be nominated in only one list, failing which s/he shall be disqualified.

Lists may be submitted by the outgoing Board of Directors and by members who, either alone or jointly with others, represent at least the minimum percentage of the share capital laid down by current legislation. Each shareholder entitled to vote and the companies directly and indirectly controlled by them, and companies directly or indirectly subject to joint control, may only submit one list. No account shall be taken of support given to any of the lists in breach of the terms of this principle.

The Board of Directors' list, if submitted, shall be filed at the Company's premises not later than the twentieth day before the date of the first convocation of the Shareholders' Meeting; lists submitted by shareholders shall be filed not later than the fifteenth day before the date of first convocation of the Shareholders' Meeting.

By the fifth day after the expiry of the 15-day period, shareholders who have submitted a list shall file a copy of the brokers' certificates certifying ownership of the percentage of share capital required by current legislation. If this is not done, the list shall be deemed not to have been submitted.

Each shareholder entitled to vote, the companies directly or indirectly controlled by it, and companies directly or indirectly subject to joint control, may only vote for one list. No account shall be taken of votes cast in breach of this provision.

Elections of Directors shall be conducted as follows:

- all the Directors to be elected, less those to be taken from the second list in accordance with the terms of paragraph b) below, shall be taken from the list that obtained the largest number of the votes cast by shareholders, in the sequential order with which the candidates are entered in the list;
- one, two or three Directors, depending on whether the number of members of the Board of Directors determined by the Shareholders' Meeting is 11, 12-15 or over 15, shall be taken, on the basis of the sequential number with which the candidates are indicated in the list, from the list which obtained the second-largest number of votes (without taking account of the votes cast by shareholders connected directly or indirectly with those who submitted or voted for the list that obtained the largest number of votes); if two lists obtain the same number of votes, the Meeting shall vote again;
- the Independent Directors shall be taken from the list that obtained the largest number of votes. If the number of Independent Directors taken from that list is less than the number specified in article 31.2, the elected candidate who has the highest sequential number and does not meet the necessary independence requirements shall be excluded. The excluded candidate shall be replaced by the next candidate who meets the said

Elected directors who meet the independence requirement (known as Independent Directors), namely the requirement defined in the current legislation applicable to Statutory Auditors, shall be at least one-third of the total members of the Board of Directors; the positions of independent director and minority director may obviously be held by the same person.

The parties authorised to submit lists are the outgoing Board of Directors and shareholders who, either alone or jointly with others, hold the minimum holding required by the applicable legislation (currently 0.5% of the share capital). Members who are significantly connected to one another may only submit and vote on the same list, failing which no account will be taken of their support for any list.

The deadline for submission of lists is 20 days before the date of the Shareholders' Meeting in the case of candidates nominated by the outgoing Board of Directors, or 15 days before the date of the Shareholders' Meeting in the case of candidates nominated by shareholders. The following documents shall be filed 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, if applicable, independence, required by current legislation.

The members of the Board of Directors shall hold office for three financial years; their term of office shall expire on the date of the Shareholders' Meeting that approves the accounts for the last financial year of their term of office, and they may be re-elected. In the event of appointments during the three-year period, the appointments of the newly-elected directors shall expire at the same times as the appointments of those already holding office.

If a director drawn from the minority list should cease to hold office,

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

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

The Board appoints a Secretary. The Secretary need not be a Board member.

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- requirements, taken from the same list as the excluded candidate. If it is impossible to take the required number of Independent Directors from the list that obtained the largest number of votes, the missing directors shall be appointed by the Shareholders' Meeting on a majority vote;
- d) if an elected candidate cannot or does not wish to accept the appointment, s/he shall be replaced by the first of the unelected candidates on the list to which the said candidate belonged;
 - e) for the purpose of application of the preceding terms and the allocation of Directors, no account shall be taken of lists that do not obtain a percentage of the votes amounting to at least half the amount required by the Articles of Association for submission of lists;
 - f) if only one list is submitted, the Ordinary Shareholders' Meeting shall pass resolutions on first and second convocation by an absolute majority of the share capital represented at the Meeting.

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

Requisites for office

The Directors of Generali, as directors of an Italian insurance company, must be selected in accordance with professional and competence criteria from among candidates who have a total of at least three years' experience in the exercise of qualifying professional activities ⁽¹²⁾.

Directors must also meet specific requirements of "honourableness" ⁽¹³⁾. Lack of the professional, honour or independence requisites (the last type only being applicable to Independent Directors) results in forfeiture of office ⁽¹⁴⁾.

Before accepting their appointment, all the Company's Directors shall assess the actual amount of time necessary to carry out properly the crucial tasks they would be entrusted with and the consequences stemming from such duties. Other positions held by a Director and/or an Statutory Auditor shall be taken into account. The said Directors' and/or Auditors' positions may be held within Companies listed on regulated markets, including foreign companies, finance companies, banks, insurance companies and large companies. Other professional activities carried out by the Director and/or Statutory Auditor shall also be taken into account.

With reference to the above-mentioned matter, the Board of Directors records the appointments as Directors and/or Statutory Auditors held by the Directors within the said Companies. The list of such positions is drawn up on a yearly basis on the basis of information received from each Director or other information in its possession, and is included in the present document.

The Company has not authorised, as a general or preventive measure, any exemptions from the prohibition on competition laid down in s. 2390 of the Italian Civil Code.

The chart hereunder lists the maximum number of offices, held by Directors and/or Statutory Auditors within other Companies, deemed consistent with effective performance of the Director's position held within Assicurazioni Generali. The maximum number of offices held as Director and/or Statutory Auditor does not include companies belonging to the Generali Group. Offices held in companies which belong to the same Group shall be deemed to be a single office, and the one requiring the greatest professional commitment shall prevail.

(12) Decree No. 186 of 24 April 1997 issued by the Ministry of Industry, Commerce and Trade establishes that at least one of the following qualifying professional activities must have been undertaken to fulfil the criterion of professionalism:

- a) Direction, management or control of insurance, credit or financial industry companies and bodies possessing a share capital of at least 500 million lire;
- b) Direction, management or control of public sector bodies or public and private companies of a size commensurate with the size of the insurance company at which the office is to be held;
- c) Professional experience in areas pertaining to the insurance, credit or financial industries, or university-level teaching in legal, economic or actuarial studies.

Candidates who have been directors, general managers, internal auditors or liquidators of insurance, credit or finance companies that have been subject to extraordinary administration, bankruptcy or compulsory administrative liquidation procedures during the three years prior to adoption of the provisions concerned are prohibited from taking the office of Director in insurance companies, or offices involving the exercise of equivalent functions. This prohibition is in place for the three-year period starting from the adoption of these provisions.

(13) The requisite of honourableness is deemed to apply provided that the prospective candidate does not belong to any of the following categories:

- Legal disqualification or temporary debarment from direction functions over legal persons and companies;
- Liability to preventive measures taken by the judicial authorities pursuant to Statute no. 575/31 May 1965 and to Statute no. 646/13 September 1982 and subsequent amendments and additions;
- Unappealable conviction, excepting the effects of discharge and conditional suspension of sentence, with:
 - a) Imprisonment for one of the crimes listed in the special regulations governing the insurance, credit and equity market industries, and in Law Decree no. 143/3 May 1991, converted to Statute no. 197/5 July 1991, and subsequent amendments and additions;
 - b) Imprisonment for one of the crimes described under Section XI, Book V of the Civil Code and in Royal Decree 267/16 March 1942;
 - c) Imprisonment for not less than one year for a crime against government, public trust, property, public order or the public economy or for a crime relating to tax issues;
 - d) Imprisonment for not less than two years for any crime committed without criminal intent.

(14) Pursuant to law, except in the event of lack of the requisites of independence, which constitutes grounds for forfeiture *ex nunc*, if Directors should cease to meet the statutory requirements of professionalism or honourableness, forfeiture must be declared by the Board of Directors within 30 days of being informed about the said unsuitability. Should forfeiture not be declared by the Board of Directors within the above-mentioned time, it shall be declared by order of ISVAP.

	Listed Companies			Financial, bank and insurance Companies			Large Companies		
	Executive Director	Non-exec. Director	Auditor	Executive Director	Non-exec. Director	Auditor	Executive Director	Non-exec. Director	Auditor
Executive Directors	0	5	0	0	5	0	0	5	0
Non-executive Directors	2	5	2	2	5	2	2	5	2

Directors in office

The Board is currently made up of the following 20 members:

Board of Directors

Office (*)	First name, last name
<ul style="list-style-type: none"> Chairman Executive Director Member of the Executive Committee 	Antoine Bernheim
<ul style="list-style-type: none"> Vice-chairman Non-executive Director Member of the Executive Committee Member of the Remuneration Committee 	Gabriele Galateri di Genola
<ul style="list-style-type: none"> Managing Director Executive Director Member of the Executive Committee General Manager 	Sergio Balbinot
<ul style="list-style-type: none"> Managing Director Executive Director Member of the Executive Committee General Manager 	Giovanni Perissinotto
<ul style="list-style-type: none"> Non-executive Director Independent Director Member of the Internal Control Committee 	Luigi Arturo Bianchi
<ul style="list-style-type: none"> Non-executive Director 	Ana Patricia Botin
<ul style="list-style-type: none"> Non-executive Director Independent Director 	Francesco Gaetano Caltagirone
<ul style="list-style-type: none"> Non-executive Director Independent Director 	Diego Della Valle
<ul style="list-style-type: none"> Non-executive Director Independent Director Member of the Remuneration Committee 	Leonardo Del Vecchio

(continues)

(continues)

Office (*)	First name, last name
<ul style="list-style-type: none"> • Non-executive Director • Independent Director • Member of the Internal Control Committee 	Loïc Hennekinne
<ul style="list-style-type: none"> • Non-executive Director 	Petr Kellner
<ul style="list-style-type: none"> • Non-executive Director • Independent Director 	Klaus-Peter Müller
<ul style="list-style-type: none"> • Member of the Executive Committee • Non-executive Director 	Alberto Nicola Nagel
<ul style="list-style-type: none"> • Non-executive Director • Independent Director • Chairman of the Internal Control Committee 	Alessandro Pedersoli
<ul style="list-style-type: none"> • Non-executive Director • Independent Director • Member of the Executive Committee 	Lorenzo Pelliccioli
<ul style="list-style-type: none"> • Non-executive Director 	Reinfried Pohl
<ul style="list-style-type: none"> • Non-executive Director • Independent Director 	Kai Uwe Ricke
<ul style="list-style-type: none"> • Non-executive Director • Independent Director • Chairman of the Remuneration Committee 	Paolo Scaroni
<ul style="list-style-type: none"> • Executive Director 	Claude Tendil

(*) As regards the definition of Executive or Non-executive Director and Independent Director we refer to notes 17 and 18.

As previously stated, the Code states the obligation for Directors to accept their appointment, taking account of the number of positions they hold on the Board of Directors or Board of Statutory Auditors of other companies listed on regulated markets, including foreign markets, finance companies, banks, insurance companies and large companies.

In compliance with the provisions set out in the Code, and article 144-decies of the Issuers' Regulation ⁽¹⁵⁾ a complete list of the positions held by the Company's Directors in such companies – along with a brief profile of each of them – is provided.

Antoine BERNHEIM was born in Paris on 4 September 1924. He graduated in Law and Science, and pursued most of his professional career at Maison Lazard. He was the Chairman and General Manager of the insurance companies belonging to the La France group for over 25 years. He has been on the Board of Generali since 1973, chairing it from 1995 to 1999 and then from September 2002 until today. In France he has been awarded the highest honour, the Grand Croix, having previously received the prestigious distinction of the Legion of Honour, and in Italy he was made a Grande Ufficiale dell'Ordine al Merito della Repubblica Italiana. He is also Vice-Chairman of the Supervisory Board of Intesa Sanpaolo S.p.A., Vice-Chairman of the Group's subsidiary Alleanza Assicurazioni S.p.A., a director of Mediobanca, and Vice Chairman of LVMH and Bolloré Investisse-

⁽¹⁵⁾ Mentioned here although the present Boards of Directors and Internal Auditors were not appointed by the list voting system.

ment. He is a Director of Generali France, Generali Deutschland Holding AG, Generali España Holding Entidades de Seguros S.A., BSI S.A., Generali Holding Vienna and Christian Dior S.A. Finally, he is a member of the Supervisory Board of Eurazeo.

Gabriele GALATERI di GENOLA was born in Rome on 11 January 1947. He graduated in Law and obtained a Master's Degree in Business Administration at Columbia University. He embarked on his professional career in 1971, at Banco di Roma. In 1993 he was appointed Managing Director and General Manager of IFIL and subsequently, in 2002, he became the Managing Director of Fiat. In 2003 he was appointed Vice Chairman and Member of the Board of Directors of Generali. He is currently Chairman of the Board of Directors of Telecom Italia S.p.A. He is also Vice-Chairman of RCS MediaGroup S.p.A. and a Director of Banca Esperia S.p.A., Banca CRS S.p.A., Italmobiliare S.p.A. and Accor S.A. He has been awarded the title of *Cavaliere del Lavoro*.

Sergio BALBINOT was born in Tarvisio (Udine) on 8 September 1958. He graduated in Economics and Commerce and entered the Generali Group in 1983. He carved out his career both in Italy and abroad in the companies of the Group, and then returned to Trieste, where he was appointed General Manager of Generali in 2000 and Managing Director in 2002. He is also Director of the Generali Investments S.p.A. Supervisory Board, Vice-Chairman and Director of several Austrian, Chinese, French, Israeli, Dutch, Spanish, US, and German companies (including Generali España Holding Entidades de Seguros S.A., Generali China Life Insurance Co. Ltd., Generali Holding Vienna AG, Generali France S.A., Generali China Life Insurance Co. Ltd., Graafschap Holland Participatie Maatschappij N.V., Generali Deutschland Holding AG, Banco Vitalicio de España, La Estrella and Commerzbank AG, Future Generali India Insurance Co. Ltd and Future Generali India Life Insurance Co. Ltd.). He is also Chairman of Generali PPF Holding B.V..

Giovanni PERISSINOTTO was born in Conselice (Ravenna) on 6 December 1953. He graduated in Economics and Commerce and entered the Generali Group in 1980. He carved out his career in the foreign companies of the Group, returning to Trieste in 1988. He was appointed General Manager in 1998 and Managing Director in 2001. At present he is Chairman of the Generali Investments S.p.A. Supervisory Board, Member of the Intesa Sanpaolo S.p.A. Management Board and holds many offices as Director of companies belonging to the Generali Group (including Banca Generali S.p.A., Generali Properties S.p.A. – of which he is also the Chairman – BSI S.A., of which he is Vice-Chairman, as well as Alleanza Assicurazioni S.p.A., INA Assitalia S.p.A., Toro Assicurazioni S.p.A., Participatie Maatschappij Graafschap Holland N.V., Transocean Holding Corporation, Generali France S.A. and Generali España Holding Entidades de Seguros S.A., and companies not belonging to the Groups such as Pirelli & C. S.p.A.; he is also a member of the Board of Directors and Council of Assonime, a Member of the Executive Committee of ANIA, and a member of the Advisory Board of the SDA Bocconi School of Management. In 2007 he was awarded the title of *Cavaliere del Lavoro*.

Luigi Arturo BIANCHI was born in Milan on 3 June 1958. He graduated in Law and is currently full professor of business law at Bocconi University, Milan, where he previously lectured in accountancy law. He is a lawyer and consultant of the Milan-based law firm Bonelli Erede Pappalardo, permanent advisor to the Italian Accountancy Organisation (OIC). He was appointed a Member of the Board of Directors of Generali in 2003, and currently holds the office of Director of Benetton Group, Anima SGR and UBS Fiduciaria S.p.A.. He is a member of the Supervisory Body pursuant to Legislative Decree 231/2003 of Banca IMI S.p.A.. He is also a member of the Disciplinary Commission of Borsa and consultant of Banca d'Italia on issues related to corporate governance.

Ana Patricia BOTÍN was born in Santander (Spain) on 4 October 1960. She studied at Harvard University and Bryn Mawr College where she graduated in Economics, and started her professional career at JP Morgan, first in Spain, then in the United States and subsequently in Latin America. After that, her managerial career continued inside the Banco Santander Group, dealing mainly with its activities in Latin America. She is currently Chairman of Banesto as well as a Member of the Board of Directors of Banco Santander Central Hispano SA,. She was appointed Director of the Company in 2004.

Francesco Gaetano CALTAGIRONE was born in Rome on 2 March 1943. After studying engineering he relaunched the family construction business, then extended its activities to the fields of cement and the media, giving rise to one of the largest Italian business groups, which now has five listed companies, major strategic holdings and a growing international presence. He has been a director of Generali since April 2007. He is Chairman of Caltagirone S.p.A., Caltagirone Editore S.p.A., Il Messaggero S.p.A., Il Gazzettino S.p.A. and Eurostazioni S.p.A., and Vice-Chairman of Banca Monte dei Paschi di Siena. He was awarded the title of *Cavaliere del Lavoro* in 2006.

Diego DELLA VALLE was born in S. Elpidio a Mare (Ascoli Piceno) on 30 December 1953. He entered the family business, focusing on marketing. Since October 2000 he has been Chairman and Managing Director of Tod's S.p.A. Today he is also a Director, among others, of Ferrari S.p.A., LVMH, RCS Mediagroup S.p.A., Marcolin S.p.A. and Compagnia Immobiliare Azionaria S.p.A. He was awarded an honorary degree in Economics and Commerce by Ancona University, and in 1996 was awarded the title of *Cavaliere del Lavoro*. He has been a Director of the Company since 2004.

Leonardo DEL VECCHIO was born in Milan on 22 May 1935. In 1961 he founded Luxottica, the world's leading eyewear manufacturer, of which he is Chairman. The company's international growth followed its listing first on Wall Street (1990) and then on the Milan Stock Exchange (2000). He has been a Director of Generali since April 2007. He is a member of the Board of Directors of Gianni Versace S.p.A. and GIVI Holding S.p.A., Beni Stabili S.p.A. and Delfin S.a.r.l.. He is also Vice-Chairman of the Supervisory Board of Foncière des Regions. He has received numerous awards for his activities, including honorary degrees in business studies from Ca' Foscari University, Venice (1995), management engineering from Udine University (2002) and in materials engineering from Milan Polytechnic (2006), and an honorary master's degree in international economics from the MIB School of Management in Trieste (1999). He was awarded the title of *Cavaliere del Lavoro* in 1986.

Loïc HENNEKINNE was born in Cauderan (France) on 20 September 1940. After completing his studies he rose through the ranks of the diplomatic service to the position of Secretary-General of the French Foreign Ministry. After leaving that post he was appointed Ambassador Extraordinary and Plenipotentiary of France in Rome for the 3-year period 2002-2005. He has been a director of Generali since 2007. He is also a director of Iride S.p.A., an Italian company listed on the Milan Stock Exchange.

Petr KELLNER was born in Ceska Lipa (Czech Republic) on 20 May 1964. He graduated in Industrial Economics from Prague University in 1986. He is the major shareholder in Dutch holding company PPF Group N.V. which controls the PPF Group, founded by him in 1991. The PPF Group is one of the largest financial groups in the Czech Republic, has interests in insurance and consumer finance, and provides complex asset management services. He has been a Director of Generali since April 2007 and Director of Generali PPF Holding B.V. (joint venture between Generali and PPF) since January 2008. He was Chairman of the Board of Directors of PPF a.s. from 1998 until March 2007, and a member of the Supervisory Board of Česká pojišťovna a.s. from 2000 to 2006.

Klaus-Peter MÜLLER was born in Duppach (Germany) on 16 September 1944. In 1966 he was hired by Commerzbank, where he pursued his career until he became Chairman of its Supervisory Board, which post he still holds. He was also appointed a Member of the Board of Directors of Generali in 2001, and is currently a Director of Parker Hannifin Co., and as a member of the Supervisory Board of Fraport AG, Fresenius SE, Linde AG, KfW-Kreditanstalt für Wiederaufbau, Liquiditäts-Konsortialbank GmbH, and Steigenberger Hotels AG.

Alberto Nicola NAGEL was born in Milan on 7 June 1965. He graduated in Economics and Commerce from Bocconi University, and is currently on the Register of Auditors. He was hired by Mediobanca in 1991 and carved out his managerial career in that company, until he became General Manager, since July 2007 he has been Managing Director of the Board of Management and since October 2008 Managing Director of the

Board of Directors. Since July 2000 he has been a Director of Banca Esperia. He was an Statutory Auditor of Assicurazioni Generali from 1996 to 2004, when he resigned to take office as a Director. He is also a member of the Board of Directors and Executive Committee of ABI.

Alessandro PEDERSOLI was born in Naples on 24 April 1929. He graduated in Law and practises as a civil lawyer specialising in business and company law in Milan. He was appointed a Member of the Board of Directors of Generali in 2003. Currently, he is also a member of the Supervisory Board of UBI Banca S.c.p.A., and a Director of RCS Mediagroup S.p.A. and Effe 2005 Finanziaria Feltrinelli S.p.A.

Lorenzo PELLICIOLI was born in Alzamo Lombardo (BG) on 29 July 1951. He began his career in the field of journalism and television, and in 1984 joined the Mondadori Espresso Group, where he was soon appointed to top management positions. He then moved to the Costa Crociere Group, where from 1990 to 1997 he was first Chairman and Managing Director of Costa Cruise Lines and Compagnie Française de Croisières, and then Worldwide General Manager of Costa Crociere S.p.A. After holding the position of Managing Director of SEAT Pagine Gialle S.p.A., he has been Managing Director of De Agostini S.p.A. since 2005: in that Group he is now also Chairman and Managing Director of Lottomatica S.p.A. and Chairman of the Board of Directors of DeA Capital S.p.A.. He is also Chairman of the Board of Directors of Magnolia S.p.A. and a member of the Board of Directors of B&D Holding di Marco Drago & C. S.A.P.A.. In the past he has also been a director of ENEL, INA and Toro Assicurazioni and a member of the Advisory Board of Lehman Brothers Merchant Banking. He has been a Director of Generali since April 2007.

Reinfried POHL was born in Zwickau (Czech Republic) on 26 April 1928. He graduated in Law and is the only member of the Vorstand of Deutsche Vermögensberatung AG and a member of the Supervisory Board of Generali Holding Deutschland AG and of Aachener und Münchener Lebensversicherung AG. He is also a Member of the Vorstand of Deutsche Vermögensberatung AG Wien. He has been a Director of Generali since 2001.

Kai-Uwe RICKE Kai-Uwe Ricke was born on October 29th, 1961 in Oberhausen, Germany. He studied economics in Germany, France and the USA. He joined Deutsche Telekom AG in 1998, first as CEO of the German mobile phone subsidiary T-Mobile Deutschland GmbH, and shortly thereafter becoming CEO of T-Mobile International AG. Three years later Mr. Ricke was appointed Member of the Board of Deutsche Telekom AG and COO for DT's mobile and internet business. In 2002 he then became CEO of Deutsche Telekom AG and resigned in late 2006.

He is co-investor and a board member of Kabel Baden-Württemberg GmbH (EQT) and Easy Cash GmbH (Warburg Pincus). He is also the non-executive Chairman of the Board of Apollo Investment Europe, Apollo's European mezzanine fund. He has founded together with other partners the German Private Equity Partners AG Zug.

Mr. Ricke is also a Member of the Supervisory Board of United Internet AG, Montabaur, and serves as Member of the Board of Saudi Oger Telecom Ltd, Dubai. He was appointed a Director of the Company in 2007.

Paolo SCARONI was born in Vicenza on 28 November 1946. He graduated in Economics and Business from the Bocconi University in Milan, and obtained a Master's Degree in Business Administration from Columbia University in New York. He began his career with business consultants McKinsey, and then joined the Saint Gobain Group, where he held various managerial positions in Italy and abroad. He was Vice-Chairman and Managing Director of Techint until 1996, and the same year was appointed Managing Director of Pilkington, which position he held until 2002. He was Managing Director and General Manager of ENEL from 2002 to 2005, and is now Managing Director of ENI, Director of the Teatro alla Scala Foundation, and a member of the Board of Overseers of the Columbia Business School in New York. He is also a member of the Board of Directors of the London Stock Exchange, He has been a Director of Generali since April 2007. In 2003 he was awarded the title of *Cavaliere del Lavoro* and in November 2007 he was awarded the title of Officer of the Legion of Honour.

Claude TENDIL was born in Le Bourg d'Oisans (France) on 25 July 1945. After graduating in Political Science from the IEP in Paris he continued his studies, obtaining a specialist diploma in insurance. His career began with UAP in 1972; then, after working for the Drouot Group from 1980 to 1989, becoming its Chairman and General Manager, he joined the Axa Group. He worked there until 2002, holding important positions in the field of international affairs (Southern Europe, Latin America and Africa), played a key role in the merger with UAP, and finally, held the position of Vice-Chairman of the Board of Directors. He has been Chairman and General Manager of Generali France since 2002, and since 2003 of the Europ Assistance Group, in which he also holds the position of Chairman of the Italian subsidiary. He is also a member of the Boards of Scor S.A.. He has been awarded the Legion of Honour and is also a member of the French National Order of Merit. He has been a Director of Generali since April 2007.

The currently serving Board of Directors was appointed on 28 April 2007, and will remain in office until approval of the financial statements for the year ending on 31 December 2009.

The Secretary of the Board of Directors is Mr. Vittorio Rispoli, Deputy General Manager of the Company.

In compliance with the provisions of the Code, Directors act and decide independently, having full knowledge of the issues for which they are responsible, and pursue the objective of creating value for shareholders.

Directors accept their appointment when they deem that they can devote the necessary time to diligent performance of their duties.

Directors are required to know the duties and responsibilities associated with their function. The Chairman and the executive directors shall take steps to keep the Board informed of the main statutory and regulatory innovations concerning the company and the governing bodies and events on the international economic scene which may have significant repercussions on the Group's business. To this end, they shall avail themselves of the collaboration of other Directors and of the Secretary to the Board of Directors.

The Directors' knowledge of corporate and group dynamics and situations is promoted by invitations to attend meetings of the governing bodies of the Company and the Group. The management intends to further develop this practice, which has already been in use for some time.

The Company has passed a Regulation on the functioning of its administrative bodies. The said provision regulates the Board of Directors' activities and states, within the framework of an internal legal document, the rights, duties, powers and liabilities of the Company's directors in relation to the actions taken by them within the governing bodies.

Furthermore, this framework regulates the administrative body's make-up, the Directors' appointment, their remuneration, the relevance of their interests within the process of creation of the Company's policies, transactions with related parties, the Independent Directors' role, handling of corporate information, and the creation and functioning of Board Committees and of the internal control system.

Following the adoption of the current edition of the Code, the Board officially launched its self-assessment process. The said process was thoroughly analysed and commented on in an ad-hoc report. The conclusion of the above-mentioned report entails general considerations on the dimensions, make-up and functioning of the Board, the Board Committees, and the adequacy and effectiveness of the provisions laid down in the Board of Directors' Operating Regulation.

At least once a year, usually on the occasion of the adoption of the Corporate Governance Report, the members of the Board of Directors and the Control Committee meet to discuss the effectiveness of the Board of Directors' Operating Regulation, as well as the actual implementation of the corporate governance rules outlined by the Code, and subsequently adopt the consequent resolutions.

Subsequently, on the proposal of the Corporate Governance Committee, the Board of Directors, at a meeting held at the end of the last financial year, instructed the Chairman of the Internal Control Committee to perform the necessary preparation for a Board evaluation. The Committee again drew up an executive summary of the results of the study this year, conducted by means of a questionnaire circulated to Directors, which was submitted to the Board of Directors at its meeting held on 20 March.

A high level of satisfaction with the self-assessment process thus effected emerged, especially as regards the size and composition of the Board.

Non-executive and independent directors

The Board is made up of four directors who, according to the terms of the Code, are to be considered executive directors ^[16], and fifteen non-executive directors, ten of whom are independent ^[17].

At the meeting held on 20 March 2009, the Company made the latest assessment of the independence of the Members of the Board of Directors, also applying all the criteria laid down by the Code in this case.

[16] According to the definition laid down in the Code (see Application Criterion 2.C.1, second paragraph), Claude Tendil must also be considered an executive director of the Company in view of his managerial duties as Chairman and General Manager of Generali France S.A., a controlled company with strategic importance.

[17] Non-executive Directors" means directors that are not individually vested with operational powers. The legal structure of the administrative bodies of companies established under Italian law enables Directors to be classed as non-executive and independent even if they are members of the Executive Committee; membership of the latter, which is a collective body, does not imply or determine the assignment of powers to individual members. However, the following are classed as executive directors according to Application Criterion 2.C.1:

- the managing directors of the issuer or a subsidiary with strategic importance, including their Chairmen if individual powers of management are granted to them or they play a specific role in the design of company strategies;
- directors who hold managerial positions in the issuer or in a subsidiary with strategic importance, or in the controlling company if the position also relates to the issuer;
- directors who are members of the issuer's Executive Committee if no Managing Director has been appointed or attendance at meetings of the Executive Committee, in view of the frequency of its meetings and the subject of its resolutions, in practice entails systematic involvement of its members in the issuer's day-to-day management.

The grant of emergency powers only to directors not holding managerial powers does not in itself make them executive directors, unless those powers are used very often in practice.

The Code recommends that an appropriate number of "non-executive" Directors should be "independent", so that they can better guarantee an autonomous judgement and free appraisal of the management's activities, especially in connection with the most delicate issues and situations potentially leading to conflict of interests, with a view to securing the best possible protection of all shareholders.

According to criterion 3.C.1. of the Code of Conduct, a director is not usually classed as independent in the following cases, to be considered merely as an example:

- a) if he/she controls the issuer, directly or indirectly, including through subsidiaries, trustees or a third party, or is able to exercise dominant influence over the issuer, or participates in a shareholders' agreement through which one or more persons may exercise control or considerable influence over the issuer;
- b) if he/she is, or has been in the preceding three financial years, a leading representative of the issuer, of a subsidiary having strategic importance or of a company or entity controlling the issuer or able to exercise considerable influence over it, including jointly with others through a shareholders' agreement;
- c) if he/she has, or had in the preceding financial year, directly or indirectly (e.g. through subsidiaries or companies of which he/she is a leading representative, or in the capacity of partner in a professional firm or a consulting company) a significant commercial, financial or professional relationship:
 - with the issuer, one of its subsidiaries, or any of its leading representatives;
 - with a party who controls the issuer, jointly with others through a shareholders' agreement or, in case of a company or an entity, with any of the leading representatives;or is, or has been in the preceding three financial years, an employee of the above-mentioned parties;
- d) if he/she receives, or has received in the preceding three financial years, from the issuer or a subsidiary or holding company of the issuer, significant additional remuneration compared with the "fixed" remuneration as non-executive director of the issuer, including participation in incentive plans linked to the company's performance, such as stock option plans;
- e) if he/she was a director of the issuer for more than nine of the last twelve years;
- f) if he/she is vested with the office of executive director in another company in which an executive director of the issuer holds the office of director;
- g) if he/she is a shareholder or director of a legal entity belonging to the same network as the company appointed to audit the accounts of the issuer;
- h) if he/she is a close relative of a person who is in any of the positions listed in the above paragraphs.

The number of non-executive and independent directors is therefore sufficient to ensure that their judgement has a decisive influence on the Board's decision-making.

Non-executive directors bring their specific expertise to the Company's activities and to Board debates, providing their institutionally-required contribution to the drafting and passing of resolutions in line with the Company's interests.

The presence of non-executive directors is considered crucial for appointments to the Internal Control Committee and Remuneration Committee, whose members must consist of directors with no delegated operational powers.

A further concept of independent director⁽¹⁸⁾ has been introduced into the legislation amended by the Savings Act. The absence of this requisite (as indicated above) entails forfeiture of the office. A check was made on the basis of this concept to establish that the independence requirement was met.

The Code of Conduct states that the status of "*independent Director*", must be assessed by the Board on a regular basis, taking into account the information provided by the individuals concerned, and that the Board of Directors shall evaluate the existence of that requirement "*having regard more to the contents than to the form*".

The Board of Statutory Auditors must assess the correct application of the criteria adopted by the Board of Directors and of the control procedures used by the said Board to assess the Directors' independence.

On the occasion of the Board of Directors' renewal, which took place during the Shareholders' Meeting in April, the Board of Statutory Auditors verified the correct application of the criteria and procedures adopted by the Board of Directors to assess its members' independence.

As regards the provision of the Code (not yet adopted) relating to annual meetings of independent directors only, the Company is aware of the subject and is conducting a study of the possibility of instituting the figure of lead independent director. As regards independent directors, the Board of Directors' Operating Regulation now states that the role of Chairman during the meeting shall be attributed to the Chairman of the Board, if the latter is an independent Director. If such circumstance does not occur, the office of Chairman will be attributed to the Director who meets the necessary requirement, by means of a decision jointly taken by the independent directors. The Secretary to the Board of Directors' is appointed secretary of the meeting.

The average attendance of Independent Directors at meetings of the Board was 85% in 2003, 80% in 2004, 75% in 2005, 80% in 2006, 76.9% in 2007, and 81.82% in 2008. For more details, see Table 1 containing individual attendance information for each Director.

[18] Pursuant to s. 147-ter of the CFBA, at least one member of the Board of Directors, or two if the governing body has more than seven members, shall meet the independence requirements established for Internal Auditors by s. 148.3 of the CFBA and, if the Articles of Association so provide, the further requirements laid down in the Codes of Conduct drawn up by the management companies of regulated markets or by trade associations. S. 148.3 of the CFBA states that the following parties may not be elected as Internal Auditors and, if elected, shall be debarred from holding office:

- a) those in the conditions specified in s. 2382 of the Italian Civil Code;
- b) the spouse, relations and in-laws up to the fourth degree of kinship of the company's directors, and the directors, spouse, relations and in-laws up to the fourth degree of kinship of the companies controlled by it, its controlling companies and companies subject to joint control;
- c) those who are linked to the company or its subsidiaries or controlling companies or companies subject to joint control or to directors of the company and the parties specified in paragraph b) by a relationship of employment or self-employment or other monetary or professional relationship which undermines their independence.

An independent director who loses the independence requirements after appointment shall immediately notify the Board of Directors, and shall in any event be debarred from holding office.

Remuneration of Directors and executives with strategic responsibilities

Article 19 of the Articles of Association, as amended by resolution passed by the Shareholders' Meeting held on 20 June 2007, attributes to the Shareholders' Meeting power to determine the Directors' fees.

At the same time, the Shareholders' Meeting resolved that each member of the Board of Directors should receive the following amounts, in addition to reimbursement of expenses for attendance at meetings, for the entire three-year mandate of the Board of Directors appointed by the Shareholders' Meeting on 27 April 2007, namely until the date on which the accounts for the financial year ending on 31 December 2009 are approved:

- a gross annual fee of € 100,000.00, increased by 50% for those who are members of the Executive Committee;
- a variable fee amounting to 0.01% of the consolidated profit, subject to a total maximum limit of € 300,000.00, to be divided equally between the Directors;
- an attendance fee of € 4,000.00 for each meeting of the Board of Directors and the Executive Committee.

Article 39 of the Articles of Association, also amended by resolution passed at the same Shareholders' Meeting, states that the fees of directors holding particular offices shall be established by the Board of Directors pursuant to s. 2389 of the Italian Civil Code, after consulting the Board of Statutory Auditors.

The remuneration model in question has so far had a tripartite structure. The first element is a fixed fee, the second a variable fee, based on the Group's management and/or profit indicators, and the third is represented by a long-term incentive consisting of a stock option plan, the implementation of which is subject to conditions precedent linked to further Group management and/or profit indicators.

In Assicurazioni Generali S.p.A., this system applies firstly to the Chairman, the Managing Directors and the General Manager and secondly to executives with strategic responsibilities, namely those with a grade at least equal to that of Assistant General Manager and key managerial positions.

Directors with strategic responsibilities

Office	First name, last name
• Deputy General Manager	Mr. Lodovico Floriani
• Deputy General Manager	Mr. Andrea Mencattini
• Deputy General Manager	Mr. Aldo Minucci
• Deputy General Manager	Mr. Vittorio Rispoli
• Deputy General Manager	Mr. Valter Trevisani
• Assistant General Manager	Mr. Amerigo Borrini
• Assistant General Manager	Mr. Danilo Ignazzi
• Assistant General Manager	Mr. Attilio Invernizzi
• Assistant General Manager	Mr. Manlio Lostuzzi
• Assistant General Manager	Mr. Giorgio Trombetta
• Assistant General Manager	Mr. Franco Urlini
• Assistant General Manager	Mr. Antonio Dinia



During the past financial year, the Board of Directors has determined the remuneration of the Chairman, Managing Directors and Directors with strategic responsibilities after examining proposals by the Remuneration Committee and consulting the Board of Statutory Auditors.

The details of the remuneration payable to the Directors, the General Manager and, on aggregate, to Managers with strategic responsibilities, for the 2008 financial year, are shown in the table below.

Person Name and Surname	Office held			Emoluments (in euro)			
	Office held	Period covered by the mandate	End of mandate	Emoluments for mandate	Non-monetary benefits	Bonuses and incentives	Other emoluments
Antoine BERNHEIM ⁽¹⁹⁾	Chairman	1.1-31.12.08	24.04.2010	2,170,000		900,233	180,697 ⁽²¹⁾
	Director	1.1-31.12.08	24.04.2010	190,578			
Gabriele GALATERI DI GENOLA ⁽¹⁹⁾	Vice Chairman	1.1-31.12.08	24.04.2010	182,578			
Sergio BALBINOT ⁽¹⁹⁾	Director	1.1-31.12.08	24.04.2010	190,578			
	Managing Dir.	1.1-31.12.08	24.04.2010	800,000		397,074	145,448 ⁽²²⁾
	Gen.Manager	1.1-31.12.08	-	800,000		266,692	
Giovanni PERISSINOTTO ⁽¹⁹⁾	Director	1.1-31.12.08	24.04.2010	190,578			
	Managing Dir.	1.1-31.12.08	24.04.2010	800,000		397,074	
	Gen.Manager	1.1-31.12.08	-	800,000		266,692	
Luigi Arturo BIANCHI	Director	1.1-31.12.08	24.04.2010	148,487			
Ana Patricia BOTIN	Director	1.1-31.12.08	24.04.2010	116,487			
Francesco Gaetano CALTAGIRONE	Director	1.1-31.12.08	24.04.2010	132,486			
Diego DELLA VALLE	Director	1.1-31.12.08	24.04.2010	124,487			
Leonardo DEL VECCHIO	Director	1.1-31.12.08	24.04.2010	132,486			
Loic HENNEKINNE	Director	1.1-31.12.08	24.04.2010	148,487			
Petr KELLNER	Director	1.1-31.12.08	24.04.2010	124,487			
Klaus-Peter MUELLER	Director	1.1-31.12.08	24.04.2010	104,487			
Alberto Nicola NAGEL ⁽¹⁹⁾	Director	1.1-31.12.08	24.04.2010	190,578	⁽²³⁾		
Alessandro PEDERSOLI	Director	1.1-31.12.08	24.04.2010	150,486			
Lorenzo PELLICIONI ⁽¹⁹⁾	Director	1.1-31.12.08	24.04.2010	190,578			
Reinfried POHL	Director	1.1-31.12.08	24.04.2010	108,487			108,451 ⁽²⁴⁾
Kai Uwe RICKE	Director	1.1-31.12.08	24.04.2010	124,487			
Vittorio RIPA DI MEANA ⁽²⁰⁾	Director	1.1-29.12.08	-	185,733			
Paolo SCARONI	Director	1.1-31.12.08	24.04.2010	128,487			
Claude TENDIL	Director	1.1-31.12.08	24.04.2010	132,487			1,686,000 ⁽²⁵⁾
Gianfranco BARBATO	Chairman of the Board of Auditors	1.1-26.04.08	-	24,041			74,880 ⁽²⁶⁾
Eugenio COLUCCI	Chairman of the Board of Auditors	26.4-31.12.08	30.04.2011	102,740			
Paolo D'AGNOLO	Eff. Auditor	1.1-26.04.08	-	16,027			91,228 ⁽²⁷⁾
Gaetano TERRIN	Eff. Auditor	1.1-31.12.08	30.04.2011	84,520			133,883 ⁽²⁸⁾
Giuseppe ALESSIO VERNI'	Eff. Auditor	26.4-31.12.08	30.04.2011	68,493			158,087 ⁽²⁹⁾
Raffaele AGRUSTI	Gen.Manager	1.1-31.12.08	-	900,000	1,701	266,692	
Managers with Strategic Responsibility				3,571,166	29,954	842,000	129,967

[19] It refers to Members of the Board of Directors who served on the Executive Committee for the entire financial year.

[20] Member of the Board of Directors who served on the Executive Committee until 29 December 2008.

Stock Option Plans

As stated, the overall remuneration system for the Company's top management and executives is based not only on a fixed fee and a variable fee but also on a long-term incentive plan, represented by the allocation to them of options to subscribe or purchase Generali shares.

In recent years the Company has issued separate stock option plans for the Chairman and Managing Directors and for the Group's executives.

The following plans were still current on the date of presentation of the Report to the Board:

- a) 2001-2003 stock option plan for the executive and non-executive personnel of Generali and companies in the Generali Group;
- b) 2005 stock option plan for the Company's Chairman and Managing Directors;
- c) 2005-2007 stock option plan for the executive and non-executive personnel of Generali and companies in the Generali Group;
- d) 2006-2008 stock option plan for the Company's Chairman and Managing Directors;
- e) 2008-2010 Stock Option Plan for executive and non-executive personnel of Generali and the companies in the Generali Group;
- f) 2008-2009 Stock Option Plan for the Company's Chairman and Managing Directors.

The Plans referred to in paragraphs e) and f) of the above list and the 2006-2008 Plan for the Chairman provide that the beneficiaries shall receive a number of options to purchase Generali shares, while in all the other cases, the beneficiaries of the plans in question receive a number of options to subscribe the Company's shares.

In the first case, the governing bodies of the Company resolved, in the years covered by the Plans, to autho-

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- [21] The emoluments indicated include those due for the offices held in 2008 in the following companies: Alleanza Assicurazioni, Generali Deutschland Holding, Generali España Holding, Generali France and BSI. The payments for Generali Holding Vienna will be established by the Company's General Shareholders' Meeting this year. The sums paid to Generali Deutschland Holding only regard the attendance fees; the portion inherent to profit-sharing will be established by the Shareholders' Meeting scheduled in the first half of the current financial year.
- [22] The emoluments indicated include those due for the offices held in 2008 in the following companies: Generali Deutschland Holding, Aachener u. Muenchener Lebensversicherung AG, Aachener u. Muenchener Versicherung AG, Generali France, Banco Vitalicio, La Estrella, Generali Espana Holding, Generali Schweiz Holding AG, Migdal Insurance & Financial Holdings and Europ Assistance Holding. The emoluments for Generali Holding Vienna will be established by the Company's General Shareholders' Meeting this year. The amounts paid by Generali Deutschland Holding and Banco Vitalicio only regard the attending fees; those relative to the profit sharing will be determined from the shareholders' meeting during the first half of the current year.
- [23] The emolument was paid directly to Mediobanca.
- [24] Emoluments for the offices held in 2008 in the following companies: Generali Deutschland Holding, Aachener u. Muenchener Versicherung AG and Aachener u. Muenchener Lebensversicherung. The sums paid to Generali Deutschland Holding only regard the attendance fees; the portion inherent to profit-sharing will be established by the Shareholders' Meeting scheduled in the first half of the current financial year.
- [25] Furthermore during the 2008 financial year Generali France furthermore assigned M. Tendil 140,000 stock options free of charge to subscribe Generali France shares, whose value will be that of the said shareholding on 31 December 2010 (calculated using a method that takes account of the value of adjusted shareholders' equity, the value of the portfolio and goodwill). The final grant is subject to the beneficiary's fulfilment of certain performance targets and remaining in office. 40% of the shares stemming from the exercise of the said stock options must be held by M. Tendil for the entire duration of his term of office as Chairman of Generali France while the remaining 60% of the stock options may be disposed of solely from 1 January 2015 onwards.
- [26] Emolument for the office of Chairman of the Board of Statutory Auditors of Ina Assitalia.
- [27] Emoluments due for the offices of Permanent Auditor for the subsidiaries Generali Gestione Immobiliare, Generali Business Solutions, Generali Properties, Sementi Dom Dotto, Genagricola, Enofila, Casaletto and Banca Generali.
- [28] Emoluments due for the offices of Chairman of the Board of Auditors for Alleanza Assicurazioni, Intesa Vita and Fondi Alleanza Sgr and Permanent Auditor for Generali Immobiliare Italia and Finagen.
- [29] Emoluments due for the offices of Chairman of the Board of Statutory Auditors of Banca BSI Italia, Banca Generali, Europ Assistance Italia, Generali Horizon, Genertellife, S. Alessandro Fiduciaria and Permanent Auditor of Europ Assistance Service Genertel, Intouch, Simgenia, Ums Immobiliare Genova.

rise the purchase of its own shares for the purpose of the Plans, while in the other cases, the Company has performed separate increases in share capital to implement the Plans.

The main features of the Plans are as follows:

- all Plans provide for a vesting period, after which the options can be exercised;
- each option entitles the holder to subscribe or buy one share on payment of the exercise price;
- the exercise price is fixed at an amount equal to the arithmetical mean of the benchmark prices of Generali shares on the Screen-based Stock Market managed by Borsa Italiana S.p.A., recorded in the period between the date of allocation of the options and the same day in the preceding calendar month;
- the options can only be deemed to be permanently allocated if the Board of Directors establishes that the conditions laid down by the Board for the exercise of the options have been fulfilled at the time of allocation;

The Shareholders' Meeting held on 20 June 2007, and the Board meeting held on the same date to implement the resolutions passed by the said Shareholders' Meeting, passed resolutions designed to "neutralise" the consequences on the current stock option Plans of a diluting effect on the Generali shares deriving from the resolution passed by the Shareholders' Meeting held on 28 April 2007 to make a bonus issue pursuant to s. 2442 of the Italian Civil Code.

In particular, it was established that all options already allocated and not yet exercised entitle the beneficiary to subscribe or purchase (depending on the Plan concerned) 1.1 Generali shares. This aim was pursued by means of three legal technicalities, described in detail in the minutes of the said Shareholders' Meeting which are published on the Company's website.

The table below summarises the basic characteristics of the stock option plans involving the allocation to beneficiaries of a given number of options to subscribe Generali shares.

Plan	Decisions	Amount (in euro)	Execution time frame
Plan 2001-2003 for Group Managers			
First cycle	BOD 26/03/2001 and 20/06/2007	2,506,030.00	between 26/03/2004 and 26/03/2010
Second cycle	BOD 14/05/2002 and 20/06/2007	4,019,635.00	between 14/05/2005 and 14/05/2011
Third cycle	BOD 13/05/2003 and 20/06/2007	4,805,335.00	between 13/05/2006 and 13/05/2012
Plan 2005 for Company's Chairman and Managing Directors			
Cycle	Shareholders' Meeting 30/04/2005 and 20/06/2007	6,600,000.00	between 30/04/2008 and 30/04/2011
Plan 2005-2007 for Group Managers			
First cycle	BOD 13/05/2005 and 20/06/2007	2,190,300.00	between 13/05/2008 and 13/05/2011
Second cycle	BOD 23/03/2006 and 20/06/2007	2,842,700.00	between 23/03/2009 and 23/03/2012
Third cycle	BOD 02/08/2007	2,297,000.00	between 02/08/2010 and 02/08/2013
Plan 2006-2008 for Company's Managing Directors			
First cycle	BOD 10/05/2006 and 20/06/2007	1,100,000.00	between 10/05/2009 and 10/05/2012
Second cycle	BOD 02/08/2007	1,000,000.00	between 02/08/2010 and 02/08/2013

As regards the second and third cycle of the 2001-2003 plan for executives, share capital amounting to € 2,203,019.00 has so far been subscribed, and € 1,626,662.00 paid up. As regards the first cycle of the 2005-2007 plan for executives, € 33,000.00 has been subscribed.

The ratio between the number of stock options allocated during the 2001-2003 period and the total number of shares of the Company circulating during the corresponding period was 0.20% in 2001, 0.32% in 2002 and 0.33% in 2003, 1.48% in 2005, 1.79% in 2006, 1.87% in 2007 and 2.66% in 2008. The last figure is due to the fact that the Plans referred to in paragraphs e) and f) of the above list involved a single allocation of option rights on 26 April 2008, with regard to all the financial years covered by the Plans in question.

The table below and the corresponding footnotes show the number of shares which can be purchased or subscribed by the top management of the parent company, including (collectively) executives with strategic responsibilities, the price per share for exercise of the options, the period of exercise and the number of stock grants already allocated to the General Managers, updated to 31 December 2008.

Stock Options

(A)	(B)	Options held at the beginning of the year			Options assigned during the year			Options exercised during the year			Options expired during the year	Options held at the end of the year		
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11) = 1+4-7-10	(12)	(13)
Name and surname	Office held	Number of options	Average exercise price	Average due date	Number of options	Average exercise price	Average due date	Number of options	Average exercise price	Average market price at exercise	Number of options	Number of options	Average exercise price	Average due date
Antoine Bernheim	Chairman	3,000,000	26.31	01.01.2011	1,000,000	28.84	26.04.2011	0	0	0	0	4,000,000	26.94	01.09.2011
Giovanni Perissinotto ⁽³⁰⁾	Managing Director/ General Manager	3,137,500	26.75	15.12.2010	1,000,000	28.84	26.04.2011	0	0	0	27,500	4,110,000	27.25	18.08.2011
Sergio Balbinot ⁽³¹⁾	Managing Director/ General Manager	3,043,050	26.82	25.12.2010	1,000,000	28.84	26.04.2011	0	0	0	18,050	4,025,000	27.31	26.08.2011
Raffaele Agrusti ⁽³²⁾	General Manager	623,200	29.63	14.10.2010	900,000	28.84	26.04.2011	14,850	27.08	27.27	28,350	1,494,850	29.15	20.11.2011
Managers employees with strategic responsibilities		1,564,900	28.58	11.12.2011	1,740,000	28.84	25.04.2015	49,880	27.08	27.27	56,800	3,046,470	28.59	13.11.2013

The table below shows the number of shares which can be purchased or subscribed by the executive and non-executive personnel of the Group, the price per share for exercise of the options, and the period of exercise, updated to 31 December 2008.

Executive and non-executive personnel

(A)	(B)	Options held at the beginning of the year			Options assigned during the year			Options exercised during the year			Options expired during the year	Options held at the end of the year		
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11) = 1+4-7-10	(12)	(13)
Name and surname	Office held	Number of options	Average exercise price	Average due date	Number of options	Average exercise price	Average due date	Number of options	Average exercise price	Average market price at exercise	Number of options	Number of options	Average exercise price	Average due date
Managing and non managing Group staff		9,466,580	27.25	29.11.2010	5,217,750	28.84	02.08.2013	367,045	24.11	27.27	1,419,775	12,967,510	27.26	28.03.2012
of which	in Italy	4,702,711	27.04	26.09.2010	2,418,000	28.84	02.08.2013	176,165	23.96	27.27	733,740	6,077,036	26.73	14.01.2012
of which	abroad	4,763,869	27.46	01.02.2011	2,799,750	28.84	02.08.2013	190,880	20.48	27.27	686,035	6,890,474	27.73	02.06.2012

(30) A total of 238 stock grants were also assigned to Mr. Perissinotto, in his capacity as General Manager, in 2002, 2003 and 2006.

(31) A total of 238 stock grants were also assigned to Mr. Balbinot, in his capacity as General Manager, in 2002, 2003 and 2006.

(32) A total of 238 stock grants were also assigned to Mr. Agrusti, in his capacity as General Manager, in 2002, 2003 and 2006.

D&O insurance policy to cover the third-party liability of members of the Company's governing bodies

In line with the best practice on the most progressive financial markets, and having regard to the characteristic features of the business of the Company and the Group, the Shareholders' Meeting held on 20 June 2007 resolved:

- 1) that the Company should pay any compensation deriving from liability towards third parties for prejudicial acts performed by the Directors and Statutory Auditors in the exercise of their functions, excluding cases of fraud and wilful misconduct, up to the maximum cover limit of € 100 million;
- 2) to authorise the Board of Directors to take out an insurance policy to cover the third-party liability of the Company's Directors and Statutory auditors (Directors' and Officers' Liability Insurance - D&O), broadly on the following terms:
 - duration: 12 months, renewable from year to year until the Shareholders' Meeting called to approve the accounts for the financial year ending on 31 December 2009;
 - maximum cover: € 100 million per claim, by way of annual aggregate, and per period of cover;
 - annual premium: approximately € 1 million.

In accordance with the delegated power granted by the Company's Board of Directors at its meeting held on 20 June 2007, the said D&O policy was taken out on the terms broadly illustrated above.

Handling of confidential and inside information

Following the adoption of the regulation implementing the new legislation on market abuse, the Board of Directors meeting held on 28 February 2006 updated the contents of the regulation on the handling of confidential and inside information as well as a regulation on keeping the Register of Persons who have access to inside information, in line with the obligations laid down in the Consolidated Finance Broking Act ⁽³³⁾.

The characteristic features of the Regulation on the handling of confidential and inside information, a summary of which can be found in the Governance section of the website www.generali.com, are:

- definition of the concepts of confidential ⁽³⁴⁾ and inside ⁽³⁵⁾ information;
- identification of personnel obliged to comply with these regulations;
- definition of procedures for handling confidential and inside information.

The corporate representatives, i.e. directors, Statutory Auditors and employees of the Company and its subsidiary companies as well as those on whom the Company, the Subsidiary Companies or even third parties have conferred professional, service or equivalent responsibilities that have led them to acquire inside information on the Company, shall maintain maximum discretion on the confidential information they acquire in the per-

⁽³³⁾ In compliance with the provisions of the Consob Regulation, the register shall be operative as of 1 April 2006.

⁽³⁴⁾ Confidential information means accurate information directly or indirectly concerning the Company or the Subsidiary Companies, which is not in the public domain, and whose dissemination was not allowed by the appropriate administrative body or by the heads of company departments involved in its handling.

⁽³⁵⁾ Inside information means accurate information, which has not been made public, directly concerning the Company or the Subsidiary Companies, and which, if made public, might considerably affect the prices of the financial instruments issued by the Company. Information is regarded as accurate if:

- It refers to a mix of circumstances which exist or which may reasonably and foreseeably come into existence or to an event which has occurred or which may reasonably and foreseeably occur;
- It is sufficiently specific to allow conclusions to be drawn on the possible impact of that mix of circumstances or of the said event on the prices of the financial instruments issued by the Company.

Information which, if made public, might considerably affect the prices of the financial instruments means information which a sensible investor would presumably use as one of the elements on which his/her investment decisions are based.

formance of their corporate or professional duties.

The said parties having access on a regular or occasional basis to inside information are entered in an appropriate register, set up and kept according to the legislation and regulations in force. In order to ensure proper keeping of the register and the information it contains, the Company has adopted internal procedures which, according to specific criteria, are aimed at ensuring efficient, effective management of the information and data contained in the register ^[36].

The Regulation in question is aimed at safeguarding the effectiveness of the principle of equal treatment of inside information towards the market and ensuring that its disclosure outside the Company and/or subsidiary companies is handled promptly, completely and adequately, without causing information asymmetries among the public.

To this end, the Company has established its policies on circulating and monitoring inside information ^[37].

When handling confidential information, corporate representatives are required to use any type of precaution that allows such information to be disclosed within the Company, the subsidiary companies and/or in the relationships between the latter, without prejudice to its own specific nature.

Notwithstanding the functions of the Media Relations Director and the other Directors granted delegated powers by the Board of Directors, all relations with the press and other media are directed and coordinated by the Financial Affairs Director and conducted by the Director of the corporate function responsible for relations with the media.

Relations with financial analysts and institutional investors are coordinated by the Company's Financial Affairs Director, and conducted through the Investor Relations Department ^[38].

[36] In the case of gradually developing company operations (or of other situations, events or circumstances with similar pre-requisites), although the information on them does not yet meet the legal requirements for inside information but may do so in the future, the persons having access to it are promptly entered in the register, so that there is conclusive evidence that such registration was performed before the conditions for becoming inside information applied.

[37] In this area, it has also been established that:

- Inside information can only be accessed by corporate representatives who are obliged to access it in the pursuance of their management or work duties, or in the pursuance of their profession, function or office;
- during their normal working and/or professional activities or their functions or tasks, corporate representatives having inside information and, at any rate, persons acting in the name and on behalf of the Company and/or of subsidiary companies shall adopt appropriate behaviour to safeguard the confidentiality of the information handled by them, according to the procedures laid down by the Company;
- in particular, corporate representatives must not disclose such inside information to other parties who are not, in turn, obliged to comply with the privacy obligation applicable to those who have access to inside information, according to the legislation, regulations, Articles of Association or contractual sources;
- corporate representatives having access to inside information must be fully informed of the ethical and legal obligations binding upon them as well as the criminal, administrative, civil and disciplinary sanctions provided for in case of abuse or unauthorised disclosure of information.

[38] As far as the handling of inside information is concerned, management of the communication procedure relating to that information is the task of the corporate departments responsible for relations with the media, with the help of the investor relations department and the department managing relations with the representatives of corporate bodies and with the authorities responsible for public control of the correctness of the corporate information document, as well as the corporate departments responsible for handling the said information. The above-mentioned departments prepare the text of the press release which, subject to prior approval of the Director of the Company entrusted with financial affairs, is disclosed to the public, the Stock Exchange and CONSOB in compliance with the law in force.

If the text of the press release concerns matters which also fall within the jurisdiction of other Directors to whom management responsibilities are assigned by the Board of Directors, the press release is made public after its delivery to the said Directors.

In view of the Company's obligations resulting from the issue of financial instruments listed on Italian regulated markets, inside information on matters directly concerning the Subsidiary companies may only be disclosed to one or more persons outside those companies by agreement with the Company Director responsible for financial affairs.

Before the said press releases are published, the handling of inside information is aimed at drawing up a suitable press release to be promptly released, with a view to its disclosure outside the Company.

Transactions having a significant impact on the Company's profitability, assets and liabilities or financial position, transactions with related parties, atypical or unusual transactions

In the light of criterion 9.C.1., the Board of Directors has redefined the guidelines concerning transactions having a significant impact on the Company's profitability, assets and liabilities or financial position, transactions with related parties, atypical and unusual transactions, which can be found in the *Governance* section of the website www.generali.com. "Transactions having a significant impact on the Company's profitability, assets and liabilities or financial position" include the management operations reserved for the Board of Directors in compliance with the law, the Company's Articles of Association or other resolutions passed by the Board, as well as the further transactions listed hereunder, even if they are carried out through subsidiary companies:

- 1) the issue of financial instruments amounting to a total sum higher than Euro 300 million;
- 2) the grant of loans and guarantees, also amounting to a total sum higher than Euro 300 million;
- 3) transactions regarding the provision of activities or services, cooperation agreements for the exercise and development of corporate activities, amounting to a total sum higher than Euro 100 million;
- 4) mergers or demergers whereby the total assets of the incorporated (merged) company or the divided assets amount to or exceed 3% of the total assets recorded by Generali in its latest consolidated financial statement;
- 5) investment and disinvestment transactions, including those regarding real property, operations of purchase and sale of shareholdings, companies or Company branches, or assets of any kind, on the occasion of which the price of the Company (or company branch or assets) bought (or sold) amounts to or exceeds 1.3% of the average capitalisation recorded over the past six months by Generali shares.

Mergers and takeovers between listed companies, mergers between a listed company and an unlisted company, and takeovers of a listed Company by an unlisted company have also been included in the category of transactions having a significant impact on the Company's profitability, assets and liabilities or financial position.

"Transactions with related parties" means those operations carried out by the Company, including through subsidiary companies, with parties identified in compliance with the definition given by the International Accounting Standard (IAS 24) on Related Party Disclosures, adopted in compliance with art. 9 of EC Regulation no. 2238/2004.

As a result, this category also includes intra-Group transactions, i.e. those operations carried out by the Company, including through subsidiary companies, with other Companies belonging to the Group.

The types of transaction with related parties listed below, including transactions carried out through subsidiary companies, fall under the exclusive jurisdiction of the Board of Directors:

- 1) the grant of loans and guarantees, amounting to a total sum higher than Euro 150 million;
- 2) transactions regarding the provision of activities or services, cooperation agreements for the exercise and development of corporate activities, amounting to a total sum exceeding Euro 50 million;
- 3) mergers or demergers whereby the total assets of the taken over (merged) company or the assets that are being divided equal or exceed 1.5% of the total assets recorded by Generali in its latest consolidated financial statement;
- 4) investment and disinvestment transactions, including those regarding real property, purchase and sale of shareholdings, companies or Company branches, or of assets of any kind, on the occasion of which the price of the Company (or company branch or assets) bought (or sold) equals or exceeds 0.65% of the average capitalisation recorded over the past six months by Generali shares.

Transactions with related parties, including those carried out through subsidiary companies, may, due to their purpose, consideration, procedures or timing, have consequences on the protection of the company's net worth or on the completeness and correctness of items of information, including accounting information, relating to the issuer. The said transactions shall be approved by the Board of Directors, after the Internal Control Committee has expressed its opinion and/or with the support of independent experts, following the Chairman's or the competent Managing Director's suggestion.

Transactions having a significant impact on the Company's profitability, assets and liabilities or financial position or operations with related parties can bypass the examination of the Board of Directors if they present the following features, even though their subject and value correspond to one of the categories described above:

- they are carried out under market conditions, i.e. under the same conditions as applied to parties other than related parties;
- they are typical or usual, i.e. on the basis of their subject, nature, degree of risk and time of performance are among the ordinary operations of the Company;
- they are carried out by subsidiaries which, directly or indirectly, are entirely controlled by the Company.

In any event, the said transactions must be brought to the notice of the Board of Directors at the meeting immediately following their completion.

"Atypical or unusual transactions" means operations which, in view of their subject and nature, are not included among the ordinary operations of the Company, and those presenting particular elements of criticality connected with their features and inherent risks, the nature of the other party, or the time when they are carried out.

This type of transaction normally falls under the sole jurisdiction of the Board of Directors, apart from those listed hereunder:

- transactions not exceeding a total of Euro 50 million;
- transactions that merely implement corporate initiatives already included among the resolutions previously passed by the Board.

With a view to allowing the Board of Directors and, under certain circumstances, the Internal Control Committee, to obtain all the information required to make their respective decisions and assessments, the Chairman of the Board of Directors undertakes to illustrate all transactions still awaiting approval and/or examination to Board members and, under certain circumstances, to the members of the Internal Control Committee, through ad-hoc reports, which shall be available in advance to the said members and which will describe the following factors:

- a) the features, terms and conditions of the transaction;
- b) the strategic objectives of the transaction;
- c) the consistency of the objectives with corporate strategies;
- d) the methods, as well as the terms and conditions – including economic ones – of their implementation;
- e) the possible developments of the transactions; any connected risks shall be highlighted;
- f) the possible consequences and implications of the transaction for the activities of Generali Group.

In the case of transactions with related parties – including those occurring within the Group – that are not presented to the Board of Directors because they are typical or usual and/or meet standard conditions ⁽³⁹⁾, the Managing Directors or the managers responsible for the transaction gather and record adequate information, subject to the relevant procedure defined by article 150, paragraph 1, of Legislative Decree 58/24 of

⁽³⁹⁾ Operations meeting standard conditions are those carried out on the same terms as applied by the Company to any party whatsoever.

February 1998. The information may be subdivided into types or groups of transactions, and must specify the nature of the correlation, the ways in which the transaction will be carried out, the conditions for its implementation (including economic conditions), the assessment procedure followed, the underlying interest and motivations and any possible risks for the Company. Here again, one or more experts may be appointed on the basis of the above-mentioned procedures.

If the related party is a Director, or

- someone living with him/her or his/her children,
- the children of the person he/she is living with,
- the dependants of the Director or of the person he/she is living with,
- a firm in which the Director holds – directly or indirectly or through a third party – at least 20% of the voting rights, or 10% if the company is listed,
- a firm in which the Director, can appoint the majority of the Directors, including through shareholders' agreements,

the said Director shall promptly inform the Board of Directors and the Board of Statutory Auditors in detail of the existence of such conditions.

This procedure also concerns transactions which, though individually below the amounts listed above with reference to each single category of operations, are connected, within each category, in the same strategic or executive structure, and therefore exceed the amounts established when considered jointly.

Pursuant to article 150 of Legislative Decree 58, 24 February 1998 and article 35 of the Company's Articles of Association, the Board of Directors shall report promptly and at least every three months to the Board of Statutory Auditors on the activities carried out, in particular:

- on transactions having a significant impact on the Company's profitability, assets and liabilities or financial position;
- on transactions in which Directors have an interest, on their own account or on behalf of a third party.

The said disclosure to the Board of Statutory Auditors is made at the meetings of the Board of Directors or, when necessary, directly or at the meetings of the Executive Committee.

Those reports concern not only the executive activities and the developments of the transactions that have already been approved by the Board of Directors, but also the initiatives taken by the representative bodies – including through subsidiary companies – while exercising the powers assigned to them, together with the decisions taken and projects started.

Internal dealing regulations

In addition to and by way of completion of the legislation governing this subject, the Company has approved a Regulation ⁽⁴⁰⁾ on internal dealing, identifying:

1. the relevant subjects (or internal dealers) in the Company;
2. relevant transactions;
3. and the Data Processor.

⁽⁴⁰⁾ This Regulation took effect on 1 April 2006.

The internal dealer category includes the following subjects:

- a) Directors of the Company issuing listed securities;
- b) members of the Company's Board of Statutory Auditors;
- c) its General Managers and Deputy General Managers;
- d) its Assistant General Managers.

Relevant transactions are those performed by the internal dealers or by persons closely related to them ⁽⁴¹⁾, concerning the purchase, sale, subscription or exchange of relevant financial instruments, for an amount which may be added to that of other operations performed in the same reference period (i.e. the period of twelve months starting from the performance of one or more non-relevant transactions) and not previously communicated, which is equal to or greater than Euro 5,000.00.

Relevant financial instruments:

- a) Shares;
- b) Shares of listed subsidiary companies;
- c) Financial Instruments linked to Shares;
- d) Financial Instruments linked to the Shares of listed subsidiary companies.

The Regulation identifies the Data Processor responsible for keeping the Register of persons with access to inside information as the Head of the Group General Secretariat and Corporate Affairs Department, who is the head of the department which manages the receipt of communications by relevant Subjects and their prompt transmission to Consob and the market, with the cooperation of the Head of the Group Communication Department and the Investor Relations Department.

The relevant subjects shall notify the Data Processor of relevant transactions performed by them by the third Stock Exchange trading day after the day on which the operation was performed, by sending the appropriate form prepared by Consob, using suitable electronic methods.

The Data Processor, together with the Head of the Group Communication Department, announces relevant transactions by means of a press release to Consob and the market, through the NIS (Network Information System), and to two news agencies, by the end of the trading day after the date on which they were received. This announcement is also made available to the public on the Company's website, which also contains the full text of the Regulation.

Furthermore, the Regulation provides for a series of blocking periods, during which internal dealers are expressly forbidden to carry out the above operations; these periods are generally close to major corporate events.

⁽⁴¹⁾ They are as follows: spouse, unless legally separated, dependent children, including those of the spouse, and, if cohabiting for at least one year, parents, relatives and in-laws of the relevant Subjects, legal persons, partnerships and trusts in which a relevant Subject or one of the said persons closely related to him/her holds the management function, jointly or severally, legal persons directly or indirectly controlled by a relevant Subject or by one of the said persons closely related to him/her, partnerships whose economic interests basically coincide with those of a relevant Subject or one of the said persons closely related to him/her, and trusts set up for the benefit of a relevant Subject or one of the said persons closely related to him/her.

The following operations are not relevant for the purposes of this Regulation:

- transactions for an overall amount of under Euro 5,000.00 within the reference period;
- transactions between relevant Subjects or persons closely related to them;
- transactions conducted by the Company and its subsidiary companies.

Chairman and Vice-Chairmen of the Board of Directors

Chairman

The Board of Directors appoints a Chairman from among its members. The Chairman is selected from candidates who meet the specific professional requirements required of the other Board members ^[42].

The Chairman acts as authorised representative of the Company, through joint signature with another authorised representative ^[43].

In addition to the functions assigned to him by law, the Chairman chairs the Shareholders' Meetings, in compliance with the provisions of the specific By-laws ^[44]. Furthermore, the Chairman convenes and presides over the General Council, the Board of Directors and the Executive Committee; directs, coordinates and moderates their debates and announces the results of their resolutions. The Chairman coordinates the circulation of information flows with other Board members, to ensure that Board members are informed of how the Company is performing and are able to make an effective and informed contribution to Board and Council business.

Moreover, with the cooperation of the Secretary of the Board of Directors and in accordance with the Regulation on the operation of the Company's administrative bodies, at least two days prior to the date set for the Board meeting, the Chairman provides the Directors with the accounting documents which will be discussed during the above-mentioned Board meeting and with the minutes of the previous meeting. Furthermore, prior to each meeting, the Board is provided with all the documents currently available, unless a preliminary dissemination of information is deemed inappropriate for confidentiality reasons. In the case of extraordinary projects, the evaluation will be referred to the Chairman of the Board of Directors case by case.

In addition to the mandate of Chairman of the Executive Committee conferred upon the Chairman in accordance with the Company's Articles of Association, operational powers are delegated to him to optimise the coordination and management of the distribution of tasks between the top management bodies. The Company's Articles of Association, in any event, attach to this office a series of institutional functions connected with the management, coordination, supervision and control of the activity of the Company ^[45]. In this context,

[42] This entails performing management, direction or control activities in companies or bodies of the insurance, credit or finance sectors having a company share capital of not less than 500 million lire for a period of at least three years, or the performance, for at least the same period, of professional activities relating to the insurance, credit or finance sectors, or university teaching of legal, economic or actuarial subjects.

[43] The Chairman, Vice-Chairmen, Managing Directors, other members of the Board, General Managers and Deputy General Managers appointed to the Central Head Office act as authorised representatives of the Company for all the Company's business. The General Manager and Deputy General Managers appointed to the Head Office for Italy act as authorised representatives of the Company for the business of the said Head Office.

Lastly, the other managers of the Company act as authorised representatives of the Company, within the province assigned to them.

The legal representation of the Company is expressed by appending the signature of two authorised representatives beneath the Company's name.

The Chairman, the Vice-Chairmen when replacing the Chairman who is absent or prevented from acting, the Managing Directors, the General Managers and the Deputy General Managers appointed to the Central Head Office may sign jointly among themselves or with another Member of the Board, or with the General Manager, or with the Deputy General Managers appointed to the Head Office for Italy, or with one of the other managers of the Company. In this case, the latter also act as authorised representatives of the Company for business not included in the province assigned to them. Managers may sign jointly among themselves, provided that at least one of them is acting within the province assigned to them. The other members of the Board may not sign jointly among themselves, nor with the General Manager and the Deputy General Managers appointed to the Head Office for Italy, nor with any of the other managers of the Company.

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

[44] For further information on the By-laws governing the Shareholders' Meetings and the role of the Chairman at Meetings, see p. 70 of the Report.

[45] Art. 32.4 of the Company's Articles of Association states that: "The Chairman co-ordinates the activities of the corporate bodies, controls the implementation of the resolutions of the General Shareholders' meeting, the Board of Directors and the Executive Committee, and supervises the Company's business and its compliance with the Company's strategy".

the Board of Directors has appointed M. Antoine Bernheim to supervise the functions connected with external relations, Group communication, institutional relations, the Group's Internal Audit and risk management.

Within the above-mentioned area of competence, the functions of the Chairman are as follows:

- a) within the context of his/her functional competencies, implementing the resolutions passed by the Board of Directors and the Executive Committee and ensuring their correct implementation, as well as the implementation of corporate strategies, the business plan and the budget;
- b) in agreement with the Managing Directors, providing guidelines for the corporate strategy;
- c) examining reports and/or documents on proposed resolutions to be submitted to the Board of Directors and the Executive Committee;
- d) supervising relations with public national or supranational institutional organisations, Shareholders and their representative Associations, as well as the Company's external relations;
- e) promoting, defining and coordinating the communication strategies of the Company and supervising the policies for the Group's image in Italy and abroad;
- f) establishing general guidelines for handling company business transferred to Head Offices or to other Company establishments;
- g) dealing with the management of company business that does not pertain to Head Offices or other establishments;
- h) resolving on ordinary business issues submitted to Head Offices or to other Company establishments;
- i) providing guidance for recruitment and deployment of the Company's personnel, although responsibility for appointing and dismissing managing personnel with an office ranking higher than "Manager" rests with the Board of Directors;
- j) providing guidance on administration costs;
- k) taking any measure which may be deemed appropriate, useful and/or necessary for the management of the Company and the implementation of this resolution, performing all administration operations both in Italy and abroad, with authorisation to draw up, amend and terminate contracts and agreements relating to the corporate objectives and assets, with any terms, including an arbitration clause, also jointly with other companies and through calls for tender. The Chairman may also compound any dispute, appointing and removing from office arbitrators and amicable settlers, up to a maximum amount of 60 million Euro.

Finally, the Chairman of the Board of Directors is granted, within his/her sphere of operation, any power whatsoever held by the Board of Directors, should the urgency of the issue require immediate decision, in his/her final judgement or the joint or several judgement of the Managing Directors, with the exclusion of the powers referred to in articles 2420-ter (*Delegation of powers to managing directors*), 2423 (*Drawing up of financial statements*), 2443 (*Delegation of powers to managing directors*), 2446 (*Reduction of capital for losses*), 2447 (*Reduction of paid-up capital below the legal limit*), 2501-ter (*Merger project*) and 2506-bis (*Division project*) of the Italian Civil Code, if the value of single operations does not exceed 100 million Euro and the total value does not exceed 300 million Euro, taking into account the Board's resolution on transactions having a significant impact on the Company's profitability, assets and liabilities or financial position or operations with related parties, or atypical or unusual transactions. The said maximum value limits may be exceeded in cases of exceptional urgency, at the sole discretion of the Managing Directors, acting joint or severally, subject to adoption of a resolution by the Chairman of the Board of Directors taken jointly with at least one of the Managing Directors.

For all relevant transactions implemented, the Chairman shall report to the Board of Directors at the first meeting held after the exercise of delegated powers, provided that the measures undertaken shall be effective in any event.

Vice-Chairmen

The Board of Directors elects one or more Vice-Chairmen from among its Members, who shall replace the Chairman in case of the latter being absent or prevented from performing his office. If more than one Vice-Chairman is also a Managing Director, or if none of them holds that office, the oldest one shall replace the Chairman.

Like the Chairman, the Vice-Chairman holds the office of Member of the Executive Committee by right, in accordance with the Articles of Association.

Executive Committee

The Board may appoint from among its members an Executive Committee to which it delegates certain powers in accordance with regulations and the Articles of Association, within the limits of the law. At all events, the said delegations of powers shall never deprive the Board of Directors of its fundamental faculties.

The Executive Committee consists of the Chairman of the Board of Directors, who shall preside over it, the Vice-Chairman or Vice-Chairmen, and not less than 4 or more than 7 Board members, who shall include the Managing Directors should any have been appointed. The Executive Committee, with delegated powers, is currently made up as follows:

Executive Committee

Office	First name, last name
• Chairman	Antoine Bernheim
• Vice-chairman	Gabriele Galateri di Genola
• Managing Director	Sergio Balbinot
• Managing Director	Giovanni Perissinotto
• Non-executive Director	Francesco Gaetano Caltagirone
• Independent Director	
• Non-executive Director	Alberto Nicola Nagel
• Independent Director	Lorenzo Pelliccioli
• Independent Director	

The Secretary of the Board of Directors, Mr. Vittorio Rispoli, acts as Secretary of the Executive Committee.

The members of the Executive Committee shall be selected from among candidates meeting the same professional and competency requirements as established for the office of Chairman ^[46].

As an implementation of the principles expressed by the Company Law Reform, starting from 2004 the members of the Executive Committee shall also remain in office for three years. Their mandate will thus last until the date of the meeting held to approve the financial statements for the financial fiscal year ending on 31 December 2006.

[46] See footnote 45.

Notwithstanding the powers assigned exclusively to the Board of Directors and those which the Board has reserved for itself, as listed above, the serving Executive Committee is delegated the power to:

- pass resolutions on general activities not falling under the jurisdiction of Head Offices or other establishments of the Company;
- pass resolutions regarding the purchase, sale and exchange of movable and immovable property and, generally, the performance of acts of disposal concerning personal and/or property rights as well as the use of company funds, provided that the said powers do not pertain to the field of activity of Head Offices, or their jurisdiction and/or value exceed the limits of the powers delegated to the Chairman and Managing Directors;
- sign Shareholders' Agreements of special strategic importance relating to shareholdings in listed companies established under Italian and/or foreign law;
- appoint Board Members and/or Statutory Auditors of Companies in which a significant shareholding is held, but which is not controlled by the Company;
- convene corporate meetings;
- issue general or special powers of attorney for activities falling under its jurisdiction;
- acknowledge, confirm and ratify any decisions taken by the Chairman and/or the Managing Directors when necessary or urgent conditions arise, which are beyond the value limit assigned and/or *ultra vires*;
- adopt, when protection of the interests of the Company or the Group calls for urgency, any other resolutions which would otherwise pertain to the Board of Directors, excluding those enshrined in articles 2420-ter (*Delegation of powers to managing directors*), 2423 (*Drawing up of financial statements*), 2443 (*Delegation of powers to managing directors*), 2446 (*Reduction of capital for losses*), 2447 (*Reduction of paid-up capital below the legal limit*), 2501-ter (*Merger project*) and 2506-bis (*Division project*) of the Italian Civil Code. Account should be taken of the provisions of the resolution adopted by the Board of Directors regarding transactions having a significant impact on the Company's profitability, assets and liabilities or financial position, transactions with related parties, atypical or unusual transactions.

For all relevant transactions implemented under delegated powers, the Executive Committee shall report to the Board of Directors at the first meeting held after the exercise of delegated powers, provided that the measures undertaken shall be effective in any event.

Average meeting attendance of Executive Committee members was 94% in 2003, 100% in 2004, 92.8% at the meetings held in 2005, 93% in 2006, 100% at the single meeting held in 2007, and 92.86% in 2008. (See Table 1, containing attendance information for each member of the Executive Committee)

Managing Directors

The Board may appoint from among its members one or more Managing Directors, defining their powers. Managing Directors must be selected from candidates complying with the same criteria of professionalism and competence as required for the office of Chairman ⁽⁴⁷⁾.

Starting from 2004, Managing Directors shall remain in office for three years. Their mandate will thus last until the date of the meeting held to approve the financial statements for the financial year ending on 31 December 2006.

⁽⁴⁷⁾ See footnote 49. For the office of General Manager or offices involving the exercise of equivalent functions, specific professional competence is required in the fields of insurance, credit or finance, consisting of experience in positions of appropriate responsibility for a period of no less than five years..

The Managing Directors in office, who are also Members of the Executive Committee by right, have power to:

- implement resolutions taken by the Board of Directors and the Executive Committee;
- establish general guidelines for handling company business whose responsibility has been transferred to Head Offices or other establishments;
- undertake management of company business that does not pertain to Head Offices or other Company establishments;
- pass resolutions on ordinary business which is submitted to Head Offices or to other Company establishments;
- provide guidance on the hiring and deployment of personnel by the Company, although the Board of Directors retains the functions of appointment and dismissal of personnel with an office ranking higher than “Manager”;
- provide guidance on administration expenses;
- hire and appoint, in line with the relevant corporate programme and in agreement with the Managing Director in charge of human resource management, members of staff of any level and rank, with the exception of personnel with an office ranking higher than “Manager”, and suspend and dismiss members of staff when the Directors deem such actions necessary to safeguard corporate interests;
- determine, in compliance with the provisions of articles 42 and 43 of the Articles of Association, the scope of the power to represent the Company and sign on its behalf of personnel with an office not ranking higher than “Manager”, as well as to extend and cancel the said authorisation for employees of the Company;
- take any measure which may be deemed appropriate, useful and/or necessary for the management of the Company and the implementation of this resolution, performing all administration operations both in Italy and abroad, with authorisation to draw up, amend and terminate contracts and agreements relating to the corporate objectives and assets with any terms, including an arbitration clause, also jointly with other companies and through calls for tenders. The Chairman may also compound any dispute, appointing and removing from office arbitrators and amicable settlers, up to a maximum amount of 60 million Euro;
- file, defend and settle litigation of any value whatsoever, at whatever level and in whatever forum before ordinary courts, administrative and tax tribunals in Italy, the European Union or abroad;
- bring actions before competent courts in the name and on behalf of the Company;
- issue powers of attorney to employees of the Companies and/or third parties, within the ambit of their powers.

Notwithstanding the obligation to have a joint signature as the expression of the legal representation of the Company, as provided for in article 43 of the Company’s Articles of Association, the above-mentioned powers and responsibilities are conferred and performed in the context of the functions pertaining respectively to the two Managing Directors.

In particular, Giovanni Perissinotto is responsible for management of the corporate, legal and privacy areas, financial and administrative aspects, affecting both movable and immovable property, in Italy and abroad, as well as the general coordination of the activities of the IT sector, responsibility for insurance business in Italy in all of its organisational and technical aspects, including the management of services shared by the Group companies in Italy in the IT and claim settlement sectors, and finally, management responsibility for human resources and work-flow organisation, planning and management control.

Sergio Balbinot is given management responsibility for insurance business abroad and re-insurance business in Italy and abroad, in all of its technical and management aspects, including management of services shared by the Group companies abroad in the IT and claim settlement sectors.

Managing Directors may additionally exercise, within their sphere of jurisdiction, any power whatsoever that falls within the jurisdiction of the Board of Directors should the urgency of the issue, in the joint or several

final judgement of the Managing Directors or the Chairman of the Board of Directors, require immediate decision, with the exclusion of the powers referred to in articles 2420-ter (*Delegation of powers to managing directors*), 2423 (*Drawing up of financial statements*), 2443 (*Delegation of powers to managing directors*), 2446 (*Reduction of capital for losses*), 2447 (*Reduction of paid-up capital below the legal limit*), 2501-ter (*Merger project*) and 2506-bis (*Division project*) of the Italian Civil Code, provided that the value of single operations does not exceed 100 million Euro and the total value does not exceed 300 million Euro, taking into account the Board's resolutions on transactions having a significant impact on the Company's profitability, assets and liabilities or financial position or transactions with related parties, atypical or unusual transactions. The said maximum value limits may be exceeded in cases of exceptional urgency, as designated in the joint or several final judgement of the Managing Directors, subject to adoption of a resolution by the Chairman of the Board of Directors taken jointly with at least one of the two Managing Directors.

For all relevant transactions implemented, the Managing Directors shall report to the Board of Directors at the first meeting held after the exercise of their delegated powers, provided that the measures undertaken shall be effective in any event.

Corporate Centre

The Corporate Centre, which supports the Managing Directors in their respective powers and areas of activity, is a tool used to attain the objectives of the industrial plan which governs the processes of strategic organisation, strategic planning, policy and control of the Company and the Group.

The role of Group Chief Financial Officer (CFO) is held by the Company's General Manager Raffaele Agrusti, with the duty to report to Managing Director Giovanni Perissinotto.

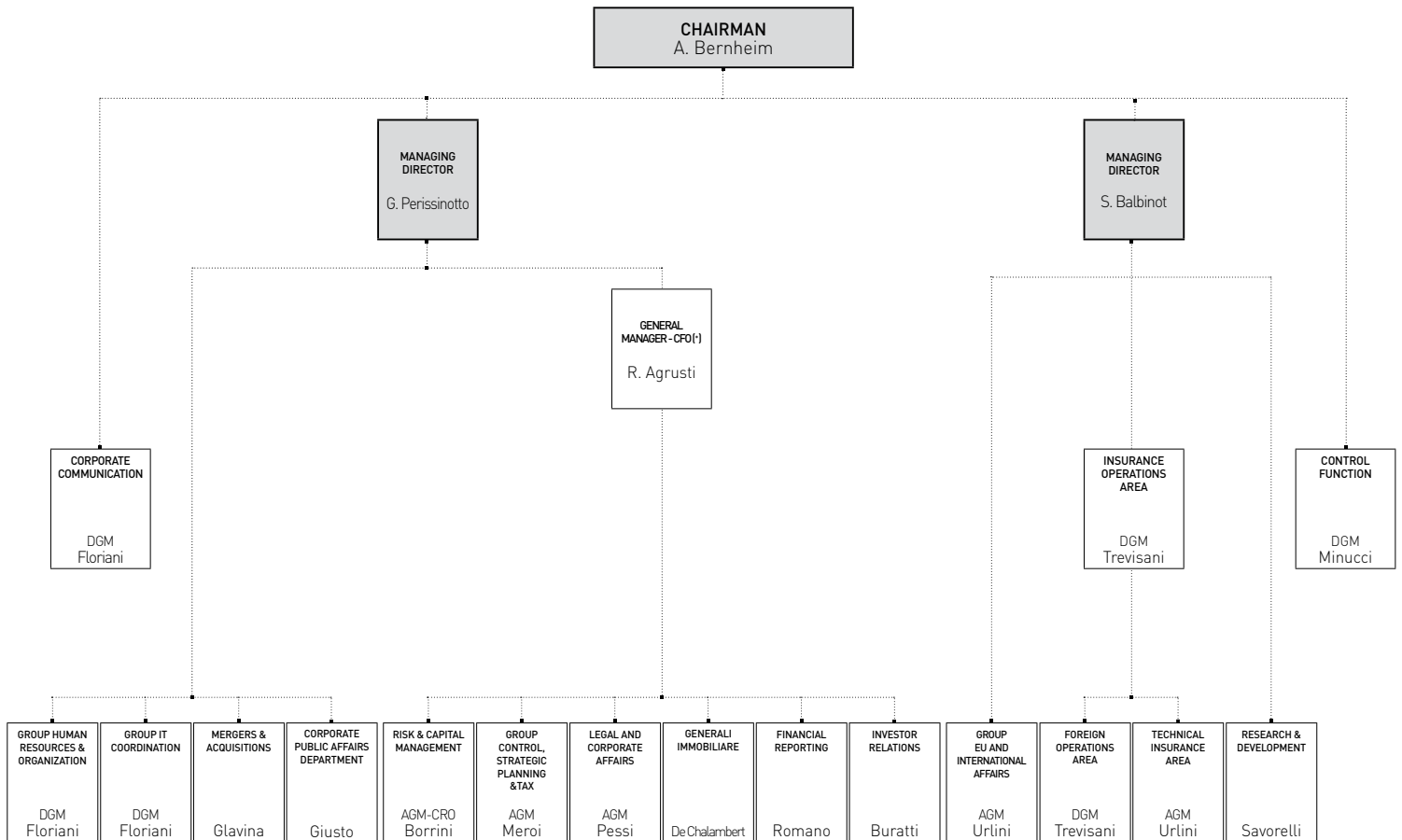
The CFO is the chief supervisor of the following sectors of the Company: Group Risk & Capital Management Area, Group Control, Strategic Planning & Tax Area, Group Legal and Corporate Affairs Department, Generali Immobiliare, and Financial Reporting and Investor Relations activities.

Deputy General Manager Valter Trevisani, who supervises the Technical Insurance Area and foreign insurance operations, reports to Managing Director Sergio Balbinot.

The Corporate Centre now has the structure shown in the Table below.



Corporate Centre



DGM: Deputy General Manager
AGM: Assistant General Manager
CFO: Chief Financial Officer
CRO: Chief Risk Officer
[*] Manager in charge ex lege 262/05

According to the governance system of the Corporate Centre, two committees support the Managing Directors, within the scope of their respective mandates.

The first of these is called the Group Risk Committee, and has the following primary tasks:

- to support the Managing Directors in establishing the Group risk profile and correlated levels of business capital;
- to monitor the risk profile on the basis of reporting carried out by the Risk Management Department;
- to support the Managing Directors in establishing any corrective strategies.

The role of Chief Risk Officer is attributed to Central Director Amerigo Borrino, supervisor of the Risk & Capital Management Area, who reports to the General Manager and CFO.

The Chief Risk Officer is responsible for coordinating and monitoring the functioning of the entire Enterprise Risk Management model and guaranteeing, at Group level, monitoring of market risk exposure and asset liability management. To this end, the fields of activity include:

- transmission of information and suggestions relating to risk and capital management to the Risk Group Committee;
- continuous exchange of ideas with the Group managers responsible for areas of activity/risk;
- monitoring of the Enterprise Risk Management activities taking place in the various countries.

The above-mentioned activities are carried out by the Chief Risk Officer with the support of a dedicated structure, namely the Risk Management Department.

The Group Risk Committee is made up as follows:

Group Risk Committee

Corporate function	First name, last name
• Managing Director	Sergio Balbinot
• Managing Director	Giovanni Perissinotto
• General Manager and Chief Financial Officer	Raffaele Agrusti
• Deputy General Manager	Valter Trevisani
• Assistant General Manager and Chief Risk Officer	Amerigo Borrini

The second Committee is the Group Investment Committee, whose main tasks involve:

- validating the hypotheses for future financial scenarios put forward by the dedicated structures;
- establishing Group investment policies (the asset classes that can be used and maximum limits);
- monitoring that the identified investment policies are actually implemented and, if required, defining corrective strategies.

The Committee has the following composition:

Group Investment Committee

Corporate function	First name, last name
• Managing Director	Giovanni Perissinotto
• General Manager and Chief Financial Officer	Raffaele Agrusti
• Assistant General Manager and Chief Risk Officer	Amerigo Borrini
• Chairman of the Managing Board of Generali Investments S.p.A..	Gianluigi Costanzo

The Secretary of the said Committees, which both met 8 times in 2007 and 7 times in 2008, is Michele Amendolagine, *Head of the Group General Secretariat and Corporate Affairs Department*.

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

The Savings Act, which introduced the figure of Manager in Charge of the Preparation of the Company's Financial Reports, requires *(inter alia)*:

- the issue of a written declaration by the said Manager that the Company's documents and notices circulated to the market relating to its annual or infra-annual accounting information correspond to the entries in the Company's documents, books and accounts;
- the issue of a joint declaration by the said Manager and the administrative bodies, annexed to the annual accounts, the abbreviated half-year accounts and the consolidated accounts (if any), stating that the administrative and accounting procedures were adequate and actually applied in the period in question, and that the Company's accounting documents correspond to the entries in its books and accounts and are suitable to provide a true and correct picture of the assets, income and financial situation of the Company and the Group;
- a supervisory role to be performed by the Board of Directors regarding the adequacy of the powers and resources available to the said Manager and actual compliance with the "administrative and accounting procedures".

As required by the regulations described above, the Company's Articles of Association, as amended by the Shareholders' Meeting on 20 June 2007, defined the procedure for appointment of that officer and the requirements of professionalism and honourableness s/he must meet.

As regards the first aspect, it has been established that the Board of Directors or the body to which it delegates power shall appoint the said Manager after consulting the Board of Statutory Auditors. In relation to the second aspect governed by the Articles of Association, it has been established that this officer shall be chosen from among persons who have gained sufficient experience of administration, finance and control in companies of significant size or in private practice, and meet the honourableness requirements laid down for Directors.

It is expressly stated that loss of the requirements of honourableness during the mandate leads to its termination, in which case the outgoing Manager must be rapidly replaced.

The meeting of the Board of Directors held at the end of the said Shareholders' Meeting resolved to appoint to the said office Benoît Jaspas, Assistant General Manager who supervises the Financial Reporting and Control Area, and granted him all the powers and responsibilities necessary to perform his duties. At its meeting held on 25 September 2008 the Board of Directors resolved, as Benoît Jaspas no longer held the said appointment, to appoint General Manager and CFO Raffaele Agrusti as Manager in charge of preparation of the company's financial reports as from 1 October 2008, granting him all powers and responsibilities necessary to perform the said duties, as defined in the Board resolution of 20 June 2007.

The office has a duration equal to that of the current Board of Directors, i.e. until the end of the Shareholders' Meeting called to approve the accounts for the financial year ending on 31 December 2009, provided that the Board of Directors may terminate the appointment at any time for good cause.

The Board of Directors has also specified that the said Manager shall report to it at Board meetings relating to approval of infra-annual accounting situations and annual accounts, and to the Internal Control Committee at intervals to be agreed.

To ensure that the Company complies with the legislation in question, at the beginning of 2007 an *ad hoc* planning structure was set up to coordinate its activities centrally and provide support for specific planning sites set up for the purpose. This structure established the scope of the analysis and the methodology to be used, and planned the timing and resources devoted to achieving the target.

The initial function of the planning structure ceased in 2008 when it merged with the newly constituted office of Manager in charge of preparation of the company's financial reports, who reports to Raffaele Agrusti and is responsi-

ble for coordinating all activities required for the correct performance of the duties assigned to the said Manager.

In view of the complexity of the Generali Group, the scope of the analysis in terms of significant companies and information was identified on the basis of a risk assessment, which considered the quantitative and qualitative factors associated with the risk profile resulting from factors external and internal to the Company. This scope is periodically reviewed on the basis of changes in the Group's organisation.

The adequacy of the administrative and accounting procedures was evaluated on the basis of a process established by the Company in accordance with the Internal Control – Integrated framework model issued by the Committee of Sponsoring Organisations of the Treadway Commission, a reference framework which is generally accepted internationally.

The main activities in question comprised:

- an "adequacy assessment" designed to evaluate the adequacy of the administrative and accounting procedures having regard to the characteristics of the Company and the Group;
- an "efficacy check" designed to ensure the actual existence of the administrative and accounting procedures in question and their application during the period concerned.

Legal representation

The legal representation system of the Company, regulated by articles 42 and 43 of the said Company's Articles of Association, is endowed with a structure which guarantees the best possible operational flexibility and, at the same time, adequate monitoring of corporate documents.

To this end, the said representation is effected by appending beneath the Company's name the joint signatures of the Chairman, the Vice-Chairman of the Board of Directors, the Managing Directors, the General Managers and the Deputy General Managers appointed to the Central Head Office. The said executives may also act jointly with another member of the Board of Directors, the General Manager or the Deputy General Managers at the Head Office for Italy, or with another of the Company's managers.

In the last case, the said managers also represent the Company for business not included in the sphere of jurisdiction assigned to them. If two of the above-mentioned managers act jointly as authorised representatives, at least one of them must be acting within his/her sphere of jurisdiction.

Under the resolution adopted by the Board of Directors, the Managing Directors, by deed filed with the Trieste Companies Registry, shall determine the scope of the power to represent the Company and sign on its behalf granted to executives holding an office not ranking higher than "Assistant General Manager", and define their sphere of jurisdiction.

Moreover, the jurisdiction of each executive of the Company shall coincide with the jurisdiction assigned to the Deputy General Manager or the Assistant General Manager who, directly or indirectly, supervises him/her; in the absence of such a person, it coincides with the jurisdiction assigned to the executive with the highest ranking position reporting to the General Manager or to the competent Director.

Lastly, the competent governing body may also grant power to represent the Company to other employees or third parties, by granting special or general powers of attorney for single actions or types of actions. If power to represent the Company is continuously assigned to Company officers, the said officers shall represent it, solely within their sphere of jurisdiction, through joint signature with an executive holding the said jurisdiction.

Other sub-committees

The Code, from its outset, has recommended that listed companies should set up a number of committees with responsibility for specific issues with a view to improving the Board's efficiency and effectiveness. These committees should be made up of members of the Board.

These committees have the task of giving advice and making proposals to the Board of Directors. They include the Internal Control Committee, the Committee for the remuneration of Managing Directors and other Directors who hold special positions, as well as assessment of the criteria adopted for the remuneration of executives with strategic responsibilities, and the Corporate Governance Committee.

In compliance with the Code in force, the Board of Directors shall assess the advisability of establishing an appointments committee mainly made up of Independent Directors. For this reason, the Company has, so far, not deemed it necessary to establish an ad hoc Committee, since such a body would have a mere contingency function. In any event, the Operating Regulation of the Board of Directors states that the Board must evaluate the advisability of setting up such a consultative body.

Before providing information about the sub-committees, in order to clarify their role we will illustrate the internal control and risk management system and the organisation and management model.

Internal Control and Risk Management System

ISVAP Regulation no. 20 of 26 March 2008 issues insurance companies with a series of measures relating to internal controls and risk management, which update and supplement the terms of ISVAP Circular 577/D of 30 December 2005 ⁽⁴⁸⁾.

The Company's Board of Directors therefore updated the principles and basic characteristics of its Internal Control and Risk Management System by resolution of 8 May 2008, approving a document entitled "The Internal Control and Risk Management System", which describes in detail the purposes, principles, structure, roles, responsibilities and main provisions.

This business operation format is supported by an approach commonly described as Enterprise Risk Management, based on a company culture which involves structuring suitable internal control and risk management systems, where the concept of system involves a complex set of tools, devices, organisational solutions and human resources.

The Group has identified the best internal control and risk management organisation, which is suitable to stimulate the creation of value, preserving its values and business culture by means of an integrated, synergic logic between risk management and controls.

By analysing and highlighting the interactions between risks and controls, it maintains and bases its activities on prompt identification of the responsibilities of the various players involved, and above all the implemen-

(48) Briefly, the main innovations contained in Regulation 20, in a context of general consolidation of the principles and requirements of ISVAP Circular no. 577/D, are as follows:

- the compulsory institution of a compliance department by 1 January 2009, and a specific reference to the adoption of non-conformity risk management policies;
- the elimination of the requirement to define the frequency of the measures specified in the audit plans; however, they must be drawn up in accordance with a risk-based logic;
- the interval (at least annual) at which the Board of Directors must review the directives regarding controls, hiring strategy, evaluation and management of company risks, so that they can be aligned with changing business and risk exposure needs if necessary
- the introduction of new provisions governing outsourcing of activities;
- the provision, coordinated with the existing ISVAP Regulation no. 15 (Insurance Groups), of specific obligations regarding the subjects covered by this document in the conduct of an insurance group.

tation of suitable structured mechanisms that guarantee compliance with the strategies established by the Board of Directors.

This organisational model involves:

- the bodies responsible for risk and control policies and monitoring, which include the Company's governing bodies within their respective fields of responsibility;
- the operational structures responsible for risk management and control, which include all the Company's organisational units, at the different levels of responsibility already described.

In particular, the Internal Control and Risk Management System attributes to the Board of Directors, in the ambit of its tasks and responsibilities, the ultimate responsibility for establishing risk management and internal control strategies and policies and guaranteeing their suitability and maintenance over time, in terms of completeness, functionality and efficacy, in accordance with the Company's size and operational specificity and with the nature and intensity of its corporate risks, also with reference to outsourced company functions. The top management (ie. the Managing Directors and General Manager and all the executives who perform supervisory activities over large company areas) are responsible at different levels for the implementation, maintenance and of monitoring of the Internal Control and Risk Management System, in accordance with the present directives of the Board of Directors.

In the ambit of the first organisational level of risk management and controls, the parties responsible for the operational areas (Risk Owners) have direct responsibility for undertaking, managing and controlling risks and consequently implementing the necessary control activities. For this purpose, they provide the top management, partly through the Group Risks Committee, with the information required to establish the management and control policies, methods and tools for the risks for which they are responsible, coordinate their implementation, and guarantee their adequacy over time. They also ensure compliance with the objectives and policies by the operating units for which they are responsible, and identify and perform corrective measures within the limits of their independent responsibility; outside those limits they produce specific recommendations and suggestions for the top management.

The control activities are therefore considered to be an integral part of each company process, falling within the responsibility of the Manager of each Organisational Unit. In this way the principle of "self-assessment" is concretely applied to the processes performed by each Organisational Unit in terms of the associated risks and controls; the said Units are consequently directly responsible for achieving, and aware that they must achieve, the efficacy, efficiency and quality targets relating to the risk management and control mechanisms of their Units.

The Manager's self-assessment process is supported by a specific professional figure, the Analyst, recruited from the relevant company areas for the purpose of managing the main business risks, and suitably and uniformly trained in the risk detection and analysis procedures and controls designed to mitigate their effects. To ensure that this self-assessment process by the Managers of the operational areas is effective and correctly designed, periodic meetings have commenced with all the departments responsible for risks, including those which, at the first organisational level, only perform activities involving the control and monitoring of the trend of risks considered significant (such as market, insurance and operational risks).

The Chief Risk Officer (CRO) reports to the General Manager and the Chief Financial Officer (CFO), who is responsible for implementing the risk management process. He is responsible for implementing and guaranteeing the effectiveness of the risk management system set up by the parent company, and coordinating it with those of its subsidiaries according to the organisational models established.

At the second organisational level, the Internal Audit department is responsible for providing an independent

evaluation of the efficacy of the internal control system, and consequently the effective operation of the controls designed to guarantee the correct performance of the processes in consideration of the risk propensity levels.

The internal audit activities take the form of direct audits at the operational facilities, established in the ambit of an Audit Plan, and analysis and evaluation of information about the controls introduced to mitigate risks, which is continuously produced by the Managers of the various areas of activity.

Finally, the Independent Risk Controlling department is responsible for all control activities relating to risk identification and assessment, for which it is considered that the department needs to be independent of the operational structures.

In order to comply fully with the requirements of independence from the operational departments, the Independent Risk Controlling department is located in the Assicurazioni Generali Group's Internal Audit Department, which has suitable responsibilities and skills and whose Manager functionally reports to the Board of Directors, through the Internal Control Committee.

This ensures a clear separation between the Independent Risk Controlling Department and the responsibilities for operational management of risks and maximisation of return on capital, which are among the responsibilities of the Chief Risk Officer and the individual Risk Owners.

The Company's Board of Directors, when evaluating the adequacy, efficacy and actual operation of the internal control system, resolved to confirm the Chairman's responsibilities in the field of internal control and risk management and the appointment of Group Internal Audit Manager Alessandro Buseti as Internal Control Officer, further determining their annual remuneration, on the proposal of the Managing Director responsible for the human resources area, with the approval of the Internal Control Committee, as required by the Code.

In its subsequent resolution of 30 October 2008 the Board of Directors gave direct responsibility for the Independent Risk Controlling department to Annalisa di Cave, having first established that she met the requirements of professionalism and experience, and ordering that she should report directly to the Board of Directors, and to the Internal Control Committee acting on its behalf.

The Board of Directors, again at the meeting held on 30 October 2008, resolved to institute a Compliance Department as required by ISVAP Regulation no. 20 of 26 March 2008.

In particular, the said Regulation states that the Compliance Department is responsible for assessing whether the organisation and internal procedures of the insurance company are suitable to prevent the risk of court-imposed or administrative sanctions, financial losses or damage to reputation, as a result of infringement of legislation, regulations or orders of the Supervisory Authorities or self-regulatory codes.

The said regulation also provides for the obligation to appoint a manager of the said Department, establishing that the manager should meet suitable requirements of professionalism, independence and authoritativeness. The Generali Group, consistently with its management policy for shared services, has decided to institute a Group Department located at the premises of parent company Assicurazioni Generali S.p.A. This solution allows the compliance activities already implemented to be integrated in accordance with the joint Bank of Italy/CONSOB Regulation.

Compliance activities are performed in the ambit of the Group's Compliance model, which provides for:

- first-level controls, performed for each operating unit; in particular, Business Unit Compliance Officers are appointed for the main functional macro-areas (Non-Life, Life, Finance, etc.) to ensure suitable supervision of the non-compliance risk in the areas under their responsibility;

- the Department constitutes an additional section independent of the overall Internal Controls and Risk Management System, focusing on the risk of non-compliance.

As a result of the decision to centralise compliance activities by setting up a specialised unit of the parent company, pursuant to art. 25 of the Regulation, a Company Compliance Coordinator will be appointed by every insurance company in the Group that outsources compliance activities, to liaise with the Department Manager.

In the ambit of the organisation established in accordance with the applicable legislation, the Department is responsible for:

- continuously identifying the legislation applicable to the Company and evaluating its impact on the Company's processes and procedures;
- evaluating the adequacy and efficacy of the organisational measures adopted to prevent the risk of non-compliance with legislation;
- proposing organisational and procedural changes designed to ensure adequate supervision of the risk of non-compliance with legislation;
- evaluating the efficacy of the organisational and procedural changes resulting from the modifications proposed;
- sending suitable information flows to the Company's governing bodies and the other structures involved.
- performing the compliance checks required by the said joint Bank of Italy/CONSOB Regulation.

The Department's Manager reports to the Board of Directors at least once a year, directly or through the Internal Control Committee, drawing up a report on the measures taken by the Company to manage the risk of non-compliance with legislation. In particular, the report illustrates the changes made in the areas of non-compliance risk and the measures taken to remedy any deficiencies found.

The Department's evaluations are performed in pre-selected areas of non-compliance risk, usually in relation to reference legislation identified on the basis of a series of drivers (priorities, frequency, etc.) and current legislative developments.

In this context, the Department also prepares the compliance plan for the activities planned, in accordance with the provisions of the said joint Regulation, presents it to the Chairman of the Internal Control Committee, and then submits it for examination and approval by the Board of Directors.

The Department has access to all activities and all information relevant to the non-compliance risk for Assicurazioni Generali and those of its controlled companies which decide to outsource compliance activities to the parent company.

The Manager of the Group Compliance Department is Antonio Cangeri.

The organisational and management model

The Company's Board of Directors, and the Boards of its subsidiaries with strategic importance, have adopted an organisational and management model aimed at preventing the criminal offences described in the current legislation⁽⁴⁹⁾ on the subject of administrative liability of companies for criminal offences perpetrated by their employees, which can be found in the Governance section of the website www.generali.com.

⁽⁴⁹⁾ The legislation governing the subject is contained in Legislative Decree no. 231 of 8 June 2001, Statute no. 146 of 16 March 2006, Legislative Decree no. 152 of 3 April 2006, and Legislative Decree no. 231 of 21 November 2007.

In particular, a Model was formally adopted which, as well as complying with all formal requirements, fulfils all the main purposes that led to its adoption, namely the need to provide the Company with exemption from liability in accordance with the aforementioned decree.

The approach taken is of a substantial nature, since the Model is made up of a set of principles, rules, provisions and organisational schemes relating to the management and control of corporate activities, and consists of an illustrative document containing general rules designed to prevent the commission of offences, except in the case of fraudulent avoidance.

The identification of processes involving the risk of offences and of existing operational structures led to the issue of the "231/01 provisions", namely a series of general or special provisions based on the draft guidelines issued by ANIA (the Italian Association of Insurance Companies) and the Operational Suggestions whereby ANIA specified the procedure to be followed for the adoption of Models and some possible offence detection/prevention methods.

Generali assigned the functions of the Supervisory Body to a corporate body reporting to the Board of Directors.

The fundamental approach is to appoint as members of the said body persons who, within the corporate organisational structure, hold key functions in relation to the reference framework of the subject in question. Particular preference is also given to those holding an office which, for technical and/or organisational reasons, guarantees the best possible contribution to performance of the functions and attainment of the objectives of the Supervisory Body.

Consequently, the Supervisory Body is composed of the Chairman of the Internal Control Committee, the Manager of the Legal Affairs Department and the Internal Audit Manager, as shown in the following table:

Members of the Supervisory Body

Corporate function		First name, last name
• Chairman	Chairman of the Internal Control Committee	Alessandro Pedersoli
• Member of the Committee	Head of the Group Internal Audit	Alessandro Busetti
• Member of the Committee	Head of Group Legal and Corporate Affairs	Oliviero Edoardo Pessi

The Head of the Unit responsible for the General Secretariat and Corporate Affairs Department, Michele Amendolagine, acts as Secretary of the Supervisory Body.

This solution is considered suitable in that:

- it ensures the autonomy and independence required for the Supervisory Body;
- it allows a direct connection with the top management, the Board of Statutory Auditors and, both directly and through the Internal Control Committee, the Board of Directors.

In performing its duties, the Supervisory Body can cooperate with the internal audit unit, using its skills and professional know-how for supervision and control activities. This choice enables the Supervisory Body to guarantee a high level of professionalism and continuous action.

The Supervisory Body can also cooperate with other units of the Company or the Group on various specific tasks, such as:

- the legal affairs unit;
- the corporate affairs unit;
- the human resources unit (with regard to training and disciplinary measures, for example);
- the administration unit (with regard to control over financial flows, for example).

The members of the Supervisory Body must have performed, for a reasonable period of time, professional activities in fields relating to insurance, credit or finance and meet the honourableness criteria set out in the current legislation applicable to the directors of insurance companies ⁽⁵⁰⁾.

The members of the Supervisory Body can be dismissed at any time by the Board of Directors of Generali for fair and/or justified reasons. In this case, the Board promptly replaces the dismissed member, choosing a new one from among the directors qualifying for the office.

If all the members of the Supervisory Body are dismissed, the Body automatically loses its effectiveness. In such event, the Board of Directors promptly forms a new one with the same criteria.

The Supervisory Body is assigned the following tasks and powers:

- monitoring the functioning of and compliance with the Model;
- verifying that the Model is actually suitable to prevent the performance of the criminal offences described in the applicable legislation;
- analysing the persistence over time of the soundness and functionality of the Model;
- in cooperation with the units involved, devising, developing and promoting any activities required to ensure constant updating of the Model and the system of supervising its implementation, suggesting to the Board of Directors any due amendments and adjustments;
- maintaining regular contact with the External Auditors;
- maintaining relations with and ensuring a flow of information to the Board of Directors, the Internal Control Committee and the Board of Statutory Auditors;
- asking for and obtaining information and documents of any type from any level or sector within Generali;
- carrying out checks and inspections with a view to ascertaining any breaches of the Model;
- devising a supervision programme within the framework of the various activity sectors, in accordance with the principles contained in the Model;
- guaranteeing that the supervision programme is implemented, partly by scheduling activities;
- guaranteeing that reports are drafted on the effects of the measures taken;
- guaranteeing that the identification, mapping and classification system of risk areas is constantly updated, for the supervision purposes falling within the jurisdiction of the Body;
- notwithstanding the terms of the relevant Communication Plan contained in the document illustrating the Model, defining and promoting initiatives aimed at spreading knowledge and understanding of the Model, training personnel and raising their awareness of the need for compliance with the principles outlined in the Model;
- dispelling any doubts on the interpretation and implementation of the provisions enshrined in the Model;
- establishing an effective internal communication system to allow the transmission and collection of relevant news for the purpose of the applicable legislation, while ensuring the protection and privacy of informants;

⁽⁵⁰⁾ The Board of Directors verifies that the requirements for membership of the Supervisory Body are met by the persons to be appointed, before the said persons take office within the company (thus becoming members of the Supervisory Body), and thereafter on a suitably regular basis.

Failure to comply with the requirements throughout the mandate results in withdrawal of the office. In this case, the Board of Directors must promptly appoint another member, in full compliance with the principle on which the choice is based, as previously indicated, after verifying that the professionalism and honourableness criteria are fulfilled. The same procedure is followed when assessing any incompatibility and/or lack of professionalism and honourableness before the appointment of a person to an office within the company, involving membership of the Supervisory Body.

- issuing quotes for the performance of its activities, and submitting them to the Board of Directors for approval; any extraordinary expenses not included in the quote shall also be submitted to the Board for approval before being incurred;
- activating disciplinary measures if necessary;
- monitoring compliance with the terms of Legislative Decree 231/07;
- notifying the appropriate supervisory authorities, without delay, of all actions or facts that come to its knowledge in the exercise of its duties which may constitute a breach of the terms of s. 7.2 of Legislative Decree 231/07;
- notifying the owner of the business, its legally authorised representative or agent, without delay, of breaches of the terms of s. 41 of Legislative Decree 231/07 which come to its knowledge;
- notifying the Economy and Finance Ministry, within thirty days, of breaches of the terms of ss. 49.1, 49.5, 49.6, 49.7, 49.12, 49.13, 49.14 and s. 50 of Legislative Decree 231/07 which come to its knowledge;
- informing the Financial Information Office (UIF), within thirty days, of breaches of the terms of s. 36 of Legislative Decree 231/07 which come to its knowledge.

The Supervisory Body shall also notify the owner of the business or its authorised representative or agent of breaches of the terms of s. 41 of Legislative Decree 231/07 which come to its knowledge.

The Board of Directors is called upon to update the Model and adapt it to any changes in the organisational structure, operational processes and the results of checks.

The Supervisory Body retains, in any event, the tasks and powers connected with devising, developing and promoting constant updating of the Model. To that end, it may present recommendations and proposals as to the organisation and the control system to relevant units or, in particularly significant cases, directly to the Board of Directors. The Supervisory Body promptly implements amendments made to the Model and approved by the Board of Directors, and provides for the dissemination of its contents within the Company and outside it, when necessary.

In order to guarantee that the introduction of amendments to the Model is as prompt and streamlined as necessary, partly with a view to minimising misalignment between operational processes and the provisions enshrined in the Model and their dissemination, the Board of Directors has entrusted the Supervisory Body with the task of implementing changes to the Model on a regular basis.

In the report which must be produced by the Supervisory Body on a yearly basis, the latter may notify the Board of Directors of any amendments it plans to introduce into the Model, so that the Board can pass a relevant resolution within its field of sole jurisdiction.

Internal Control Committee

Taking into account the relevant provisions of the Voluntary Self-Regulatory Code, since its first edition, the Board of Directors has resolved to establish an Internal Control Committee with advisory and recommendation functions, within the internal control field, consisting of members chosen from the Board.

The provisions of Article 37 of the Company's Articles of Association, which empower the Board to set up advisory committees composed of members of the Board and to establish their powers, serve as reference for the establishment of these committees.

The present Committee was appointed by the Board of Directors last April, and will be in force until the Shareholders' Meeting which approves the financial statements for the financial year ending on 31 December 2009.

The said Committee is made up as follows:

Internal Control Committee

Corporate function	First name, last name
<ul style="list-style-type: none"> Chairman Chairman of the Internal Control Committee 	Alessandro Pedersoli
<ul style="list-style-type: none"> Member of the Committee o Head of the Group Internal Audite 	Luigi Arturo Bianchi
<ul style="list-style-type: none"> Member of the Committee o Head of Group Legal and Corporate Affairs 	Loïc Hennekinne

Mr. Vittorio Rispoli acts as Secretary of the Internal Control Committee.

In compliance with the best practice incorporated in the Code, the Board of Directors, during its meeting held on 28 April 2007, verified the existence of the independence requirement for all members of the Internal Control Committee, and repeated that verification on the occasion of the annual check performed to establish whether the members of the Board of Directors meet the independence requirements. According to the provisions of article 8.4 of the Code, the Committee members must be non-executive and for the most part independent. Furthermore, at least one member of the Committee has developed adequate experience in the accounting and financial fields, namely Prof. Luigi Arturo Bianchi.

In view of application Criteria no. 1.C.1, 8. C.3 and 9.C.1. of the Code and the terms of ISVAP Regulation no. 20 of 26 March 2008, the Committee holds the following powers and responsibilities:

- to assist the Board of Directors in determining the internal control system and risk management guidelines, assessing its adequacy and actual functioning on a regular basis, identifying and managing the main corporate risks, giving advice and making proposals to the Board concerning internal controls;
- to ensure that the assessments and decisions made by the Board of Directors pertaining to the internal control and risk management system, approval of the annual accounts and the half-year reports as well as the relations between the Company and the External Auditors are supported by an adequate preliminary stage. In this context, the said Internal Control Committee:
 - assists the Board of Directors in performing the tasks it is assigned by the Code on the internal control and risk management system;
 - expresses its opinion on the proposed "Audit Plan" and the "Summary Report on Internal Audit Activities", drawn up by the Head of the Internal Control sector, before they are submitted to the Board of Directors for approval;
 - assesses, together with the managers responsible for drawing up the Company's corporate accounting documents and the external auditors, the correct use of the accounting standards adopted and their uniformity with a view to preparation of the consolidated accounts;
 - examines the substantiated proposal by the Board of Statutory Auditors regarding the appointment of the external auditors and formulates its comments thereon, reporting to the Board of Directors;
 - assesses the work programme for the audit and its results as set out in the External Auditors' Report, and their letter of suggestions;
 - monitors the effectiveness of the auditing process;
 - reports to the Board of Directors on its activity and the adequacy of the internal control and risk management system when the draft annual and semi-annual accounts are approved; comments on matters relating to delegated powers;

- expresses opinions concerning the identification of the main corporate risks and the planning, implementation and management of the internal controls and risk management system, upon request by the competent Director;
- assists the Board of Directors in assessing its skills in maintaining the Company's risk management system in terms of adequacy of the organisational and process structures relating to the identification and management of the Group's main risks, including quantitative analysis performed, at least once a year, by means of stress tests;
- expresses opinions concerning the approval and execution mechanisms of the operations carried out by the Company or by its subsidiaries with related parties, as well as opinions concerning specific operations with related parties, as envisaged by the relevant resolution of the Board of Directors;
- directs, with the support of the Internal Audit function, the process through which the Board of Directors assesses the adequacy of the organisational, administrative and accounting systems of the Company and its subsidiaries with strategic relevance, present on a list updated at regular intervals by the said Committee;
- performs any duties allocated to it in future by the Board of Directors;
- implements all the actions related to and stemming from the resolution which set out its responsibilities, as well as all the activities that may be necessary, or at least useful and appropriate, to implement the said resolution.

The Internal Control Committee reports on its activities to the Board at least when the Board is convened to approve the annual and half-year accounts, and expresses its own opinion on matters for which it is responsible.

During 2008 and the first few months of 2009, the Committee has carried out, among others, the following activities, with the support of the Head of Internal Controls:

In 2008:

- examination of the self-assessment questionnaire for the Board of Directors and Committees;
- analysis of the report on auditing activities conducted in the 2007 financial year;
- analysis of the internal audit plan and budget spending proposal for the 2008 financial year;
- analysis of the External Auditors' Report and the report by the actuary commissioned by them regarding the accounts as at 31 December 2007, and the External Auditors' Report on the consolidated financial statements as at 31 December;
- examination of the draft Report on the Company's general administrative and accounting organisation and those of its controlled companies with strategic importance;
- examination of the report on ISVAP Regulation no. 20 of 26 March 2008;
- examination of the draft annual report on the internal control and risk management system, pursuant to ISVAP Regulation no. 20 of 26 March 2008;
- analysis of the report on the results of the stress tests ;
- check on whether the members of the Board of Statutory Auditors meet the requirements of professionalism and honourableness and the absence of other impediments to holding office;
- analysis of the presentation by the Manager in charge of preparation of the company's financial reports on the activities for which he is responsible;
- analysis of the report on the limited review of the half-yearly Report as at 30 June 2008;
- analysis of update report on internal audit activities;
- examination of update report on the implementation of the risk management model;
- analysis of the periodic report by the Independent Risk Controlling Department;
- checking on the progress of the activities for which the Manager in charge of preparation of the company's financial reports is responsible;

- setting up the Compliance Department pursuant to art. 23 of ISVAP Regulation no. 20 of 26 March 2008;
- analysis of the report on the results of the audit conducted by ISVAP in 2007;
- analysis of periodic reports on the implementation in the Generali Group of the Organisational and Management Model, as required by Legislative Decree no. 231 of 8 June 2001;

in the first few months of 2009:

- analysis of the update report by the Compliance Officer on the start-up of the new Compliance Department;
- analysis of the update report on the development of the structure of the Group Internal Audit and Independent Risk Controlling departments;
- examination of the work plan drawn up by the External Auditors;
- evaluation of the draft Report on the organisational, administrative and accounting systems of the Company and its controlled companies with strategic importance;
- drafting of a self-assessment questionnaire for the Board of Directors and sub-committees;
- analysis of the report on the progress of the activities for which the Manager in charge of the preparation of the Company's financial reports is responsible;
- preliminary examination of the results of the self-assessment process conducted by the Board of Directors and sub-committees;
- the Internal Audit Plan and associated expenditure budget for 2009;
- the 2009 Compliance Plan and associated expenditure budget for 2009;
- presentation of the report on the activities performed by the Internal Control Committee in the year ending on 31 December 2008.

The Secretary of the Board of Directors, by agreement with the Chairman of the Committee in the days leading up to the meeting, shall provide the members of the said Committee with all the documents then available, which will be discussed during the meeting. in accordance with the terms of the Regulation on the operation of the Company's administrative bodies.

Committee meetings are attended by Committee members and by the Director responsible for control issues, the Chairman of the Board of Statutory Auditors or any other Statutory Auditor designated by the Chairman of the Board of Statutory Auditors. It is now standard practice to invite all Members of the Board of Statutory Auditors to take part in the Committee's meetings. In relation to the subjects on the agenda in the last financial year, the presence at those meetings of non-members, especially the Company's and/or the Group's executives, and representatives of the External Auditors at regular intervals, was requested; some of them attended the whole meeting, and others were only present during the discussion of certain items on the agenda.

In performing its role, the said body may access the corporate information and functions necessary to carry out the tasks allocated to it, through the Secretary to the Board of Directors.
During the last financial year, the Committee called on the assistance of advisors external to the Company.

At Committee meetings, the Head of Internal Control reports on the operation of his/her Department to the Committee and the Board of Statutory Auditors present at its meetings. He has direct access to all information useful for the performance of his duties.

The operation of the Internal Control Committee is guaranteed by specific regulations.

Its members receive an attendance fee.

The above-mentioned governing body has duly performed the recommendation and advisory activities for

which it was established; it has kept minutes and produced the reports required by the performance of the Company's business.

Internal Control Committee meetings are usually held at least four times a year, and in time to take decisions on the issues on which the Committee must report to the Board of Directors.

Specifically, the Committee met on eight occasions in 2008, six in 2007 and 2006, five during 2005 and 2004 and six in 2003. All those meetings were attended by all members (see Table 1, containing attendance information for each member of the Internal Control Committee).

In the 2008 financial year, the financial resources provided to the Committee for activities falling within its remit amounted to a total of € 300,000.00.

On the occasion of the meeting held on 19 March 2009, the Committee passed its 2009 budget, confirmed at € 300,000, then approved by the Board of Directors at the meeting held on 20 March 2009.

Remuneration Committee

Generali had for a long time had a committee, consisting of members of the Board, in charge of determining the remuneration of Board members holding special positions. Members were elected when the concrete need emerged to establish the remuneration of these Directors.

Approaching this issue in the spirit of the Code, on 20 February 2001 the Board took note of the indisputable existence of the limitation laid down by Article 2389 of the Italian Civil Code, which attributes solely to the Board, upon indications provided by the Board of Statutory Auditors, the power to determine the remuneration of Directors appointed to particular positions as specified in the Articles of Association. In this case, too, the Board took the provisions of Article 37 of the Company's Articles of Association as a point of reference, as it empowers the Board of Directors to set up advisory committees, composed of members of the Board, and to establish their powers. The Board later deemed it desirable to formally appoint its own body with delegated powers, known as the *Remuneration Committee*, which assists the Board of Directors in taking decisions concerning the determination of top managers' remuneration.

The above-mentioned corporate body is exclusively made up of non-executive directors, the majority of whom are independent, in accordance with the requirement laid down by the Code. This complies with the rule underlying a good Corporate Governance system, namely that no director may influence the setting of his/her own remuneration and the conditions under which it is set.

The Committee currently in force was appointed by the Board of Directors in April 2007, and will hold office until the Shareholders' Meeting which approves the financial statements for the financial year ending on 31 December 2006.

The said Committee is made up as follows:

Remuneration Committee

Office	First name, last name
<ul style="list-style-type: none"> Chairman Non-executive and independent Director 	Paolo Scaroni
<ul style="list-style-type: none"> Member of the Committee Non-executive and independent Director 	Leonardo Del Vecchio
<ul style="list-style-type: none"> Member of the Committee Non-executive Director 	Gabriele Galateri di Genola

Mr. Vittorio Rispoli acts as Secretary to the Remuneration Committee.

The task of this Committee is to formulate opinions and submit non-binding proposals to the Board on the remuneration of the Chairman of the Board of Directors, Vice-Chairmen of the Board of Directors and Managing Directors.

The opinions expressed and the proposals made by the Remuneration Committee may concern the allocation of stock options.

Proposals for determining remuneration are made on the basis of individual discretionary evaluations, taking into account, among other factors, a series of parameters such as the degree of responsibility held by the Director within the corporate organisational structure, his/her influence on Company results, the profit made by the Company and the attainment of specific targets set by the Board.

Consistently with this approach, a resolution was passed regarding the determination of remuneration of members of the Board who hold special offices or have taken on responsibilities in compliance with the Articles of Association, and of General Managers. With regard to the latter, the Remuneration Committee formulates opinions and non-binding proposals to the Board of Directors, on the proposal of the Managing Directors.

This Committee has no jurisdiction with regard to other fees to which Directors are entitled. In particular, it does not deal with the global remuneration payable to individual members of the Board or the Executive Committee, which is established by the General Meeting ^[51].

The Board has approved an ad-hoc set of provisions to regulate the functioning of the Remuneration Committee, whose duties are as follows:

- to express opinions and make non-binding proposals to the Board of Directors on the determination of the remuneration payable to the Chairman of the Board of Directors and the Managing Directors; opinions and proposals are expressed on the basis of a discretionary assessment taking into account the following criteria:
 - relevance of the responsibilities within the corporate organisational structure;
 - impact on the corporate results;
 - economic results achieved;
 - achievement of specific objectives previously set by the Board of Directors;
- to monitor the implementation of the decisions taken by the Board of Directors on the basis of the proposals put forward;

^[51] Further details about remuneration can be found in the relevant section of the Notes to the Accounts contained in the Company's annual financial statements.

- to express an opinion to the Board of Directors concerning the determination of the remuneration payable to those members of the Board of Directors holding a particular office or having a function in accordance with the Articles of Association;
- to express opinions and make non-binding proposals on the determination of the remuneration payable to the General Managers, on the proposal of the Managing Directors, on the basis of a discretionary assessment adopting the following criteria:
 - the level of responsibility and the risks relating to the functions held;
 - the results achieved with reference to the objectives set out;
 - extra tasks carried out;
- to assess, at regular intervals, the criteria adopted for the remuneration of managers with strategic responsibilities, monitor the application of the said criteria on the basis of the information gathered by the Managing Directors, and make relevant recommendations to the Board of Directors;
- to express opinions and make non-binding proposals concerning the stock option plans and the allocation of shares;
- to report on the activities carried out, disseminate information and formulate tailored proposals and opinions to the Board of Directors in a timely manner, thus ensuring the efficient organisation of Board meetings convened to discuss remuneration;
- to perform any other tasks which the Board of Directors may later allocate to the Committee by specific resolution.

The main activities performed by the Committee in 2008 and the first few months of 2009 were:

- In 2008:
 - expenditure budget for the 2008 financial year;
 - examination of the guidelines relating to the long-term incentive plan;
 - examination of the report submitted to the Board of Directors at its Meeting held on 13 December 2007, in answer to criticisms formulated by shareholder Algebris Investments by letter of 24 October 2007;
 - check on whether the targets imposed for the final allocation of the stock options allocated to the Chairman, Managing Directors and key management personnel during the year 2007 have been met;
 - definition of the proposals regarding the remuneration of the Chairman, Managing Directors and General Manager.
- In 2009:
 - evaluations regarding the overall remuneration policy for members of the top management and key management personnel;
 - drafting of proposals for the remuneration of the Chairman, Managing Directors and General Manager;
 - the Long-term Incentive Plan for Executive Directors and key management personnel of the Group: examination of the progress of the current plan, and adoption of resolutions in the fields for which the Committee is responsible;
 - the 2009 expenditure budget.

In performing its role, the said body may access the corporate information and functions necessary to carry out the tasks allocated to it, through the Secretary to the Board of Directors.

In the past financial year, meetings of the Committee were attended by non-members, on the Committee's invitation. Some attended the whole meeting, while others were only present during the discussion of certain items on the agenda. The Committee also called on assistance from external consultants.

The operation of the Remuneration Committee is regulated by an ad-hoc set of rules. Its members receive an attendance fee.

The above-mentioned governing body has duly performed the recommendation and advisory activities for which it was established; it has kept minutes and produced the reports required by the performance of the Company's business.

In 2003 only one meeting was convened, which was attended by all members of the Committee. In its current composition, the Committee met only once in 2004, twice in 2005, once in 2006, three times in 2007, twice in 2008, and twice in the first part of 2009. All those meetings were attended by all members. (See Table 1, containing attendance information for each member of the Internal Control Committee.)

At the Committee meeting held on 4 March 2008, the Committee established its spending budget for the 2008 financial year at € 150,000. This budget was submitted for the approval of the Board of Directors at its meeting on 17 March 2008.

Corporate Governance Committee

The Board of Directors has set up a consultative committee to establish whether, and to what extent, the corporate governance rules introduced by the Company to date are in line with the best practice, having regard to the fact that there have been a number of major changes in the legislative picture and best practices, and the industrial and financial objectives specified in the Strategic Plan have been updated.

Seven members of the Board of Directors were co-opted to the Committee. The presence of the Independent Directors makes a decisive contribution to its composition.

Corporate Governance Committee

Office	First name, last name
<ul style="list-style-type: none"> Chairman Executive Director 	Antoine Bernheim
<ul style="list-style-type: none"> Member of the Committee Non-executive Director 	Ana Patricia Botin
<ul style="list-style-type: none"> Member of the Committee Non-executive Director 	Gabriele Galateri di Genola
<ul style="list-style-type: none"> Member of the Committee Non-executive and independent Director 	Alessandro Pedersoli
<ul style="list-style-type: none"> Member of the Committee Non-executive and independent Director 	Lorenzo Pellicoli
<ul style="list-style-type: none"> Member of the Committee Non-executive and independent Director 	Vittorio Ripa di Meana
<ul style="list-style-type: none"> Member of the Committee Non-executive and independent Director 	Paolo Scaroni

Vittorio Rispoli was appointed Secretary of the Committee.

Two meetings of the Committee were held in 2007, after which the Committee expressed the opinion that the Company's corporate governance system complies with the current legislative and regulatory framework and with the best practice adopted by the Code. Consequently, having regard to the good results achieved to date and the challenging targets set in the Group's strategic plan, the Board of Directors decided to maintain the Company's present corporate governance structure unchanged.

Shareholders' Meeting

The Shareholders' Meeting is called by publishing a notice in the Official Journal of the Italian Republic at least 30 days prior to the date of the first convocation of the meeting. The said notice shall indicate the date, hour and place of the meeting and the items on the agenda. The notice shall also be published in national newspapers and on the Company website (www.generalali.com), and directly communicated to shareholders attending the latest meetings.

The Shareholders' Meeting is not entitled to make decisions upon items that are not on the agenda. Shareholders jointly or severally representing at least one-fortieth of the share capital may apply, within five days of the publication of the notice of call of the Meeting, for additional subjects proposed by them to be added to the agenda.

The Ordinary Shareholders' Meeting for the approval of the Financial Statements is called within 120 days of the end of the financial year; if the statutory conditions are fulfilled, the said period can be extended to 180 days. The meeting is conducted at the Company's registered offices in Trieste, although it may alternatively be held at other locations in Italy.

Annual Shareholders' Meetings are one of the major opportunities for dialogue between shareholders and Company management. During the meeting, a presentation concerning management performance is traditionally followed by a question-and-answer session between shareholders and the management.

The Shareholders' Meeting may be attended by shareholders who are entitled to vote, provided that they prove their entitlement in the statutory forms and that the notice by the intermediary who keeps accounts of the shares, which replaces the deposit authorising attendance at the Shareholders' Meeting, is received by the Company at the registered office at least two days prior to the date set for the first convocation of the Meeting, or such other period as may be indicated in the notice of call of the Meeting in compliance with the law. In any event, shareholders attending the Meeting shall remain free to dispose of their shares as they wish.

As specified by law, the following parties may not be appointed as proxies by other shareholders to attend the Meeting on their behalf:

- a) the Company's Directors, Statutory Auditors and employees;
- b) the Company's subsidiaries and their Directors, Statutory Auditors and employees;
- c) the Company's External Auditor and its partners, Directors, Statutory Auditors and employees;
- d) the centralised financial instrument management company.

Members of the Board of Directors attend these meetings regularly ^[52].

[52] The mathematical mean of attendance of Directors at the past seven Shareholders' Meetings was 69.2%.

Majorities

With the exception of particular cases provided for by law, the Ordinary and Extraordinary Shareholders' Meetings are validly constituted and pass resolutions with the majorities illustrated in the following table:

ORDINARY SESSION	First call	Second call	Third call
Constitutive quorum	Presence of as many shareholders as to represent at least a half of the share capital	Regardless of the share capital represented by the shareholders attending the meeting	Does not apply
Deliberative quorum	Absolute majority of the represented capital	Absolute majority of the represented capital	Does not apply

EXTRAORDINARY MEETING	First call	Second call	Third call
Constitutive quorum	Presence of as many shareholders as to represent at least a half of the share capital	Presence of as many shareholders as to represent than one third of the share capital	Presence of as many shareholders as to represent at least one fifth of the share capital
Deliberative quorum	Favourable vote cast by at least two thirds of the represented capital	Favourable vote cast by at least two thirds of the represented capital	Favourable vote cast by at least two thirds of the represented capital

Under no circumstances does the Company require majorities other than those established by law for passing resolutions. The majorities laid down for the Ordinary Shareholders' Meetings are required to grant it power to:

- a) pass resolutions on Financial Statements;
- b) pass resolutions concerning the allocation of profits;
- c) appoint members of the General Council;
- d) appoint members of the Board of Directors, Permanent and Substitute Auditors and the Chairman of the Board of Statutory Auditors;
- e) establish the Statutory Auditors' fees;
- f) determine the fee payable to members of the Board of Directors; variable remuneration systems tied to the profits and/or other indicators of the business trend of the Company and/or the Group may be used for this purpose;
- g) appoint External Auditors to audit the accounts during the financial year, the financial statements and the consolidated financial statements; establish their fees;
- h) pass any other resolution required by law or submitted to the Shareholders' Meeting by the Board of Directors.

The majorities established for extraordinary sessions of the Shareholders' Meetings are required to resolve on amendments to the Company's Articles of Association, the appointment and powers of liquidators in the event of the Company's winding-up, and in other cases provided for by law.

Meeting procedures and those relating to the right of individual shareholders to speak at the meeting ^[53] are governed by ad hoc By-laws, which are available at the Company's offices and on its website (www.generali.com), as are the Company's Articles of Association and information on its governing bodies.

By-laws governing Shareholders' Meetings

The conduct of the Shareholders' Meetings of Assicurazioni Generali has been governed by specific By-laws since 1972. Used as a basis for many of Italy's listed and unlisted companies, these By-laws have not undergone any significant changes over the last 30 years.

Nevertheless, the Shareholders' Meeting of 28 April 2001 resolved to amend the By-laws in order to bring them in line with the most modern principles of Corporate Governance and with the provisions contained in the Code. The main amendments relate to:

1. definition of the legal effectiveness of the provisions of the By-laws within the general framework of the law and the Company's Articles of Association;
2. admission to the proceedings;
3. powers vested in the Chairman of the Meeting ^[54].

Relations with Institutional Investors and other Shareholders

Responsibility for relations with institutional investors and with other shareholders falls under the powers of the Chairman, Mr. Antoine Bernheim.

The *Investor Relations Department*, which is part of the Central Head Office in Trieste, is responsible for this function. To facilitate relations with this Department, the "Investor Relations" section of the website www.generali.com includes its telephone numbers and e-mail addresses under "Contacts".

As far as day-to-day relations with shareholders are concerned (intensifying as Shareholders' Meetings draw near), the Company has set up its own "*Share Office*", the activity of which falls within the "*Group Legal Department*", which is also part of the Central Head Office in Trieste.

Assicurazioni Generali complies with the Code of Conduct and the best practices laid down in the Guide to

[53] The Chairman governs the discussion and gives the floor to those requesting it. A request to speak shall be made in writing and indicate the item on the agenda to which it relates; requests may be made after the Chairman has read out the agenda, and until the closure of the discussion on the item to which it refers. The Chairman may authorise the submission of requests to speak by raising the hand. Members of the Board of Directors and Internal Auditors may ask to speak in the discussion. To enable the Chairman and, on his invitation, those assisting him, to respond more exhaustively to the speeches by the authorised parties, they may submit written notes illustrating the subjects on which they wish to speak to the Board of Directors before the constitution of the Meeting. Each person authorised to speak at the General Meeting may speak for no more than 15 minutes on any item on the agenda, making statements and formulating proposals. The speeches shall be clear, concise, and strictly relevant to the subject discussed. The Chairman may establish a longer or shorter length of speeches at any time, according to the importance of the subject under discussion, the number of persons asking to speak and the other items on the agenda still to be discussed, but said length shall not be less than half the maximum length specified. The Chairman and, on his invitation, those assisting him, shall reply to the speakers after each speech, or after all speeches. Those who speak during the discussion may reply once, for not more than five minutes. The Chairman will ask speakers who fail to comply with the terms of this Regulation to conclude their speech quickly, after which he will withdraw the floor from them.

[54] With reference to this last point and to the provisions contained in the Company's Articles of Association regarding the By-laws and regulations concerning this issue, it has been deemed appropriate – as noted above – to revise the dogmatic framework provided for in Article 13 of the Company's Articles of Association.

The starting point was to confirm the provisions of the Articles of Association requiring the existence of By-laws regulating the Shareholders' Meeting. It was decided not to give the provisions of the By-laws a legal force equivalent to the provisions contained in the Company's Articles of Association. As a consequence, a provision was added whereby the By-laws are adopted by a Shareholders' Meeting duly convened for this specific item on the agenda, with power to pass resolutions by the majority required for approval of resolutions at Ordinary Shareholders' Meetings. Underlying this approach was the wish to ensure that the Meeting does not adopt working terms and practices from time to time which differ from those provided for in the By-laws, except in those specific cases where the By-laws themselves allow for alternatives. At the same time, there was a desire to avoid extending the regulatory provisions and in consequence, to all effects, equating them with the provisions in the Company's Articles of Association and the statutory provisions.

Disclosure of Information to the Market, published by the ref. Forum on corporate disclosure.

The Company encourages and promotes the widest possible attendance of shareholders at Shareholders' Meetings. Except under exceptional circumstances, calls of meetings take account of the possibility that they may be held on a Saturday.

In order to accommodate all participants, the preliminary activities required to establish their eligibility to attend are performed in the days leading up to the Meeting.

Board of Statutory Auditors

The Board of Statutory Auditors consists of three permanent and two substitute Auditors, who may be re-elected. Once elected, Statutory Auditors forfeit their office if situations of incompatibility arise as specified by law or they exceed the limits on simultaneous offices established by the applicable legislation.

All the permanent and substitute statutory auditors must meet the requirements laid down by law.

As regards the requisite of independence of the members of the Board of Statutory Auditors, without prejudice to the statutory provisions the Code states that the Statutory Auditors shall be chosen among people who can be classed as independent, partly on the basis of the criteria applicable to Directors. Furthermore, the Board of Statutory Auditors shall assess compliance with the said criteria after the appointment and subsequently on an annual basis, including the result of such assessment in the corporate governance report. The current Board of Statutory Auditors, appointed by the Shareholders' Meeting on 26 April 2008 for the 2008, 2009 and 2010 financial years, ie. until the next General Meeting held to approve the financial statements for the 2007 financial year, duly established that its members met the independence requirements according to application criterion 10.C.2 of the Code.

Amongst the new provisions of the Code pertaining to the Board of Statutory Auditors, attention should be first paid to the fact that an Statutory Auditor who holds an interest, either directly or on behalf of third parties, in a certain transaction of the issuer, must promptly and exhaustively inform the other Statutory Auditors and the Chairman of the Board about the nature, terms, origin and extent of his/her interest.

The Board of Statutory Auditors is now required to monitor the independence of the External Auditors, verifying their compliance with the provisions of the applicable legislation and regulations, and the nature and extent of services other than the accounting control provided to the issuer and its subsidiaries by the External Auditors and organisations belonging to its network. This activity was duly performed by the Board of Statutory Auditors in the last financial year.

Moreover, in compliance with the new Code, the Statutory Auditors may exercise the aforementioned power to verify the proper application of the criteria and assessment procedures adopted by the Board of Directors to evaluate the independence of its own members.

Among all the new provisions, particular attention should be paid to the one laid down in article 149 of the Consolidated Finance Act which includes, among the other supervisory duties attributed to the Board of Statutory Auditors, supervision of the methods of implementing the corporate governance rules laid down in codes of conduct drawn up by the management companies of regulated markets or by trade associations, which the company, in public disclosures, declares that it complies with.

The said Shareholders' Meeting held on 20 June 2007 adopted the new provisions contained in s. 148.2 of the Consolidated Finance Act, and passed the following resolutions:

- meetings of the Board of Directors and the Executive Committee may be called by one or more members of the Board of Statutory Auditors;
- the existing provision which specified a quorum for the submission of lists by minority shareholders amounting to 3% of the share capital was revoked, and a threshold of entitlement to submit lists equal to that laid down for appointment of the Board of Directors (currently 0.5% of the share capital) was established,
- the Permanent Statutory Auditor taken from the minority list shall be appointed Chairman of the Board of Statutory Auditors;
- in the event of the death, resignation or debarment of the minority Statutory Auditor, s/he shall be replaced, also as Chairman, by the substitute Statutory Auditor taken from the same list, provided that this substitution shall comply with the principle of the necessary representation of minority shareholders in any event.

According to current legislation, the Board of Directors and shareholders who, either alone or jointly with others, represent at least the minimum percentage of the share capital specified in the applicable legislation, shall be entitled to submit a list for the appointment of the Board of Statutory Auditors.

The Board of Directors' list, if submitted, shall be filed at the Company's registered office by the twentieth day before the date of the first convocation of the Shareholders' Meeting; in the case of lists submitted by shareholders, the list shall be filed by the fifteenth day before the date of the first convocation of the Shareholders' Meeting.

The lists shall be accompanied by information about the shareholders who submit them, with details of the total percentage of the share capital held by them. The following documents shall be filed 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 honourableness, professionalism and, if applicable, independence, required by current legislation;
- a copy of the certificates issued by intermediaries certifying the ownership of the percentage of share capital required for submission of lists.

If the said requirements are not met, the list shall be deemed not to have been submitted.

If only one list has been submitted by the end of the 15-day period, or only lists submitted by shareholders connected with one another, lists may be submitted until the fifth day after the said date. In such case, the thresholds for submission of lists of candidates shall be halved.

The parties entitled to vote, companies directly or indirectly controlled by them, companies directly or indirectly subject to joint control, and shareholders connected by one of the relationships specified in s. 109.1 of Legislative Decree no. 58 of 24 February 1998, relating to the company, may jointly submit and shall only vote for one list; in the event of breach of this provision, no account shall be taken of support given to any of the lists.

The first two candidates in the list that obtained the largest number of votes (the "Majority List") and the first candidate in the list which, without taking account of the support given in any way, even indirectly, by

shareholders connected with those who submitted or voted for the Majority List, obtained the second-largest number of votes (the “Minority List”), shall be elected Permanent Statutory Auditors.

The first candidate on the Majority List which obtained the largest number of votes and the first candidate on the Minority List shall be elected Substitute Statutory Auditors.

If the first two lists obtain the same number of votes, a new vote shall be held. In the event of a tie between two or more lists other than the one which obtained the largest number of votes, the youngest candidates shall be elected Statutory Auditors until all posts have been filled.

If only one list is submitted, all the Statutory Auditors to be elected shall be taken from that list.

The Permanent Statutory Auditor taken from the Minority List shall be appointed Chairman. If all the Statutory Auditors are taken from one list, the first candidate on that list shall be appointed Chairman.

In the event of the death, resignation or debarment of a Permanent Statutory Auditor taken from the Majority List or the only list, s/he shall be replaced by the substitute belonging to the same list or, if none, by the youngest substitute. The Shareholders’ Meeting shall appoint the members required to complete the Board of Statutory Auditors, passing resolutions by the statutory majority.

The Board of Statutory Auditors is currently made up as follows:

Board of Statutory Auditors

Office	First name, last name
• Chairman	Eugenio Colucci
• Permanent auditor	Giuseppe Alessio-Verni
• Permanent auditor	Gaetano Terrin
• Substitute auditor	Maurizio Dattilo
• Substitute auditor	Michele Paolillo

The following is a short presentation of its members:

Eugenio Colucci, was born in Lucera (Foggia) on 9 January 1946. He graduated in Economics and Business Studies, and is enrolled in the Auditors’ Register. He began his career in 1969 with auditing firm Arthur Andersen, where he rose to become a partner. He now provides financial and accountancy consultancy services for private clients. He is an advisor to the Italian Accountancy Association and a member of the Audit Committee of Ferrero International S.A.. He is also Chairman of the Board of Statutory Auditors of Ifil S.p.A..

Giuseppe Alessio-Verni, born in Trieste on 5 October 1964, has worked there as a chartered accountant since 1992. A Certified Auditor since 1995, he is registered as an Expert and Technical Consultant to the Courts of Trieste. He is Chairman of the Board of Statutory Auditors of Banca Generali S.p.A., Europ Assistance Italia S.p.A. and B.S.I. Italia S.p.A., and Permanent Statutory Auditor of a number of companies belonging to the Generali Group, not only engaged in insurance but also in banking and financial brokerage. He has been a Substitute Statutory Auditor of Assicurazioni Generali S.p.A. for three years, since 2005.

Gaetano Terrin, born in Padua on 16 July 1960, has been a certified auditor since 1992. In addition to practising as a chartered accountant, he is also an Statutory Auditor of a number of companies operating in the

insurance, financial and industrial sectors. These include a number of Generali subsidiaries such as Alleanza Assicurazioni S.p.A. and Intesa Vita S.p.A., where he acts as Chairman of the Board of Statutory Auditors. Engaged as Substitute Statutory Auditor of the Company since 1999, in 2001 he was appointed Permanent Statutory Auditor. Moreover, he holds the office of Permanent Statutory Auditor of Danieli & C. Officine Meccaniche S.p.A..

Maurizio Dattilo, born in Milan on 19 March 1963, is a chartered accountant and auditor. He practises as a chartered accountant as a partner in the Milan firm "Dattilo Commercialisti Associati". He is a Permanent Statutory Auditor of a number of industrial companies.

Michele Paolillo, born in Milan on 16 May 1953, is a Business Economics graduate, has been a qualified auditor since 1995, and has been registered in the Accountants' Register since 1998. He currently provides legal consultancy services to private clients. He specialises in tax law, and is an statutory auditor of companies operating in the financial and manufacturing sectors, including TLX S.p.A. and Citicorp Financial S.p.A..

The Board of Statutory Auditors has duly undertaken its auditing duties as laid down by law; it has kept minutes and produced the reports required by the performance of the Company's business.

The six meetings held in 2003 were attended by 94.4% of the members, while in 2004 the Board of Statutory Auditors convened seven times with an average attendance of 90.4%. Eleven meetings were held in 2005, with an average attendance of 99%, 12 in 2006, with an attendance of 100%, and 14 in 2007, with an average attendance of 99% of the members. In 2008, 21 meetings were held, with an attendance of 100%. (See Table 2, containing attendance information for each member of the Board of Statutory Auditors.)

The average attendance of Statutory Auditors at meetings of the Board of Directors was 94% in 2003, 100% in 2004 and 2005, 95.2% in 2006, 99% in 2007 and 100% in 2008. The average attendance of Statutory Auditors at Executive Committee meetings was almost 92% in 2003, 100% in 2004 and 2005, 96.2% in 2006, and 100% in 2007. Two meetings of the Executive Committee were held in 2008, attended by all Statutory Auditors.

The last 8 meetings of the Board of Statutory Auditors also saw full attendance.

External auditors

The firm of external auditors, which must be registered in a roll kept by CONSOB, is called upon to verify, during the year, that corporate accounts are properly kept and that the financial position and results of the Company's operations are reported correctly. The External Auditors shall promptly inform the Board of Statutory Auditors and CONSOB of any facts which it may deem erroneous. The firm also verifies that the Financial Statements and the Consolidated Statements match the figures in the accounting records and the results of checks, and that those bookkeeping documents comply with the regulations to which they are subject.

The External Auditors are appointed by the Shareholders' Meeting, on the substantiated proposal of the Board of Statutory Auditors. The Shareholders' Meeting also decides on the fees of the External Auditors. The legislation has extended their term of office to nine years, and their appointment can be renewed when an interval of at least three years has elapsed since the termination of the last appointment.

If their appointment is renewed, the person in charge of the audits must be replaced after six years, and cannot hold the same office again, even on behalf of another auditing firm, or with reference to the financial statements of subsidiaries, related companies, companies controlling the issuer or jointly controlled companies, unless an interval of at least three years has elapsed since the termination of the last appointment.

The above-mentioned mandate can be terminated before the due date upon the substantiated proposal of the

Board of Statutory Auditors, on reasonable grounds. All resolutions passed by the Shareholders' Meeting and concerning appointments and terminations are transmitted to CONSOB.

At the end of each financial year, the External Auditors examine the Financial Statements and draft a formal Report. The document is attached to the Financial Statements and deposited at the registered office of the Company for the fifteen days preceding the Meeting called to approve the Financial Statements, and until the statements are finally approved.

The firm of External Auditors currently appointed is PricewaterhouseCoopers S.p.A., which was appointed, after the Board of Statutory Auditors had been consulted, by the Shareholders' Meeting held on 29 April 2006 for the financial years 2006/2011.

The aforesaid auditing firm, during the 2007 financial year, dedicated 16,183 actual working hours and billed the Company for a total of 1,031,407.00 Euro, broken down as follows:

- 398,212.00 Euro for the financial statements;
- 274,304.00 Euro for the consolidated financial statements;
- 92,836.00 Euro for the half-year report as at 30 June 2006;
- 89,159.00 Euro for the consolidated half-yearly report as at 30 June 2006;
- 60,803.00 Euro for the assessment of the regularity and correctness of the company's bookkeeping;
- 116,093.00 Euro for the Reports on the performance of separate management accounts, internal funds and open-ended pension funds.

The longer time taken, compared with the time specified in the appointment granted by the General Meeting on 29 April 2006, is due to additional auditing activities deriving from the application, as from the 2007 financial year, of the new international accounting standard IFRS 7 and the setting up of a new separate internal management system. The additional hours and fees (555 hours, billed at € 55,500) were included in the final figures by the Managing Director responsible for the subject in question, under the delegated powers granted by the General Meeting on 29 April 2006.

The audit fees for the 2007 financial year for the Company's foreign subsidiaries amounted to a total of 276,939.40 Euro at year-end exchange rates; 208,336.00 Euro was for audit services rendered by auditing firms belonging to the PricewaterhouseCoopers Group.

General Council

The General Council is an advisory body that concerns itself with the best attainment of the Company's objects, with particular regard to the territorial expansion of the Company and to international insurance and financial problems regarding the Company and the Group.

In addition to the members elected by the Shareholders' Meeting, whose number, according to the Company's Articles of Association, shall be not less than 15 and not more than 35, Board members and General Managers of the Company are included in the General Council as members by right. The Council's term of office is three years. It is chaired by the Chairman of the Board of Directors.

The General Council is currently made up of 42 members, 22 of whom were appointed by the Shareholders' Meeting held on 29 April 2006 for the 2006, 2007 and 2008 financial years and subsequently co-opted by the General Council meetings held on 8 September 2006 and 28 September 2007. The members are:

General Council

Office	First name, last name
• Chairman	Mr. Antoine Bernheim
• Vice-chairman	Mr. Gabriele Galateri di Genola
• Managing Director	Mr. Giovanni Perissinotto
• Managing Director	Mr. Sergio Balbinot
• General Councillor	Mr. Giorgio Davide Adler
• General Manager (CFO)	Mr. Raffaele Agrusti
• General Councillor	Mr. José Ramon Alvarez Rendueles
• General Councillor	Mr. José Maria Amusatogui de la Cierva
• General Councillor	Mr. Francesco Maria Attaguile
• General Councillor	Mr. Claude Bébéar
• General Councillor	Mr. Kenneth J. Bialkin
• Non-executive and independent Director	Mr. Luigi Arturo Bianchi
• Non-executive Director	Ms. Ana Patricia Botin
• General Councillor	Mr. Gerardo Brogginì
• Non-executive and independent Director	Mr. Francesco Gaetano Caltagirone
• General Councillor	Mr. Giacomo Costa
• General Councillor	Mr. Maurizio de Tilla
• Non-executive and independent Director	Mr. Diego Della Valle
• General Councillor	Mr. Enrico Filippi
• General Councillor	Mr. Carlos Fitz-James Stuart y Martinez de Irujo
• General Councillor	Mr. Albert Frère
• General Councillor	Mr. Georges Hervet
• General Councillor	Mr. Dietrich Karner
• General Councillor	Mr. Khoon Chen Kuok
• Non-executive and independent Director	Mr. Leonardo Del Vecchio
• Non-executive and independent Director	Mr. Loïc Hennekinne
• Non-executive Director	Mr. Petr Kellner
• General Councillor	Mr. Stefano Micossi
• Non-executive Director	Mr. Alberto Nicola Nagel
• Non-executive and independent Director	Mr. Klaus-Peter Mueller
• General Councillor	Mr. Benedetto Orsini
• General Councillor	Mr. Luis Peña Kegel
• Non-executive and independent Director	Mr. Alessandro Pedersoli
• Non-executive and independent Director	Mr. Lorenzo Pellicoli
• Non-executive Director	Mr. Reinfried Pohl
• Non-executive and independent Director	Mr. Kai-Uwe Ricke
• Non-executive and independent Director	Mr. Paolo Scaroni
• Executive Director	Mr. Claude Tendil
• General Councillor	Mr. Arturo Romanin Jacur

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Office	First name, last name
• General Councillor	Mr. Guido Schmidt-Chiari
• General Councillor	Mr. Theo Waigel
• General Councillor	Mr. Wilhelm Winterstein

Website

The Company has kept its website (www.generali.com) regularly updated, in order to make clear, exhaustive information available to all users.

The website features a presentation of the Group and its history, its objectives, the markets where it operates, press releases describing major events in which the Group has played a part, and opportunities to work with the Company.

With an eye on information transparency, great importance is attached to the presentation of the share structure, financial and accounting data on the website. The data are carefully and promptly updated, so that among the documents users will find the latest approved financial statements and an easily accessible archive containing the accounts for several previous financial years.

In order to provide rapid, easy access to Company information, the telephone numbers and e-mail addresses of the Group Communications, Investor Relations, and Group General Secretariat and Corporate Affairs departments are provided in the Press and Communications, Investor Relations and Governance sections.

In the *Investor Relations* section, the "Shareholders' Meeting" subsection contains the notice convening the next Shareholders' Meeting and the Reports on the Agenda, the minutes of meetings, and the speeches by the Chairman and Managing Directors for the last five financial years.

The *Governance* section makes all major documents available for consultation and downloading, such as the Articles of Association, the By-Laws of the Shareholders' Meetings, the Ethical Code and this Report on Corporate Governance. At the same time, information is provided on internal dealing regulations, with details of the operations performed by internal dealers and information about the legal representation system and the organisational and management model. A brief but comprehensive summary of the said documents is also available.

The site also features a subsection called "*Event Calendar*", providing information on the dates of the meetings of the governing bodies, such as the Shareholders' Meeting and the Board of Directors' Meetings convened to approve the draft annual accounts, the consolidated financial statements, the half-year report and the quarterly reports, as well as events that are strictly financial in nature, such as press conferences and encounters with financial analysts.

The website also displays the ratings given to Generali's securities by rating firms. They are updated promptly, even before the said information is transmitted to Borsa Italiana.

All the material that can be consulted without a password is available in both Italian and English. The Articles of Association can also be downloaded in French, German and Spanish versions.

Venice, 20 March 2009

THE BOARD OF DIRECTORS

Table 1: Structure of the Board of Directors and Committees

Board of Directors							Internal Control Committee		Remuneration Committee		Executive Committee	
Office	Members	executive	non-executive	independent	(***)	n° of other offices (*)	(**)	(***)	(**)	(***)	(**)	(***)
Chairman	Antoine Bernheim	X			100%	12					X	100%
Vice-chairman	Gabriele Galateri di Genola		X		86%	6			X	100%	X	50%
Managing Director	Sergio Balbinot	X			100%	13					X	100%
Managing Director	Giovanni Perissinotto	X			100%	12					X	100%
Director	Luigi Arturo Bianchi		X	X	100%	3	X	100%				
Director	Ana Patricia Botin		X		43%	2						
Director	Francesco Gaetano Caltagirone		X	X	100%	6					X	
Director	Diego Della Valle		X	X	71%	7						
Director	Leonardo Del Vecchio		X	X	86%	6			X	100%		
Director	Loïc Hennekinne		X	X	100%	1	X	100%				
Director	Petr Kellner		X		71%	1						
Director	Klaus-Peter Müller		X	X	0%	8						
Director	Alberto Nicola Nagel		X		100%	2					X	100%
Director	Alessandro Pedersoli		X	X	100%	3	X	100%				
Director	Lorenzo Pelliccioli		X	X	100%	6					X	100%
Director	Reinfried Pohl		X		14%	4						
Director	Kai Uwe Ricke		X	X	71%	2						
Director	Vittorio Ripa di Meana (decaduto il 29.12.2008)		X	X	86%	-					X	100%
Director	Paolo Scaroni		X	X	86%	2			X	100%		
Director	Claude Tendil	X			100%	5						
Number of meetings held in the reference financial year		Board: 7	Internal Control Committee:8			Remuneration Committee:2			Executive Committee: 2			

(*) This column indicates the number of director or internal auditor offices carried out by the subject in concern in other companies listed on domestic or foreign regulated markets, finance, bank or insurance corporations, or other major companies

The foregoing report expressly indicates such offices. Chart also indicates missions carried out within companies belonging to the group, although not considering them for the discipline of mission aggregation restrictions.

(**) "X" in this column indicates that the member of the Board belongs to the Committee.

(***) This column shows the percentage of meetings of the Board and of the Committees attended by Directors..

Table 2: Board of Statutory Auditors

Office	Members	Percentage of meetings of the Board of Auditors attended	Number of other offices ^(*)
Chairman	Eugenio Colucci	100%	1
Permanent Auditor	Giuseppe Alessio-Verni	100%	2
Permanent Auditor	Gaetano Terrin	100%	3
Substitute Auditor	Maurizio Dattilo	–	–
Substitute Auditor	Michele Paolillo	–	–
Number of further meetings attended during the financial year:		6 (1 in Shareholders' Meeting - 5 in the Board of Directors)	
Indicate the quorum required for the submission of lists by minorities for the election of one or more permanent Auditors (pursuant to Art. 148 TUF):		5/1000 of the share capital	

(*) This column shows the number of Director or Auditor offices held by the person in other firms listed on Italian regulated markets. The report on corporate governance contains a complete list of offices.

Table 3: Other provisions of the Voluntary Self-Regulatory Code

	Yes	No	Brief explanation of the reasons for any inobservance of the recommendations of the Code
Proxies and operations with related parties			
Has the Board of Directors assigned powers and defined their			
a) limits	X		
b) performance modalities	X		
c) and frequency of reporting?	X		
Has the Board examined and approved most significant economic, financial and asset operations (including operations with related parties)?	X		
Has the Board defined guidelines and criteria for the identification of "significant" operations?	X		
Are the above mentioned guidelines and criteria described in the report?	X		
Has the Board defined precise procedures for examining and approving operations with related parties?	X		
Are the procedures for approving operations with related parties described in the report?	X		
Procedures applying to the most recent appointment of Directors and Auditors			
Were the lists of candidates for the office of Directors submitted at least ten days before the Meeting?	X		
Were all Director candidate recommendations accompanied by exhaustive information?	X		
Were all Director candidate recommendations accompanied by an indication of eligibility as independent actors?	X		
Were the lists of candidates for the office of Auditors submitted at least ten days before the Meeting?	X		
Were all Auditor candidate recommendations accompanied by exhaustive information?	X		
Meetings			
Has the Company approved any Meeting Regulations?	X		
Are the Regulations attached to the report or is there an indication of where to obtain/download them from?	X		
Internal Control			
Has the company appointed persons entrusted with internal control?	X		
Are those persons hierarchically independent of the persons responsible for operational sectors?	X		
Organizational department entrusted with internal control (pursuant to art. 9.3 of the Code)	Group Internal Audit		
Investor relations			
Has the company appointed persons entrusted with investor relations?	X		
Organizational department and contacts (address/telephone/fax/e-mail) of the person entrusted with investor relations	Investor Relations - Dott.ssa Paola Buratti – Piazza Duca degli Abruzzi, 2 34132 TRIESTE Tel: 040-671157 - Fax: 040-671260 e-mail:Paola_Buratti@generali.com		

Table 4: Offices held by Directors in other companies (*)

Directors	Other Offices in Group Companies	Other Offices Outside the Group
Antoine Bernheim	Alleanza Assicurazioni S.p.A.	Intesa San Paolo S.p.A
	Generali France S.A.	Mediobanca S.p.A.
	AMB Generali Holding AG	Bolloré Investissement S.A.
	Generali España Holding Entidades de Seguros S.A.	LMVH Moët Hennessy Louis Vuitton S.A.
	BSI S.A.	Christian Dior S.A.
	Generali Holding Vienna AG	Eurazeo S.A.
Gabriele Galateri di Genola		Telecom Italia S.p.A.
		RCS MediaGroup S.p.A.
		Banca Esperia S.p.A.
		Banca CRS S.p.A.
		Italmobiliare S.p.A.
		Accor S.A.
Sergio Balbinot	Generali Investments S.p.A.	Commerzbank AG
	Generali España Holding Entidades de Seguros S.A.	Deutsche Vermögensberatung AG
	Generali Holding Vienna AG	
	Generali France S.A.	
	Generali Schweiz Holding	
	Europ Assistance Holding	
	Generali China Life Insurance Co. Ltd.	
	Generali China Insurance Co. Ltd.	
	Graafschap Holland Participatie Maatschappij N.V.	
	Generali Deutschland Holding AG	
	Banco Vitalicio de España S.A.	
	La Estrella S.A.	
	Transocean Holding Corporation	
	Migdal Insurance Holding Ltd	
	Future Generali India Insurance Co. Ltd	
	Future Generali India Life Insurance Co. Ltd.	
	Generali PPF Holding B.V.	
	Giovanni Perissinotto	Banca Generali S.p.A.
Generali Investments S.p.A.		Pirelli & C. S.p.A
	Generali Properties S.p.A.	
	BSI S.A.	
	Alleanza Assicurazioni S.p.A.	
	INA Assitalia S.p.A.	
	Toro Assicurazioni S.p.A.	
	Generali Immobiliare Italia SGR S.p.A.	
	Participatie Maatschappij Graafschap Holland N.V.	
	Transocean Holding Corporation	
	Generali France S.A.	
	Generali España Holding Entidades de Seguros S.A.	

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Directors	Other Offices in Group Companies	Other Offices Outside the Group
Luigi Arturo Bianchi		Benetton Group S.p.A. Anima S.G.R.P.A. UBS Fiduciaria S.p.A.
Ana Patricia Botin		Banesto S.A. Banco Santander Central Hispano S.A.
Francesco Gaetano Caltagirone		Caltagirone S.p.A. Caltagirone Editore S.p.A. Il Messaggero S.p.A. Il Gazzettino S.p.A. Eurostazioni S.p.A. Banca Monte dei Paschi di Siena S.p.A.
Diego Della Valle		Tod's S.p.A. Ferrari S.p.A. LMVH Moet Hennessy Louis Vuitton S.A. RCS Mediagroup S.p.A. Marcolin S.p.A. Nuovo Trasporto Viaggiatori S.p.A. Compagnia Immobiliare Azionaria S.p.A.
Leonardo Del Vecchio		Luxottica Group S.p.A. Gianni Versace S.p.A. GIVI Holding S.p.A. Beni Stabili S.p.A. Foncière des Regions S.I.I.C. Delfin S.a.r.l.
Loïc Hennekinne		Iride S.p.A.
Petr Kellner	Generali PPF Holding B.V.	RP Capital UK Limited
Klaus Peter Müller		Commerzbank AG Parker Hannifin Co. KfW-Kreditanstalt für Wiederaufbau Liquiditäts-Konsortialbank GmbH Linde AG Steigenberger Hotels AG Fraport Aktiengesellschaft Fresenius SE
Alberto Nicola Nagel		Mediobanca S.p.A. Banca Esperia S.p.A.

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Directors	Other Offices in Group Companies	Other Offices Outside the Group
Alessandro Pedersoli		UBI Banca S.c.p.A. RCS Mediagroup S.p.A. Effe 2005 Finanziaria Feltrinelli S.p.A.
Lorenzo Pellicoli		De Agostini S.p.A. De Agostini Editore S.p.A. Lottomatica S.p.A. DeA Capital S.p.A. Magnolia S.p.A. B&D Holding di Marco Drago & C. S.A.P.A.
Reinfried Pohl	Generali Deutschland Holding AG Aachener und Münchener Lebensversicherung AG	Deutsche Vermögensberatung AG Deutsche Vermögensberatung AG Wien
Kai-Uwe Ricke		United Internet AG Saudi Oger Telecom Ltd
Paolo Scaroni		ENI S.p.A. Veolia Environnement S.A. London Stock Exchange Group plc
Claude Tendil	Generali France S.A. Generali Vie Generali IARD Generali Investments S.p.A. Europ Assistance Holding S.A. Europ Assistance Italia S.p.A.	Scor S.A.

(*) Companies listed on domestic or foreign regulated markets, finance, bank or insurance corporations, or other major companies.

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