

**2022**  
ASSEMBLEA  
DEGLI AZIONISTI  
**SHAREHOLDERS'**  
**MEETING**



**29 April 2022**

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

**Item 6 on the Agenda  
SHARE PLAN FOR GENERALI GROUP EMPLOYEES  
(THE "SHARE PLAN")**



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## Share plan for Generali Group employees (the “Share Plan”)

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# Report of the Board of Directors to the Annual General Meeting

## 6. Share plan for Generali Group employees (the “Share Plan”)

- a) Approval of the Share Plan pursuant to article 114-*bis* of Legislative Decree no. 58 of 24 February 1998 (the “CLFI”). Relevant and ensuing resolutions. Delegation of powers.
- b) Approval of the authorisation to purchase own shares for the purposes of remuneration and incentive plans and to freely dispose of them. Relevant and ensuing resolutions. Delegation of powers.

Shareholders,

- a) **Approval of the Share Plan pursuant to article 114-*bis* of CLFI. Relevant and ensuing resolutions. Delegation of powers.**

In the context of the new strategic plan of Assicurazioni Generali S.p.A. (“**Generali**” or the “Company”) referred to the period 2022-2024 (the “**2024 Strategic Plan**”) and the “*Generali Group Climate Change Strategy*” (the “**Climate Strategy**”), Generali is submitting to the approval of this Annual General Meeting a share plan (the “**Share Plan**”) for a three-year period, addressed to its employees and those of other companies of the Group (the “**Beneficiaries**”) aimed at, *inter alia*, promoting the sense of belonging to the Group, aligning the Beneficiaries’ objectives to those outlined in the 2024 Strategic Plan and encouraging the participation of the Beneficiaries in the achievement of some objectives consistent with the Climate Strategy.

This initiative represents a tangible mark to promote:

- the engagement of the Beneficiaries of the Share Plan in the achievement of the strategic objectives;
- a culture of ownership and empowerment; and
- the Beneficiaries’ participation to Group sustainable value creation.

The Share Plan offers the Beneficiaries the opportunity to purchase shares (the “**Underlying Shares**”) at favourable conditions, following the exercise of the options that are al-

located to them free of charge (the “**Options**”).

In the event that, on the expiry date, these Options are in-the-money (as defined below), these Options would allow to (i) purchase the Underlying Shares upon such Options favourable terms, (ii) receive additional Generali shares, free of charge, allocated in a number equal to the ratio between the value of the dividends per share paid by Generali during the three-year period of the Share Plan and the Initial Price (as defined below), multiplied by the number of Underlying Shares (the “**Dividend-Equivalent Shares**”), (iii) receive additional Generali shares, free of charge, at the ratio of 2 (two) shares for every 10 (ten) Underlying Shares purchased (the “**Matching Shares**”) and (iv) receive additional Generali shares, free of charge, at the ratio of 2 (two) shares for every 10 (ten) Underlying Shares purchased (the “**ESG Shares**”) in the event that the ESG Goal (as defined below) is also achieved.

The ESG goal (the “**ESG Goal**”) refers to the decarbonisation commitment of the Group’s operating activities as approved by the Board of Directors resolving the launch of the Share Plan, defined consistently with the Group’s Climate Strategy (reduction of at least 25% of Group’s emission by 2025 as communicated to the market in June 2021)<sup>1</sup> and related to the three-year execu-

<sup>1</sup> By 2025, a science-based reduction of the greenhouse gas emissions related to offices, data centres, and company car fleet by at least 25% against the 2019 baseline (as per Group Press Release of June 2021).

tion period of the Share Plan, which will be started indicatively in November 2022 and in any case within 12 months from its approval at the Annual General Meeting.

The main features of the Share Plan are set out below:

- at the beginning of the Share Plan, the Beneficiaries shall be entitled to decide their individual contribution, i.e. the amount they intend to accumulate in order to purchase the Underlying Shares at the end of the Share Plan (the “**Individual Contribution**”);
- in response to the decision to set aside the Individual Contribution, the Beneficiaries shall receive the Options, free of charge, provided that the amount of the Individual Contribution shall (i) be committed for the three-year period of the Share Plan, (ii) be between a minimum of Euro 540 and a maximum of Euro 10,800, in aggregate, or other amount determined by the Board of Directors resolving the launch of the Share Plan and (iii) be set aside through 36 monthly payroll withholdings or any other modalities that may be determined by the Board of Directors.  
In the event that the number of adhesions to the Share Plan exceeds the maximum threshold of distributable Options, or the maximum threshold of Generali purchasable or allocable shares, the number of Options to be assigned free of charge shall be reduced on a *pro rata* basis for all the Beneficiaries (the “**Reallotment**”). The Reallotment shall be carried out for a percentage value such as to guarantee the allocation of Options (or, subsequently, of Generali shares) within the stated maximum limits;
- without prejudice to the terms of the Reallotment, the number of Options to which each Beneficiary is entitled shall be established on the basis of the Individual Contribution and shall be equal to the ratio between the Individual Contribution and the strike price of Generali shares. This ratio shall indicate the number of Underlying Shares. The strike price of Generali shares shall be decided by the Board of Directors resolving the launch of the Share Plan and will be calculated with reference to the average price of Generali shares in the month prior to the performance of the Share Plan, with the option of applying an adjustment factor of +/-5% on the defined

average price. The method of calculating the average price of Generali shares may possibly be subject to adjustments by the Board of Directors, considering the average price within a period between 1 and 3 months prior to the execution of the Share Plan, depending on market conditions (the “**Initial Price**”);

- at the end of the Share Plan, the final price of Generali shares shall be determined, calculated as the average price of Generali shares in the month preceding the exercise date of the Options. The method used to calculate the average price of Generali shares may possibly be subject to adjustments by the Board of Directors, considering the average price within a period between 1 and 3 months preceding the exercise date, depending on market conditions (the “**Final Price**”).

In particular:

- in the event that Generali shares have increased in value and, therefore, the Final Price is equal to, or higher than, the Initial Price (in such case, the Options shall be deemed “**in-the-money Options**”), the Beneficiaries shall purchase the Underlying Shares by paying to the Company the Individual Contribution and in exchange shall receive, free of charge:
  - the Dividend Equivalent Shares, amounting to the ratio between the value of the dividends per share paid by Generali during the three-year period of the Share Plan and the Initial Price, multiplied by the number of Underlying Shares;
  - 2 (two) Matching Shares for every 10 (ten) Underlying Shares;
  - 2 (two) ESG Shares for every 10 (ten) Underlying Shares, if the ESG Goal is also achieved;
- in the event that Generali shares have depreciated in value and, therefore, the Final Price is lower than the Initial Price, the Individual Contribution shall be refunded to the Beneficiaries.

In the case of in-the-money Options, each Beneficiary shall have the option to decide whether to instruct the sale, at the Final Price, of all Generali shares received (and thereby receiving the corresponding amount of money) or to continue to hold Generali shares received on maturity, except for Generali shares sold in order to pay the taxes due.

As reflected in the description above, the Share Plan provides for the protection of Individual Contribution, so as to favour the participation of employees in the Share Plan even in a context of high market volatility.

Indeed the Beneficiary is not exposed to any market risk since, even in case of depreciation in the value of the Generali shares, the Beneficiary would not suffer any financial loss, as in any case she/he would obtain the full amount of the Individual Contribution.

This protection is free of charge for Generali, as the repayment of the Individual Contribution does not require the activation of financial coverage.

At the same time, the Individual Contribution does not constitute an investment in the Share Plan by the Beneficiary.

Based on the Share Plan's structure, the allocation of the Options constitutes an offering to the public which is exempt from the obligation of prior publication as it is an offer regarding financial instruments that are allocated to employees by their employer, taking also into account that Generali has its registered office in Italy and a document shall be made available containing information on the number and nature of the financial instruments, the reasons for, and details of, the offer, pursuant to article 34-ter, paragraph 1, letter i), of CONSOB Regulation adopted by CONSOB under its resolution no. 11971 of 14 May 1999 and subsequent amendments (the "**Issuers' Regulation**"). It should also be noted that under article 2, paragraph 1, letter f), of Directive 2014/65/EU of 15 May 2014, such Directive does not apply to persons who provide investment services consisting exclusively in the administration of employee-participation schemes.

The Options are allocated free of charge and the Individual Contribution, if, on one side, assures the payment of the Final Price in the event of in-the-money Options, on the other side, is intended to fully engage the Beneficiaries in relation to the successful implementation of the 2024 Strategic Plan and encourage the participation of the Beneficiaries in the achievement of certain objectives consistent with the Climate Strategy, with alignment in terms of value creation.

Such purpose is also reflected in the way in which the Individual Contribution is accrued

which, as mentioned above, is carried out through 36 monthly payroll withholdings, without prejudice to other methods that may be established by the Board of Directors.

For the purpose of implementing the Share Plan, Generali shares to be allocated to its Beneficiaries shall be, drawn from the own shares that the Company may purchase subject to the approval by this Annual General Meeting, pursuant to articles 2357 and 2357-ter of the Italian Civil Code.

Within the limits allowed by the legislation applicable from time to time, the Administrative Body may make to the Share Plan, autonomously and without the need for further approval by the Annual General Meeting, any amendments and additions deemed necessary or appropriate as a result of extraordinary factors liable to affect in any way the shares, Generali and/or the Group, or the Share Plan and/or the objectives thereof (including, by way of example but not limited to, extraordinary transactions involving Generali and/or the Group, share capital transactions, changes in legislation, indications or recommendations by regulatory authorities or changes to the Group's perimeter, capital offers, public purchase or exchange offers or changes of control, compliance with specific sector or foreign legislation applicable to single companies in the Generali Group, significant changes in macroeconomic conditions or international monetary policy, changes to multi-year strategic plans), in order to keep the substantive and economic content of the Share Plan unchanged - within the limits allowed by the legislation applicable from time to time.

The Administrative Body may also adapt the provisions of the Share Plan, where necessary and/or appropriate, to the applicable Italian or foreign regulations with regard to which one or more of the clauses of the Share Plan are incompatible and/or contrary. Moreover, in the event of exceptional events of discontinuity (e.g. the occurrence of significant changes in macroeconomic conditions or a worsening of the financial context), the Administrative Body, in the context of the governance procedures and in any case within the limits allowed by the regulations applicable from time to time, may reassess the general consistency and correctness of the Share Plan, putting in place the neces-

sary corrective measures and this, also and in particular, with regard to the relevant objectives, the related metrics and the assessment methods since they are functional to keeping unchanged - within the limits allowed by the legislation applicable from time to time - the essential substantial and economic contents of the Share Plan, preserving its main pur-

poses (the so-called “Unfavorable Change of Conditions Clause”).

Further information regarding the Share Plan is being made available through publication of an Information Document, pursuant to article 114-*bis* of the CLFI and article 84-*bis* of the Issuers' Regulation.

In relation to the foregoing, the following is the proposed resolution of the Annual General Meeting, which reflects, in terms of the expression of the meeting's will, what has been described above.

“The Annual General Meeting of Assicurazioni Generali S.p.A., held at the offices of Assicurazioni Generali S.p.A. located in Trieste, piazza Luigi Amedeo Duca degli Abruzzi 1, validly convened and empowered to pass resolutions, in ordinary session, pursuant to article 2369 of the Italian Civil Code and article 21 of the Company's Articles of Association,

- with regard to article 114-*bis* of the CLFI and its implementing provisions;
- with regard to the report by the Board of Directors prepared in connection with this item on the agenda and the related Information Document;

**hereby resolves**

1. to approve the share plan for *Generali Group employees*, called the “**Share Plan**”, as described in the report by the Board of Directors and the related Information Document;
2. to grant the Board of Directors the widest

possible powers to execute the Share Plan and, in particular, purely by way of example and without limitation, the power to define the regulations for implementing the Share Plan, to identify the Beneficiaries thereof, to determine the number of Options to be assigned to each Beneficiary, to proceed with the allocation of the Options, to identify the strike price for the Options' exercise, define the ESG Goal in accordance with the terms set out in the report by the Board of Directors on this item on the agenda, as well as to carry out any action, fulfilment, formality or notice that is necessary or even only appropriate for the purposes of managing and/or implementing the Share Plan, with the power to delegate its powers, duties and responsibilities with respect to the execution and implementation of the Share Plan to the Chairman of the Board of Directors and the Managing Director/Group CEO, even severally, in accordance with the powers granted to them.”

- b) **Approval of the authorisation to purchase own shares for the purposes of remuneration and incentive plans and to freely dispose of them. Relevant and ensuing resolutions. Delegation of powers.**

This report approved by the Board of Directors on the date hereof (i.e. 14 March 2022) outlines the proposal to authorise, pursuant to articles 2357 and 2357-*ter* of the Italian Civil Code and 132 of the CLFI and in accordance with article 5 of Regulation (EU) no. 596/2014 (the “**MAR Regulation**”) and EU Delegated Regulation 2016/1052 (the

“**Delegated Regulation**”), the purchase of up to 9,000,000 ordinary shares of Generali, corresponding to 0.57% of the Company's share capital, as at the date hereof, and the possible subsequent disposal, in one or more times, of own shares held in portfolio and/or purchased under this authorization.

The authorisation to purchase and dispose of own shares, which is the subject of this report, is instrumental to the execution of: (i) the share plan for Generali Group employees, referred to as the “*Share Plan*”, the approval of which is likewise submitted for the



approval of today's meeting as item a) of the agenda of the ordinary session, as well as (ii) all remuneration and incentive plans approved prior by the Annual General Meeting and still being implemented (hereinafter, the incentive plans under (i) and (ii), jointly known as the "**Plans**").

Moreover, the own shares purchased under this authorisation, or in any case held in the Company's portfolio, in addition to being used for the Plans, may be used, with reference to the surplus, for other remuneration and incentive plans approved by the Annual General Meeting and/or sold on the market or outside of it, possibly also through the transfer of real and/or personal rights, including by way of example, the loan of securities, for the purposes permitted by law and with terms, methods and conditions of disposition of own shares deemed most appropriate in the interest of the Company.

This report outlines the reasons for the authorisation request, as well as the terms and procedures under which it is intended to implement the new plan of own share purchase and disposal.

**b.1. Reasons for the request for authorisation of own share purchase and disposal**

As pointed out above, the authorisation to the own share purchase plan, which may be implemented in one or several transactions, is required exclusively to provide the Company with the necessary reserve to implement the Plans.

With reference to the disposal of the shares thus acquired, considering the purposes underlying this request for authorisation, the Board of Directors proposes that the Annual General Meeting authorises the allocation of these shares, for free, to the beneficiaries of the Plans, obviously subject to the conditions provided under the relevant regulations, specifying that these procedures will also apply to the own shares already held in the Company's portfolio. Moreover, the Annual General Meeting is asked to authorise the

Board of Directors to use any share exceeding those that will actually be used for the Plans also for other remuneration and incentive plans approved by the Annual General Meeting and/or sold on the market or outside of it, possibly also through the transfer of real and/or personal rights.

**b.1.1. Maximum number, category and par value of the shares under the authorisation; compliance with the provisions of s. 2357, paragraph 3, of the Italian Civil Code**

The purchase for which the authorisation is required, which may be implemented in one or several transactions, is related to the ordinary shares of the Company.

Based on what has been stated above with regard to the number of shares to be allocated in aggregate to the Beneficiaries of the Share Plan it should be noted that the number of shares to be purchased, in one or more time, may not exceed 9,000,000 shares.

In this respect, as of the date hereof, the Company and its subsidiaries have a portfolio of 6,559,872 Generali shares, i.e. 0.415% of the share capital of the Company. Therefore, even in the event that the requested authorisation is fully used, the number of shares that the Company would own directly and indirectly would be well below the limit specified in s. 2357, paragraph 3, of the Italian Civil Code (currently 20% of the share capital).

The purchases will be implemented within the limits of the available profits and available reserves resulting from the latest duly adopted financial statements.

**b.1.2. Duration of the authorisation**

With the prior authorisation of the Annual General Meeting, own shares may be purchased, in one or more times, within a maximum term of 18



months from the date of the Annual General Meeting resolution.

The disposal authorisation in respect of the shares already in the portfolio of the Company, and of those that will be purchased in due course pursuant to the authorisation of the Annual General Meeting, is requested without time limit, in the light of the absence of legal restrictions in that regard and of the need for maximum flexibility also in terms of time to transfer them.

#### **b.1.3. Minimum and maximum price**

The Board of Directors proposes that purchases of own shares are carried out in accordance with trading terms established by article 3 of the Delegated Regulation, implementing the current provisions of the MAR Regulation, as well as the applicable provisions of the Italian Civil Code and, therefore, at a minimum purchase price of the ordinary shares not less than the implied nominal value of the ordinary share at the time of purchase and at a maximum purchase

price not more than 5% compared to the reference price that the share shall have recorded in the stock exchange session on the day prior to the completion of each individual purchase transaction.

#### **b.1.4. Purchase procedures**

The share purchase transactions will be implemented pursuant to article 144-bis, paragraph 1, letter b) of the Issuers' Regulations, in one or more times on regulated markets or multi-lateral trading systems, in accordance with the operating procedures established by the regulations governing the markets' organisation and management, so as to ensure equal treatment among Shareholders. Therefore, purchases will be implemented in line with operating procedures established that do not permit the direct matching of purchase offers with predetermined sale offers.

This own share purchase authorisation proposal is not instrumental to reduce the share capital.

In relation to the foregoing, the following is the proposed resolution of the Annual General Meeting, which reflects, in terms of the expression of the meeting's will, what has been described above.

"The Annual General Meeting of Assicurazioni Generali S.p.A., held at the offices of Assicurazioni Generali S.p.A. located in Trieste, piazza Luigi Amedeo Duca degli Abruzzi 1, validly convened and empowered to pass resolutions, in ordinary session, pursuant to article 2369 of the Italian Civil Code and article 21 of the Company's Articles of Association,

- with regard to articles 114-*bis* and 132 of the CLFI and subsequent supplements and amendments;
- with regard to articles 2357 and 2357-*ter* of the Italian Civil Code;
- acknowledging the terms of article 5 of the MAR Regulation and article 3 of the Delegated Regulation;
- acknowledging that, as at the date hereof, the Company and its subsidiaries hold in

portfolio a number of Generali shares significantly lower than the fifth part of the Company's share capital;

- with regard to the report by the Board of Directors prepared in connection with this item on the agenda;
- with regard to the report for the year ended on 31 December 2021, hereby approved;

#### **hereby resolves**

1. to authorise, pursuant to articles 2357 and 2357-*ter* of the Italian Civil Code and article 132 of the CLFI and article 144-bis of the Issuers' Regulation and in accordance with the terms for trading established by article 3 of the Delegated Regulation in the implementation of the MAR Regulation, the purchase of up to 9,000,000 ordinary shares of Assi-

curazioni Generali S.p.A. and the disposals of those shares, as well as of those shares purchased on the basis of previous plans for the purchase of own shares, upon the following conditions:

- a) the authorisation is limited to purchases to be carried out in order to execute (i) the Generali Group employee share plan as well as, (ii) any remuneration and incentive plan approved prior by the Annual General Meeting and still being implemented (hereinafter, the incentive plans under (i) and (ii), jointly, the "**Plans**");
- b) the minimum purchase price of ordinary shares may not be lower than the implied par value of the ordinary share at the time of purchase, while the maximum purchase price may not exceed 5% of the reference price of the share at the close of trading on the day before each purchase;
- c) the Company may purchase own shares, in one or several transactions, by 18 months from the date of this resolution;
- d) the purchases will be implemented within the limits of the distributable profits and distributable reserves as calculated from the latest duly adopted financial statements;
- e) the share purchase transactions will be implemented, pursuant to article 144-bis, paragraph 1, letters b), of the Issuers' Regulations, in one or more times on regulated markets or multilateral trading systems, in accordance with the operating procedures established by the regulations governing the markets' organisation and management, so as to ensure equal treatment among Shareholders. Therefore, purchases will be implemented exclusively and also in several times, on the regulated market, in line with operating procedures established by the regulations governing the organisation and management of markets that do not permit the direct matching of purchase offers with predetermined sale offers;
- f) own shares may be granted without any time limits, and on a free-of-charge basis,

to the beneficiaries of the Plans, without prejudice to the provisions of any applicable law and regulations from time to time in force;

2. to authorise, without time restrictions, the allocation of the own shares purchased under this authorisation, or otherwise held in portfolio by Generali, for the Plans, as well as – for any excess – for other remuneration and incentive schemes approved by the Annual General Meeting and/or to their disposal on the market or outside it, possibly also by means of the assignment of real and/or personal rights, including, without limitation, securities lending, for the purposes permitted by law and in accordance with the terms, methods and conditions of the deed of disposal of own ordinary shares deemed most appropriate in the interests of the Company;
3. to appoint the Chairman of the Board of Directors and the Managing Director/Group CEO, even severally among themselves and with the power of sub-delegation, in line with the powers delegated to him:
  - a) to implement this resolution, arranging, *inter alia*, the identification of the reserve fund to be used for the own share purchase and for proceeding with the resulting accounting entries in accordance with the law as well as to be able to dispose, in order to properly implement the present resolution, also of own shares which are already currently available in the Company's assets;
  - b) to determine the manner, time frame and definitive and ancillary terms to properly implement this resolution, using all of the appropriate evaluations and verifications for such purpose, and to comply with any applicable requirements and procedures, without exclusions; as well as
  - c) to provide for all other formalities relating to the transactions referred to in this resolution, including the possible assignment of tasks to qualified intermediaries in accordance with the law and with the power to appoint special attorneys."

Milan, 14 March 2022

THE BOARD  
OF DIRECTORS



