REMUNERATION REPORT

Budapest - Hungary

Index

Introduction

In the current economic and financial context, in which stakeholders are extremely conscious of matters relating to risk management and to profitability, matters relating to remuneration and how it is managed in a company setting continue to be of great concern.

It should be remembered that ISVAP, through Regulation No. 39 of 9 June 2011, requested that insurance and reinsurance firms adopt remuneration policies consistent with the sound and prudent management of the risk, profitability and equilibrium of the business in the long term, and the development of transparent decision-making processes, thereby also giving the Shareholders' Meeting an active role in defining the policies in question.

The Supervisory Authority also entrusted the Parent Company with the task of ensuring overall consistency and the appropriate alignment of the remuneration policies within the insurance groups, ensuring compliance with the above-mentioned regulation by all group companies.

In relation to this and also with the purpose of aligning the individual performance of managers with strategic responsibilities in the Group even closer with the strategic targets defined, the current remuneration systems were re-examined, being evaluated in terms of efficiency in relation to the overall prospects of the Group; the results led to the establishment of a new incentive scheme to be applied to the above persons in all countries where the Group has a presence.

The adoption of this new incentive scheme, aimed primarily at more effectively addressing the actions of managers with strategic responsibilities in pursuing the strategic targets of the Group from a perspective of maximising overall performance, will, at the same time, allow their contribution to be valued and the Group culture to be promoted.

The implementation of the system, supported by a suitable communication plan and the involvement of the managers concerned, will be launched during the current year with the goal of it becoming fully operational in 2014, in compliance with industry and local regulations in force and taking existing situations into account.

The remuneration policies illustrated in this Report, which will be submitted to the Shareholders' Meeting in April for approval, respond to the regulations on the subject, both in terms of the main aspects and from the point of view of consistency. In this sense, the Generali Group's constant commitment to the topics of transparency, consistent risk management and guaranteeing profitability in the long term should be stressed, which will continue to be one of the Group's main focuses with regard to the subject of remuneration.

Section I - Remuneration policy

1. The basics, the principles, the measures

1.1 The basics

In determining the payment strategy it is imperative to align with:

- our mission, in particular as far as the will to generate constant and excellent results for our stakeholders in the short and medium-to-long term is concerned, at the same time ensuring the sound and prudent management of risk, alignment with strategic targets and equilibrium of the company;
- our values, specifically responsibility, reliability and commitment to the community, which must be adhered to as much by top management as by our employees in achieving the objectives assigned to them;
- our governance, a company/organisational model and set of rules that guide the operations towards:
  - a precise and constant adherence to the rules,
  - compliance with the ways in which relations are managed between the governing bodies and various corporate structures,
  - observance and adequacy of the existing risk management and control processes;
- our sustainability policy, the main priorities of which include the pursuit of sustainable growth over time and making the most of people who work within the Group, recognising individual contributions to the success of the organisation, including appropriate remuneration, and, at the same time, discouraging conduct which fosters excessive exposure to risk.

The remuneration policy thus defined in turn supports our mission, values, governance and sustainability, giving rise to a continuous interaction that allows, on the one hand, a steady improvement of the remuneration practices adopted and, on the other hand, the consolidation of the elements considered above, whilst meeting the needs of our stakeholders in a more satisfactory manner.

1.2 The principles

The objective of our remuneration policy is to guarantee adequate remuneration in the light of sustainable performance.
With this goal in mind, our actions are governed by the following cardinal rules:

- internal equity: remuneration should be consistent with the role and responsibilities assigned as well as the skills and abilities demonstrated. This is true for the top positions as well as for other bands, with the latter coordinating with the provisions of national collective agreements and corporate regulations in effect;
- competitiveness: remuneration must be balanced in relation to that of the reference markets; it is for this reason that monitoring and regular remuneration analyses are performed for different professional families and/or roles, business types and geographic areas. For the top positions, the Remuneration Committee identifies direct competitors, which make up a panel of peers to be used as a reference for forming remuneration benchmarks; for the remainder of the employees, comparisons are made through participation in remuneration surveys, both within the industry and in general;
- consistency: meaning the ability to agree across the whole Group similar remuneration for professionals who can be considered similar, taking into account business type, geographic area and other factors which could influence the rate of remuneration. At the same time, this encourages the development of human resources, through both national and international mobility;
- meritocracy: meaning a system used to consistently reward results and the behaviour used to achieve them. This behaviour should involve constant compliance with regulations and procedures in place, a detailed risk assessment and a suitable reorganisation of the relevant actions on the basis of a longer time span, so as to facilitate the achievement of results in the short and medium-to-long term.

The application of these principles strengthens the motivation and loyalty of employees, particularly those considered strategic or having potential, and enables Generali to continue to establish itself as one of the best employers, both in Italy and internationally, capable of attracting the best talent.

1.3 The measures

On the basis of these principles, the following measures should be put in place in order to establish remuneration policies and levels:

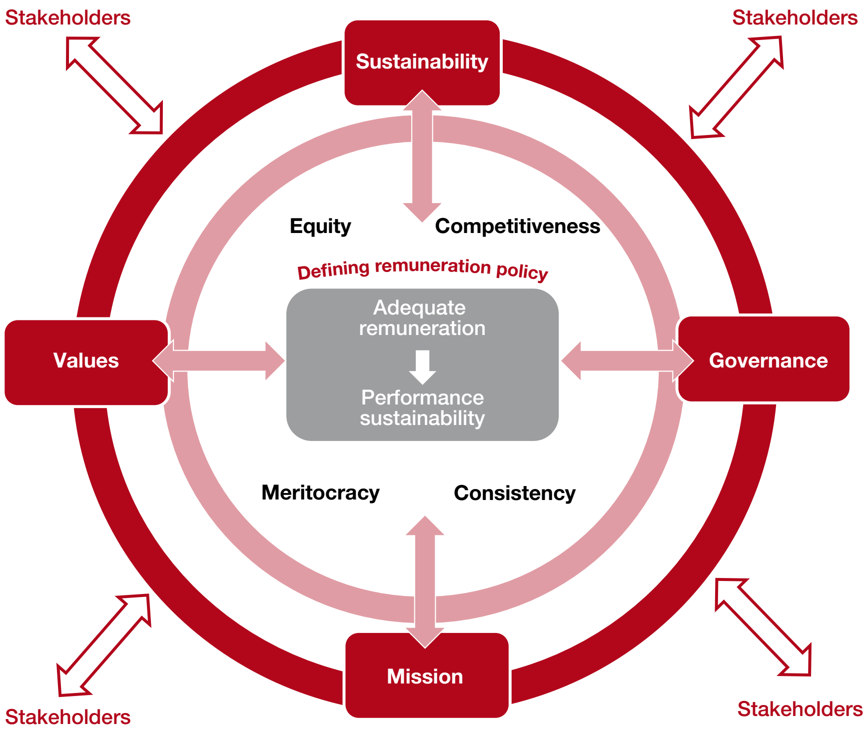
- defining a balanced remuneration package. Specifically:
  - defining a comprehensive remuneration package proportional in its fixed components, variable components and benefits, and guaranteeing a correct balance, including with regard to the variable remuneration, between short-term and medium-to-long-term contracts, in order to avoid the adoption of conduct that favours short-term results over medium-to-long-term goals;
  - defining a comprehensive remuneration package that is fair and competitive, including by adopting alternative or additional solutions to monetary remuneration, such as benefits, with a view to optimising the efficiency of interventions in financial terms;
- ensuring a linear connection between remuneration and performance, whilst adopting a flexible and differentiated approach. More specifically, adopting reward schemes that fulfil the requirements/elements listed below:
  - using measures for determination of the variable component that incorporate – in setting the objectives, target values and parameters and in the subsequent correlation between results and incentives – pre-

determined goals, clarity, unambiguous interpretation, transparency and measurability;
- setting maximum and minimum limits on bonuses, beyond which the incentives are not given;
- deferral of a proportion of variable remuneration, whose size and duration must be consistent with the characteristics of our activities and our risk management practices, through the adoption of long-term incentive schemes;
- differentiation of the incentives, on the basis of a meritocratic approach that takes into account the role and the specific sector in which the recipients operate, and other distinguishing factors that may be relevant from time to time;
- flexibility, so that individuals can be rewarded whilst also considering the overall performance of the structure/company/group and the economic and financial context at that time;

• aligning the performance of the recipients with shareholder interests, adopting a multi-annual and multi-dimensional approach. Specifically:
  - defining *a priori* objectives directly related to the creation of shareholder value both in the short and medium-to-long term;
  - defining short-term annual remuneration objectives consistent with those fixed for the medium-to-long term;
  - evaluating performance over time, both in absolute and in relative terms, measuring the impact of performance over the year and over a longer period of time;
  - evaluating performance on the basis of other factors, such as risk management and the cost of company capital, with a view to sustainability;
  - foreseeing, where possible, non-financial and economic objectives, in order to ensure an effective reward system which also recognises the ways in which results are achieved, such as sustainable behaviour supporting the company in terms of customer engagement, growth of internal resources, improvement in procedures, and compliance with internal and external regulations, whilst remaining consistent with the Group strategy in terms of sustainability;

• acting in compliance with procedures and regulations. Specifically, guaranteeing:
  - quick access to data confirming the results for the bodies entrusted with control;
  - independence for the roles involved in the preparation of the incentive schemes and those that perform the necessary evaluations and subsequent checks;
  - the effectiveness over time, as far as possible, of plans for regulatory purposes, taking into account possible future developments.

OUR APPROACH IN DETERMINING REMUNERATION POLICY



2. Recipients of the remuneration policy

Based on the above and taking into account the diversity of the roles considered, remuneration policies are developed with a view to remunerating the various contributions made by the recipients in different ways.

Specifically, the policies illustrated later on in this Report refer to members of corporate bodies (the Board of Directors, including the Managing Director and Group CEO, hereafter the "Group CEO"[1], and the Board of Statutory Auditors), as well as Company "personnel"[2] identified on the basis of the criteria indicated in Article 2.1 f) of ISVAP Regulation No. 39/2011, i.e. "*general managers, management with strategic tasks, managers and top level personnel in the internal control functions and other categories of personnel whose activity may have a significant impact on the risk profile of the business*".

This having been stated, it should be pointed out that the definition and identification of managers with strategic responsibilities is in the process of being reviewed using new criteria aimed at placing greater importance on the following factors:
- the strategic nature of the activities conducted;
- the possibility that they will have an impact on risk;
- their capacity to influence the achievement of business results.

In relation to this, with a view also to adopting specific guidelines for the Group for managing these roles, a process has been launched to review the Group's corporate titles, with the aim of defining a new qualification model for managerial positions which is applicable both across Assicurazioni Generali and in all countries where the Group has a presence.

Therefore, in anticipation of the definitive model for corporate titles becoming operational, it is expected that in Assicurazioni Generali managers with strategic responsibilities will be members of the Group Management Committee (hereafter "GMC")[3], as well as the top executives reporting to the Group CEO with the characteristics described above, i.e.:
- Group Chief Insurance Officer,
- Group Chief Financial Officer,
- Group Chief Investments Officer,
- Group Chief Operations Officer,
- Group Chief Risk Officer,
- Country Manager for Italy,
- Country Manager for France,
- Country Manager for Germany,
- Global Business Lines Manager,
- Group HR & Organization Manager,
- Group General Counsel,
- Group Strategy & Business Development Manager,
- Group Marketing & Communication Manager.

In addition to these roles there are the heads of the Compliance, Internal Audit and Risk Management functions, as well as their first reports.

3. Bodies assigned/involved in the definition, approval, implementation and verification of the remuneration policy – Decision-making processes

Determining, approving, implementing and then verifying the remuneration policy falls under the remit of various bodies and/or functions and requires the involvement and/or support of different individuals depending on the recipients to whom they are addressed.

As far as the definition of policies aimed at corporate bodies and "personnel" are concerned, based on the guidelines issued by the Board of Directors and with the favourable opinion of the Remuneration Committee, the related proposals are drawn up by Human Resources (Group Development & Reward function), involving, according to the skills required, the Group Internal Audit, Compliance and Risk Management departments. Human Resources can also take advantage of the contribution of other Group functions and structures, such as the Group Legal Affairs Department, the Group Corporate Affairs Department, the Group Strategic Planning & Control Department and the Group Organisation Service, bringing together and coordinating their respective contributions.

The proposals are then put to the Group CEO, who vets their contents and form and, having requested any additions and amendments, submits them to the Remuneration Committee, which expresses its opinion and, in turn, submits them to the Board of Directors. As far as the remuneration policy for the Group CEO is concerned, the proposal is formulated by the Remuneration Committee,

1 Who also holds the office of General Manager.

2 The category of "personnel" significant for the purpose of ISVAP Regulation No. 39/2011, in addition to general managers, also includes management personnel with strategic responsibilities, i.e. deputy general managers and assistant general managers. The heads of the Compliance, Internal Audit and Risk Management functions are also added to these roles, as well as top executives reporting to the latter. Therefore, on the basis of the above-mentioned criteria, it should be pointed out that within Assicurazioni Generali the following positions are present: Group Chief Insurance Officer, Country Manager for Italy and Global Business Lines Manager, as General Managers; the 13 managers who hold the office of Deputy General Manager or Assistant General Manager; under management personnel with strategic responsibilities we have not counted the Group Chief Risk Officer, even though he comes under this category, since – on the basis that at the same time he also holds the role of head of the Risk Management function – this has been included in the category of "personnel" under control function managers. As well as the above persons, there are the 3 heads of the control functions, respectively Group Internal Audit, Compliance and Risk Management, and the 4 top executives operating under the scope of these functions.

3 It should be noted that the establishment of the GMC took place through the resolutions first of the Executive Committee on 19 October 2012 and later of the Board of Directors on 8 November 2012. This body was assigned the fundamental task of identifying the strategic priorities of the Group and ensuring operational consistency.
As far as the Country Managers for France and Germany are concerned, it should be pointed out that these managers are not employees of Assicurazioni General S.p.A.; therefore, for these persons the remuneration and governance policies illustrated in this Report will be subject to application in compliance with the respective governance and in compliance with local rules and regulations.

with the support of the Group Development & Reward function, and is put to the Board of Directors for discussion.

Once approved by the Board, the policies are then submitted for approval by the Shareholders' Meeting.

The roles of the various individuals involved in the definition, approval, implementation and subsequent verification of the remuneration policy are illustrated below.

3.1 Shareholders' Meeting

Pursuant to the Bylaws, the Shareholders' Meeting:

a) approves the remuneration policy for members of the corporate bodies and "personnel", in addition to the remuneration plans based on financial tools (Article 19.1, d));
b) determines the annual gross pay due to members of the Boards of Directors and Statutory Auditors (see Article 19.1, f) and e)).

3.2 Board of Directors

The Board of Directors defines the remuneration policy for members of the corporate bodies and "personnel". In relation to this, it decides on remuneration policies, or subsequent revisions, for approval by the ordinary Shareholders' Meeting.

The Board of Directors also ensures that the remuneration policy is regularly reviewed in order to ensure that it is constantly updated and remains consistent with the principles of sound and prudent management, as well as in line with the interests of stakeholders. For this purpose it periodically uses benchmarks designed by both corporate functions and external consultants, specifically as far as verifying the positioning of remuneration in relation to the reference markets is concerned. External consultants can also be used for changing or preparing the remuneration policy.

In this context it should be noted that Assicurazioni Generali has used the consultancy services of Aon Hewitt for the preparation of the new remuneration policy to be applied to the Group CEO and managers with strategic responsibilities starting from this year, and has not used the remuneration policy of other companies as a reference.

Lastly, under the scope of activities related to the definition of remuneration policy, the Board of Directors takes note of the evidence presented by the Remuneration Committee with regard to the proportionality of the remuneration of the Group CEO in relation to company personnel.

The Board is also responsible for the correct implementation of the remuneration policy approved by the Shareholders' Meeting.

For some categories of recipients this translates directly into determining the related remuneration; on that basis, this body determines, with regard to the remuneration policy it has defined and having obtained the opinion of the Board of Statutory Auditors, the remuneration due to directors with special responsibilities (Article 36.1 of the Company Bylaws), directors who are also members of advisory committees (Article 34.1 of the Company Bylaws), and, currently, the General Managers and the Deputy General Managers. This having been stated, it should be pointed out that on 22 February 2013 the Board of Directors resolved that the responsibility for defining the remuneration of the members of the GMC pertains to the latter, upon the proposal of the Group CEO and having obtained the opinion of the Remuneration Committee, without prejudice to the powers of the Control and Risk Committee with reference to the Group Chief Risk Officer. The decision to determine the remuneration of the individuals listed above was taken by the board taking into consideration the fundamental role assigned to this body and therefore to its members[4].

The board also defines the remuneration of the head of the Internal Audit function, having obtained the opinion of the Control and Risks Committee, which is binding, and consulted the Board of Statutory Auditors, on the proposal of the Chairman of the Control and Risk Committee. It also defines the remuneration of the heads of the Compliance and Risk Management functions, on the proposal of the Group CEO and having obtained the opinion of the Control and Risk Committee, having also consulted the Board of Statutory Auditors.

As far as the remuneration of the remaining control function personnel is concerned, this is determined by the Group CEO in line with the policies defined by the Board of Directors for these individuals.

With regard to the other categories of recipients, for which the Board of Directors is not responsible for determining remuneration, a report produced by the competent function operating under the scope of Human Resources is submitted annually, to enable checks as to whether the remuneration policy defined for the above-mentioned individuals is correctly implemented.

The Board of Directors also submits an annual report, in turn, on the application of the remuneration policies to the Shareholders' Meeting, accompanied by quantitative data.

Lastly, under the scope of the activities designed to ensure overall consistency of remuneration policies within the insurance group, the Board of Directors issues appropriate guidelines on the subject of remuneration for the insurance group companies, in compliance with the provisions of ISVAP Regulation No. 39/2011, as specified in Chapter 6 below.

4 This new structure of responsibilities will temporarily operate alongside the existing one until the new Group corporate titles model comes into operation.

3.3 Remuneration Committee

The Remuneration Committee was set up by the Board of Directors as a body with consultative, proposal and investigative powers, based on Article 34.1 of the Company Bylaws.

The current Committee will remain in office until the Shareholders' Meeting that will approve the financial statements for 2012 and is made up of the following members:

REMUNERATION COMMITTEE

OFFICE	FIRST NAME, LAST NAME
• Chairman • Non-executive and independent Director	Paolo Scaroni
• Member of the Committee • Non-executive and independent Director	Claudio De Conto
• Member of the Committee • Non-executive and independent Director	Lorenzo Pellicioli

The responsibilities of the Committee are:

- providing opinions and proposals to the Board of Directors on the definition of remuneration policy aimed at members of corporate bodies and "personnel", as identified in Chapter 2;
- providing opinions and proposals, which are not binding, to the Board on the subject of determining the remuneration due to Directors;
- providing opinions and proposals to the Board on the subject of the amount of pay due to the Chairman of the Board of Directors and the Group CEO and members of the Board who also hold special offices or who are also members of the board committees; providing opinions and proposals, which are not binding, on the subject of the amount of pay due to those who have important roles within the Group and belong to the GMC[5], upon the proposal of the CEO, without prejudice to the powers of the Control and Risk Committee relating to the Group Chief Risk Officer;
- regular evaluation of the criteria adopted for the remuneration of Directors and management personnel with strategic responsibilities, making use, in the latter case, of information provided by the Group CEO, and giving general recommendations on the subject to the Board of Directors;
- monitoring the implementation of the decisions taken by the Board of Directors based on the proposals submitted;
- verifying the proportionality of the remuneration of the Group CEO in relation to Company personnel;
- verifying the independence of any external consultants used for consultancy services regarding remuneration.

In order to report to the Shareholders' Meeting on the methods of performing the Committee's functions, the Chairman of the Committee or another member of the Committee itself is always present at the annual Meeting.

In performing its duties, this body has the right to access the information and corporate functions necessary to carry out the tasks entrusted to it. The Chairman of the Board of Statutory Auditors routinely attends these meetings.

The above body regularly carries out the proposal and consultation activities under its remit, and writes the minutes and reports required by the Company.

3.4 Group CEO

Based on the powers assigned to him by the Board of Directors on the subject of the management of human resources and organisation, the Group CEO provides proposals regarding guidelines on the subject of company and Group remuneration policies.

Besides this, he formulates proposals regarding remuneration policies for management personnel with strategic responsibilities; the Group CEO, in particular, provides proposals on the remuneration of GMC members, without prejudice to the powers of the Control and Risk Committee with regard to the Group Chief Risk Officer.

He is also responsible for the definition of the financial position of personnel of every level within the Company in Italy, without prejudice to the powers of the Board of Directors[6].

5 Alongside this role, still on a provisional basis, as explained previously in Chapter 3.2, is that of providing opinions and formulating proposals, which are not binding, for the Board of Directors, upon the proposal of the Group CEO, on the subject of the remuneration of the Deputy General Managers who do not have one of the roles included in the GMC. In addition, as far as transactions with related parties regarding the payment of Directors, Standing Statutory Auditors and management personnel of the Company at a level of at least Assistant General Manager are concerned, the Remuneration Committee performs the functions assigned to the Committee for the evaluation of Transactions with Related Parties.

6 With the exception, therefore, of GMC members and management personnel who currently occupy the roles of General Manager and Deputy General Manager and the heads of the control functions. With regard to the General Managers and Deputy General Managers, he submits proposals to the Board of Directors; with regard to the heads of the control functions, he provides proposals on the remuneration of the Head of Compliance and the Head of Risk Management.

He also submits proposals to the Executive Committee in relation to the top positions in companies of strategic importance to the Generali Group. In relation to the last point and as detailed in Chapter 3.2, the Group CEO has responsibility for formulating the remuneration proposals for the members of the GMC[7], without prejudice to the powers of the Control and Risk Committee with reference to the Group Chief Risk Officer.

3.5 Board of Statutory Auditors and Control and Risk Committee

The Board of Statutory Auditors has the task, pursuant to Article 36.1 of the Company Bylaws, of providing opinions on the remuneration of directors invested with special offices; these opinions are also provided on the remuneration of members of the GMC.

It also gives its opinion about the remuneration of the head of the Internal Audit department, as well as the remuneration of other heads of control functions.

On the other hand, as far as the Control and Risk Committee is concerned, this body gives its opinion on determining the remuneration of the head of the Internal Audit function, binding in this case, and the other heads of the control functions, respectively, which are put to the Board of Directors. Under the scope of the policies defined for the heads of control functions, the proposal for the head of the Internal Audit function is formulated by the Chairman of the Control and Risk Committee.

3.6 Control functions and Human Resources

The internal functions which are involved and collaborate in various ways in the definition and/or later verification of the correct implementation of the remuneration policies are:

- the Compliance function, which verifies that the remuneration policies are consistent with the objectives of complying with existing regulations on the subject of remuneration, including the provisions of the Bylaws, Corporate Governance Code for listed companies and Code of Conduct, from a standpoint of preventing the risk of incurring judicial or administrative sanctions, capital losses or reputational damage. This function refers proposals to the relevant bodies on the outcome of the checks carried out and indicates any corrective measures;
- the Internal Audit function, which verifies the correct application of the remuneration policies based on the guidelines set out by the Board of Directors with a view to efficiency and safeguarding the capital of the business. In this case, too, the function is called upon to report to the Board of Directors and the bodies responsible for the adoption of any corrective measures on the outcome of the checks conducted;
- the Risk Management function, which verifies the suitability of the criteria and relevant indicators used for the evaluation of performance in relation to the risk management strategies established by the Board of Directors; it also reports to the bodies responsible for the adoption of corrective measures;
- the Human Resources Department, which provides technical assistance, including in terms of reporting, and provides support material for the definition of policies; more specifically, the functions involved are Group Development & Reward, for the implementation of remuneration systems, analysis of remuneration levels in terms of internal equity and compared to the markets selected, and monitoring remuneration dynamics, and the Group Organisation Service for the evaluation of roles using the Hay method.

Other functions, pertaining to the Group CFO, are involved in the definition of remuneration policies for the identification of quantitative parameters relating to the strategic targets to be linked to the variable component and for determining the expenses budget.

4. Remuneration policy for the members of corporate bodies and “personnel”

4.1. Remuneration policy for the Group CEO and management personnel with strategic responsibilities

The Group CEO and Management Personnel with strategic responsibilities receive an overall remuneration package (so-called total compensation), made up of a fixed component, a short and medium/long-term variable component and benefits.

In order to give a correct representation of this compensation package, the new Group remuneration policies that the Company intends to introduce for managers considered strategic and personnel who, due to their role and position, could have a direct impact on the achievement of Group results are illustrated below. The aims of these revisions are as follows:

- to align the behaviour and expectations of management with the overall Group targets and results under the scope of shared risk policies;

7 As a result of this, the proposals with regard to determining the remuneration of chairmen, managing directors and general managers (or members of the top management who hold similar roles) of subsidiaries which are of strategic importance who hold one of the positions in the GMC are formulated by the Group CEO and put to the Board of Directors rather than to the Executive Committee.

- to reinforce the culture of the Group, linking the incentive scheme more closely with Group results;
- to consolidate the Group philosophy of total compensation;
- to ensure the consistency of the remuneration packages from a Group perspective.

The guiding principles are:
- the remuneration package for those who are considered as having key roles in the Group is clearly defined and directed at the long term;
- the structure and the level of total compensation are aligned with Group risk policies and risk taking capacities;
- expected performance is clearly defined through a structured performance management system;
- variable remuneration is related to Group performance indicators, business sector, divisions/business units and functions, as well as individual results;
- variable remuneration is determined through short- and long-term incentive schemes related to Group performance indicators, both absolute and relative, and the overall cost of the variable system is related to the results of the Group in the long term;
- the structure of the long-term incentive scheme connects remuneration with the development of performance and future risks.

During the course of 2013, the remuneration packages for the personnel in question will be reviewed in order to make them more consistent with the above-mentioned principles.

As far as the current positioning versus the external markets of the remuneration packages of the recipients of the remuneration policies is concerned, such positioning is generally oriented towards reflecting the median level of the international market for the GMC roles and the median level of the domestic market for all the other roles.

4.1.1 Fixed pay

Remuneration for a role and in particular for the responsibilities assigned to the role, taking into account experience, quality of the contribution made to the business results and excellence shown in the conduct of the assigned functions.

The weighting of the fixed component must affect the total remuneration to an appropriate extent in order to attract and retain staff and, at the same time, reward the role to a suitable extent, even in the case of failure to meet the incentives and insufficient results, in order to discourage conduct that is not proportional to the degree of risk undertaken by the Company in achieving its desired results in both the short and medium to long-term. Lastly, it should allow for the variable pay component to be expanded, especially when particularly strong results are achieved.

4.1.2 Variable pay

Variable pay is aimed at motivating management to achieve both short- and long-term business goals, relating them to the creation of value for shareholders.

Performance is evaluated through a multidimensional approach which, depending on the time scale taken into consideration, takes into account results achieved by individuals, those achieved by the structures in which they operate and the results of the Group in its entirety, as well as those of the competitors which make up the reference peer panel.

Below is a summary of the tools that will be used from this financial year in determining variable pay.

A. Short-Term Incentive (STI)

Individual performance is evaluated on the basis of both absolute performance, measured through the achievement of annual targets, and relative performance, evaluated under the scope of a calibration meeting during which the individual performance levels are evaluated both in relation to those of other Group key strategic managers and in the context of the respective reference markets.

At the start of each financial year a funding pool is defined, consisting of the total amount available for payment of the STI in relation to Group performance. The funding target level, calibrated on the performance target, is given by the sum of the individual bonus target levels.

The Board of Directors approves the STI matrix, which connects the business performance to the potential funding pool.

The funding planned for the STI pool, as a percentage of the target pool, is defined at the end of the reference year for the measurement of performance. Taking into account the business results and risk indicators, the Group CEO proposes the final funding pool to the Remuneration Committee, which gives its opinion for the purpose of approval by the Board of Directors[8]. Having verified that the Group Solvency I Ratio has been achieved, based on the level of achievement of Group targets (operating profit and net profit), the funding pool can vary from a minimum of 60% to a maximum of 150% of the target level. There is no funding or payment of bonuses below the minimum results. However, the Board of Directors can authorise a proportion with the objective of rewarding any particularly significant performance.

For the year 2013, the Group Solvency I Ratio level to be achieved has been fixed at 140% (hurdle).

8 It should be noted that the short-term portion of the variable remuneration of the Group CEO does not come under the calculation of the funding, because it is determined by the Board of Directors.

The evaluation of the Group results to which the funding is related and of the results achieved by individual recipients with regard to the targets fixed in the Balanced Scorecards takes into account the necessary considerations on the subject of current and future related risks as a priority.

This process is aimed at ensuring that the STI rewards effective performance, evaluation consistency at Group level and individual contribution towards achieving Group results.

The allocation of the short-term component of variable pay to participants is determined in relation to the capacity of the funding pool available and the level of individual performance, measured through a Group performance management process. This process uses an individual performance indicator on a scale of 1 to 5 (where 5 is the maximum value) and is related to Group guidelines for determining the incentive related to each performance level.

The cascading of targets is defined through the use of a Balanced Scorecard (BSC), which the individual recipients are notified of. The BSC structure includes the following categories with weightings of not less than 10%:

- Strategic Progress;
- Business Delivery & Financial Performance;
- Process Effectiveness, Risk and Control;
- Customer Engagement;
- People Management.

With regard to the current financial year, which is the first year the new incentive scheme has been operational, all of the above may not be evaluated for the BSCs of the members of the GMC, as calibration will only take place in 2014.

The BSC involves the definition of the expected target level for each objective; the target level achieved (not reached, reached, exceeded) is defined on the basis of the effective target level percentage achieved.

For the *Group CEO* the assessment of results achieved and the consequent *bonus* determination is rolled out by the Board of Directors on a Remuneration Committee proposal; for the other GMC members, such assessment and the consequent bonus definition is rolled out by the Board of Directors based on the Group CEO proposal, having obtained the opinion of the Remuneration Committee; finally, as far as the other strategic roles are concerned, the results obtained in this way are discussed by the GMC at a calibration meeting, during which individual performances are evaluated in order to determine definitive performance, taking into account results achieved by other Group key strategic personnel and the overall performance of reference markets. The relevant bonus amounts are determined on the basis of individual performance. The payment, both for those who work in Assicurazioni Generali and in other Group Companies, are then paid out after the Board of Directors has certified the level of achievement of the objectives.

The various categories contain predetermined, measurable targets, both quantitative and qualitative, which allow multiple aspects of company performance to be monitored; these targets are also differentiated according to the various skills and operational environments of the recipients. The targets mainly used are operating profit, net profit, combined ratio and General Expenses.

B. Long-Term Incentive (LTI)

This system, whose use is in line with the most widespread practice at international level, pursues the goal of growth in value of company shares, at the same time aligning the financial interest of the recipients of the LTI with that of the shareholders.

In this sense, in order to improve the correlation between company performance and the contribution to the generation of value for shareholders, it has been decided to interrupt the current Long-Term Incentive Plan and adopt a new one, more in line with these expectations.

The incentive plan is aimed at strengthening the bond between the remuneration of management and expected performance in accordance with the Group strategic plan (so-called absolute performance), as well as the bond between remuneration and the generation of value in comparison with a peer group (so-called relative performance).

The Plan is also aimed at inducing loyalty in management at Group level.

The performance of the participants in the Plan will, in this way, be even more focused on the achievement of the targets set in the Generali Group strategic plan, in order to ensure growth in results, cash flows and balance sheet for the Company and the Group.

In this framework, the Plan complies with the regulations and principles on the subject at national and transnational level, also taking into account the recommendations on remuneration policy for directors and management personnel with strategic responsibilities set out in the Corporate Governance Code for listed companies. It is also in line with the internationally adopted best practices.

The Plan is based on the following fundamental aspects:

- the plan is a rolling plan, with each year triggering a new cycle lasting three years;
- the incentive for reaching the targets is provided through the allocation of Assicurazioni Generali S.p.A. ordinary shares;
- the targets to which the provision of the incentive are subject are defined at the beginning of the three-year period of each cycle;
- the number of shares to be granted is also determined at the start of each three-year period;
- a three-year vesting period has been defined;
- *malus* and claw back clauses are in place;
- a minimum access threshold for every *tranche* has been identified;
- the objectives that drive the incentive payment for the cycle 2013-2015 are Return on Equity (RoE) and relative Total Shareholders' Return (rTSR) compared to a group of peers. As far as the heads of the control functions are concerned, the Board of Directors, based on the

Control and Risk Committee proposal for the Head of Group Audit and on the Group CEO proposal for the heads of Compliance and Risk Management, will define year by year the qualitative objectives, having heard the opinion of the Board of Statutory Auditors and, for the heads of Compliance and Risk Management, the opinion of the Control and Risk Committee.

In detail, the maximum number of target shares that can be assigned at the end of each cycle is calculated based on the ratio between the maximum bonus (calculated as a percentage of gross annual recurring remuneration) and the value of the share, calculated as its average value over the 3 months prior to the Board of Directors meeting which approves the draft balance sheet and the consolidated balance sheet referred to the exercise prior to the one in which the cycle starts. The number of shares can go down to a minimum level (also calculated as a percentage of the gross annual recurring remuneration), below which no shares are granted.

The maximum number of shares to be granted will be divided into three *tranche*s, each relating to one of the three years of the cycle, and considered to represent 30%, 30% and 40% respectively. Each year the level of achievement of the targets set for the three-year period will be monitored to determine the number of shares to be set aside for each *tranche*. The actual provision of the shares set aside is also subject to the annual verification of whether the individual in question has exceeded the minimum access threshold, which, for the cycle which starts in the current financial year, has been identified in the Group Solvency Ratio calculated using Solvency I criteria. In order to allow the actual provision of the first *tranche*, the Solvency Ratio level should not be lower than 140%. For the second *tranche*, in 2014, this level should not be lower than the higher value between 140% and the level reached in the previous year. Finally, for the provision of the third *tranche*, in 2015, this level should not be lower than 160%.

The total of the shares set aside in each of the three years will only be definitively granted at the end of the three-year period, after verifying that the targets for the third year have been reached.

The targets to which the provision of the shares should be related are the relative Total Shareholders' Return (rTSR, compared with a peer group identified in the *STOXX Euro Insurance Index*) and the RoE. The expected levels of achievement for these targets will be identified at the start of each cycle and will remain as such for the entire duration of the three-year period. The performance level and the corresponding incentive level are determined by the evaluation of the simultaneous achievement of the two targets described above. The level of performance is represented in a matrix which identifies the RoE ranges and the relative rTSR quadrants and, according to the intersection of the respective results, defines the percentage of shares in relation to the maximum value.

According to the reference matrix, no incentive is provided if at least one of the targets is reached at a level below the minimum (threshold). If the RoE result is between the maximum band and the minimum band, the value of the incentive follows a progressive trend equal to ±25%. If the rTSR result is between the maximum quadrant and the threshold, the incentive follows a progressive trend equal to ±25%. The effective incentive levels are determined by the corresponding percentage with reference to the RoE achievement bands and simultaneous achievement of the related TSR quadrant. For levels above the RoE target, an overperformance cap is imposed.

At the end of the third year, the shares set aside are definitively granted to the recipients in a single instalment, as long as the employment relationship with the Company or with another Group company has not ceased as at the grant date. 50% of the total will be available immediately, 25% will be subject to a lock-up period lasting one year, and the remaining 25% to a lock-up period lasting two years, without prejudice to the fact that directors who participate in the Plan can keep an appropriate number of shares granted until the end of their term of office.

For the purpose of implementing the Plan, the shares to be granted to the recipients of the Plan for free, under the conditions set out therein, for the first cycle will be taken, in full or in part, from the stock of treasury shares that may be purchased by the Company in the execution of the relevant authorisation of the Shareholders' Meeting pursuant to Articles 2357 and 2357-*ter* of the Italian Civil Code and/or from a possible dedicated free share capital increase through the use of profits and/or reserves pursuant to Article 2349, paragraph one, of the Italian Civil Code.

4.1.3 Consistency between remuneration policies and the pursuit of the Company's long-term interests and the risk management policy

The remuneration policy illustrated above ensures, in its entirety, consistency with the pursuit of the company's and the Group's long-term interests, as well as with the Group's risk management policy.

Specifically, as far as the variable component is concerned, the combined use of the Short-Term Incentive Plan (STIP) for the short-term component and the Long-Term Incentive Plan (LTIP) for the medium/long-term component is designed to direct the activities of recipients towards pursuing equilibrium and profitability for the business in the medium/long term, through a series of *ex-ante* and *ex-post* measures – partly described above – which impact on the process of determining and supplying the variable pay component.

The measures adopted are summarised below, with regard in particular to the Group CEO and other Management Personnel with strategic responsibilities.

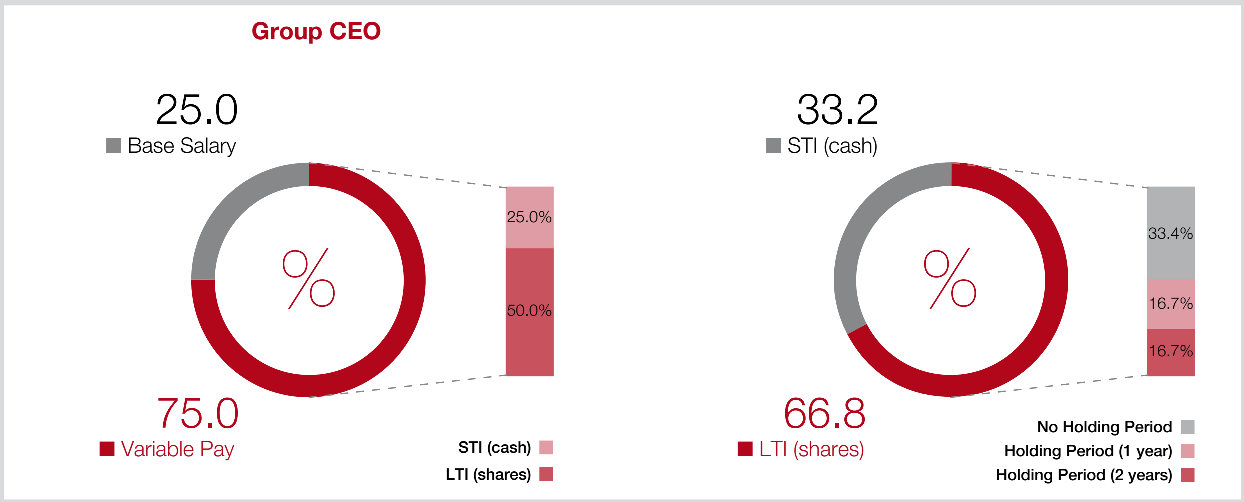
A. Balancing remuneration components

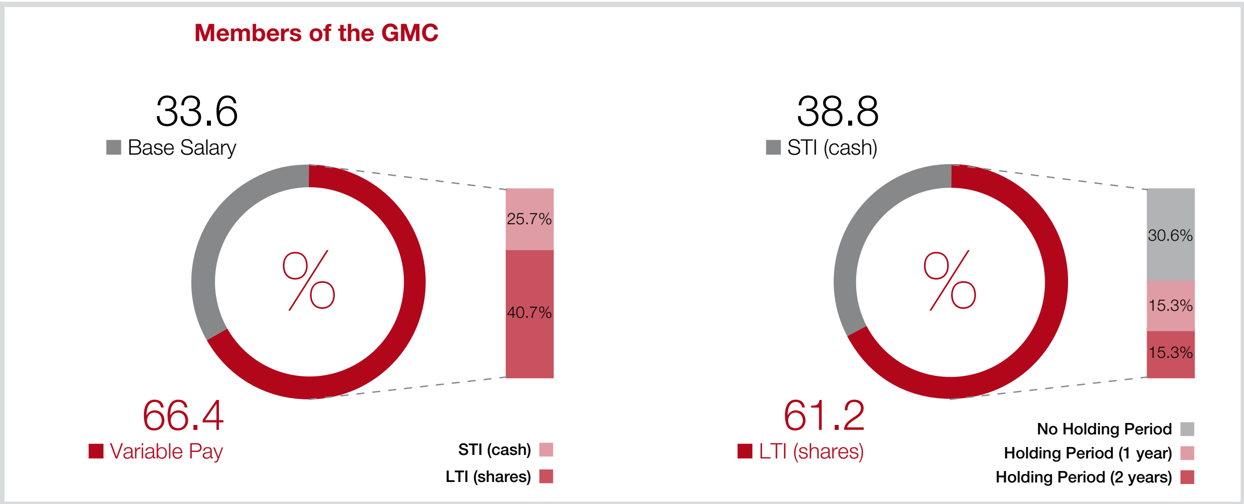
With regard firstly to the amount of fixed pay and variable pay as a proportion of total pay, and secondly to the weighting of the short-term and long-term components of the variable remuneration on the total of the latter, the balance setoff these components is designed to facilitate the pursuit of the interests of the company and the Group in the medium-to-long term, while the fixed component is designed to reward the role even in the absence of results.

In effect, in the first case there is a direct correlation between the responsibilities allocated and the proportion accounted for by the variable pay component, whereby as the former increases there is a corresponding substantial increase in the weighting of the latter. In the second case, too, the balance between the two variable pay components, the proportion accounted for by the long-term component, broadly speaking, increases as the responsibilities increase.

It should be pointed out that the balance in question has been devised based on the hypotheses set out in the methodology note mentioned below and on the assumption that the scheme is fully operational (taking into account the potential effects that the LTI in question will have starting from 2016).

HYPOTHETICAL AMOUNT OF FIXED PAY AND VARIABLE PAY COMPONENTS AS A PROPORTION OF THE TOTAL, WITH AN INDICATION OF THE WEIGHTING OF THE SHORT-TERM AND LONG-TERM COMPONENTS AND THE AMOUNT OF THE SHORT-TERM AND LONG-TERM COMPONENTS AS A PROPORTION OF TOTAL VARIABLE PAY





Methodology note: performance estimated at the target; STI: annual payment in cash. LTI: payment after 3 years in shares; 50% without constraints; 25% frozen for a year; 25% frozen for two years. The hypothesis is based on the value of the shares remaining constant during the reference period.

B. Measuring performance – annual and three-year goals

Given that the Company has annual and three-year targets, performance evaluation is based on a multi-year time frame. This ensures a strict correlation with the expected performance levels for the year in progress and for the next three-year period based on the business plans.

C. Payment of the variable component: minimum access levels, maximum limits, deferment and share holding period, malus and claw-back clauses; conditions precedent

As far as the payment of the variable component is concerned, minimum access levels and maximum limits in the case of overperformance have been identified, for both STIPs and LTIPs, and a share of the incentive will be deferred.

In effect, the payment of variable remuneration is diluted over a 5-year period: after the first annual accrual period linked to the targets in the STIP being reached, an initial cash portion is provided. At the same time, under the scope of the LTIP, and after the initial accrual period, a portion of shares is set aside, equal to 30%, based on the annual performance in relation to the three-year targets. After the second accrual period, a further portion of shares is set aside, again equal to 30% based on the performance level for the second year in relation to the three-year targets. The same happens at the end of the third year for a number of shares equal to 40%. The shares are all granted in the third year; part of them is subject to a further period of non-availability of one or two years.

Conditions precedent have also been adopted: specifically, for both the STI and the LTI, there is the possibility of not paying the bonus, in full or in part, if the minimum level for the targets deemed by the Board of Directors to be strategic is not reached at Group level. Besides this, the STI will not be paid out if the Group Solvency Ratio level, calculated based on the Solvency I criteria, is lower than 140%, and the three *tranche*s of the LTI will not be set aside if the level of the Group Solvency Ratio, calculated based on the Solvency I criteria, is below the levels described in Chapter 4.1.2 B).

Finally, claw-back clauses have been adopted which allow the Company to reclaim all or part of the short and medium-/long-term variable components paid on the basis of results which proved to be non-lasting due to wilful misconduct or gross negligence by the recipients. *Malus* clauses have also been adopted, according to which all or part of the shares that have been set aside may not be granted if the Company's financial position or asset situation has noticeably deteriorated, as certified by the Board of Directors.

D. Risk Management

With a view to developing remuneration policies consistent with sound and prudent risk management, the Group Solvency Ratio, calculated using the Solvency I criteria, is deemed the most appropriate parameter with regard to risk management.

4.1.4 Further remuneration

A. Remuneration as directors of subsidiary and associated companies

The remuneration received by the Group CEO and management personnel with strategic responsibilities as directors of subsidiary and associated companies must be transferred to the Parent Company, except in exceptional cases, which must be duly formalised and justified, as authorised on a case-by-case basis by the competent bodies.

B. Exceptional remuneration and supplementary payments/improved terms

These are elements of remuneration which, in particular situations (described in more detail below), can be granted on a one-off, ad hoc basis to certain top level individuals, without prejudice to their extraordinary nature.

More specifically, this involves entry bonuses, guaranteed variable components, extraordinary bonuses, retention bonuses, both in cash and in financial instruments, or additional payments or more favourable terms compared with those governed by the policy, as in the case of benefits. They are paid extraordinarily to promote the engagement of these top level people, during the start-up of particularly important projects, if exceptional results are achieved or if there is a risk of losing key employees who would be difficult to replace.

These remuneration elements are paid under the scope of governance processes on the subject of remuneration, and precise information is given in compliance with the provisions of existing regulations.

4.1.5 Benefits

This is a valuable component of the remuneration package – with a view to total compensation – in addition to the monetary payment.

The benefits generally differ depending on the recipient categories, both in total value and in type, and consist mainly of supplementary pension and health care plans for employees and their families. Supplementary pension and health care plans for the Group CEO and management personnel with strategic responsibilities are governed by industry contractual regulations and by the regulations for Generali Group directors, which contain several provisions for improvements. At supplementary agreement level, there are also provisions for additional insurance cover, such as long-term care in the case of permanent disability, and guarantees in case of death and permanent total invalidity as a result of an accident or illness, whether work-related or not, and for the case of partial permanent invalidity as a result of an accident or illness.

More favourable contract terms are also provided for subscription to insurance and banking products, while improved terms are granted in access to loans/mortgages for purchasing a home or a car.

The benefit package for the Group CEO and management personnel with strategic responsibilities also includes a mixed use company car and a fuel card.

Lastly, help might be offered with logistic and housing arrangements.

It should be noted that there is a D&O policy for the Group CEO and the Group CFO, in his capacity as the Director Responsible for Financial Reporting. Chapter 4.5 contains the details.

To sum up, the remuneration structure for the Group CEO and management personnel with strategic responsibilities, because it is centred on the sound and prudent management of risk, as well as the need to guarantee profitability and equilibrium for the business in the long term, conforms to the principles that inspired the regulations and, in the main, complies with the regulations governing the remuneration structure.

With regard to the amendments that have been made to the remuneration policies described above and have already been defined by the Board of Directors, no significant changes are expected during the course of this year.

4.2 Remuneration policy for directors without executive powers

Existing remuneration policy for directors without executive powers, independent directors and the Vice Chairmen of the Board of Directors require the remuneration to include a fixed component, with a 50% increase for those who are members of the Executive Committee, and a variable component equal, in total, to 0.01% of consolidated profit, up to a maximum limit of Euro 300,000.00, to be distributed equally among the members of the Board of Directors. In addition to the above-mentioned remuneration, an attendance fee is paid for each meeting of the Board of Directors and the Executive Committee, as well as payment of documented out-of-pocket expenses incurred for attending meetings.

As far as the variable component is concerned, this represents an insignificant part of the total remuneration, given that the related calculation mechanism, as defined above, involves a limited proportion of the fixed compensation, and an even smaller proportion if the total package is taken into consideration (including attendance fees and any payments for sitting on advisory committees). There are no incentive plans based on financial instruments for directors without executive powers.

This having been stated, taking into consideration that the term of office of the directors will expire during the course of this year, the Shareholders' Meeting on 30 April 2013 will be called upon to appoint the members of the Board of Directors and determine their gross annual pay; with regard to this, at the Board Meeting of 22 February 2013, the consultants The European House – Ambrosetti were engaged to conduct an analysis in terms of the overall adequacy of the current existing remuneration components, including with reference to a group of major Italian companies, which was identified taking into consideration the characteristics and standing of the Generali Group.

The results of the analysis in question have been put by the Remuneration Committee to the Board of Directors last March 13th , and, on the basis of the shown evidence, has decided not to introduce any change to the policy presently in force. Therefore, for the three-year mandate of the Board of Directors, this meaning until the date of actual approval of the balance sheet related to the exercise which will finish on 31st December 2015, the following proposal will be presented to the Shareholders' Meeting for the appointment of the members of the Board: every member of the Board of Directors is entitled to a fixed component with a 50% increase for those who are members of the Executive Committee, and a variable component equal, in total, to 0.01% of consolidated profit, up to a maximum limit of Euro 300,000.00 to be distributed equally among the members of the Board of Directors. In addition to the above-mentioned remuneration, an attendance fee is paid for each meeting of the Board of Directors and the Executive Committee as well as payment of documented out-of-pocket expenses incurred for attending meetings.

A similar benchmark has also been requested in relation to additional payments currently made to directors who are members of board committees.

It should be noted that in the meeting held on 22 February 2013, the Remuneration Committee verified that there were no impediments that would prevent the consultancy firm The European House – Ambrosetti from taking up the appointment.

Directors who are also members of advisory committees (other than the Executive Committee mentioned above) are paid additional fees with regard to what they already receive as members of the Board of Directors (with the exception of those who are also management personnel of the Generali Group), according to the roles assigned to these committees and the commitment required for taking part in their tasks in terms of numbers of meetings and preparatory activities.

The remuneration policy regarding the Chairman involves the payment of fees as a member of the Board of Directors and the Executive Committee, as indicated above, and a fixed annual remuneration determined on the basis of comparative analysis with similar national and international positions. As far as variable remuneration is concerned, the Chairman – like all the directors without executive powers – is not part of the short and medium to long-term incentive plans.

The policy for this position also includes several non-monetary benefits, such as insurance cover against occupational accident and illness and health care plans. Further benefits, similar to those in place for the Group CEO and the managers with strategic responsibilities, can also be included.

With regard to payment of sums by way of termination indemnity or payment for early termination of office for the above-mentioned directors, including the Chairman of the Board of Directors, please refer to the policy on the subject as explained in detail in Chapter 4.3.

Lastly, it should be noted that a D&O policy for the aforementioned individuals has been agreed, as illustrated in Chapter 4.5.

4.3 Severance pay – Amounts paid in the case of early termination of office

The policy defined last year by the Company for payment of sums by way of termination indemnity or payment for early termination of office includes:

a) if the term of office expires naturally, no sum will be paid;
b) if the office of a director finishes early, he/she may receive a payment by way of indemnity, depending on legal requirements, of an amount up to the maximum remuneration due for the remainder of the period of office. No sum will be paid to the director if he/she resigns or is dismissed for just cause, or if the relationship ends following an IPO, is revoked (for any reason whatsoever, including failure to fulfil the necessary requirements concerning professional qualifications, good character and independence, or the existence of impediments or incompatible situations) or ends due to any other fact and/or cause that is not attributable to the Company.

If the Director also holds the office of General Manager of the Company[9], the following arrangements apply. Specifically, if the employment relationship of a General Manager or management personnel with strategic responsibilities is terminated early, the payment they will receive, in line with existing regulatory and contractual provisions, will be equivalent to that provided for by way of notice pursuant to applicable regulatory and/or national collective agreements, plus an amount equivalent to the twenty-fourth monthly recurring payment. This refers to the annual gross payment increased by the average effectively received by way of the short-term component of the variable remuneration for the last three-year period.

By accepting this sum, the employee, generally speaking, renounces all other rights related, directly and/or indirectly, to the employment relationship with Assicurazioni Generali S.p.A. and to the termination thereof, as well as any right, claim and/or action against other Group Companies for any reason directly or indirectly connected with the employment relationship and the definitive acceptance that it has ceased.

The renouncement extends to rights of a compensatory nature pursuant to Articles 2043, 2059, 2087 and 2116 of the Italian Civil Code, as well as rights of a financial nature related to the employment relationship and its termination.

For the purpose of calculating the amount that could be paid to the individual involved, it is necessary to take into account the total amount due by way of gross annual pay, the fee for the office of director and the average of what is actually received by way of the short-term component of variable remuneration in the last three-year period relating to each of the offices.

In addition to the above provisions, both directors and management personnel with strategic responsibilities can enter into non-compete or confidentiality agreements. The consideration for these agreements, which have a limited duration, is commensurate with the prejudice that could arise for the Company and/or the Group if the individual were to carry out activities in competition to those of the company and/or Generali Group or divulge information which could cause harm to the Company and/or the Group, and also takes into account the role previously held and, specifically, the responsibilities assigned to the person in question.

4.4 Remuneration policy for the members of the control body

The policy for these parties involve the payment of a fixed gross annual sum for the entire duration of their term of office, with a 50% increase for the Chairman of the Board of Statutory Auditors. There are no variable remuneration components.

The individuals in question are also reimbursed for expenses incurred in carrying out their office, pursuant to Article 37.4 of the Bylaws.

The members of the control body also benefit from the D&O policy illustrated in Chapter 4.5.

4.5 D&O Policy (Directors' and Officers' Liability Insurance)

In line with best practice in the financial markets and taking into account the nature of the business activity of the company and the Group, an insurance policy is in place covering the civil liability of Company Directors and Statutory Auditors (Directors' and Officers' Liability Insurance – D&O), as well the manager in charge of preparing the financial reports. The current terms, which are valid from 1 May 2012 until 30 April 2013, are as follows:

a) Duration: 12 months, renewable annually, until the authorisation from the Shareholders' Meeting is revoked;
b) Maximum amount: Euro 100 million per claim, as an annual aggregate and for the period of cover;
c) Annual taxable premium: Euro 843,525;
d) Cases of willful misconduct and gross negligence are excluded from the insurance cover.

From 1 May 2013, without prejudice to the renewal of the cover described above, members of the GMC will be awarded further cover under the same terms as above, with the exception of the maximum amount, which will be Euro

9 This is the case for the Group CEO.

20 million per claim, as an annual aggregate and for the period of the cover.

4.6 Remuneration policy for managers and their first reports in control functions

The remuneration package for the individuals mentioned above comprises a fixed component and a variable component. The fixed portion is adjusted in relation to the level of responsibility and the commitment required, and is appropriate to guarantee the autonomy and independence required from these positions.

The targets on the basis of which the short-term component of the variable remuneration is determined are defined based on the specific activities of each of the functions and do not take financial performance into consideration.

There are also provisions for control function managers, although to a lesser extent, for participation in the medium-/long-term incentive plan (LTIP). Multi-year targets are assigned in this context, related exclusively to the effectiveness and quality of the control action, after verifying that they are not a source of conflict of interest.

For this purpose, the annual check on the achievement of the above-mentioned qualitative targets and the actual assignment of shares at the end of each three-year period are approved by the Board of Directors, having obtained the opinion of the Control and Risk Committee and the Board of Statutory Auditors, as described in the paragraph 3.2 above. Only if the Board of Directors believes that the results achieved and the quality of the control action are satisfactory can the control functions access the incentives, which, in any case, depend on the results established for all participants of the LTIP being achieved.

Conditions precedents and *malus* and claw-back clauses similar to those defined in Chapter 4.1.3 C) will also be applicable for both the short- and long-term components of the variable pay.

Lastly, the persons considered cannot receive remuneration and attendance fees for other tasks carried out on the instruction of the Parent Company in subsidiary or associated companies, bodies or associations, except with special exemption from the Board of Directors, which must be suitably justified and formalised.

5. Internal communication of remuneration policies and related processes

The general criteria of the remuneration policies and the evaluation processes must be appropriately formalised and the related documentation should be sent, in advance, to the personnel involved, in order to ensure that they have appropriate information, in compliance with confidentiality rights and without prejudice to the application of the regulation governing employment relationships; with regard to this, the adequacy of the communication process and of the related timetable is being verified in order to comply more adequately with the above regulations.

6. Remuneration policies of the insurance group

Under the scope of its management and coordination powers, the Parent Company has the task of ensuring the overall consistency of the insurance Group remuneration policies, guaranteeing adequate calibration and their correct application.

This having been stated, the new incentive scheme illustrated in Chapter 4.1, intended for strategic managers for the entire Group, as identified based on the corporate title model, will gradually be extended from this financial year to all Group companies, both in Italy and abroad; this will allow the consistency of policies at Group level to be strengthened further and their calibration to be refined depending on the characteristics of the company, as well as directing the actions of the above-mentioned individuals more effectively towards pursuing the targets deemed strategic by the Company from a standpoint of maximising overall performance.

With regard in general to determining the remuneration due to members of the Board of Directors and the control body of Generali Group companies with registered offices in Italy, each company applies the arrangements established on the subject by the Italian Civil Code and the relevant bylaws, in light of the instructions provided by the Parent Company.

In addition, the Board of Directors of the company, under the scope of the guidelines issued by the Parent Company, determines and approves the fixed component of remuneration due to directors vested with special powers (Chairman, Vice Chairman and CEO) and also establishes the variable components, both short-term and long-term, for directors with executive powers.

A similar governance arrangement is replicated for Generali Group companies with registered offices abroad, in compliance with the peculiarities of the companies and local jurisdictions.

With the aim of allowing the Parent Company to check the consistency of the remuneration policies at Group level *a posteriori* and ensure they are correctly applied, the above-mentioned companies will make the necessary documentation relating to them and their subsidiaries available annually to the Parent Company.

Section II – Information about the implementation of the remuneration policy

PART ONE

1. Remuneration of the members of the Board of Directors

The Shareholders' Meeting has resolved that, with reference to the entire three-year period that the Board of Directors appointed by the Shareholders' Meeting of 24 April 2010 is in office, and therefore until the effective date of approval of the financial statements for the year ending on 31 December 2012, each member of the Board of Directors will receive:

1) reimbursement of documented out-of-pocket expenses incurred for attending the meetings;
2) a payment equal to Euro 100,000.00 gross per year, with an increase of 50% for those who are members of the Executive Committee;
3) a variable payment, equal in total to 0.01% of the consolidated profit, up to a maximum total limit of Euro 300,000.00, to be distributed equally among the members of the Board of Directors;
4) an attendance fee for each meeting of the Board of Directors and the Executive Committee of Euro 4,000.00.

The fees of the members of the Board of Directors for the financial year 2012 are given in table 1.

As far as directors who are also members of the advisory committees are concerned, on 24 March 2012, the Board of Directors resolved to award to the members of the Appointments and Corporate Governance Committee – because of the increased commitment in terms of meetings and related activities – gross annual fees of respectively Euro 20,000.00 for the Chairman and Euro 15,000.00 for the members of the committee, as well as attendance fees of Euro 2,000.00 for each meeting. On the basis of similar considerations, the Board also approved, during the course of the same meeting, the payment of an attendance fee of Euro 2,000.00 to the Chairman and members of the Social and Environmental Sustainability Committee.

Details of the fees defined for the financial year 2012 for directors who are also members of advisory committees are given in table 2.

2. Remuneration of the Chairman, Managing Directors, General Managers and management personnel with strategic responsibilities

Chairman: taking into account the fact that the Shareholders' Meeting on 28 April 2012 was called upon to approve the reconfirmation of Mr Galateri di Genola as a member of the Board of Directors, the latter body re-appointed him to the office of Chairman, also redetermining the related fees.

Therefore, Mr Galateri di Genola, without prejudice to what is due to him as a member of the Board of Directors and Executive Committee, i.e.:

1) a fixed payment equal to Euro 100,000.00 gross as a member of the Board of Directors, increased by 50% as a member of the Executive Committee;
2) a portion of the variable payment received by the members of the Board of Directors, equal in total to 0.01% of the consolidated profit, up to a maximum total limit of Euro 300,000.00, to be distributed equally among all the Directors;
3) an attendance fee for each meeting of the Board of Directors and the Executive Committee of Euro 4,000.00;

by reason of the powers assigned to him, was awarded a further payment of Euro 750,000.00 gross per year, a payment in line with those received by both Italian and foreign individuals who perform comparable roles in similar companies to Assicurazioni Generali in terms of size and characteristics.

The following previous benefits were also reconfirmed:

- insurance cover relating to occupational accidents and illness, in the case of death or total and permanent invalidity;
- supplementary insurance cover for health expenses, with features equivalent to that provided for Group executives. Lastly, the Chairman received payments and attendance fees related to the offices of Chairman of the Appointments and Corporate Governance Committee and of the Social and Environmental Sustainability Committee.

It should be noted that in relation to severance indemnity or payment of compensation if his office finishes prematurely, the Chairman is subject to the policy defined by the Company during 2012 described in Chapter 4.3. For the purpose of calculating the amount of any payment if the office finishes prematurely, all payments due to the person involved at that time will be taken into consideration.

The details of fees relating to the financial year 2012 are given in table 1.

Managing Directors: the change at the top concerning the Group CEO and the subsequent changes made to the organisational structure of the Company have involved the following:

Mr Giovanni Perissinotto: on 2 June 2012, his managerial powers were revoked and at the same time his offices under the scope of the Executive Committee and the Investment Committee came to an end. On 12 June, his employment relationship was terminated by mutual consent, while Mr Perissinotto ceased to be a director from 20 July 2012. By reason of this and in compliance with the policy defined by the Company on the premature termination of office, Mr Perissinotto was paid a total gross amount of Euro 9,073,024.89.

More specifically, the following was paid to Mr Perissinotto:

- compensation for the remaining period of office, equal to 11 months, calculated based on the related fees, in the amount of Euro 1,475,398.22, for the premature termination of his office as director;
- an amount, by way of notice, as set out by the national collective bargaining agreement for directors of insurance firms, equal to 12 months' pay, calculated based on the gross annual remuneration received as General Manager, equal to Euro 1,459,525.33, with regard to the termination of the employment relationship;
- an amount equivalent to 24 months' remuneration, understood as emoluments for the offices of Managing Director and member of the Board of Directors and the Executive Committee, the gross annual remuneration received as General Manager and the average of the variable component provided in the last three-year period of each of the offices; the amount is equal to Euro 6,138,101.33.

It should be pointed out that the premature termination of the office involved the loss of Mr Perissinotto's rights as a participant in long-term incentive plans.

Mr Perissinotto also signed a non-compete agreement, pursuant to which the Company is required to pay him, in 18 monthly instalments until 31 December 2013, a gross overall amount of Euro 1,584,362.55.

The D&O policy in favour of Mr Perissinotto is also in place, as set out in the coverage, with regard to his previous work in Assicurazioni Generali, under the existing conditions, until the expiry date (set at 30 April 2013).

The Company has also made a pro rata gross payment by way of a reward for seniority, as set out under the collective bargaining agreement, of Euro 117,040.00.

Lastly, Mr Perissinotto was granted the use until 31 December 2013 of the home in Milan that he used previously, under the same conditions, and a partial deduction of legal expenses was agreed.

Mr Mario Greco: on 1 August 2012 Mr Mario Greco was appointed Managing Director and Group CEO of the Company, and an employment relationship in the role of General Manager was established.

Mr Greco was granted the following remuneration package:

- fixed remuneration: a gross annual payment for the office of Managing Director equal to Euro 1,100,000.00, including the emoluments and attendance fees provided for members of the Board of Directors and Executive Committee and those for the office of member of the internal advisory committees, as well as a gross annual remuneration for the office of General Manager equal to Euro 200,000.00;
- short-term component of the variable remuneration: for achieving the targets assigned, he will receive an amount for the target that is equal to 100% of the fixed remuneration;
- long-term component of the variable remuneration: for achieving the targets assigned, he will receive an amount for the target that is equal to 200% of the fixed remuneration;
- supplementary pension: pursuant to national and supplementary collective agreements, with the Company responsible for a contribution of 16.5%, a fixed remuneration and annual supplement from the Company equal to Euro 107,452.22 gross;
- other benefits: as per the existing remuneration policies.

In addition, in order to facilitate the establishment of the employment relationship between the Company and Mr Greco, some more favourable conditions were granted to the latter, as summarised below:

- in relation to the short-term component of the variable pay, Mr Greco will receive a gross payment of Euro 1,300,000.00 for 2012 only;
- a one-off payment was agreed, following approval by the Shareholders' Meeting, in the form of 380,868 Assicurazioni Generali shares, with 50% subject to a lock-up period which will end on 1 August 2015 and the remaining 50% subject to a lock-up period which will end on 1 August 2018. For further details, please refer to the information document produced pursuant to Article 114-*bis* of the T.U.F., which is available on the Company website under the section "Governance, Remuneration Report";
- with regard to severance indemnity and compensation paid for premature termination of office, without prejudice to the relevant policy in force, in the case of dismissal without just cause or resignation with just case, the following additional provisions have been defined:
  a) notice period: conventionally determined as 12 months;
  b) if the relationship ceases in the first year (prior to the vesting date of the short-term variable component) the indemnity is calculated including in the calculation base the amount of the short-term variable component in the amount of 100% of the fixed component of the remuneration;
  c) conventional hypotheses of just cause for resignation include cases of reduction, revocation or lack of renewal of the office and/or powers (without just cause) and/or the allocation of mandates or power to other persons which are, overall, essentially equivalent to those attributed or due to the person in question, or in any case of such importance as to have a substantial impact on the overall position and on the senior role of the person in question under the scope of the Company and the Group;
  d) incentives in the form of financial instruments subject to lock-up; automatically released.

Mr Sergio Balbinot: with regard to the organisational structure of the Company, on 8 November 2012, Mr Balbinot's office as director ended prematurely, along with the offices of Managing Director and member of the Executive Committee of the Company, without prejudice to his employment relationship as General Manager. With regard to this and in compliance with the policy on the subject, Mr Balbinot was paid a sum of Euro 790,596.00 gross, equivalent to 6 months' emoluments for the offices mentioned above plus the average of the short-term component for the last three-year period (as Managing Director). Besides this, in light of the termination of the aforementioned offices and his simultaneous appointment to the role of Group Chief Insurance Officer, the fixed component of his remuneration was reset at Euro 1,000,000.00 gross per annum, with effect from 9 November 2012.

With regard to Mr Raffaele Agrusti and Mr Paolo Vagnone, who in 2012, respectively, took on the roles of Country Manager for Italy and Head of Global Business Lines, it should be pointed out that these changes did not involve changes as far as the structure and size of the respective remuneration packages are concerned.

In relation to <u>management personnel with strategic responsibilities</u>, the existing remuneration packages have been reconfirmed or adapted following changes in role, and the total remuneration of the new Group Chief Financial Officer has been determined. In particular, it should be pointed out that in order to incentivise entry into the Company, an agreement was stipulated with the latter, based on which, following approval from the Shareholders' Meeting, he will be given a one-off payment, in the form of shares, as detailed in the information document on the Company website in the section "Governance, Remuneration Report".

Lastly, again during the course of 2012, two managers with strategic responsibilities left the Company by mutual consent and both were paid for the premature termination of the office in line with the policy on the subject. It should also be pointed out that one of the persons in question signed a confidentiality agreement for a period of one year until 31 October 2013, while there is a consultancy agreement in force with the other person which will end on 31 May 2013.

As far as the detailed information relating to the long-term variable component with reference to 2012 is concerned, please refer to the special information document produced pursuant to Article 114-*bis* of the T.U.F., which is available on the Company website in the section "Governance, Remuneration Report".

Details of the remuneration of the Managing Directors, General Managers and management personnel with strategic responsibilities relating to 2012 are given in table 1; tables 3A and 3B refer to the LTIP; tables 2 and 4 respectively list the stock options and the holdings of the Managing Directors, General Managers and management personnel with strategic responsibilities.

3. Remuneration of the members of the control body

Given that the expiry of the term of office for the Board of Statutory Auditors coincided with the 2010 financial year, the Board of Directors, through the Remuneration Committee, verified the adequacy of the fees paid at that time and their positioning in relation to the fees paid to the control bodies of the most significant competitors that can be considered comparable in size and complexity to Assicurazioni Generali, whilst taking into account further and important tasks that were assigned to the control body through the entry into force of Legislative Decree No. 39 of 27 January 2010 on the subject of auditing annual and consolidated financial statements.

On 30 April 2011, the Shareholders' Meeting reconfirmed the adequacy of the fees paid to the Board of Statutory Auditors, deciding on Euro 100,000.00 as the gross annual fee due to standing statutory auditors for each of the financial years 2011, 2012 and 2013, with an increase of 50% for the Chairman of the Board of Statutory Auditors.

The details of fees relating to the financial year 2012 are given in table 1.

4. Remuneration of the managers and their first reports in control functions

During 2012, remuneration packages for control function managers were adequate in the light of the information that emerged from the benchmarking requested from Hewitt for these positions at the end of 2011, and the overall remuneration of the Group Chief Risk Officer was determined *ex novo*, including a long-term variable component.

For the year in question, the heads of the control functions and their first reports received a fixed remuneration component of Euro 1,297,613.00 gross in total; the total variable component of the remuneration is equal to € 321.961,67.

As far as benefits are concerned, according to the policy of tax liability, these come to Euro 21,585.04; one of the above-mentioned managers also received an allowance of Euro 20,000.00 gross per annum.

PART TWO

Table 1 - Remuneration paid to members of the management and control bodies, General Managers and management personnel with strategic responsibilities

PERSON NAME AND SURNAME / OFFICE HELD	PERIOD COVERED BY THE MANDATE	END OF MANDATE	EMOLUMENTS (IN EURO) - EMOLUMENTS FOR THE OFFICE HELD - FIXED EMOLUMENTS	VARIABLE EMOLUMENTS	ATTENDANCE FEE	TOTAL EMOLUMENTS	NON MONETARY BENEFITS	BONUSES AND OTHER INCENTIVES	OTHER EMOLUMENTS	SEVERANCE PAY OR AMOUNTS PAID IN CASE OF EARLY TERMINATION
Gabriele GALATERI DI GENOLA		**Total**	**855,000**	**554.34**	**110,000**	**965,554**	**3,480**			
Chairman	1.1-31.12.2012	Approved f.s. 2012	685,000	554.34	-	**685,554**	3,480			
Member of the Board of Directors	1.1-31.12.2012	Approved f.s. 2012	100,000		44,000	**144,000**				
Member of the Executive Committee	1.1-31.12.2012	Approved f.s. 2012	50,000		48,000	**98,000**				
Chairman of the Appointments and Corporate Governance Committee	1.1-31.12.2012	Approved f.s. 2012	20,000		12,000	**32,000**				
Chairman of the Social and Environmental Sustainability Committee	1.1-31.12.2012	Approved f.s. 2012	-		4,000	**4,000**				
Chairman of the Investment Committee *ad interim*	2.6-1.8.2012	Approved f.s. 2012	-		2,000	**2,000**				
Vincent BOLLORE'		**Total**	**150,000**	**554.34**	**80,000**	**230,554**				
Member of the Board of Directors	1.1-31.12.2012	Approved f.s. 2012	100,000	554.34	36,000	**136,554**				
Member of the Executive Committee	1.1-31.12.2012	Approved f.s. 2012	50,000		44,000	**94,000**				
Francesco Gaetano CALTAGIRONE		**Total**	**180,000**	**554.34**	**102,000**	**282,554**				
Member of the Board of Directors	1.1-31.12.2012	Approved f.s. 2012	100,000	554.34	44,000	**144,554**				
Member of the Executive Committee	1.1-31.12.2012	Approved f.s. 2012	50,000		44,000	**94,000**				
Member of the Investment Committee	1.1-31.12.2012	Approved f.s. 2012	30,000		14,000	**44,000**				
Giovanni PERISSINOTTO		**Total**	**774,216**		**44,000**	**818,216**	**72,138**		**117,040**	**10,657,387**
Managing Director and Group CEO	1.1-2.6.2012	Approved f.s. 2012	337,778		-	**337,778**				10,657,387
Member of the Board of Directors	1.1-20.7.2012	Approved f.s. 2012	55,342		20,000	**75,342**				
Member of the Executive Committee	1.1-2.6.2012	Approved f.s. 2012	21,096		16,000	**37,096**				
Chairman of the Investment Committee	1.1-2.6.2012	Approved f.s. 2012	-		8,000	**8,000**				
General Manager	1.1-12.6.2012		360,000		-	**360,000**	72,138		117,040	
Mario GRECO		**Total**	**541,666**		**-**	**541,666**	**44,771**	**1,300,000**		
Managing Director and Group CEO	1.8-31.12.2012	Approved f.s. 2012	458,333[1]		-	**458,333**	44,771	1,100,000		
Member of the Board of Directors	1.8-31.12.2012	Approved f.s. 2012	-		-	**-**				
Member of the Executive Committee	1.8-31.12.2012	Approved f.s. 2012	-		-	**-**				
Chairman of the Investment Committee	1.8-31.12.2012	Approved f.s. 2012	-		-	**-**				
General Manager	1.8-31.12.2012		83,333		-	**83,333**		200,000		
Sergio BALBINOT		**Total**	**1,555,018**	**474.06**	**84,000**	**1,639,492**		**1,838,961**		**790,596**
Managing Director	1.1-8.11.2012	Approved f.s. 2012	596,944	474.06	-	**597,418**				790,596
Member of the Board of Directors	1.1-8.11.2012	Approved f.s. 2012	85,753		40,000	**125,753**				
Member of the Executive Committee	1.1-8.11.2012	Approved f.s. 2012	42,877		44,000	**86,877**				
General Manager	1.1-31.12.2012		829,444		-	**829,444**		1,838,961		

PERSON NAME AND SURNAME	OFFICE HELD	PERIOD COVERED BY THE MANDATE	END OF MANDATE	EMOLUMENTS (IN EURO)							
				EMOLUMENTS FOR THE OFFICE HELD							
				FIXED EMOLUMENTS	VARIABLE EMOLUMENTS	ATTENDANCE FEE	TOTAL EMOLUMENTS	NON MONETARY BENEFITS	BONUSES AND OTHER INCENTIVES	OTHER EMOLUMENTS	SEVERANCE PAY OR AMOUNTS PAID IN CASE OF EARLY TERMINATION
Cesare CALARI			**Total**	**150,000**	**554.34**	**97,000**	**247,554**				
	Member of the Board of Directors	1.1-31.12.2012	Approved f.s. 2012	100,000	554.34	44,000	**144,554**				
	Member of the Risk and Control Committee	1.1-31.12.2012	Approved f.s. 2012	30,000		18,000	**48,000**				
	Member of the Committee for the Evaluation of Related Party Transactions	1.1-31.12.2012	Approved f.s. 2012	20,000		35,000	**55,000**				
Carlo CARRARO			**Total**	**150,000**	**554.34**	**96,000**	**246,554**				
	Member of the Board of Directors	1.1-31.12.2012	Approved f.s. 2012	100,000	554.34	44,000	**144,554**				
	Member of the Risk and Control Committee	1.1-31.12.2012	Approved f.s. 2012	30,000		18,000	**48,000**				
	Member of the Committee for the Evaluation of Related Party Transactions	1.1-31.12.2012	Approved f.s. 2012	20,000		30,000	**50,000**				
	Member of the Social and Environmental Sustainability Committee	1.1-31.12.2012	Approved f.s. 2012	-		4,000	**4,000**				
Claudio DE CONTO			**Total**	**93,101**	**354.41**	**50,000**	**143,455**				
	Member of the Board of Directors	11.5-31.12.2012	Approved f.s. 2012	64,208	354.41	32,000	**96,562**				
	Member of the Remuneration Committee	11.5-31.12.2012	Approved f.s. 2012	9,631		12,000	**21,631**				
	Member of the Investment Committee	11.5-31.12.2012	Approved f.s. 2012	19,262		6,000	**25,262**				
Petr KELLNER			**Total**	**130,000**	**554.34**	**32,000**	**162,554**				
	Member of the Board of Directors	1.1-31.12.2012	Approved f.s. 2012	100,000	554.34	24,000	**124,554**				
	Member of the Investment Committee	1.1-31.12.2012	Approved f.s. 2012	30,000		8,000	**38,000**				
Angelo MIGLIETTA			**Total**	**180,000**	**554.34**	**110,000**	**290,554**				
	Member of the Board of Directors	1.1-31.12.2012	Approved f.s. 2012	100,000	554.34	44,000	**144,554**				
	Member of the Executive Committee	1.1-31.12.2012	Approved f.s. 2012	50,000		48,000	**98,000**				
	Member of the Risk and Control Committee	1.1-31.12.2012	Approved f.s. 2012	30,000		18,000	**48,000**				
Alessandro PEDERSOLI			**Total**	**190,000**	**554.34**	**107,000**	**297,554**				
	Member of the Board of Directors	1.1-31.12.2012	Approved f.s. 2012	100,000	554.34	44,000	**144,554**				
	Chairman of the Risk and Control Committee	1.1-31.12.2012	Approved f.s. 2012	50,000		18,000	**68,000**				
	Chairman of the Committee for the Evaluation of Related Party Transactions	1.1-31.12.2012	Approved f.s. 2012	25,000		35,000	**60,000**				
	Member of the Appointments and Corporate Governance Committee	1.1-31.12.2012	Approved f.s. 2012	15,000		10,000	**25,000**				
Lorenzo PELLICIOLI			**Total**	**180,000**	**554.34**	**110,000**	**290,554**				
	Member of the Board of Directors	1.1-31.12.2012	Approved f.s. 2012	100,000	554.34	40,000	**140,554**				
	Member of the Executive Committee	1.1-31.12.2012	Approved f.s. 2012	50,000		44,000	**94,000**				
	Member of the Remuneration Committee	1.1-31.12.2012	Approved f.s. 2012	15,000		16,000	**31,000**				
	Member of the Appointments and Corporate Governance Committee	1.1-31.12.2012	Approved f.s. 2012	15,000		10,000	**25,000**				
Reinfried Helmut POHL			**Total**	**100,000**	**554.34**	**24,000**	**124,554**			(2)	
	Member of the Board of Directors	1.1-31.12.2012	Approved f.s. 2012	100,000	554.34	24,000	**124,554**				
Clemente REBECCHINI			**Total**	**105,943**	**354.41**	**70,000**	**176,297**(3)				
	Member of the Board of Directors	11.5-31.12.2012	Approved f.s. 2012	64,208	354.41	32,000	**96,562**				
	Member of the Executive Committee	11.5-31.12.2012	Approved f.s. 2012	32,104		32,000	**64,104**				
	Member of the Appointments and Corporate Governance Committee	11.5-31.12.2012	Approved f.s. 2012	9,631		6,000	**15,631**				

PERSON NAME AND SURNAME	OFFICE HELD	PERIOD COVERED BY THE MANDATE	END OF MANDATE	EMOLUMENTS (IN EURO): EMOLUMENTS FOR THE OFFICE HELD: FIXED EMOLUMENTS	VARIABLE EMOLUMENTS	ATTENDANCE FEE	TOTAL EMOLUMENTS	NON MONETARY BENEFITS	BONUSES AND OTHER INCENTIVES	OTHER EMOLUMENTS	SEVERANCE PAY OR AMOUNTS PAID IN CASE OF EARLY TERMINATION
Paola SAPIENZA			Total	150,000	554.34	97,000	247,554				
	Member of the Board of Directors	1.1-31.12.2012	Approved f.s. 2012	100,000	554.34	44,000	144,554				
	Member of the Risk and Control Committee	1.1-31.12.2012	Approved f.s. 2012	30,000		18,000	48,000				
	Member of the Committee for the Evaluation of Related Party Transactions	1.1-31.12.2012	Approved f.s. 2012	20,000		35,000	55,000				
Paolo SCARONI			Total	155,000	554.34	98,000	253,554				
	Member of the Board of Directors	1.1-31.12.2012	Approved f.s. 2012	100,000	554.34	36,000	136,554				
	Chairman of the Remuneration Committee	1.1-31.12.2012	Approved f.s. 2012	20,000		16,000	36,000				
	Member of the Appointments and Corporate Governance Committee	1.1-31.12.2012	Approved f.s. 2012	15,000		12,000	27,000				
	Member of the Committee for the Evaluation of Related Party Transactions	1.1-31.12.2012	Approved f.s. 2012	20,000		30,000	50,000				
	Member of the Social and Environmental Sustainability Committee	1.1-31.12.2012	Approved f.s. 2012	-		4,000	4,000				
Diego DELLA VALLE			Total	43,014	237.79	12,000	55,252				
	Member of the Board of Directors	1.1-5.6.2012	Approved f.s. 2012	43,014	237.79	12,000	55,252				
Alberto Nicola NAGEL			Total	51,986	174.18	26,000	78,160[3]				
	Member of the Board of Directors	1.1-24.4.2012	Approved f.s. 2012	31,507	174.18	8,000	39,681				
	Member of the Executive Committee	1.1-24.4.2012	Approved f.s. 2012	15,753		16,000	31,753				
	Member of the Appointments and Corporate Governance Committee	1.1-24.4.2012	Approved f.s. 2012	4,726		2,000	6,726				
Francesco Saverio VINCI			Total	45,685	174.18	18,000	63,859[3]				
	Member of the Board of Directors	1.1-24.4.2012	Approved f.s. 2012	31,507	174.18	8,000	39,681				
	Member of the Investment Committee	1.1-24.4.2012	Approved f.s. 2012	9,452		6,000	15,452				
	Member of the Remuneration Committee	1.1-24.4.2012	Approved f.s. 2012	4,726		4,000	8,726				
Eugenio COLUCCI			Total	150,000			150,000				
	Chairman of the Statutory Auditors	1.1-31.12.2012	Approved f.s. 2013	150,000			150,000				
Giuseppe ALESSIO VERNI'			Total	100,000			100,000			111,300[4]	
	Statutory Auditor	1.1-31.12.2012	Approved f.s. 2013	100,000			100,000				
Gaetano TERRIN			Total	100,000			100,000			88,000[5]	
	Statutory Auditor	1.1-31.12.2012	Approved f.s. 2013	100,000			100,000				
Raffaele AGRUSTI			Total	1,000,000			1,000,000	6	806,579		
	General Manager	1.1-31.12.2012		1,000,000			1,000,000	6			
Paolo VAGNONE			Total	800,000			800,000	1,997	441,206		
	General Manager	1.1-31.12.2012		800,000			800,000	1,997			
Other managers with strategic responsibilities[6]			Total	3,248,917			3,248,917	28,695	1,918,232	16,000	1,685,000

(1) The emolument for the position of managing director and Group CEO includes the emoluments and attendance fees as board member and as member of the Executive Committee, as well as the emoluments and the attendance fees for the participation in the internal committees.
(2) Mr. Pohl doesn't receive any emolument for the office in AachenMünchener Lebensversicherung; the emoluments for Generali Holding Vienna AG will be defined by the General Meeting of the company during the current year.
(3) The emolument was paid directly to Mediobanca.
(4) Emoluments for the office of Chairman of the Board of Statutory Auditors of Banca Generali, Europ Assistance Italy, Generali Horizon, Genertellife, Genfid and Effective Auditor of Europ Assistance Service, Genertel and UMS Immobiliare Genova.
(5) Emolument for the office of Effective Auditor for Alleanza Toro, Generali Immobiliare Italia SGR and Ina Assitalia.
(6) During 2012, the other managers with Strategic Responsibilities were 13.

Table 1A - Fees for members of advisory committees – financial year 2012

ROLE	GROSS YEARLY EMOLUMENT (EURO)	ATTENDANCE FEE PER SESSION (EURO)
Members of the Remuneration Committee	15,000	2,000
Chairman of the Remuneration Committee	20,000	2,000
Members of the Risk and Control Committee	30,000	2,000
Chairman of the Risk and Control Committee	50,000	2,000
Members of the Appointments and Corporate Governance Committee	15,000	2,000
Chairman of the Appointments and Corporate Governance Committee	20,000	2,000
Members of the Investments Committee	30,000	2,000
Chairman of the Investments Committee	no emolument(*)	2,000(*)
Members of the Committee for the evaluation of related party transactions	20,000	5,000
Chairman of the Committee for the evaluation of related party transactions	25,000	5,000
Members of the Social and Environmental Sustainability Committee	no emolument	2,000
Chairman of the Social and Environmental Sustainability Committee	no emolument	2,000

(*) The office of Chairman of the Committee for Investments has been held, respectively, by the former Group CEO and current Chairman and Group CEO. For the former Group CEO and the Chairman attendance fees were paid, for the current Group CEO attendance fees are included under the remuneration defined by the Board of Directors for the role of managing director.

Table 2 – Stock options granted to members of the Board of Directors, general managers and management personnel with strategic responsibilities

			Options held at the start of the financial year			Option granted during the financial year						Options exercised during the financial year			Options expired during the financial year	Options held at the end of the financial year	Options related to the financial year
A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) = 2+5-11-14	(16)
Name and Surname	Role	Plan	Number of options	Strike price	Possible exercise period	Number of options	Strike price	Possible exercise period	Fair value at grant date	Grant date	Market price of the shares at the grant of options	Number of options	Strike price	Market price of the shares at the grant date	Number of options	Number of options	Fair value
Giovanni Perissinotto	Group CEO Gen. Man.	2006	500,000	30.127	10/05/09 10/05/12										500,000	0	0
Sergio Balbinot	Man. Dir. Gen. Man.	2006	500,000	30.127	10/05/09 10/05/12										500,000	0	0
Raffaele Agrusti	General Manager	2006	200,000	31.37	23/03/09 23/03/12										200,000	0	0
Other Managers with strategic responsibilities			205,000	31.37	20/03/09 22/03/12										205,000	0	0

Table 3A - Incentive plans based on financial instruments other than stock options for members of the Board of Directors, general managers and management personnel with strategic responsibilities

			Financial instruments assigned during previous years and not vested during the year		Financial instruments assigned during the year					Financial instruments vested during the year and not assigned	Financial instruments vested during the year and able to be assigned		Financial instruments relevant to the year
A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Name and Surname	Office	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value on assignment date	Vesting period	Assignment date	Market price upon assignment	Number and type of financial instruments	Number and type of financial instruments	Value on maturity date	Fair value
(I) Emoluments in the company that prepares the financial statement													
Sergio Balbinot	General Manager	LTIP 2010 resolution of the Board of Directors 17/3/2010											
Raffaele Agrusti	General Manager	LTIP 2010 resolution of the Board of Directors 17/3/2010											
Paolo Vagnone	General Manager	LTIP 2010 resolution of the Board of Directors 17/3/2010											
Other managers with strategic responsibilities		LTIP 2010 resolution of the Board of Directors 17/3/2010											
(II) Emoluments from subsidiaries and associates													
		Plan A (data of the relevant resolution)											
		Plan B (data of the relevant resolution)											
(III) Total													

This table has not been completed because the 2010 LTIP produced effects in cash; please refer, therefore, to table 3B.

Table 3B - Monetary incentive plans for members of the Board of Directors, general managers and management personnel with strategic responsibilities

A	B	(1)	(2)			(3)			(4)
			BONUS OF THE YEAR			BONUS OF THE PREVIOUS YEARS			
			(A)	(B)	(C)	(A)	(B)	(C)	
NAME AND SURNAME	OFFICE	PLAN	PAYABLE/PAID	DEFERRED	DEFERMENT PERIOD	NO LONGER PAYABLE	PAYABLE/PAID	STILL DEFERRED	OTHER BONUSES
(I) Emoluments in the company that prepares the financial statement									
Mario Greco	Man. Dir. and Group CEO								1,300,000
Sergio Balbinot	General Manager	BSC 2012	1,838,961						
		LTIP 2010 resolution of the Board of Directors 17/3/2010	0						
Raffaele Agrusti	General Manager	BSC 2012	806,579						
		LTIP 2010 resolution of the Board of Directors 17/3/2010	0						
Paolo Vagnone	General Manager	BSC 2012	441,206						
		LTIP 2010 resolution of the Board of Directors 17/3/2010	0						
Other managers with strategic responsibilities		BSC 2012	1,630,000						
		LTIP 2010 resolution of the Board of Directors 17/3/2010	288,232						
(II) Emoluments from subsidiaries and associates									
		Plan A (data of the relevant resolution)							
		Plan B (data of the relevant resolution)							
(III) Total									

Table 4 - Holdings of members of the management and control bodies, general managers and management personnel with strategic responsibilities

NAME AND SURNAME	COMPANIES IN WHICH SHARES ARE HELD	NUMBER OF SHARES HELD AT THE END OF THE PREVIOUS YEAR	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT THE YEAR-END
Gabriele GALATERI DI GENOLA *Chairman*	Generali	11,500			11,500
Sergio BALBINOT *Managing Director* *General Manager*	Generali	12,729			12,729
Giovanni PERISSINOTTO *Managing Director and Group CEO* *General Manager*	Generali	88,922	11,078		100,000
	Banca Generali	25,000			25,000
Vincent BOLLORE'	Generali	2,028,352 (1)			2,028,352 (1)
Francesco Gaetano CALTAGIRONE	Generali	35,300,000 (2)	3,000,000 (1)	3,550,000 (1)	34,750,000 (3)
Petr KELLNER	Generali	17,684,342 (1)		7,684,342 (1)	10,000,000 (1)
Paolo SCARONI	Generali	9,828			9,828
Francesco Saverio VINCI	Generali	1,372 (1)			1,372 (1)
Eugenio COLUCCI *Chairman of the Board of Auditors*	Generali	1,979			1,979
Raffaele AGRUSTI *General Manager*	Generali	32,422			32,422
Paolo VAGNONE *General Manager*	Generali	2,500			2,500
Other managers with strategic responsibilities	Generali	35,268	10,000		45,268
	Generali France	53,464	13,332	13,333	53,463

(1) Shares held through a subsidiary or affiliate company.
(2) Of which 35,185,000 held through a subsidiary or affiliate company.
(3) Of which 34,635,000 held through a subsidiary or affiliate company.

Section III – Control Functions verifications

A. *Ex ante* verifications of the Compliance and Risk Management functions

1. Introduction

Regulation No. 39, adopted by ISVAP on 9 June 2011 ('***ISVAP Regulation No. 39***') provides that implementation of the remuneration policies adopted by the company is reviewed, at least annually, by the internal control functions, in accordance with the scope of their authority. The Compliance Function, in particular, pursuant to Article 23 of the above-mentioned ISVAP Regulation, is responsible for checking that these policies comply with the rules of ISVAP Regulation No. 39, the Company By-laws as well as any codes of ethics or other standards of conduct applicable to the Company in order to prevent and control legal and reputational risks.

Within this scope and following approval of the remuneration policy by the Shareholders' Meeting of 28 April 2012, each of the Company's internal control functions, according to its area of authority, initiated the action necessary to ensure compliance of corporate conduct under the cited regulatory framework, supporting the Human Resources Department through *ex ante* assessments of compliance. Starting on 14 December 2012, these assessments also refer to the new Code of Conduct and the related Group Rules.

The Group CEO encouraged the review of the existing remuneration systems for the purpose of aligning the individual performance of managers with key roles in the Group more closely with the Group's strategic objectives.

The outcome of this review led to the formulation of a new Group incentive model and to the redrafting of the criteria for identifying *"personnel"*[1], taking into consideration also the establishment of the Group Management Committee, which has been entrusted with the task of defining the Group's strategic priorities and ensuring that they are operationally coherent.

Summarised below are the main new features of the latest model, reflected in the Remuneration Report, and the controls conducted by the Compliance Function and the Risk Management Function.

2. The new remuneration system

The main new features of the latest remuneration system are listed below.

2.1. - Recipients

The Company's executives who will participate in the new remuneration system include the members of the above-mentioned Group Management Committee and *personnel* who, through their job, position, level of responsibility, activities and authority, may have a direct impact on the Group's results.

The new remuneration system will also include head of internal control functions and relevant top-level lines, who come under the regulatory definition of "*personnel*". In this case there are specific governance rules and criteria for the allocation of objectives designed to avoid possible situations of conflict of interest.

2.2. - Structure of the new remuneration package

The overall remuneration package awarded under the new system comprises a fixed part and a short- and medium- to long-term variable component.
As far as the short-term component is concerned (the so-called '*Short Term Incentive*' or STI), granted in cash, the main new features introduced involve:

a) A more direct correlation between the financing of the short-term remuneration system and the achievement of the Group's annual results;
b) The possibility of not awarding this component if the minimum level of the Group's Solvency Ratio, understood as a hurdle and calculated in accordance with the Solvency I criteria (hereinafter known as the "*Solvency I Ratio*"), or the minimum level of the Group's targets to which the financing of the STI is connected (for 2013, the Operating Result and Net Profit) is not reached;
c) The expectation of achieving five categories of targets in individual Balanced Scorecards, divided into objectives, aligned with the Group's strategic objectives: 1) Strategic Progress, 2) Business Delivery & Financial Performance, 3) Process Effectiveness, Risk & Control, 4) Customer

1 Refer to the definition in Article 2, paragraph 1(f) of ISVAP Regulation No. 39.

Engagement, 5) People Management. Payment of the STI remains subject to reaching the targets selected at the beginning of the year, which can be easily measured, with each having a specific weighting;

d) Evaluation of the performance achieved by individual recipients of the STI at the end of each year is carried out based on a process which sees the involvement of the Group Human Resources Department and, later on, the Group CEO and members of the Group Management Committee. The process of assigning the targets and evaluating to what extent they have been achieved, which includes discretionary factors, supported by reasons, is adequately set down in writing.

The medium- to long-term component (the "*Long Term Incentive*" or LTI), unlike the previous 2011 Long Term Incentive Plan, is granted exclusively in Assicurazioni Generali S.p.A. shares. This is a rolling plan, in other words it is based on three-year cycles, which start every year, without affecting the possibility that the Board of Directors of the Parent Company may stop the cycles after the first one.

Each participant in the LTI is a potential recipient of a maximum number of shares of the Parent Company, which is calculated, at the beginning of each cycle, on the basis of a ratio between (*i*) the maximum amount of the bonus which may be received by the individual recipient (equal to a percentage of their recurring gross annual remuneration), and (*ii*) the value of the share, calculated as an average of the share price recorded in the three months prior to the meeting of the Board of Directors at which the financial statements and the consolidated financial statements for the year ended 31 December of the previous year are approved. The maximum number of shares is allocated in three annual *tranches* equal, respectively, to 30% of the maximum number of shares which can be awarded for the first *tranche*, 30% for the second *tranche* and 40% for the third *tranche*.

The allocation of each *tranche* of shares is subject to verification, on an annual basis, that the Group objectives have been achieved (for 2013 they were identified as the rTSR (relative Total Shareholder Return), that is the positioning of the Generali Group in relation to a set group of peers, and the ROE (Return on Equity) of the Group). The targets which these annual objectives must achieve are set at the beginning of each cycle and remain the same for all three reference years.

The granting of each *tranche* is also subject to verification that an access threshold ("*gate*") has been exceeded, indicated in the Company's Remuneration Report. In particular, for the cycle which starts in 2013, the access threshold has been identified as the Solvency I Ratio, which should not be lower than: (i) 140% for the first *tranche*; (ii) 140% for the second *tranche* or not lower than the higher Solvency 1 Ratio level, if the Solvency I Ratio achieved in the previous year was more than 140%; (iii) 160% for the third *tranche*.

The granting of the share component is, lastly, subject to the condition precedent that the recipient shall remain at the Generali Group for the entire duration of the cycle and until the date of the actual shares granting, according to the Board of Directors resolution that verifies the level of objectives achievement at the end of the third year of each cycle.

After the allocation of the first *tranche* (at the end of the first year), the portion of shares assigned is subject to a two-year deferral period; the second *tranche* (at the end of the second year) is awarded after verification of the achievement of the targets on the second year and is then subject to a deferral period of one year. Following this, the third *tranche* (at the end of the third year) is awarded after verification of the achievement of the targets on the third year.

Half the shares acquired at the end of the three-year period are available immediately for the recipient, 25% are subject to a one-year lock-up period, and 25% are subject to a two-year lock-up period.

Further one-off payments may also be granted such as, for example, entry bonuses. This type of remuneration is paid in compliance with the governance procedures on remuneration and precise information about them is given in compliance with the provisions of existing regulations.

3. Controls conducted

With regard to the above, the Risk Management Function has examined the coherence of the criteria identified and the related indicators used for performance evaluation in relation to the risk management strategies established by the Board of Directors.

The Compliance Function has also verified the compliance of the variable remuneration components (STI and LTI), described in the Remuneration Report, with the regulatory context and makes the following comments:

a) The new system provides for alignment with the strategic objectives of the Company and the Generali Group;
b) Measurement of the results takes place over an adequate timescale;
c) Maximum limits have been set for the granting of the variable component;
d) Payment of the variable component is subject to pre-set and objective results being achieved, which are also easy to measure;
e) The setting of these targets also takes into account non-financial criteria which contribute to the creation of value for the Company, such as "People Management" and "Customer Engagement";
f) Steps have been taken to ensure that the amount received by each recipient is based on a suitable combination of results achieved by the individual and the overall results achieved by the Company and the Group, also within the scope of the so-called 'calibration meetings';
g) It is possible not to grant a bonus if the minimum levels to which the financing of the system is related are not reached (Group objective and Solvency I Ratio), and the bonus will not be paid, in full or in part, if individual targets are not achieved;
h) The application of so-called *malus* and claw-back clauses is provided for;

i) There is a minimum deferral period for part of the variable component;
j) There are adequate periods for the assignment and retention of the component paid in shares.

The Compliance Function also noted that, with regard to the policy illustrated in the Remuneration Report approved in 2012 by the Shareholders' Meeting, the new remuneration policy remains essentially unaltered with regard to the following aspects, already deemed substantially compliant with the provisions of ISVAP Regulation No. 39:

a) The basis, the principles and the measures from which the Company remuneration policy generally draws its inspiration;
b) The procedures aimed at internal communication of the remuneration policy and related procedures;
c) The remuneration policy for members of the Company's Board of Directors who do not have executive powers, including the Chairman and the two Vice Chairmen;
d) The policy on severance pay and the amounts paid to members of the Board of Directors for early termination of office;
e) The remuneration policy for members of the Board of Statutory Auditors;
f) General policies on the fixed component of remuneration and benefits.

4. Conclusions

The Compliance Function considers that the new remuneration system described in the Remuneration Report substantially complies with the provisions of ISVAP Regulation No. 39, the Company By-laws, the Code of Conduct of listed companies and the new Code of Conduct.

The Risk Management Function, with particular reference to the criteria and parameters adopted for determining variable remuneration, considers that the new remuneration system is substantially consistent with the Group risk management strategies.

Both departments will take care to verify that the implementation procedures of the new remuneration policy conform with the latter as well as the provisions of ISVAP Regulation No. 39, the Company Bylaws, the Code of Conduct of listed companies and the Code of Conduct and related implementation arrangements.

B. *Ex post* verification of the Internal Audit function

Group Audit – Operational Audit Model of the Remuneration Policies

Internal Audit report on the proper implementation of the Remuneration policies for 2012

This report is prepared pursuant to Art. 23 of ISVAP Regulation No. 39/2011, which requires the Internal Audit Function to verify the proper implementation of the remuneration policies based on the guidelines established by the Board of Directors to ensure the efficient use and safeguarding of the company's assets. Such audit supplements those that have already been performed by other control departments (i.e. *Compliance* and *Risk Management*).

The audit has been performed on the basis of a Operational Audit Model that was previously presented by the Internal Audit Function to the Risk and Control Committee on 14 December 2012. Based on such Model, structured activities shall be carried out on all the companies that fall within the identified product type or geographical area. These activities include both the phase of definition of the policies and their implementation, as well as the actual payment of the main remuneration components. With regard to the latter, the final quantification and payment of the variable components of the remuneration will be audited after the approval of the financial statements as at 31 December 2012 by the Shareholders' Meeting, which is an essential precondition for the quantification and payment of the variable components of the remuneration.

The results of the activities carried out show that a few compensation packages are an exception to the remuneration policies approved by the Shareholders' Meeting held on 28 April 2012. These exceptions are attributable to the evolution of the remuneration policies, partly due to a different organizational structure adopted by the Group following the changes in the top management during the course of 2012. These changes are clearly visible in the new version of the policies that will be submitted to the approval of the Shareholders' Meeting that is currently being convened. In any event, the identified exceptions have been approved by the Board of Directors.

The audit also revealed that the business processes that fall within the responsibility of the Group HR Function need to be fine-tuned to guarantee wider coordination and control activities, particularly in the phase of implementation of the policies in question. In this regard, although complexities have emerged during the first year of implementation of the policies, arising from the deep diversity of the geographies and regulatory environments where they have been adopted, the audit has highlighted the need to complete the dissemination of these policies across all the entities of the Group, at the same time ensuring that adequate support and control activities are in place.

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