



Assemblea degli Azionisti 2016

Shareholders' Meeting

Information document
On the Generali's Group Long-Term
Incentive Plan
"LTI Plan 2016"

Trieste, 26-27-28 April 2016

Assicurazioni Generali S.p.A.



INFORMATION DOCUMENT

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17 March 2016

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INTRODUCTORY NOTE

Assicurazioni Generali S.p.A. (“GENERALI” or the “COMPANY”), in compliance with what provided by Articles 114-*bis* of the ICFA and 84-*bis*, paragraph 1, of the ISSUERS’ REGULATION, and by Scheme no. 7 of Annex 3A to the ISSUERS’ REGULATION, hereby provides its shareholders and the financial community with a broad informative framework on the long-term incentive plan, “LTI Plan 2016” (hereinafter, the “PLAN”) for the grant, free of charge, of ordinary shares of GENERALI to the MANAGING DIRECTOR/GROUP CEO, to the General Manager, to the most important management positions and to other key officers of GENERALI and of the GENERALI GROUP, as identified by the ADMINISTRATIVE BODY within the structure of the COMPANY and of the GENERALI GROUP among those who are vested with strategic responsibilities for the achievement of corporate goals.

The PLAN aims to enhance and reflect the medium long-term performance targets of the GENERALI GROUP in the definition of the variable remuneration of the aforementioned parties, for

the purposes described in detail hereinafter as well as in the REMUNERATION REPORT of GENERALI.

In order to implement the PLAN, the SHARES that are to be assigned free of charge to the BENEFICIARIES will be acquired, either wholly or in part, from the provision of treasury shares that the COMPANY may acquire in application of the shareholders’ meeting authorisations, pursuant to Articles 2357 and 2357-*ter* of the Civil Code, and/or from any specific share capital increase with no subscription price - using the profits and/or profit reserves - pursuant to Article 2349, paragraph 1, of the Civil Code, in the terms illustrated below.

This information document is at public disposal at the registered office of GENERALI, located in Trieste, Piazza Duca degli Abruzzi, no. 2, at the system SDIR-NIS for the transmission of the Regulated Information managed by Blt Market Services, at www.emarketstorage.com and on the COMPANY’S website: www.generali.com.

DEFINITIONS

DIRECTORS	the directors of GENERALI and GENERALI GROUP, having executive and/or managerial powers;	CORPORATE GOVERNANCE CODE:	the code of conduct of Listed Companies;
SHAREHOLDERS' MEETING:	the meeting of GENERALI shareholders that shall approve the PLAN;	REMUNERATION COMMITTEE:	the committee recommended by the CORPORATE GOVERNANCE CODE whose composition and functions are described in the Report on Corporate Governance and Ownership Structures, as referred to in Article 123-bis of the ICFA, approved by the ADMINISTRATIVE BODY and made public on an annual base;
SHARES:	the "Assicurazioni Generali S.p.A. ordinary shares", listed on the "MTA" market organized and managed by Borsa Italiana S.p.A., each with a par value of 1.00 (one/00) Euro;	APPROVAL DATE:	the date of approval of the this PLAN by the SHAREHOLDERS' MEETING;
BENEFICIARIES:	the beneficiaries of this Plan that will be identified at sole discretion of the ADMINISTRATIVE BODY, at the plan start or during the relevant three-years period, among the Directors and the Employees of GENERALI or of GENERALI GROUP with strategically significant functions at GENERALI or GENERALI GROUP with a view to the creation of value. In the process of identifying the BENEFICIARIES, the ADMINISTRATIVE BODY will also take into account the suitability of the functions or of the activities carried out by the GENERALI GROUP'S DIRECTORS and EMPLOYEES to have a significant impact on the risk profile of GENERALI or of the GENERALI GROUP, considering the position held, the degree of responsibility, the hierarchical level, the activity carried out, the powers granted, the amount of remuneration paid, the possibility to take risks, generate profits or impacts on other accounting entries for significant amounts. The ADMINISTRATIVE BODY, by implementing the PLAN, will specifically identify the BENEFICIARIES, also determining the OBJECTIVES and the number of SHARES which can be assigned;	EMPLOYEES:	the executives and employees who currently work for GENERALI or a company of GENERALI GROUP either under open-ended or fixed-term contracts, excluding all forms of independent contractors or consultants;
		INFORMATION DOCUMENT:	this information document, drafted in compliance with and for the purposes of Article 84-bis, paragraph 1, of the ISSUERS' REGULATION;
		ECONOMIC SOLVENCY RATIO:	the ratio between the Eligible Own Funds to the Risk Adjusted Capital (RAC). RAC is defined as the capital amount required to fulfil the obligations to the policyholders in the event of extreme risks (stress scenarios in a one year horizon) according to a given confidence level. This confidence level is set at 99.5%, which is in line with the capital requirements set by the Solvency II regulation. Therefore, an Economic Solvency Ratio of 100% corresponds to

	a default probability of exactly 0.5% in one year, whereas a higher ratio implies a lower default probability;	ISSUERS' REGULATION:	the regulations adopted by CONSOB by means of Resolution no. 111971 of 14 May 1999, as subsequently amended and integrated;
GENERALI OF the COMPANY:	Assicurazioni Generali S.p.A., with registered office at Trieste, Piazza Duca degli Abruzzi no. 2, enrolled in the Registry of Insurance and Reinsurance Businesses with registered number no.1.00003, parent company of Generali Group, enrolled in the Insurance Group Registry with registered number no. 026;	RELATIVE TSR:	the total return on the shareholder investment calculated as a variation in the shares' market price, including distributions or dividends reinvested in the shares, as compared to the peer group represented by the STOXX Euro Insurance index;
MANAGING DIRECTOR/ GROUP CEO:	the person mainly in charge of the management of GENERALI and GENERALI GROUP;	RETURN ON EQUITY (ROE):	operative net result net of financial burden and taxes divided by the average of the adjusted capital, as defined in the "Methodological note on alternative performance indicators" in the Management Report;
GENERALI GROUP:	GENERALI and the companies under Italian and foreign law subject, directly or indirectly, to the control of GENERALI, pursuant to Article 2359 of the Italian Civil Code;	PARTICIPATION FORM:	the form given by GENERALI to BENEFICIARIES, (i) indicating the OBJECTIVES - referred to GENERALI GROUP and/or to the individual BENEFICIARIES - subject to the achievement of which the SHARES are granted; (ii) the subscription and the return of which to GENERALI on behalf of the BENEFICIARIES will constitute full and unconditional adherence to the PLAN;
OBJECTIVES:	the performance indicators specified by the ADMINISTRATIVE BODY and set out in the PARTICIPATION FORM of each BENEFICIARY, subject to the achievement of which the SHARES are granted to each BENEFICIARY, and based on which the respective total number of shares to be granted is determined;	PLAN ADMINISTRATOR:	Banca Generali S.p.A. with registered office in Trieste, Via Niccolò Machiavelli no. 4, Tax Code and Trieste Registry of Businesses no.00833240328, or any other entity that may be identified for the same purpose by the ADMINISTRATIVE BODY;
ADMINISTRATIVE BODY:	the Board of Directors of GENERALI;		
RELATIONSHIP:	the employment relationship or directorship in place between the Beneficiary and GENERALI and/or another company of GENERALI GROUP;	CASH SETTLEMENT:	the cash amount which GENERALI may, discretionary, grant also to single BENEFICIARIES in place - fully or partially - of the SHARES that should be granted to them, calculated on the basis of the average official SHARES
REMUNERATION REPORT:	the report prepared by GENERALI in compliance with Article 123-ter of the ICFA, as well as with Article 6 of ISVAP Regulation 39/2011;		

price on the "MTA" market - as ascertained by Borsa Italiana S.p.A. - in the month prior to SHARES GRANT, or, in case the SHARES should no longer be listed, on the basis of their normal value pursuant to Article 9 of the Presidential Decree of 22 December 1986, no. 917, as

ICFA

determined by an independent expert appointed by GENERALI;

the Italian Consolidated Financial Act, *i.e.* Legislative Decree no. 58 of 24 February 1998 and subsequent amendments and additions.

1. BENEFICIARIES

1.1 The names of the beneficiaries who are members of the board of directors or of the management board of the company issuing financial instruments, the company controlling the issuer and the companies that the issuer either directly or indirectly controls

The PLAN'S BENEFICIARIES are the MANAGING DIRECTOR/GROUP CEO and the General Manager and other possible DIRECTORS with executive and managerial functions of GENERALI or of the GENERALI GROUP, as identified by the ADMINISTRATIVE BODY coherently with the strategic objectives of GENERALI GROUP in terms of value creation, as well as with the objectives of the remuneration policy set out in the REMUNERATION REPORT.

The indication of the names of the BENEFICIARIES that are part of the ADMINISTRATIVE BODY of GENERALI or of other companies of the GENERALI GROUP who will be identified by the ADMINISTRATIVE BODY and the other information required by paragraph 1 of the Scheme no. 7, Annex 3A of the ISSUERS' REGULATION, will be provided pursuant to the procedures and terms set forth in article 84-*bis*, paragraph 5, point a), of the ISSUERS' REGULATION.

1.2 The categories of employees or consultants of the issuer of the financial instruments and of the parent companies or the subsidiaries of that issuer

The BENEFICIARIES of the PLAN include the managers with strategic responsibilities - including the managers belonging to the *Group Management Committee* (GMC), the manager with direct report to the MANAGING DIRECTOR/GROUP CEO and the General Manager (not included in the GMC) and other managers who are members of the

Global Leadership Group (GLG) - as well as the other EMPLOYEES of GENERALI or of GENERALI GROUP, selected by the ADMINISTRATIVE BODY on a discretionary basis in consideration of the significance of their role in the achievement of the strategic objectives of GENERALI GROUP.

The indication of the categories of the BENEFICIARIES that will be identified by the ADMINISTRATIVE BODY among the above mentioned subjects as well as the other information required by paragraph 1 of the Scheme no. 7, Annex 3A of the ISSUERS' REGULATION, will be provided pursuant to the procedures and terms set forth in article 84-*bis*, paragraph 5, point a), of the ISSUERS' REGULATION.

1.3 The indication of the names of the parties who will benefit from the plan belonging to the following groups:

a) *general managers of the financial instrument issuer;*

The PLAN'S BENEFICIARIES include also the General Manager.

b) *other managers with strategic responsibilities of the financial instrument issuer which is not of a "lesser significance", pursuant to Article 3, point 1, letter f), of Regulation no. 17221 of 12 March 2010, in the event that they have received overall remuneration during the last fiscal year (obtained by adding their monetary remuneration and the remuneration based on financial instruments) greater than the highest overall compensation among those paid to the members of the board of directors or the management board, and to the General Managers of the financial instrument issuer;*

Not applicable: there are no managers with strategic responsibilities who have received overall remuneration during the last fiscal year, greater than the highest total compensation assigned to the relevant member as per this paragraph 1.3 (the MANAGING DIRECTOR/GROUP CEO).

c) Natural persons controlling the financial instrument issuer, who are employees or who work as staff in the financial instrument issuer.

Not applicable: GENERALI is not under the control of any natural person according to the applicable law.

1.4 Description and numerical indication, separated by categories:

a) of the managers with strategic responsibilities different from those indicated under letter b) of Paragraph 1.3;

Among the PLAN's BENEFICIARIES are included the managers with strategic responsibilities, as defined in the REMUNERATION REPORT. The indication of the BENEFICIARIES who will be identified by the ADMINISTRATIVE

BODY among the managers with strategic responsibilities as well as the other information required by paragraph 1 of the Scheme no. 7, Annex 3A of the ISSUERS' REGULATION, will be provided pursuant to the procedures and terms set forth in article 84-bis, paragraph 5, point a), of the ISSUERS' REGULATION.

b) for the "smaller sized" companies, pursuant to Article 3, point 1, letter f), of Regulation n. 17221 of 12 March 2010, the indication in aggregate of all managers with strategic responsibilities of the issuer of financial instruments;

Not applicable: GENERALI is not a "smaller sized" company.

c) of any other possible categories of employees or consultants for which differentiated plan features have been provided for (e.g. senior managers, middle managers, other employees, etc.).

Not applicable: there are no categories for which different PLAN features have been provided.

2. THE REASONS FOR ADOPTION OF THE PLAN

2.1 The objectives intended to be achieved by awarding the plans

The PLAN, in line with the applicable regulations as well as the best practices (including the recommendations of the CORPORATE GOVERNANCE CODE), intends to pursue the objective of increasing the value of GENERALI SHARES meanwhile aligning, the economic interest of its BENEFICIARIES to those of the shareholders. The PLAN has the following objectives:

- to determine a connection with the component of variable remuneration linked to the medium-long term objectives and the value's creation for the shareholder, taking into account the group's sustainability and the results actually achieved;
- to develop the culture of performance in accordance with the Group philosophy;
- to contribute to the creation of a balanced mix between fixed and variable

elements of the BENEFICIARIES' remuneration;

- to obtain the management's loyalty at GENERALI GROUP's level.

In particular, the PLAN aims to strengthen the link between the remuneration of the potential BENEFICIARIES and expected performance under the GENERALI GROUP's strategic plan (so-called absolute performance), also retaining the link between remuneration and the creation of value relative to a peer group (so-called relative performance).

To achieve these objectives, the following decisions have been taken:

- pay the incentive in the form of SHARES and only at the achievement of specific OBJECTIVES;
- link the incentive to the share value resulting from the average price of the SHARES in the three months prior to approval, by the ADMINISTRATIVE BODY,

of the draft financial statements and the consolidated financial statements relating to the financial year related to the preceding year;

- define a three years' time vesting period;
- provide specific malus and claw-back clauses;

2.2 Key variables, also in the form of performance indicators considered for the purposes of awarding the plans based on financial instruments

The PLAN provides that the number of SHARES actually assigned is directly linked to the achievement of the OBJECTIVES identified by the ADMINISTRATIVE BODY.

While determining the OBJECTIVES, the ADMINISTRATIVE BODY focuses on the identification of at least two OBJECTIVES to be simultaneously achieved in order to assign the SHARES. They are defined using performance indicators related to the results of GENERALI and/or the GENERALI GROUP. These indicators correspond to objectively measurable parameters, such as the relative *Total Shareholders' Return (Relative TSR)* or the *Return on Equity (ROE)*.

At the end of the PLAN's three years' period, the assigned SHARES will be permanently assigned to the BENEFICIARIES in a single solution (without prejudice, in any case, to the provisions set forth in the following paragraphs 4.6 and 4.8).

The PLAN also provides the possibility of assigning additional SHARES to the BENEFICIARIES according to a so-called *dividend equivalent* principle. Should the SHAREHOLDERS' MEETING resolve upon the distribution of dividends in favour of the shareholders during the three-year reference period, at the expiry of such three-year reference period, and additional number or SHARES will be assigned in favour of the BENEFICIARIES, as identified by the ADMINISTRATIVE BODY, to be determined on the basis of the amount of the overall dividends distributed during the three-year reference period.

The additional number of SHARES thus determined shall be assigned simultaneously and in relation with the other SHARES assigned in favour of each BENEFICIARY, subject to the same *holding* periods described below and determined considering the SHARES' value at the awarding of the plan,

to be calculated as the average of the three months prior to approval, by the ADMINISTRATIVE BODY, of the draft financial statements and the consolidated financial statements with regard to the financial year related to the preceding year.

2.3 Factors on which the scale of compensation based on financial instruments is determined, or the criteria for determining this

The maximum number of SHARES which can be assigned at the end of the PLAN's three years' period is calculated by dividing the maximum award amount (calculated as a percentage of the recurring annual gross remuneration) by the SHARE value, calculated as the average of the three months prior to the approval by the ADMINISTRATIVE BODY of the financial statements' and consolidated financial statements' draft of the year before the beginning of the PLAN's three years' period.

The number of SHARES may be reduced to a minimum level (which is also calculated as a percentage of the recurring annual gross remuneration), below which no SHARE shall be assigned.

The SHARES that can be assigned are divided into three *tranches*, one for each of the three years of the PLAN, which are determined at respective percentage rates of 30%-30%-40%.

Each year the level of achievement of the OBJECTIVES set for the three years of the PLAN period is verified, in order to determine the SHARES' number to be assigned for each *tranche*.

The sum of the SHARES set aside in each of the three years will be finally assigned only at the end of the PLAN's three year period, after an overall evaluation of the achievement of the OBJECTIVES which then takes into account the performance not only on annual basis but over three years as well.

The BENEFICIARIES and the number of SHARES that may be assigned to each of them are determined by the ADMINISTRATIVE BODY at its sole discretion.

GENERALI can decide not to assign to the BENEFICIARIES, in whole or in part, the

SHARES, if there is a significant deterioration in the GENERALI's financial position, ascertained by GENERALI's ADMINISTRATIVE BODY. GENERALI further reserves the right to ask BENEFICIARIES to return the SHARES, in whole or in part, where the results turn out not to be sustainable or to result from negligent or seriously culpable conduct ascribable to the BENEFICIARIES.

GENERALI may decide not to grant the SHARES to the BENEFICIARIES, in whole or in part, if a significant detriment of the financial or the monetary situation of GENERALI occurs, as ascertained by the ADMINISTRATIVE BODY of GENERALI. GENERALI also reserves its right to ask the BENEFICIARIES to refund, in whole or in part, of the SHARES granted, if the results achieved prove to be non-lasting or effective as a result of a fraudulent or grossly negligent conduct attributable to the BENEFICIARIES.

Moreover, GENERALI has the right to grant also to single BENEFICIARIES in place of - full or partial - allocation of SHARES - a CASH SETTLEMENT (without prejudice to the other relevant terms and conditions applicable for the PLAN), on the basis of a resolution that the ADMINISTRATIVE BODY (or the delegated body in charge) may take at its sole discretion.

In line with European legislation (Solvency II), GENERALI shall require to the BENEFICIARIES - through special clauses included in the contractual documentation regulating the PLAN - not to use personal hedging strategies or insurance coverage (so-called hedging) that may alter or affect the risk alignment effects implicit in the PLAN.

Furthermore, even if the OBJECTIVES are met, should the ECONOMIC SOLVENCY RATIO

3. APPROVAL PROCEDURE AND INSTRUMENT ASSIGNMENT SCHEDULE

3.1 Context of powers and functions delegated by the Shareholders' Meeting to the Board of Directors in order to implement the plan

The SHAREHOLDERS' MEETING is called to approve the PLAN that provides for the free assignment of SHARES to the BENEFICIARIES

index be lower than 130%, or the other percentage established by the ADMINISTRATIVE BODY from time to time, GENERALI may not assign the SHARES - in whole or in part - to the BENEFICIARIES.

2.4. The reasons behind any decision to ascribe compensation plans based on financial instruments not issued by the issuer of financial instruments, such as financial instruments issued by subsidiaries or parent companies or third party companies in respect of the group they belong to; when the aforesaid instruments are not traded on regulated markets, information on the criteria used to determine the value ascribable to them

Not applicable. The PLAN does not envisage recourse to such financial instruments.

2.5 Assessments concerning significant tax and accounting implications which have affected the decision taken on the plans

Not applicable: there are no significant tax and accounting implications affecting the definition of the PLAN.

2.6 Any support for the plan by the Special Fund for Incentivising the Participation of Workers in Businesses, as at article 4, paragraph 112, of Law no. 350 of 24 December 2003

Not applicable: the PLAN does not receive any support from the Special Fund for Incentivising the Participation of Workers in Businesses, as at article 4, paragraph 112, of Law no. 350 of 24 December 2003.

by the ADMINISTRATIVE BODY.

The maximum number of SHARES that can be assigned under the PLAN is 10.000.000.

The SHARES pertaining to the PLAN will be taken, in whole or in part:

(i) from the treasury stocks' supply pos-

sibly purchased by the COMPANY in execution of the SHAREHOLDERS' MEETINGS' authorizations pursuant to Articles 2357 and 2357-ter of the Italian Civil Code; and/or

- (ii) from any specific capital increases with no subscription price - through the use of profits and/or profit reserves - pursuant to Article 2349, paragraph 1, of the Italian Civil Code.

For this purpose the SHAREHOLDERS' MEETING which was called to approve the PLAN, will also decide on a treasury stock purchase plan and on the delegation of powers to the Board of Directors to freely increase the share capital, pursuant to Article 2349, paragraph 1, of the Italian Civil Code.

What precedes, addresses the need to provide greater flexibility, in implementing the PLAN, assuring to the ADMINISTRATIVE BODY the ability to identify the methods of procurement or issue of the SHARES pertaining to the PLAN that better comply with maximum efficiency criteria.

3.2 Indication of the parties appointed to administer the plan and their functions and powers.

The ADMINISTRATIVE BODY is the party appointed to administer the PLAN. The ADMINISTRATIVE BODY may rely on the business functions to the extent of their competence and also delegate its powers to the MANAGING DIRECTOR/GROUP CEO or to other board members.

Within the ADMINISTRATIVE BODY, the REMUNERATION COMMITTEE advances the proposals concerning remuneration matters - also with regard to the variable component deriving from the PLAN - of the MANAGING DIRECTOR/GROUP CEO and, in general, of the DIRECTORS with specific functions. Furthermore, the REMUNERATION COMMITTEE provides its opinion regarding the remuneration in favor of the other managers with strategic responsibilities, after the relative proposal of the MANAGING DIRECTOR/GROUP CEO is presented.

3.3 Any existing procedures to review plans, also in respect of any changes in basic objectives

In the first year of the PLAN's three years'

period, the ADMINISTRATIVE BODY defines the OBJECTIVES, in consideration of - *inter alia* - GENERALI GROUP's strategic plans.

The ADMINISTRATIVE BODY can amend and integrate the PLAN, the PLAN's Regulations and/or the PARTICIPATION FORMS, autonomously and without any further approval by the SHAREHOLDERS' MEETING. These amendments and integrations are those deemed necessary or appropriate as a consequence of factors that may affect the SHARES, GENERALI and/or GENERALI GROUP and/or the PLAN and/or the OBJECTIVES (including, but not limited to, extraordinary transactions regarding GENERALI and/or GENERALI GROUP, capital transactions, legislative changes or alterations to the group scope, compliance with specific sector or foreign country regulations applicable for single GENERALI GROUP companies, material changes in the macroeconomic conditions or in the international monetary policy), in order to maintain unchanged - on a discretionary basis and anyway to the extent permitted by the law from time to time applicable - the substantive and financial aspects of the PLAN.

3.4 Description of the procedures whereby the availability and assignment of the financial instruments on which the plans are based are determined (e.g.: free assignment of shares, increases in capital excluding the option right or right to purchase or sell own shares)

In order to guarantee greater flexibility, the SHARES free assignment in implementing the PLAN will be obtained through: (i) treasury stocks deriving from purchases authorized by the SHAREHOLDERS' MEETING, pursuant to Articles 2357 and 2357-ter of the Italian Civil Code; or (ii) SHARES deriving from capital increases with no subscription price - through the use of profits and / or profit reserves - pursuant to Article 2349, paragraph 1, of the Italian Civil Code.

The ADMINISTRATIVE BODY decides, according to the specific requirements for implementing the PLAN, which - among the above mentioned instruments - will be actually used, in order to ensure the best resource efficiency of GENERALI and/or of GENERALI GROUP.

3.5 The role played by each director in deter-

mining the characteristics of the plans as mentioned; any recurrence of conflict of interest concerning the directors in question

No DIRECTOR of GENERALI or of GENERALI GROUP participates in the resolutions adopted by the ADMINISTRATIVE BODY for that part of the PLAN which concerns him/her.

3.6 As required by Art. 84-bis, paragraph 1, the date of the decision adopted by the body with authority to submit the plans and any Remuneration Committee proposal for approval by the General Shareholders' Meeting

The REMUNERATION COMMITTEE examined the PLAN during its meetings of 2 December 2015 and 11 March 2016 releasing a positive opinion and resolved to submit it to the ADMINISTRATIVE BODY'S approval.

The ADMINISTRATIVE BODY, at its meetings of December 2nd 2015 and March 17th 2016, following the positive opinion of the REMUNERATION COMMITTEE, resolved to approve the PLAN'S proposal and to submit it to the SHAREHOLDERS' MEETING approval.

3.7 As required by Art. 84-bis, paragraph 5, letter a), the date of the decision adopted by the body with authority over the granting of the instruments and of any proposal made to the said body by the Remuneration Committee, if any

The PLAN is submitted for approval to the SHAREHOLDERS' MEETING called in Trieste on 26 April 2016 (ordinary and extraordinary meeting, on first call) and, if necessary, on 27 April 2016 (extraordinary meeting, on second call) and, if necessary, on 28 April 2016 (ordinary meeting, on second call and extraordinary meeting, on third call). SHARES' assignment is resolved by the ADMINISTRATIVE BODY, once the OBJECTIVES' achievement has been verified (as detailed in paragraph 2.2).

3.8 The market price, registered on previous dates, for the financial instruments on which the plan is based, if traded on regulated markets

Not applicable.

3.9 In the case of plans based on financial

instruments traded on regulated markets, in what time periods and according to what terms does the issuer take into account possible coincident timing between the following elements in identifying the timing of the granting of the instruments in implementing the plan:

- i) *the mentioned grant or any decisions adopted with this regard by the Remuneration Committee; and*
- ii) *the disclosure of any relevant information pursuant to Art. 114, paragraph 1, for example in cases in which such information is:*
 - a. *not already public and suitable for positively influencing market prices, or*
 - b. *already public and suitable for negatively influencing market prices.*

Some of the PLAN'S BENEFICIARIES are subjected to the obligations under the so-called *internal dealing* discipline, Articles 114 of the ICFA and 152-sexies of the ISSUERS' REGULATION. They are therefore required, upon the occurrence of the cases mentioned in the ICFA and by the ISSUERS' REGULATION, to provide timely information to the market on relevant transactions - pursuant to the said regulations - made on the SHARES.

That having been said, the Group provisions of the "*Internal Dealing Procedure/ Management and communication to the public of the Generali Group's privileged information and share trading operations*", which GENERALI has adopted, provide that such parties may not carry out relevant transactions on SHARES within some black-out periods, i.e. within 15 days prior to the date of board meetings at which:

- the draft separate and consolidated financial statements of GENERALI or the semi-annual financial reports are examined;
- a dividend distribution proposal is made;
- the interim management report at 31 March and 30 September of each year are examined.

The text of the "*Internal Dealing Procedure/ Management and communication to the public of the Generali Group's privileged information and share trading operations*" identifying the internal dealers of the COMPANY is available on the COMPANY'S website at www.generali.com.

4. FEATURES OF THE ASSIGNED INSTRUMENTS

4.1. Description of the manners in which financial instrument-based remuneration plans are structured, for example, indicating whether the plan is based on the granting of financial instruments (i.e. restricted stock awards); the increase in value of such instruments (i.e. phantom stock), the granting of option rights that allow for subsequent purchase of the financial instruments (i.e. option grant) with settlement by physical delivery (i.e. stock option) or in cash based on a differential (i.e. stock appreciation right)

Granting of SHARES to PLAN BENEFICIARIES as restricted stock.

4.2 Indication of the effective period for implementation of the plan with reference also to any different cycles planned

The PLAN is implemented starting from the DATE OF APPROVAL.

The PLAN has a three year performance period 2016-2018 and an additional sale restriction period on the granted SHARES as described below.

4.3 The term of the plan

The effective period of the PLAN shall run from the DATE OF APPROVAL until the end of the PLAN's three years' period.

4.4 The maximum number of financial instruments, including in the form of options, granted in any fiscal year in relation to parties identified by name or in the categories indicated

The maximum number of SHARES that may be assigned to the BENEFICIARIES of the PLAN is 10,000,000.

The number of SHARES that can be assigned to each BENEFICIARY is determined by the ADMINISTRATIVE BODY.

The actual number of SHARES to be assigned to each BENEFICIARY will depend on the OBJECTIVES being met.

The SHARES' assignment will take place

only at the end of the PLAN's third year.

The SHARES which will be assigned during the implementation of the PLAN shall be communicated pursuant to art. 84-bis, paragraph 5, point a), of the ISSUERS' REGULATION.

4.5 The terms and clauses for implementation of the plan, specifying whether the actual granting of the instruments is subject to the occurrence of conditions or to the achievement of given results, including performance results; describing such conditions and results

Please refer to paragraph 2.2.

4.6 Indication of any disposal restrictions encumbering the instruments granted or the instruments deriving from the exercise of options, with particular reference to the time periods during which subsequent transfer to the company itself or to third parties is allowed or prohibited

The SHARES granted to the BENEFICIARIES will be freely sellable under the following terms and conditions:

- 50% will be immediately sellable (in order to enable the beneficiaries to bear the tax charges related to the grant);
- the other 50% will be subject to sale restrictions for a period of two years.

The sale restrictions will begin on the date on which the SHARES are registered on the current account in the name of the BENEFICIARIES at the PLAN ADMINISTRATOR.

After the expiry date of the periods in which sales are restricted as described above, the DIRECTORS who are granted SHARES, in compliance with the recommendations of the CORPORATE GOVERNANCE CODE, shall have the obligation of continuously holding - until the end of the DIRECTORS' mandate existing at the end of the periods in which sales are restricted - a percentage of the SHARES assigned to them, the amount of which shall be set by the ADMINISTRATIVE BODY. These SHARES will be subject to non-transferability restrictions - and therefore may not be sold, assigned, exchanged, carried forward,

or otherwise be transferred to any living person – until the end of the abovementioned time periods, unless authorized by the ADMINISTRATIVE BODY, which may also order SHARES to remain in custody.

In the event that the employment relationship or the administrative relationship is terminated, the ADMINISTRATIVE BODY can re-define the terms and conditions of all of the above-mentioned restrictions of sales, possibly also considering the overall remuneration of the interested BENEFICIARY, or also by referring to SHARES granted in execution of other incentive plans.

4.7 Description of any resolutive conditions in relation to plan grants in the event that the beneficiaries engage in hedging transactions which allow to neutralize any prohibitions on the sale of the financial instruments granted, including in the form of options, or of the financial instruments deriving from the exercise of such options

In case of violation of hedging prohibition by a BENEFICIARY (see. above par. 2.3), the ADMINISTRATIVE BODY may consider the adoption of deemed most appropriate measures, including the forfeiture from the BENEFICIARY of the right to receive SHARES.

4.8 Description of the effects caused by termination of the Relationship

In the event that the RELATIONSHIP is terminated before GENERALI has received the PARTICIPATION FORM from the potential BENEFICIARY duly signed for acceptance or before the expiry of the PLAN's three years' period, the BENEFICIARIES lose the chance to receive SHARES upon the occurrence of the conditions described above. In the event that the pension requirements are fully met or in case of death or disability with the right to receive a disability pension which entails the termination of the RELATIONSHIP, if such events occur after the first year of the PLAN's three years' period, the BENEFICIARIES, or the respective heirs in the event of death, may retain the right to receive the SHARES, under the terms and conditions described above, proportionately to the duration of the RELATIONSHIP relative to the duration of the PLAN's three years' period.

In all cases of termination of the RELATION-

SHIP other than those described above, the BENEFICIARIES shall lose their entitlement, as well as the future chance to receive SHARES upon the fulfillment of the conditions described above. As a partial exception to the above, if the RELATIONSHIP have a defined term and an expiry period prior to the expiry of the PLAN's three-year period, the BENEFICIARIES for whom the expiry of the RELATIONSHIP occurs after the first year of the PLAN's three-year period, shall retain the right to receive SHARES, on the terms and conditions described above, proportionately to the duration of the RELATIONSHIP relative to the duration of the PLAN's three-year period.

If a GENERALI GROUP's company ceases to be part of the GENERALI GROUP, the RELATIONSHIP shall be considered as having terminated for the purposes of the PLAN on the date on which such event occurs. However, BENEFICIARIES for whom such event occurs after the first year of the PLAN's three-year period maintain the right to receive the SHARES, on the terms and conditions described above, proportionately to the duration of the company's membership of the GENERALI GROUP with regard to the duration of the PLAN's three-year period.

Finally, if the RELATIONSHIP with GENERALI or a GENERALI GROUP's company is transferred to another GENERALI GROUP's company and/or in the case of termination of the RELATIONSHIP and concurrent creation of a new RELATIONSHIP within GENERALI GROUP, the BENEFICIARY will retain, *mutatis mutandis*, every right possessed under the PLAN and in accordance with the PARTICIPATION FORM.

The ADMINISTRATIVE BODY has the power to amend the above terms, on condition that the amendment is more favorable to the BENEFICIARIES, possibly also considering the overall remuneration of the interested BENEFICIARY, or also by referring to SHARES granted in execution of other incentive plans.

4.9 Indication of any other causes for plan cancellation.

No additional clauses are provided for cancellation of the PLAN.

4.10 Reasons for any planned "redemption" by the company of the financial instru-

ments involved in the plans, provided for pursuant to Article 2357 et seq. of the Italian Civil Code, with the redemption beneficiaries indicating whether it is intended only for certain categories of employees and the effect of termination of the employment relationship on such redemption

Not applicable: redemption by the company of the SHARES involved in the PLAN has not been provided for.

4.11 Any loans or other facilities intended to be granted for the purchase of SHARES pursuant to Art. 2358 of the Italian Civil Code

Not applicable: the granting of any loans or other facilities for the purchase of SHARES, pursuant to Article 2358 of the Civil Code, has not been provided for.

4.12 Indication of the valuation of the expected expense for the company on the respective grant date, as may be determined based on the terms and conditions already defined, as an overall amount and in relation to each plan instrument

The PLAN expense is equal to the sum of the real cost of each of the PLAN's three years' period, calculated as the product of the fair value of the entitlement to receive SHARES (calculated on the grant date) multiplied by the estimated number of rights to be granted at the end of the PLAN's three years' period.

The cost will be distributed proportionately over the three years' vesting period and re-estimated/adjusted at the end of each year during the vesting period as a cross-entry to the appropriate balance sheet reserve.

4.13 Indication any equity dilution effects as a result of the compensation plans

In the event that the supply of shares underlying the PLAN is acquired through capital increases, the maximum dilution effect - taking into account the maximum number of SHARES that can be assigned - can be 0.64%.

4.14 Any limitations provided for the exercise of voting rights and for the granting of dividend rights

Not applicable. Even during sale restriction periods, BENEFICIARIES who have received SHARES shall be entitled to the dividends accrued during such periods, as well as to voting rights.

4.15 In the event that the shares are not traded on regulated markets, any information useful for a complete evaluation of the value attributable to them

Not applicable.

4.16 Number of underlying financial instruments for each option

Not applicable.

4.17 Expiry of options

Not applicable.

4.18 Method (American/European), timing (e.g. valid periods of exercise) and exercise clauses (for example knock-in and knock-out clauses)

Not applicable.

4.19 The option strike price or the method and criteria for its determination, with particular reference to:

- a) *the formula for calculating the strike price in relation to a given market price (i.e. fair market value) (for example: strike price of 90%, 100% or 110% of the market price), and*
- b) *the method for determining the reference market price for determining the strike price (for example: last price on the day prior to the grant, daily average, average for the last 30 days, etc.)*

Not applicable.

4.20 In the event that the strike price is not the same as the market price determined as indicated in point 4.19.b (fair market value), reasons for this difference

Not applicable.

4.21 Criteria on the basis of which different strike prices are provided for different parties or several categories of beneficiaries

Not applicable.

4.22 In the event that the underlying financial instruments for options are not traded on regulated markets, indication of the value attributable to the underlying instruments or the criteria for determining such value

Not applicable.

4.23 Criteria for the adjustments necessary after an extraordinary capital transaction or other transactions that entail a change in the number of underlying instruments (capital increases, extraordinary dividends, merger and spin-off, transactions for conversion into other classes of shares, etc.)

Not applicable.

4.24 Share issuers are to attach the enclosed Table No. 1 to the information document, filling out:

a) in any case section 1 of boxes 1 and 2 in the fields of specific interest;

b) section 2 of boxes 1 and 2, filling out the fields of specific interest, based on the characteristics already defined by the Board of Directors.

For the members of the Board of Directors or the Management Board, the General Managers and other managers with strategic responsibilities of the listed issuer may be provided by reference to material published pursuant to Art. 84-quater for the data in section 1, Table No. 1 and the information requested in paragraph 1, including:

- point 1.1;
- letters a) and b), in point 1.3;
- letters a) and b), in point 1.4.

Information referred to in section 1, model 1, Table 1, Scheme 7 of Annex 3A of the ISSUERS' REGULATION, as well as in Art. 84-bis, par. 5, of the ISSUERS' REGULATION, are available on the COMPANY'S website: www.generali.com.

Information referred to in section 2, model 2, Table 1, Scheme 7 of Annex 3A of the ISSUERS' REGULATION, as well as in Art. 84-bis, par. 5, of the ISSUERS' REGULATION, will be provided - as set out above - in accordance with the procedures and terms set forth in Art. 84-bis, par. 5, of the ISSUERS' REGULATION.





