188th year

Report on Remuneration Policy and payments

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GENERALI

Report on Remuneration Policy and payments

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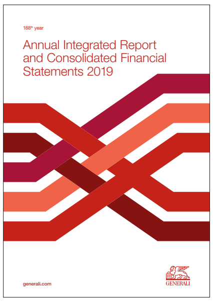
The integrated overview of our reports

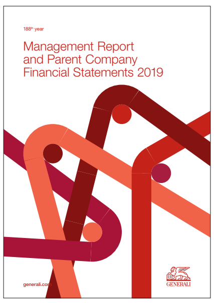
Our sustainable value creation story is moving forward on the basis of the integrated thinking. It started in 2013, when the first integrated report was published, and then developed using the Core&More[1] reporting approach. The Annual Integrated Report is the Core report of the Group, centred on material financial and non-financial information. All other More reports and channels of communication include further information, some of which targets a specialized audience.

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



Annual Integrated Report and Consolidated Financial Statements
It expands the content of the Group Annual Integrated Report, providing details of its financial performance in compliance with national and international regulations.

Report on Remuneration Policy and payments
It provides specific information on the remuneration policy adopted by the Group and its implementation.



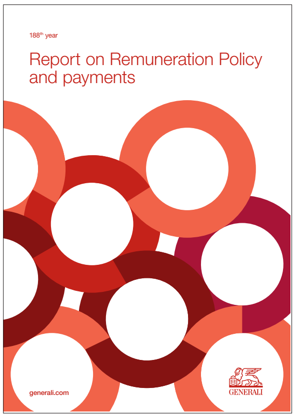
Management Report and Parent Company Financial Statements
It provides information on the performance of Assicurazioni Generali, in accordance with currently effective regulations.

Corporate Governance and Share Ownership Report
It outlines the corporate governance system of Assicurazioni Generali and its ownership structure.

generali.com
for further information on the Group.

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

Information on the Report on Remuneration Policy and payments



The Group Report on Remuneration Policy and payments is the document to be submitted to Shareholders' approval in the Annual General Meeting in accordance with IVASS regulation on remuneration (regulation n. 38 of 3 July 2018) and Italian stock exchange authority - CONSOB issuer regulation, with the following contents:

a. an illustration of the general strategies, reasons and purposes that the undertaking intends to pursue through its remuneration policy;
b. the information about the decision-making process used to define the remuneration policy, including that on the subjects involved;
c. the criteria used to define the balance between fixed and variable component and the parameters, reasons and relevant deferral periods for the payment of the variable components, as well as the severance policy;
d. information about the changes made to the already approved policies.

Furthermore every year the Board of Directors shall furnish the meeting with adequate and quantitative information on the application of the remuneration policies.
In accordance with relevant regulation, the Group Report on Remuneration Policy and payments is structured as follows:

- Section I, to be submitted to Annual General Meeting for approval, provides description of remuneration pillars and details of incentives structure & performance;
- Section II, to be submitted to the non-binding resolution of the Annual General Meeting, provides ex-post disclosure of 2019 incentives & compensation for key management personnel as defined last year;
- Control Functions verifications report by Audit, Compliance & Risk Management, for information.

Letter from the Chair of the Appointments and Remuneration Committee

Dear Shareholders,

2020 for Generali is part of the implementation of the Group's 2019-2021 strategic plan. As presented to the market, the three-year plan provides for a significant development ambition focused on:

- Profitable Growth;
- Capital Management and Financial Optimization;
- Innovation and Digital Transformation.

In the extremely challenging context we are facing, it is essential to have a remuneration policy that focuses and motivates management to achieve results and at the same time to safeguard our assets and our people. A balanced policy that rewards merit and respect for the Group's values, with the aim of obtaining lasting results and ensuring the creation of value, in line with the expectations of the stakeholders and with particular attention to promoting the values of diversity, sustainability and empowerment of people.

The Group incentive system for 2020 is therefore in substantial continuity with respect to 2019, even if the LTI 2020-2022 Plan had to deal with the uncertainties related to future changes in international accounting standards (IFRS 9 and 17) suggesting the definition of KPIs at the center of the investors' focus, and as neutral as possible with respect to this evolution from a perspective standpoint.

The characterizing features of the incentive system can be summarized as follows:
- an annual component (Short Term Incentive) and a deferred one (Long Term Incentive) consistent with our sustainability goals, our business strategy and market best practices;
- the review of the performance indicators of the deferred component of the variable remuneration with a greater weight of the relative Total Shareholder Return (TSR) and the use of an indicator that reflects the generation of cash such as the Net Holding Cash Flow (NHCF);
- the link between remuneration and risk, with the confirmation of the Regulatory Solvency Ratio and the Return on Risk Capital (RoRC) as key indicators;
- the proposal of a stock plan related to the mandate of the Managing Director/Group CEO aimed at pursuing the objective of increasing the value of Generali shares, while aligning the economic interest of the Group CEO with that of the shareholders through the personal and significant investment in Generali shares and the definition of very challenging goals in line with the 2019-2021 three-year strategic plan;
- a broad disclosure regarding all components of our incentive system and the incentives paid.

We strongly believe that motivating, incentivizing and retaining talents with a fair and transparent policy is one of the essential way to achieve our long-term objectives, also in terms of return for shareholders.

In this context, the huge success in participation of the share ownership plan for all employees launched last year across the Group is a tangible confirmation of our commitment to promoting the engagement and commitment of our people.

Finally, together with my fellow Members of the Committee, I would like to thank you Shareholders for the usual willingness to discuss and for the interest you reserve in our remuneration policy every year, even more now in the unprecedented scenario that we all face.

Diva Moriani

Chair of the Assicurazioni Generali Appointments
and Remuneration Committee

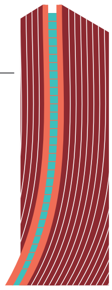
We, Generali

Group’s highlights[1]

Glossary available at the end of this document

www.generali.com/who-we-are/history

Since 1831 we are an Italian, independent Group, with a strong international presence. We are one of the largest global players in the insurance industry, a strategic and highly relevant sector for the growth, development and welfare of modern societies. In almost 200 years we have built a Group that operates in 50 countries through more than 400 companies.



GROSS WRITTEN PREMIUMS

+4.3%

€ 69,785 mln

of which € 15,224.3 mln PREMIUMS FROM SOCIAL AND ENVIRONMENTAL PRODUCTS (+19.8%)[2]

OPERATING RESULT

+6.9%

€ 5,192 mln

NET PROFIT

+15.7%

€ 2,670 mln

ADJUSTED NET PROFIT[3]
without one-off liability management

+6.6%

€ 2,379 mln

Adjusted net profit including one-off liability management amounted to € 2,191 mln.

PROPOSED DIVIDEND PER SHARE

+6.7%

€ 0.96

PROPOSED TOTAL DIVIDEND

+7.1%

€ 1,513 mln

TOTAL ASSETS UNDER MANAGEMENT (AUM)

+29.0%

€ 630.1 bln

of which € 311.7 bln DIRECT INVESTMENTS TO WHICH THE RESPONSIBLE INVESTMENT GUIDELINE IS APPLIED[4] (+7.7%) and € 35.5 bln SUSTAINABLE AND RESPONSIBLE INVESTMENTS[5] (+6.9%)

REGULATORY SOLVENCY RATIO

+8 pps

224%

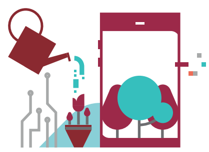
NEW GREEN AND SUSTAINABLE INVESTMENTS[6]

€ 2,667 mln

TOTAL EMISSIONS

-20.1% vs base year 2013

t 96,784 CO_2e



1 All changes in this Report are calculated on 2018, unless otherwise reported. Changes in premiums, Life net inflows and new business are on equivalent terms, i.e. at constant exchange rates and consolidation scope. Operating result, Assets Under Management and Life technical provisions exclude entities under disposal or disposed of in the period. The scope for non-financial indicators included in the NFS is reported in the chapters dedicated to them.
2 Social and environmental products are products which, due to the type of customer protected or coverage supplied, have specific social or environmental characteristics.
3 Adjusted for impact of gains and losses related to disposals.
4 The Responsible Investment Guideline is the document that codifies responsible investment activities at Group level.
5 Sustainable and Responsible Investments (SRI) are assets managed according to Generali Insurance Asset Management’s SRI proprietary methodology both on behalf of Group insurance companies and third-party clients (two funds and three mandates).
6 They are investments that support green and/or social projects, with the explicit aim of creating a positive impact and contributing to the United Nations Sustainable Development Goals.

www.generali.com/our-responsibilities/performance/Ethical-indices

OUR PEOPLE

+1.7%

71,936

GLOBAL ENGAGEMENT SURVEY[7]

+2 pps vs 2017

82% engagement score

+3 pps vs 2017

89% response rate

DIVERSITY AND INCLUSION INDEX[8]

77%

RESKILLED EMPLOYEES[9]

19.7%

ORGANIZATIONAL ENTITIES WITH SMART WORKING[10]

62%

OUR CUSTOMERS[11]

n.m.

61mln

OUR DISTRIBUTORS[12]

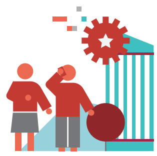
+0.9%

156 thousand

RELATIONSHIP NPS[13]

+3

LIFE



Good performance: both net inflows and gross written premiums increased. Operating result grew.

LIFE NET INFLOWS

+19.6%

€ 13,632 mln

Gross written premiums € 48,260 mln (+4.5%)

NEW BUSINESS VALUE (NBV)

-2.2%

€ 1,777 mln

OPERATING RESULT

+2.0%

€ 3,129 mln

PROPERTY & CASUALTY (P&C)

Premiums increased in both lines of business. Operating result grew; CoR confirmed at excellent level.

GROSS WRITTEN PREMIUMS

+3.9%

€ 21,526 mln

COMBINED RATIO (COR)

-0.4 pps

92.6%

OPERATING RESULT

+3.3%

€ 2,057 mln

7 The Generali Global Engagement Survey (GGES) is launched every two years. During the year when it is conducted, the data monitored are the engagement score and the response rate while the subsequent year the percentage of local actions implemented after the GGES is reported.
8 The index is calculated as an average that differently weighs, according to our priorities, a series of indicators related to gender, age, culture and inclusion.
9 It represents the percentage of employees participating in We LEARN, the Group training programme.
10 They are the organizational entities where smart working is applicable in accordance with local laws and regulations.
11 They are either physical persons or legal entities that hold at least one active insurance policy and pay a premium to Generali accordingly, a banking product or a pension fund product.
12 They represent the sales force within traditional distribution networks.
13 The Relationship Net Promoter Score (NPS) is based on customer research data and calculated deducting the percentage of detractors from the percentage of promoters. The RNPS is not expressed as a percentage but as an absolute number..

The value creation process

EXTERNAL CONTEXT

Geopolitical, macroeconomic and financial instability

Digital transformation and cybersecurity

FINANCIAL CAPITAL
HUMAN CAPITAL
SOCIAL AND RELATIONSHIP CAPITAL
INTELLECTUAL CAPITAL
MANUFACTURED CAPITAL
NATURAL CAPITAL

OUR PURPOSE

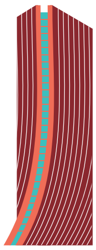
Enable people to shape a safer future by caring for their lives and dreams

VALUES

Deliver on the promise
Value our people
Live the community
Be open

www.generali.com/who-we-are/our-cultue

THE GENERALI 2021 STRATEGY, p. 24



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

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

OUR GOVERNANCE, p. 38

Within a challenging economic and financial environment, we are convinced that our governance - which complies with the best

OUR BUSINESS MODEL

We develop simple, integrated, customized and competitive Life and Property&Casualty insurance solutions for our clients: the offer ranges from savings, individual and family protection policies,

We distribute our products and we offer our services based on a multi-channel strategy, while also relying on new technologies: not only through a global

The premiums we receive from our clients to enter into insurance contracts are responsibly

The premiums collected are managed through appropriate asset-liability management policies as to guarantee the payment of claims and benefits

Glossary available, Annual Integrated Report and Consolidated Financial Statements at the end of this document

Climate change

Aging and evolving social security

OUR CULTURAL TRANSFORMATIONAL AREAS

Ownership

Innovation

Simplification

Human touch

BRAND

GENERALI

Communities of Practice

They represent one of the building blocks of our strategy. The communities promote a collaborative approach among colleagues, by removing any functional and geographical barriers; they share knowledge and work together also for the identification and scale-up of best practices in the Group. Thanks to their new way of working, based on collaboration and co-creation, they accelerate the implementation of innovative ideas in an inclusive environment, in full alignment with strategic initiatives.

international practices - is adequate for effectively pursuing our strategy of creating value for all stakeholders in the medium-long term.

unit-linked policies, as well as motor third-party liability (MTPL), home, accident and health policies, to sophisticated coverage for commercial and industrial risks and tailored plans for multinational companies.

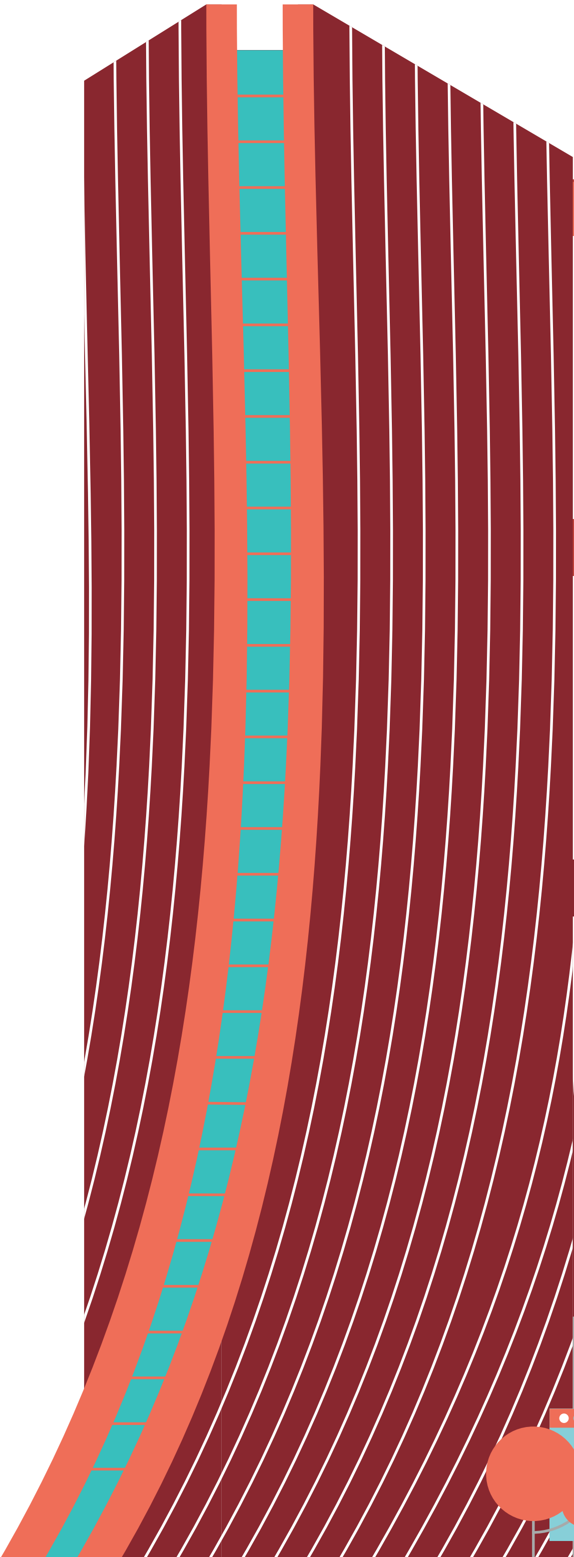
network of agents and financial advisors, but also through brokers, bancassurance and direct channels.

invested in high quality assets.

to our policyholders or their beneficiaries after death, accidents or the occurrence of the insured event.

FINANCIAL CAPITAL, p. 47
in the Annual Integrated Report and Consolidated Financial Statements 2019
MANUFACTURED CAPITAL, p.60
in the Annual Integrated Report and Consolidated Financial Statements 2019
HUMAN CAPITAL, p. 29
SOCIAL AND RELATIONSHIP CAPITAL, p. 32
INTELLECTUAL CAPITAL, p. 26
NATURAL CAPITAL, p. 33

The Generali 2021 strategy



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

Profitable Growth

STRENGTHEN LEADERSHIP IN EUROPE:
reinforce #1 market position[14]

FOCUS ON HIGH POTENTIAL INSURANCE MARKETS:
15%-25% earnings CAGR 2018-2021 depending on country/segmentv

Capital Management and Financial Optimization

INCREASE CAPITAL GENERATION:
> € 10.5 billion cumulative capital generation 2019-2021

ENHANCE CASH REMITTANCE:
+35% cumulative cash remitted to holding 2019-2021 compared to period 2016-2018

Innovation and Digital Transformation

BECOME LIFE-TIME PARTNER TO CUSTOMERS

ENABLE DIGITAL TRANSFORMATION OF DISTRIBUTION

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

Three key enablers which drive the execution of the strategy:

1. Our people

2. A strong brand

14 Based on IAS-IFRS gross written premiums in Europe at year-end 2017.

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

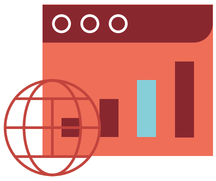
DEVELOP GLOBAL ASSET MANAGEMENT PLATFORM:
15%-20% earnings CAGR 2018-2021

REDUCE DEBT LEVEL AND COST:
€ 1.5-2.0 billion debt reduction by 2021;
€ 70-140 billion reduction in annual gross interest expense by 2021 vs 2017

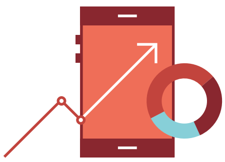
TRANSFORM AND DIGITALIZE OPERATING MODEL

Generali 2021 – Financial Targets

For further information, see the Annual Integrated Report and Consolidated Financial Statements 2019, Our performance, p. 47

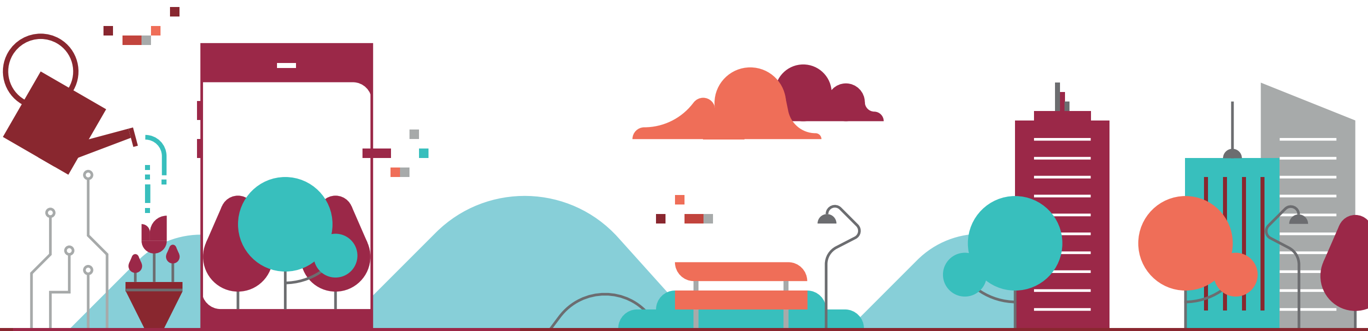


GROWING EARNINGS PER SHARE:
6%-8%
EPS CAGR range[15]
2018-2021



GROWING DIVIDEND:
55%-65%
dividend payout range[16]
2019-2021

HIGHER RETURN FOR SHAREHOLDERS:
> 11.5%
average return on equity[17]
2019-2021



3. A continuos commitment to sustainability

15 3 year CAGR; adjusted for impact of gains and losses related to disposals.
16 Adjusted for impact of gains and losses related to disposals.
17 Based on IFRS Equity excluding OCI and on total net result.

Report on Remuneration Policy and payments

Executive Summary

Remuneration policy:

Through our remuneration policy we aim to attract, motivate and retain the people who – due to their technical and managerial skills and their different profiles in terms of origin, gender and experience – are key to the success of the Group, as reflected in our corporate values.

The remuneration policy reflects and supports both our strategy and values: to be a global insurance Group with an approach that creates value and sustainable results, whilst valuing our people and maintaining our commitment to all stakeholders. .

Consistency with the Regulatory Framework and strategic alignment

The incentive system for the year 2020 has the aim of ensuring the constant alignment of the compensation policy of Assicurazioni Generali (hereinafter also the "Company") and of the Group with the strategy and business priorities, while ensuring consistency with the evolutions of the regulatory framework and confirming the attention to sustainability, as an essential element in the pursuit of strategic objectives.

Thus, Generali remuneration system for 2020 keeps being structured as follows:

- a combination of annual (Short Term Incentive - STI) and deferred (Long Term Incentive - LTI) plans characterized by a strong alignment of the objectives and performance indicators (KPIs) with the strategy and business priorities, with the performance of the Group and with the return for shareholders;
- the link between remuneration and risk, in line with the provisions and recommendations of IVASS and the Solvency II regulation, through key indicators in the Group's incentive systems such as the Regulatory Solvency Ratio and the Return on Risk Capital (RoRC).

The policy in action:
top 10 key aspects

1. Our principles

The following principles lie at the heart of our remuneration policy and consequent actions:

Equity and consistency of remuneration in terms of the responsibilities assigned and capabilities demonstrated	**Alignment with** corporate strategy and goals	**Competitiveness** with respect to market trends and practices	**Merit- and performance-based reward** in terms of results, behaviours and the Group's values	**Clear governance and compliance** with the regulatory framework

2. Target population

The remuneration policy applies to the members of the corporate bodies (Board of Directors, including the Managing Director/Group CEO and the Board of Statutory Auditors) and the "relevant personnel" (identified based on the criteria detailed under Article 2, paragraph 1, point (m) of IVASS Regulation No. 38/2018), which includes the managers with strategic tasks (members of the Group Management Committee - GMC), the other categories of personnel whose activities may have a significant impact on the Company's risk and strategic profile (other direct reports to the Managing Director/Group CEO, to the General Manager and to the Company's Board of Directors) and the heads of Key Functions and their first reporting line managers (Internal Audit, Risk Management, Compliance and Actuarial function) for whom specific guidelines apply in compliance with the applicable regulatory provisions.

In line with the Group strategy adopted, which aims at increasing Generali's global presence and consolidate its international position, the principles of the Group's remuneration policy are consistent at global level and are applied locally in compliance with local laws and specificities.

3. Remuneration package and pay mix

The remuneration package consists of a fixed remuneration, a variable remuneration and fringe benefits, structured in order to ensure a fair balance between these different components.

The structure of each remuneration package is assessed to ensure all the components are fairly balanced to encourage the managers commitment to achieve sustainable results.

The fixed remuneration remunerates the role held and responsibilities assigned. It also takes into account the experience of the individual in question, the skills required, and the quality of the contribution to achievement of business goals.

The variable remuneration is composed by annual and deferred incentive plans that are designed to motivate the management to achieve business goals by creating a direct link between incentives and financial and non-financial goals set at Group, Business Unit, Region, Country, function and individual level.

Fringe benefits represent a substantial component of the remuneration package – within a total reward approach – which complement monetary and share based payments. The type and overall value of fringe benefits differ according to different employee clusters.

In terms of total compensation target, the Group intends to offer competitive remuneration packages between the median and the upper quartile of the reference market, with the individual positioning linked to the performance and potential evaluation, to the strategic individual impact following a segmented approach.

4. Variable remuneration

The variable remuneration is based upon a meritocratic approach and a multi-year framework, including a short-term (annual) and long-term (deferred) plan, linked to the achievement of a combination of Group, Business Unit and individual goals.

The goals set are predefined, measurable, linked to the economic, operating, financial and non-financial and sustainability results. In line with the Group strategy, these objectives are defined and adjusted by risks, and are assessed not only on the basis of the achievement of quantitative goals, but also considering the behavior demonstrated in achieving the goals, in terms of consistency with the Group values.

Our approach entails a significant weighting of the deferred variable component, in order to strengthen the link with the creation of sustainable value for shareholders in the long term. The weighting is proportionate to the level of direct influence on the results that the person in question can deliver.

For the relevant personnel[1] the overall variable remuneration (which includes annual and deferred plans):

- is made up for at least 50% of shares;
- is structured according to percentages and deferral periods differentiated on the basis of the beneficiaries population cluster.

Moreover, maximum caps to variable remuneration are always set - both at a general and individual level - and linked to the actual achievement of performance conditions and goals set.

More specifically, for the annual plan, the maximum funding pool is equal to 150% of the sum of the individual baselines[2] and the individual incentives are set at a maximum of 200% of the single baselines. The deferred incentive plan provides for a cap as a percentage of the individual fixed remuneration, differentiated on the basis of beneficiary population cluster.

To comply with regulatory requirements and encourage the heads of the Key Functions and their first reporting line managers (Internal Audit, Risk Management, Compliance and Actuarial function) to the best performance of their tasks, we have a specific variable remuneration system which is based on individual qualitative goals linked to the specific tasks and control activities assigned, paid in up-front and deferred instalments, with the exclusion of any form of incentive based on economic objectives.

1 With the exclusion of Key Functions to whom a remuneration policy and specific rules apply, as described in par. 4 of Section I.
2 Baseline represents the amount of individual variable remuneration to be paid out in case of achievement of results at a target level.

5. Annual variable remuneration

The Group short-term incentive plan (STI) represents the annual variable component, whereby a cash bonus ranging from 0% to 200% of the individual target baseline can be achieved on an annual basis, in relation to:

- the Group's funding, linked to the Group Net Profit Adjusted and Group Operating Results and subject to the verification of the achievement of a minimum threshold of the Regulatory Solvency Ratio;
- the achievement of the goals set out in the individual balanced scorecards, in which up to eight goals are defined at Group, Business Unit, Region, Country, function and individual level – as appropriate – relating to value creation, risk adjusted profitability, implementation of new strategic projects, sustainability and people value.

6. Deferred variable remuneration

The Group long-term incentive plan (LTI) represents the deferred variable remuneration, the multi-year plan based on Generali shares (subject to Shareholders' Meeting approval), with the following features:

- the plan is based on an overall three-year performance period linked to specific Group performance goals and is subject to the verification of the achievement of a minimum threshold of the Regulatory Solvency Ratio, in line with the levels and the limits defined by the Group Appetite Framework;
- the plan is based on deferral periods differentiated, according to regulatory provisions, on the basis of the beneficiaries population cluster and additional lock-up periods on granted shares (i.e. minimum holding) of up to two years.

In particular, the performance indicators of the deferred component of remuneration (Long Term Incentive - LTI) have also been revised with a view to responding to investor recommendations and in line with business priorities. In particular, two indicators will be used: the relative Total Shareholders Return (TSR[3]), with a greater weight than the previous plans, and the Net Holding Cash Flow (NHCF[4]), as a cash generation measure.

7. Fringe benefits

Fringe benefits represent a substantial component of the remuneration package – within a total reward approach – which complement monetary and share based payments. The type and overall value of fringe benefits differ according to different employee clusters.

3 Total return on investment for the shareholder calculated as a change in the market price of the shares, including distributions or dividends reinvested in shares.
4 Net cash flow available in a period at the parent company level after holding expenses and interest costs. Its main components, considered on a cash basis, are the remittance from subsidiaries, the result of the centralized reinsurance, the interests on parent company's financial debt, the parent company's expenses and the actual taxes paid or reimbursed by the parent company.

8. Malus, clawback and hedging

No incentive is paid in the event of willful misconduct or gross negligence, in case of violation of ethical codes (where established by the Company) or failure to achieve the predetermined results or a significant deterioration of the Company or the Generali Group's capital and financial situation. Any amount disbursed will be subject to clawback if the performance on which the incentive was awarded is later found to be unsustainable or was achieved as a result of willful misconduct or gross negligence or in case of violation of the ethical codes (where established by the Company).

More specifically, thresholds and malus mechanisms are envisaged for both the annual and deferred parts of the variable remuneration. These mechanisms set out limits below which a reduction/zeroing of any incentive is made, subject to the evaluation of the Board of Directors.

With regard to the annual part of variable component, the final assessment of the extent to which the goals have been achieved also includes an individual assessment of conformity with respect to compliance / audit / code of conduct and governance processes, to be carried out and used also as a calibration process and as malus / clawback mechanism as necessary.

In line with the European regulatory framework (Solvency II), the Company requires the incentive policies' beneficiaries not to use any personal coverage or insurance strategies (known as "hedging") that could alter or undermine the risk alignment effects embedded in variable remuneration mechanisms.

9. Severance provisions in the event of termination

If a director or any other position belonging to relevant personnel is removed from office or dismissed, the Company must respect - under the current statutory framework – the legal and/or contractual provisions.

Specifically, in case of termination on mutual consent of position belonging to relevant personnel, the economic terms are set based on the circumstances and grounds of the termination, with particular reference to the individual's performance, the risks undertaken, and the effective Company's operating results. Consequently, no amount is paid in the event of gross negligence or willful misconduct. Under no circumstances, the mutual termination entails a payment that exceeds 24 months' recurring remuneration[5], in addition to what is established by law or contract provision as notice (as applicable).

10. Governance and Compliance

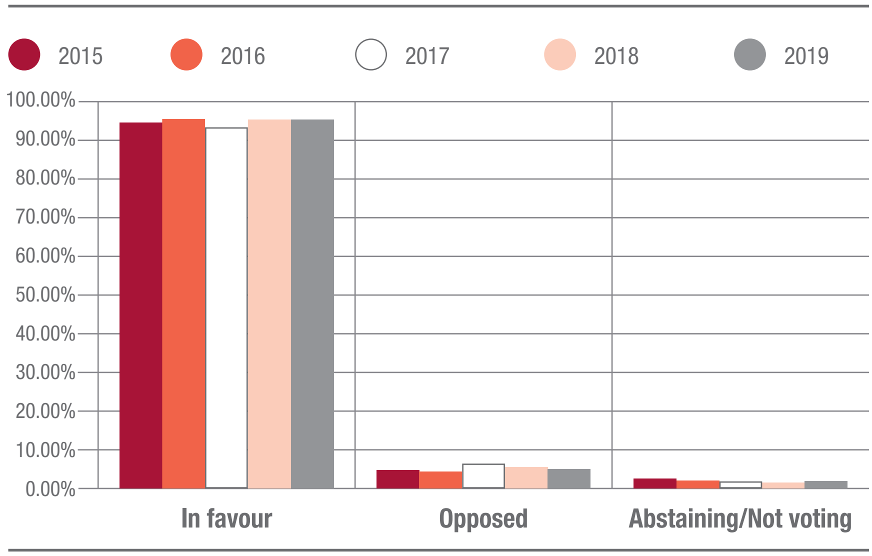
The Company and the Group remuneration policy is subject to binding resolution by the Shareholders' Meeting, as proposed by the Board of Directors upon Appointments and Remuneration Committee recommendation, as required by the applicable regulatory rules and governance procedures.

To ensure full compliance with all applicable laws and regulations, the Key Functions have an important role in the preparation and implementation of the remuneration policy. In such a perspective, the Risk Management and Compliance functions prepare, to the extent applicable, reports on the consistency of the remuneration policy with applicable law. In addition the Internal Audit function prepares a report setting out its analysis of the implementation of the previous year's policy. These reports are attached in Section III of this document.

5 "Recurring remuneration" means the gross annual remuneration increased by the average of the amount effectively received by the individual by way of the annual variable component in the last three years.

Summary of votes on 2019 Remuneration Report (Section I)

In line with regulation provisions, Section I of the 2019 Remuneration Report has been submitted for Approval to the Annual Shareholders' Meeting on May 7, 2019. Favourable votes represent the 93.62% of the ordinary shares represented.



Remuneration - summary of the remuneration policy instruments

Short Term Incentive (STI) systems

	No	Yes
Existence of a Short-Term Incentive (STI) system		X
Existence of a bonus cap		X

Long Term Incentive (LTI) systems

	No	Yes
Existence of a Long-Term Incentive (LTI) System		X

LTI vehicle

Cash	
Financial Instruments	X

Short Term Incentive KPIs for Executives	Weight
Economic & Financial risk adjusted performance (Group Net Profit Adjusted, RORC, Total Remittance from subsidiaries)	50%
Specific Country/BU goals and Group Strategic Projects	15-35%
Generali2021 Enablers	20-30%

Long Term Incentive KPIs for Executives	Weight
Net Holding Cash Flow	40%
rTSR	60%

Other components of the remuneration policy

	No	Yes
Does the company use a peer group?		X

Indemnification and non-competition agreements

	No	Yes
Severance pay		X
Non-competition agreements		X

Section I – Report on the Remuneration Policy

Introduction

The remuneration policy is a key element of the Group strategy and reflects the values of Assicurazioni Generali (hereafter "The Company") and of the Group, whose mission is to protect and improve people lives through the provision of insurance services. We pursue this goal both by taking care of the future of our customers and of people who work for the Group, and by dedicating ourselves to the insurance core business, managing and mitigating the risks of individuals and businesses, whilst creating durable value for our stakeholders.

Through the remuneration policy, we aim to attract, motivate and retain the people who – due to their technical and managerial skills and their different profiles in terms of origin, gender and experience – are a key factor for the Group's success, in accordance with our values.

We believe in the founding values established in our remuneration policy, particularly those focused on:
– meritocratic alignment of the remuneration systems with sustainable long-term business results, in line with the corporate values that are the further pillars of remuneration and of prudent risk management systems; and
– alignment with the overall business strategy based, among other things, on an increasing international integration of the Group, so that the principles and policies are applied consistently within the Group's scope, thus enabling overall alignment with the Group's goals.

The overall incentive system for the year 2020 has the aim of ensuring the constant alignment of the remuneration policy of Assicurazioni Generali (hereinafter also the "Company") and of the Group with the business strategy, while guaranteeing consistency with the evolutions of the reference regulatory framework and confirming the attention to sustainability, as an essential element in the achievement of strategic goals. The 2020 remuneration system, also in consideration of the widely favorable vote expressed by the shareholders when approving the Remuneration Policy last year, maintains the following main characteristics:
– the combination of annual (Short Term Incentive - STI) and deferred (Long Term Incentive - LTI) plans which allows a strong alignment with the strategic plan goals and the balance of short-medium term results with long-term ones;
– the choice of performance indicators (KPIs) for incentive plans both of an economic-financial and non-financial nature defined in line with investor recommendations and consistent with business priorities also in terms of attention to sustainability, return for shareholders and cash generation;
– the link between remuneration and risk, in line with the provisions and recommendations of IVASS and the Solvency II regulation, through key indicators in the Group's incentive systems such as the Regulatory Solvency Ratio and the Return on Risk Capital (RoRC).

Also worthy of note is the proposal, in line with what was also defined for the previous mandate, of a new stock plan related to the current mandate of the Managing Director / Group CEO aimed at pursuing the objective of increasing the value of Generali's shares and aligning at the same time the economic interest of the Group CEO to that of the shareholders through the personal and significant investment in Generali shares and the definition of very challenging goals in line with the 2019-2021 three-year strategic plan.

1. The principles of the Remuneration Policy

The following principles are at the heart of our remuneration policy and consequent actions:

Equity and consistency of remuneration in terms of the responsibilities assigned and capabilities demonstrated	**Alignment with** corporate strategy and goals	**Competitiveness** with respect to market trends and practices	**Merit- and performance-based reward** in terms of results, behaviours and the Group's values	**Clear governance and compliance** with the regulatory framework

Equity and consistency

The remuneration must be consistent with the role, the responsibilities assigned and the skills and abilities demonstrated. This applies to both senior executives and other categories of staff, in line with the requirements of current national and company-level collective agreements.

We are a global Group and consistency is therefore also important in relation to the unvaried approach that is adopted in different Business Units/Countries/Functions of our Group, in order to address all the resources towards Group's goals, whilst ensuring compliance and alignment with local rules and regulations.

Finally the structure of the remuneration package among the different remuneration forms, whether fixed and variable, cash and non-cash, short and medium-long term, is defined taking into account internal equity and consistency needs in relation to the role and position in question and the best market practices.

Alignment with corporate strategy, with long-term interests and corporate sustainability

Remuneration systems are a basic tool to ensure that managers' conduct is aligned with corporate strategies. Our incentive policies are structured so that roles are remunerated according to the level of achievement of sustainable Group results. Goals are set – on an annual and multi-year basis and taking a forward-looking approach – so that future goals take into account the results that have been achieved over time, in order to maintain a sustainable level of performance in terms of results and risks taken, in line with shareholders' requests and regulatory requirements.

More specifically, and as more widely illustrated in the following paragraphs, in the context of the annual part of the variable remuneration (STI), the so-called balanced scorecards of all participants include a significant percentage of objectives linked to the realization of "Group Strategic Projects" and/or strategic plans at local level (see in more detail below, par. 3.3.1) . Similarly, the goals of the deferred part of the variable remuneration (LTI) are closely linked to the the Group's business priorities (see par. 3.3.2 below).

In terms of sustainability, then, all incentive systems provide for so-called gates linked to the "*solvency*" index (whose failure determines the impossibility of disbursing variable remuneration), and financial KPIs always adjusted for risks, in line with the Group's *Risk Appetite Framework*.

Competitiveness

Notwithstanding the remuneration policies are independently defined by the Group, taking due account of the relevant characteristics and peculiarities, and without using specific elements of policies of other companies as a reference, to ensure the effectiveness of remuneration decisions, our remuneration policy entails anyhow the constant monitoring of our peers' and market practices and trends regarding remuneration, in terms of pay mix, remuneration levels and systems, and compliance with the regulatory framework and different industries' specificities.

At local level and at Group level, comparative analysis is carried out by taking into account specific groups of peers, so as to ensure alignment with the reference market. The remuneration policy applied at local level based on the reference benchmark must nonetheless comply with the general principles of the Group's remuneration policy.

The peer comparison is essential both for assessing our performance in absolute and relative terms, and the competitiveness of remuneration packages for the remuneration policy's recipients, in terms of total reward and to attract the best talents in the market. Two independent external consultants (Mercer, PwC) provides corporate bodies and top management of the Company with relevant market information and analysis with specific reference to current practices among our peers at an international level in the insurance and financial sectors, set consistently with the panel of companies used for performance comparisons in incentive plans, as reported in Section 3.3.2.

Value merit and performance

Merit is a key factor in our remuneration policy. Our policy focuses on several elements to acknowledge merit:
- establishing incentive policies that create a direct link between remuneration and the results achieved;

- assessing results not only in relation to the achievement of financial and operating goals, but also in relation to whether the conduct demonstrated in achieving these goals is consistent with Group values;
- assessing performance not only annually, but also on a long-term perspective;
- sharing the annual assessment of all target population of the policy in a calibration meeting that involves the Company's top management, so as to promote equity, consistency and transparency of the meritocratic systems; and
- managing feedback on performance trends, not only annually but also half-yearly, to promote the alignment with expected targets and, in case, the adoption of corrective measures.

Our incentives reward the achievement of both financial and non-financial performance goals through the payment of a variable remuneration, as explained in greater detail in paragraph 3 below. The approach of a balanced remuneration package for all managerial roles is considered a key driver for aligning the Group's goals. The weighting and structure of the variable components are balanced so as to incentivize the achievement of consistent results over time, while taking in due consideration of the Group's risk framework to discourage conduct that would lead to excessive exposure.

All the goals used in the incentive plan are determined, selecting, as performance indicators of the annual plan, goals that are consistent with those used in long-term plans, in line with the Group's strategy.

Clear governance and compliance with the regulatory framework

The tasks of the corporate bodies regarding to remuneration matters are specifically determined, as described in Section I par. 11, and in accordance with the applicable law, regulatory requirements and the Company's governance structure.

The processes and roles for determining and implementing the remuneration policy and the relevant binding resolution are also clearly identified by the relevant bodies, which determine approaches and guidelines that comply with business strategies, regulatory requirements and the Group's values.

We are convinced that implementing these principles will allow us to manage remuneration policies as a key element for attracting, developing and retaining our people, especially those with crucial skills and/or high potential, thus supporting a correct alignment of their performance with corporate results and forming the basis for solid and sustainable results over time.

2. Target population

The remuneration policy included in Section I of this report is applied to members of the corporate bodies (Board of Directors, including the Managing Director/Group CEO, and the Board of Statutory Auditors) and the "relevant personnel"[6] identified based on the criteria provided under Article 2, paragraph 1, point (m) of IVASS Regulation No. 38/2018, i.e. "the general managers, managers with strategic tasks, the managers and senior staff of Key Functions and the other categories of personnel whose activities may have a significant impact on the Company's risk profile", and therefore, more specifically:

- the members of the Group Management Committee (GMC)[7], leadership team made up of Group managers, that discuss decisions for the Group and verify the proposals to be submitted to the Board of Directors; the Board's decisions and directions are then conveyed within the Group;
- the heads of internal Key Functions (Internal Audit, Risk Management, Compliance and Actuarial Function) and their direct reports, for whom specific provisions are set out, in line with the regulatory requirements applicable to these resources; and
- other direct reports to the Managing Director/Group CEO, to the General Manager and to the Board of Directors of the Company[8] that have a significant impact on the Group's strategic profile.

In line with the implemented Group strategy to increase Generali's global presence and consolidate its international position and in line with the regulatory framework, the principles of this Group's remuneration policy are

6 This perimeter includes the managers with strategic responsibilities identified in line with CONSOB Regulation.
7 Currently identified in the following roles: General Manager; Group Chief Financial Officer; Group Chief Risk Officer; Group Chief Marketing & Customer Officer; Group Chief Investment Officer and CEO Asset & Wealth Management; Country Manager Italy & Global Business Lines; CEO International; Country Manager Germany; Country Manager France & Europ Assistance; Austria, CEE & Russia Regional Officer; Group Chief HR & Organization Officer. Of these, the Country Manager France & Europ Assistance and the Austria, CEE & Russia Regional Officer are not employees of the Group in Italy and, therefore, the Group's remuneration policy and governance in this respect are subject to application in compliance with the respective governance and in line with local regulations.
8 Currently identified in the following roles: Group General Counsel; Group Communications & Public Affairs Director; Head of Corporate Affairs & Company Secretary; Group Head of Strategy & Business Accelerator Director; Group Head of Mergers & Acquisitions and Group Bancassurance Director. Among the Board of Directors' reports, there is also the Head of Group Audit function, already included in the second cluster.

consistent at global level, and therefore for all Group Relevant Personnel, being understood the compliance with local/business laws, regulations and specificities (as better detailed in paragraph 11.8).

Furthermore, the Group pays particular attention to the governance processes relating to the members of the Global Leadership Group (GLG)[9], which represent the main approximately 200 Group roles with higher organizational weight and impact on the results and strategy implementation process, as well as, limited to the Group long-term incentive plan (LTI), Talents and other key roles selectively identified (see paragraph 3.3.2).

3. Remuneration policy for the Managing Director/Group CEO and the relevant personnel[10]

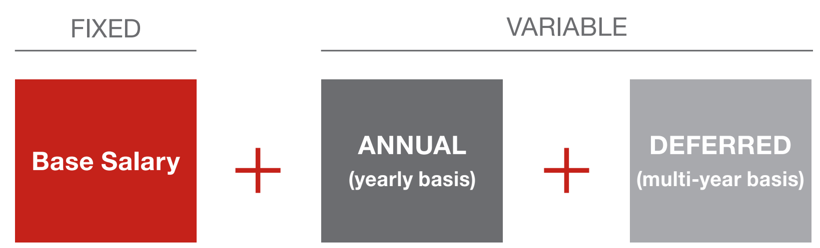
3.1. Total remuneration package in terms of level, structure and pay mix

The Managing Director/Group CEO and the relevant personnel not belonging to Key Functions receive a total remuneration package consisting of a fixed and a variable (annual and deferred) remuneration component and fringe benefits.

The underlying principles on the basis of which the remuneration package is structured are those explained at the beginning of the report and further described and expanded on below. More specifically:

- the remuneration package is clearly determined to ensure a balance between fixed and variable remuneration components, and encourage the achievement of results that are sustainable in the long term;
- the remuneration package is structured to ensure a balance between the need to adequately incentivize the achievement of the best results in the Group's interest and, at the same time, guarantee, through the adoption of several precautions and protections, a sound and prudent management in compliance with the regulatory framework;
- the "target" remuneration package is defined with the purpose to maintain a competitive level between the median and the upper quartile of the reference market, on the basis of the individual positioning connected to the assessment of the resource's performance and potential and strategic impact according to a segmented approach;
- the variable remuneration component is made of annual and deferred incentive plans based on individual and Group performance indicators, which also incorporate the sustainability requirements in light of the risks undertaken;
- the incentive plans provide entry thresholds connected to the Company's financial position and risk management as well as risk indicators and malus and clawback mechanisms;
- the expected performance is clearly determined through a structured and clear performance management system;
- the overall variable component (which includes an annual and deferral part):
  - is made up for at least 50% of shares;
  - is structured according to percentages and deferral periods differentiated on the basis of the beneficiaries population cluster.

TOTAL TARGET REMUNERATION COMPONENTS



9 The Global Leadership Group (GLG) consists of approximately 200 Group roles, annually identified within positions with high organizational weight and impact on results and strategy implementation process, including among others CEOs of subsidiaries, Branch managers, strategic positions inside countries and business lines and positions at Head Office with a global impact on the Group's results, for which specific Short Term Incentives (STI) and Long Term Incentive (LTI) policies apply, as described in the Section I, paragraphs 3.3.1 and 3.3.2. of this report.
10 With the exclusion of the Key Functions: for these roles, please see the specific remuneration policies and rules under paragraph 4 of this Section I.

The remuneration package structure is analyzed to ensure that the fixed remuneration is balanced with respect to variable remuneration and fringe benefits, to encourage managers to fully commit to achieving sustainable results, as detailed below. More specifically, the fixed remuneration is determined as an amount that does not incentivize the undertaking of inappropriate risks by the manager and that allows the effective enforceability, in the theoretical event the relevant conditions are met, of specific ex-post correctional mechanisms (malus and claw-back) on the variable remuneration (see paragraph 3.3).

Fringe benefits are constantly evaluated with reference to main market practices to ensure alignment with key trends and studies are carried out concerning professional sectors, business lines and geographic areas.

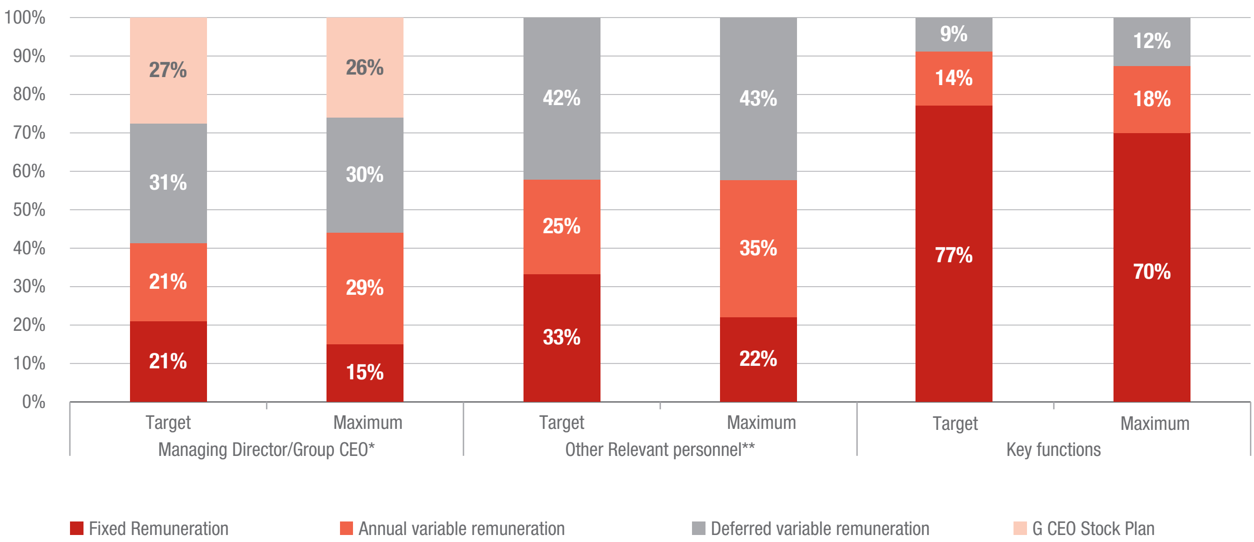
Specific guidelines on the balancing of the different remuneration components are defined for each target group and, with specific reference to the Group Management Committee (GMC) members, after obtaining the prior opinion of the Appointments and Remuneration Committee, the Board of Directors establishes the overall positioning policy at Group level in terms of the value of remuneration. It also defines guidelines for remuneration review and pay mix wherever necessary, according to market trends and the results of internal analyses.

The Board of Directors, after receiving the proposal of the Appointments and Remuneration Committee, approves the structure and criteria of the incentive plans for the target population of this policy once a year, therefore ensuring an appropriate balance of variable remuneration opportunities in the pay mix.

For the relevant personnel of Key Functions, the pay-mix policy is defined by the Control and Risk Committee in favor of the fixed component, with an approach taken towards the variable component that is consistent with the aim of ensuring their independence and the objectivity of their controls.

2020 TARGET AND MAXIMUM PAY MIX[11]

Average impact of the fixed and variable remuneration on the total target/maximum remuneration package of the target population of this policy.



* With reference to the deferred variable component, the annual impact on the total remuneration of the Stock plan related to the mandate of the Managing Director / Group CEO is highlighted.

** Category including managers with strategic tasks (members of the Group Management Committee - GMC), the other categories of personnel whose activities may have a significant impact on the Company's strategic profile (other direct reports to the Managing Director/Group CEO, to the General Manager and to the Company's Board of Directors).

11 Average reference for the definition of individual remuneration packages.

3.2 Fixed remuneration

The fixed remuneration is determined and adjusted over time in light of the role held and the responsibilities assigned, and also taking into account each manager's experience and skills, in addition to the quality of the contribution made in terms of achieving business results.
The weight of the fixed remuneration must be sufficient to attract and retain people and, at the same time, sufficiently remunerate the role, in the event the variable component is not disbursed due to a failure to achieve individual, Company or Group goals. This reduces the possibility of conduct that is not in line with the Company's risk appetite framework.
As to the other components of the remuneration package, the level of the fixed remuneration is also assessed annually in light of the market trends.

3.3 Variable remuneration

The variable remuneration seeks to motivate management to achieve business goals by creating a direct link between incentives and financial and non-financial goals set at Group, Business Unit, Country, function and individual level. Performance is assessed by taking a multi-perspective approach that, according to the time frame under consideration, evaluates the results achieved by the individuals, by the Business Units in which the individuals work, and by the Group as a whole.

The impact of the variable remuneration on the total remuneration varies depending on the organizational level, the possibility to have a direct influence on the Group results and the impact of the individual role on the business. Furthermore, the time horizon for the accrual and the pay out of the variable remuneration also differs depending on the role, in accordance to the criteria better specified below.

The Group's guidelines on variable remuneration ensure alignment with regulatory requirements and the recommendations related to Key Functions.

Individual agreements with managers included in remuneration policy scope normally contain specific details on the variable remuneration distinguishing between the annual and deferred plans.

With respect to the variable remuneration, the adoption of both annual (see Section 3.3.1) and deferred incentive plans (see Section 3.3.2) is provided by specifically stating that:

- the overall variable remuneration is made up for at least 50% of shares;
- the impact of the deferred variable remuneration and the deferral periods are calibrated for different clusters of beneficiaries. More specifically:
  a. for the Managing Director/Group CEO and Group Management Committee (GMC) members, at least 60% of the total variable remuneration is deferred over a period of 5 years;
  b. for the other relevant personnel[12], at least 40% of the total variable remuneration is deferred over a period of 3 years.

All the variable – whether annual or deferred – incentive plans include malus and clawback mechanisms. In particular, for annual incentive plans the final assessment of results includes an individual assessment of conformity with compliance / audit / code of conduct and governance processes, to be carried out and used also as a calibration process and as malus/clawback mechanism as necessary.

Moreover, no incentive is to be paid in the event of fraudulent, grossly negligent conduct or in the case of violation of ethical codes (in the cases established by the Company) or failure to achieve the predetermined results or if Group's capital and financial situation worsens significantly and any amount disbursed is subject to clawback if the performance considered is later found to be non-sustainable or ineffective as a result of willful misconduct or gross negligence or in case of violation of ethical codes (where established by the Company).

In line with the European regulatory framework (Solvency II), the Company requires the beneficiaries of both annual and deferred incentive plans – through special clauses included in the agreements which regulate the incentive plans – not to use any personal coverage or insurance strategies (known as "hedging") that could alter or undermine the risk alignment effects embedded in variable remuneration mechanisms.

The process of definition and consistent implementation of the remuneration policy for the Group's companies is

12 With the exclusion of the relevant personnel with a variable component of at least 70% of the total remuneration, to whom the provisions of letter a) apply.

managed within the Group governance framework also through the adoption of specific internal policies (see Section 11.8), taking into consideration the local/business circumstances, with particular attention - in addition to local/business laws - to local practices in terms of contractual levels, pay-mix and eligibility for incentives plans with the objective of keeping our reward packages competitive with local markets and therefore attracting the best people.

3.3.1 Annual variable remuneration - Short-term incentive (STI)

In line with previous years, the annual variable remuneration consists of a Short-Term Incentive plan (STI), based on a performance's assessment period of one year, that provides for the payment of a cash incentive to the Managing Director/Group CEO, the members of the Group Management Committee (GMC), the other relevant personnel[13] and the other members of the Global Leadership Group[14] subject to the achievement of predefined goals.

The annual incentive plan for the members of the Group Management Committee (GMC), the other relevant personnel and the other members of the Global Leadership Group (GLG) aims at linking the incentive to the effective performance of both the individuals and the Group as a whole, through:

1. the Group funding pool;
2. the individual performance;
3. the performance calibration meeting;
4. the individual payout allocation.

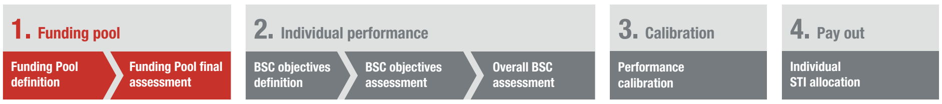
The overall evaluation that emerges from the annual incentive plan is a balanced one, connected with both Group and individual results and also reflects a fairness throughout the Group among roles, favoured by the shared performance review of all the involved roles in the system during the calibration meeting (as described below).

In line with previous years, the Managing Director/Group CEO and the Heads of Key Functions and their first reporting line managers have dedicated incentive plans determined by the Board of Directors based on the proposals, respectively, of the Appointments and Remuneration Committee and the Control and Risk Committee and described in the following paragraphs.

Annual variable remuneration for Group Management Committee (GMC) members, other relevant personnel and other members of the Global Leadership Group (GLG)

1. Funding pool	2. Individual performance	3. Calibration	4. Pay out
Funding Pool definition → Funding Pool final assessment	BSC objectives definition → BSC objectives assessment → Overall BSC assessment	Performance calibration	Individual STI allocation
Definition and final assessment of the **total budget (the so-called "funding pool")**, falling within a minimum and a maximum value related to the achievement level of Group results (Group Net Profit Adjusted and Group Operating Result).	**Definition of the individual balanced scorecards**, which fix up to 8 objectives at Group, Region, Country, Business Unit/Function and individual level. Assessment of the **individual performance** achieved by the participants with respect to the objectives fixed in the balanced scorecards with attribution of a performance "rate".	Overall review of the performance achieved in a **calibration meeting**, where the individual achieved results are re-calibrated with respect to the other roles, the reference market context and the conformity to compliance/audit/code of conduct and governance processes.	Individual STI payout definition for each evaluation "rate", considering the total funding pool and the performance distribution, as a percentage of the individual baseline.

1. Funding pool



The funding pool is the total amount made available at the start of each year for the payment of the Short Term incentive plan for the members of the Group Management Committee (GMC), the other relevant personnel and the other members of the Global Leadership Group (GLG) on the basis of the Group's performance.

13 As identified in par. 2 of this Section.
14 As identified in par. 2 of this Section.

The maximum amount of the funding pool is 150% of the sum of the individual baselines, namely the amounts of the variable remuneration to be paid to single managers that are STI beneficiaries if target results are achieved.

The funding pool is defined through linear interpolation according to the level of achievement of the Group Net Profit Adjusted[15] and the Group Operating Result, within the ranges established in the funding matrix (shown below in the table) and it is, in any case, subject to of the achievement of a minimum threshold of the Regulatory Solvency Ratio. The level is set at 130%[16] for 2020. This limit is fixed considering the "hard limit" level defined in the Group Risk Appetite Framework, approved by the Board of Directors in December 2019.
The Board of Directors may define a reduction of the funding pool available when the Regulatory Solvency Ratio is lower than the level of "soft limit" established in the Risk Appetite Framework as 150% - but still above the above mentioned "hard limit" (130%).

FUNDING MATRIX

% vs. budget		Group Operating Result			
		< 85%	85%	100%	≥ 120%
Group Net Profit Adjusted[13]	< 80%	0%	0%	0%	0%
	80%	0%	60%	75%	90%
	100%	0%	100%	115%	130%
	≥ 120%	0%	120%	135%	150%

The actual funding available to pay-out the Short-Term Incentives (STI) is determined the following year, after having first verified the extent to which the targets of Group Net Profit Adjusted and Group Operating Result set by the Board of Directors of the Company have been achieved. The Managing Director/Group CEO submits a proposal of the final funding pool to the Appointments and Remuneration Committee, which provides a recommendation to the Board of Directors for their approval.

If the minimum result of the budget set for the Group's goals is not achieved neither funding is provided and, therefore, nor bonus will be paid.

Furthermore, the Board of Directors (i) may authorize an ad hoc funding pool, even in the event of Group results below the minimum set for the Group objectives set by the Board of Directors for the reference year; or (ii) authorize an additional share of the funding pool – of up to 10% of the actual funding – to remunerate individuals who have performed exceptionally well. These measures may be envisaged when the conditions defined in Article 123-ter of the Consolidated Law on Finance in relation to derogations from the remuneration policy are met, upon proposal by the Managing Director / Group CEO, upon conclusion of the procedure for the approval of transactions with parties related, and only subject to the condition that the Regulatory Solvency Ratio has been achieved.

Indeed, based on the funding mechanism, there is a possibility that, depending on the level of achievement of the Group results, managers who reached or fully exceeded all the assigned goals will nonetheless receive a lower bonus than the target amount or no bonus at all, due to the zeroing or significant reduction of the available funding pool. In said situation, the illustrated corrective mechanisms (which have not been used to date) have the purpose of correcting these extreme situations by allocating an additional amount to the funding pool. However, this mechanism can only be used as an outcome of the rigorous governance process mentioned above and if the thresholds have been reached, as a guarantee of the Group economic stability.

15 Group Net Profit stated in the financial statements, adjusted by excluding any extraordinary items not predictable (due to, by way of example only: amortisation/goodwill depreciation, significant legal/regulatory/legislative changes, and significant impacts resulting from changes to tax treatment, gains/losses from M&A) and approved by the Board of Directors on the recommendation of the Appointments and Remuneration Committee in accordance with these guidelines.
16 The threshold can be subject to review if exceptional non predictable changes occur to the macroeconomic conditions or if the financial scenario worsens. In the event of extraordinary context discontinuity, the Board will re-assess the overall consistency and fairness of the incentive policies (known as "Market Adverse Change" clause).

2. Individual performance

1. Funding pool		2. Individual performance			3. Calibration	4. Pay out
Funding Pool definition	Funding Pool final assessment	BSC objectives definition	BSC objectives assessment	Overall BSC assessment	Performance calibration	Individual STI allocation

Each participant is assigned a balanced scorecard (BSC), developed following the guidelines set hereafter.

The balanced scorecard usually includes up to 8 goals based on the following three perspectives:

PERSPECTIVES		
Economic & Financial Risk Adjusted Performance	**50+%**	**Core business Key Performance Indicators (KPIs)** – **Net Profit (after minorities) both at Group and Country/Business Unit (BU) level** – **Total Expenses at Country/BU level** – Total Remittance at Country/BU level – RORC at Country/BU level (mandatory risk adjusted KPI)
Specific Country/BU goals and Group Strategic Projects	**15 - 35%**	– **Focus on specific Country/BU KPIs** connected to local business strategy & projects – **Group Strategic Projects KPIs** for all relevant GLG/leaders of strategic projects
Generali2021 Enablers	**20 - 30%**	– **Managerial assessment based on specific KPIs evidence:** - **People Value,** with main priority on "Reskilling" program and "Diversity & Inclusion" plan - **Brand & Life-time partner transformation,** with main priority on Relationship NPS - **Sustainability commitment,** specific goals linked to sustainability initiatives

The different perspectives include pre-determined, measurable, financial and non-financial (including sustainability indicators) goals that enable the monitoring of multiple aspects of business performance; these goals are also differentiated according to the different competences and scope of operations of the participants.

The most-used financial goals are the Net Profit, Total Expenses, Total Remittance[17] and Return On Risk Capital (RoRC). Depending on the specific positions, these goals are set according to Group, Business Unit, Country, Function or individual level.

More specifically, in line with last year, to strengthen the link between risk and remuneration, the Return on Risk Capital at Group, Business Unit or Country level with a weight of up to 15%, is generally provided in all the balanced scorecards.

As highlighted also in the table above, in alignment with the Group strategy, in addition to the provision of indicators linked to the implementation of strategic Group and local projects, a specific focus is introduced on the "Generali2021 Enablers" objective, with a managerial assessment based on specific and predefined performance indicators (KPIs). These indicators relate to:

– "People Value", with specific priority on achieving the objectives of the "Reskilling" program and the implementation of the "Diversity & Inclusion" plan;
– "Brand & Life-time partner transformation", with specific priority on the objective of "Relationship Net Promoter Score (NPS)";
– "Sustainability commitment", with specific objectives on sustainability initiatives that run through all the Group's business activities and operations.

More generally, the indicators of the "Generali2021 Enablers" cluster are subject to a managerial assessment based on the relative degree of achievement of quantitative objectives predefined within the Group strategy, differentiated according to the various functions and business areas of the Group and consistent with the 2021 ambitions communicated to the market.

The "People Value" cluster of indicators is mainly based on training to support digital and cultural transformation ("Reskilling") and on the implementation of the Diversity & Inclusion enhancement plan. In particular:

– as regards the first aspect, the Reskilling program envisages a series of training initiatives with a focus on digital skills, widespread organizational behavior, managerial training and local initiatives in support of job

17 Dividends and equivalent permanent or medium-long term transactions (capital reductions, debt repayments, loans to the parent company not to cover life reserves) measured in cash and approved by the Group's Head Office and / or by the relevant corporate bodies in line with the Group's internal regulations.

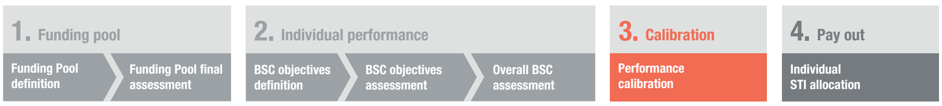
rotation, with the aim that in 2021 at least 50 % of our people have gone through this training plan;
- as regards the second aspect, the Diversity & Inclusion index includes the measurement of different components such as gender, age distribution, cultural aspects and inclusion, with specific indicators.

The measurement of the "Brand & Life-time partner transformation" is mainly based on the achievement of the "Relationship NPS" indicator, which in synthesis measures the degree of satisfaction of our customers in the relationship with Generali. In addition to this main indicator, there are others including Customer retention, Brand preference, and Digital policies, functional to achieving the "Brand & Life-time partner transformation". Also for these indicators, targets are defined year by year consistent with the ambitions communicated for 2021.

Finally, with particular reference to the sustainability indicators, individual performances will be assessed on specific annualized KPIs defined in alignment with the Group's strategy. These KPIs are consistent with the Group's strategy and commitment to support the transition to a greener and more sustainable economy.

In particular, the objectives of the Generali Group in terms of sustainability include:
- the 7-9% increase in premiums deriving from environmental and social insurance products between 2018 and 2021;
- € 4.5 billion of new green and sustainable investments by 2021;
- the expansion of The Human Safety Net[18] activity in the Group;
- the realization of two key initiatives: Responsible Consumer (i.e. a distinctive offer dedicated to responsible consumers who want to generate a positive impact on the environment and society) and EnterPRIZE (i.e. a prize for more sustainable Small Medium Enterprises - SMEs);
- the implementation of the Group strategy on Climate Change, which provides for significant actions in terms of investments and underwriting;
- a 20% reduction in greenhouse gas emissions by 2020 (base year 2013).

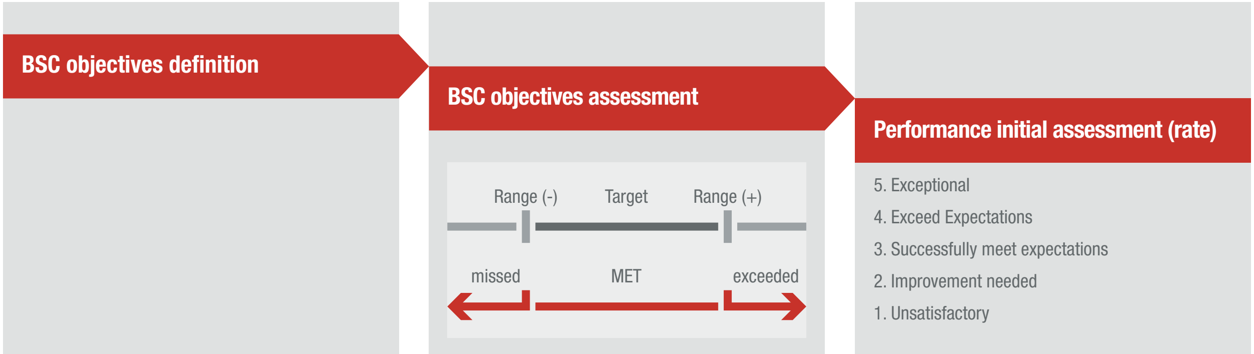
3. Assessment and Calibration



For each economic and financial goal of the individual scorecard (BSC), the expected target and a range within which the goal is considered achieved are defined. If the level of achievement of the goals is above or below the range, the goal is regarded as exceeded or not achieved, respectively. The overall weight of the economic and financial objectives in the individual BSCs is at least 50% for the business functions.

For each non-financial objective included in the individual form (BSC), the achievement level is calculated with a managerial assessment based on the evidence of predefined KPIs which leads to the definition of a degree of achievement on a scale 1-5 (from «Failed» a "Far exceed objective") based on the results achieved compared to the expectations and ambitions of the strategic plan.

18 Non-profit foundation of Assicurazioni Generali which pursues social solidarity purposes by carrying out activities, inter alia, in sectors such as: social, health and socio-health assistance; charity, education, and training; development cooperation and international solidarity; protection of civil rights, support activities for scientific research of particular social interest or by entrusting this activity to universities, research bodies and other foundations that carry it out directly, in areas and in ways consistent with the current regulatory framework.



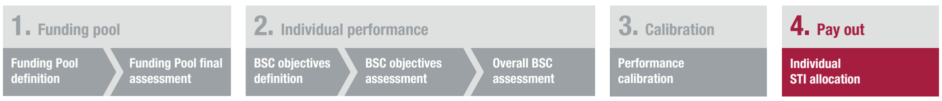
Once all the economic and financial and non-financial objectives have been assessed, an overall assessment of the individual performance is mathematically defined on the basis of a predefined method of converting the assessment of the objectives included in the individual form (BSC) into an overall initial performance rate (so-called "rate").

This overall initial performance rate (defined on a scale of 1 to 5, where 5 represents the maximum value) is then "calibrated" to define the overall final performance rate.

The "calibration" process is however defined in consistency with the funding pool overall available cap and considers the following factors:

- assessment of the results in comparison with the other beneficiaries of the Short-Term Incentive plan (STI) who have similar roles (s.c. "peers");
- market framework and conditions;
- "stretch" level of the individual balanced scorecard;
- individual assessment of conformity to Compliance, Audit and Code of Conduct.

4. Individual STI payout



The final assessment of the results achieved and the following determination of bonuses is performed by:

- the Board of Directors, following the proposal of the Managing Director/Group CEO and based on a prior opinion of the Appointments and Remuneration Committee, for all the members of the Group Management Committee (GMC), except for the Managing Director/Group CEO;
- the Managing Director/Group CEO, for the other relevant personnel and for the other members of the Global Leadership Group (GLG), taking into consideration the guidelines of the plan and the related process described above.

Given the total funding pool and the performance distribution, the individual STI (Short-Term Incentive) payout is a percentage of the individual baseline for each assessment rate.

The amount of the individual bonuses can reach up to a maximum of 200% of the individual baseline and is determined in relation to the funding pool capability and the individual performance distribution level. This maximum amount is paid with high selectivity in limited cases when performance is well beyond expectations.

In the event of an extraordinary market discontinuity (for example, if material variations occur to the macroeconomic conditions or the financial scenario worsens), the Board of Directors, within the governance process regarding remuneration, may reassess the overall consistency and fairness of the incentive plans (known as the "Market Adverse Change Clause"), putting in place the necessary corrections, and this also and in particular with reference to the reference objectives, the related metrics and evaluation methods.

Annual variable remuneration for the Managing Director/Group CEO

With specific reference to the Managing Director/Group CEO, the individual balanced scorecard (BSC) defined by the Board of Directors provides for economic, financial and operational objectives including a risk indicator (ie Group Adjusted Net Profit[15], Total Remittance and Group Return on Risk Capital - RORC) and non-financial objectives (key projects related to the pillars and enablers of transformation of the Group strategy), in line with the expectations of the strategic plan. A summary of the structure of the balanced scorecard defined annually and the weight of the objectives for the Managing Director / Group CEO is shown below:

Perspective	KPI	Weight	Assessment
Economic & financial risk adjusted performance	Group Net Profit Adjusted Group RORC Total Remittance from subsidiaries	60%	Financial
New Generali Strategy Pillars implementation	· Profitable Growth · Capital Management & Financial Optimization · Innovation & Digital Transformation	20%	Non financial based on specific KPIs evidence
Generali2021 Enablers	· People Value · Brand & Life-time Partner · Sustainability Commitment	20%	

The annual incentive (Short Term Incentive - STI) – that as described in the previous paragraphs is not included in the total funding pool rules - is specifically set by the Board of Directors, based on the proposal of the Appointments and Remuneration Committee, by taking into account:

- a target amount of the STI bonus corresponding to 100% of the fixed remuneration, if the goals set by the Board of Directors in the individual scorecard are achieved;
- a maximum amount of the STI bonus corresponding to up to 200% of the fixed remuneration, if the goals set by the Board of Directors in the individual scorecard are exceeded;
- the level of achievement of the economic and financial objectives is calculated on the basis of a linear interpolation of the results achieved with respect to the target/budget level predefined by the Board of Directors and to the intervals of minimum and maximum established in consistency with the ranges set by the Board of Directors in the system's funding pool matrix annual variable remuneration (as previously represented);
- the level of achievement of the non-financial objectives is calculated on the basis of the evidence of predefined KPIs which leads to the definition of a degree of achievement on a scale 1-5 (from «Failed» to «Far exceed objective») according to the results achieved compared to the expectations and ambitions of the strategic plan.

It is foreseen the loss of any entitlement to receive the annual bonus (STI) if the Board of Directors ascertains that the minimum threshold of the Regulatory Solvency Ratio has not been achieved (threshold is set, as described above, at 130%[19] for 2020) and/or at least the 40% of the total weight of the overall goals included in the individual scorecard has not been achieved.

19 The threshold can be subject to review if exceptional unpredictable changes occur to the macroeconomic conditions of if the financial scenario worsens. In the event of extraordinary context discontinuity, the Board of Directors will re-assess the overall consistency and fairness of the incentive policies (known as “Market Adverse Change” clause).

3.3.2 Deferred variable remuneration - Long-term incentive (LTI)

The deferred variable remuneration of Generali takes the form of multi-year plans (i.e. Long Term Incentive Plan – LTI), which are approved from time to time by the appropriate bodies and may be granted to the Managing Director/Group CEO, the Group Management Committee (GMC) members, other relevant personnel (with the exclusion of the Heads of Key Functions and their first reporting line managers), other Global Leadership Group members and other selected Generali employees.

From 2013, Generali started adopting plans based on a single three-year cycle, after which free shares can be granted, subject to specific holding/lock-up periods. More specifically, the LTIs for 2017, 2018 and 2019 are currently underway. The share allocation relating to the 2017 LTI plan, whose performance cycle ended at the end of 2019, will take place in April 2020 (see Section II of this Report), whereas those relating to the 2018 and 2019 LTI plans will take place respectively in 2021 and 2022.

2020-2022 Long-Term Incentive Plan

Principles

In continuity with last year, a new long-term incentive plan based on Assicurazioni Generali shares – the 2020-2022 Group LTI – is being submitted for the approval of the Shareholders' Meeting.

In line with market practices and investor expectations, shares are assigned and made available to the participants over a deferred multi-year time frame subject to the achievement of the Group's performance indicators and of a minimum level of Regulatory Solvency Ratio, as a unique access threshold, as detailed below.

The plan is based on the following main features:
– the incentive connected with the achievement of the goals is paid through the granting of Assicurazioni Generali S.p.A. ordinary shares;
– the right to receive the shares is linked to the verification of the achievement of the entry threshold which is defined by the Board of Directors and which represents a suspensive condition;
– incentive payments are subject to the Group's financial goals, which are defined by the Board of Directors at the beginning of the three-year performance period and maintained coherent over time, in compliance with the Group's long-term strategic plans.

Beneficiaries

The long-term incentive plan beneficiaries may comprise the Managing Director/Group CEO, the Group Management Committee (GMC) members, other relevant personnel and other Global Leadership Group members (GLG) (as described above) as well as and Talents and other key roles of the Group selectively identified according to their role, performance and potential, taking into account specific attraction and retention needs[20].

In line with market practice and with the process started in 2014, in order to foster managerial engagement and the empowerment of key talents for the execution of the Group Strategy, the 2020-2022 Long Term Incentive plan substantially confirms the participation of the beneficiaries in line with the previous year; the beneficiaries amount to a total of approximately 600 beneficiaries selectively identified on the basis of common criteria defined at Group level and validated through the Talent Review process.

In order to ensure the highest level of consistency, fairness and homogeneity in the selection of the beneficiaries, as the first requirement, both the achievement of high and constant performance results and a high potential of growth are verified. These two elements, in conjunction with consolidated management capabilities, can enable identified people to achieve challenging career goals and hold leadership roles within our Group. Other relevant criteria to identify the beneficiaries include, among others, the demonstration of solid technical skills, the full respect and support for the Group's Values, and the ambition to grow and hold in the short-term strategic roles at international level.

20 To the GLG members and to the Talents and key roles belonging to Banca Generali – prior approval of the relevant corporate bodies of Banca Generali – a three-year LTI plan applies based on Banca Generali shares, with structural characteristics similar to those of Group LTI Plan (except for specificities due to the compliance with the applicable banking regulations). Detailed information on the plan will be published by Banca Generali on the information document of the plan (in accordance with Article 114-bis of the Consolidated Law on Finance - T.U.F. Testo Unico Finanza) and on the related remuneration report.

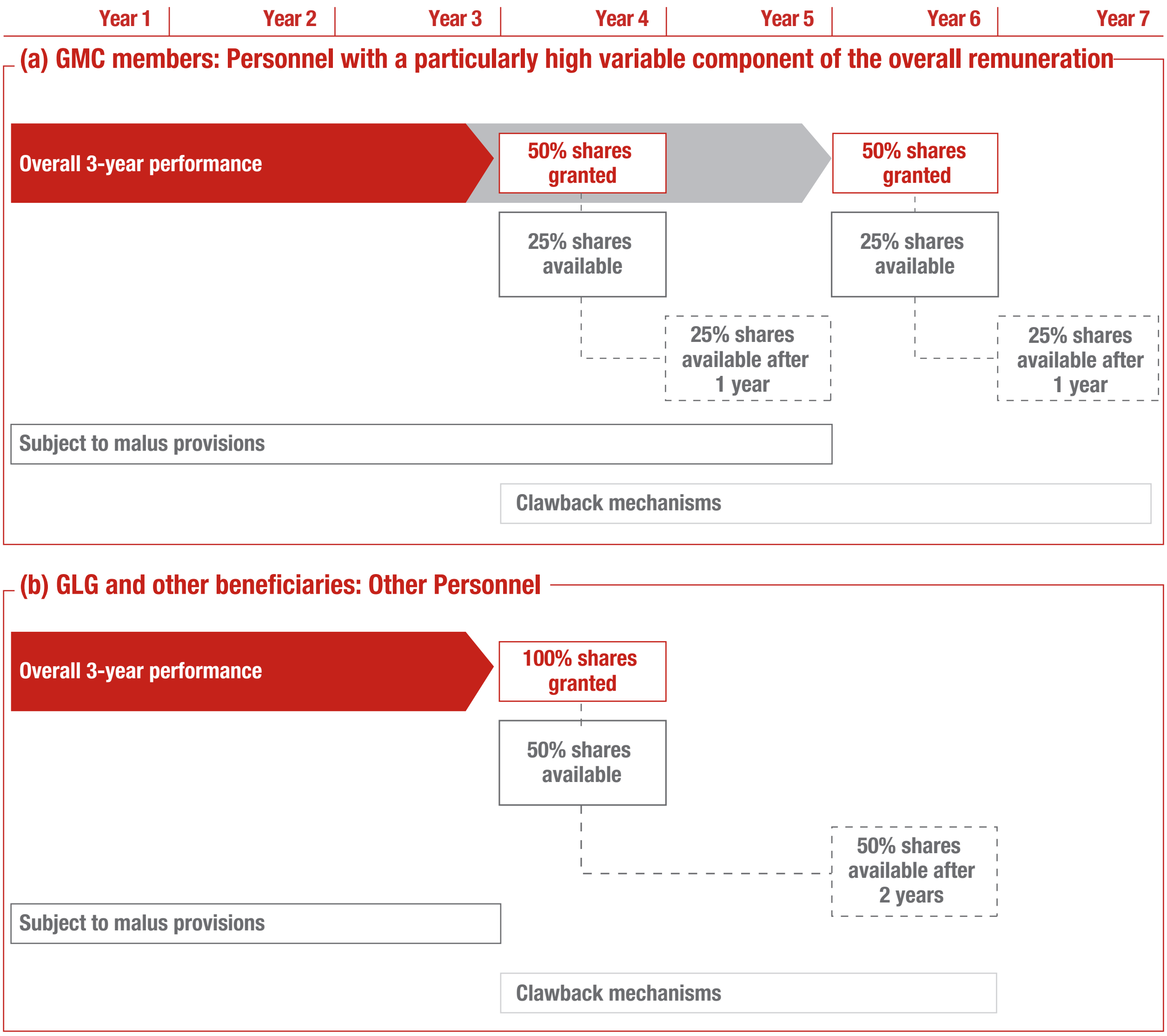
Plan structure and functioning

The structure of the Long-Term Incentive Plan is differentiated in terms of overall timeline and deferral periods for two different categories of beneficiaries according to regulatory provisions:

a) for the Managing Director/Group CEO and Group Management Committee (GMC) members, the payout system is set over an overall timeframe of 7 calendar years;

b) for other relevant personnel[21], the other members of the Global Leadership Group (GLG), Talents and other key roles of the Group, the payout system is set over an overall timeframe of 6 calendar years.

These different structures are represented in the table below:



In each year of the plan and at the end of the three-year performance period, the Board of Directors assesses the level of achievement of the entry gate, established in terms of the Regulatory Solvency Ratio at 130%[22] - set considering the "hard limit" level defined in the Group Risk Appetite Framework - or the different percentage fixed from time to time by the Board of Directors.

This assessment consists in a malus mechanism based on which the Board of Directors may reduce or reset to

21 With the exclusion of the relevant personnel with a variable component of at least 70% of the total remuneration, to whom the provisions of letter a) apply.
22 This percentage applies to all outstanding incentive plans.

zero the number of shares to be definitely granted if the value of the Regulatory Solvency Ratio is lower than the established threshold.

Furthermore, the Board of Directors may define a reduction of the number of shares to be definitely granted when the Regulatory Solvency Ratio is lower than the level of "soft limit" established in the Risk Appetite Framework as 150% - but still above 130%.

Once the threshold level of Regulatory Solvency Ratio has been achieved, a three-year verification is carried out of the achievement of the Group's financial goals.

The choice of the performance objectives of the LTI 2020-2022 Plan had first of all to deal with the uncertainties related to future changes in the international accounting standards (IFRS 9 and 17), suggesting the definition of KPIs as consistent and neutral as possible with respect to this evolution in prospective perspective, relevant to investors and in line with the Group's strategic priorities.

It is therefore proposed to confirm the structure and mechanisms of the LTI plan in line with last year but to review the metrics, weights and performance targets in the light of the reference context:
– increasing the relevance of the relative Total Shareholder Return (rTSR)[23] indicator, with weight 60%;
– introducing the Net Holding Cash Flow (NHCF)[24] target as a cumulative reference for the period, with a weight of 40%.

	40% potential shares +	60% potential shares
	Net Holding Cash Flow	**rTSR**
0%	≤ 7.2 bln	Lower Quartile
Target vesting	7.8 bln	Median ranking
Maximum vesting	≥ 8.8 bln	Top ranking

Note: reference values. Final calculation based on linear interpolation, in line with last year's method.

These indicators are determined and set at the start of the three-year cycle of the plan and maintained coherent with Group Business priorities over time.

The performance level is indicated as a percentage of the level of achievement of Net Holding Cash Flow and relative TSR, determined with reference to two independent baskets. The final results in each basket are calculated using a linear interpolation approach. With specific reference to relative TSR, any relevant payment is provided if the positioning of the Group in the ranking is higher than the first quartile.

The maximum performance level is 200% overall for Group Management Committee (GMC), 175% overall for the other relevant personnel and the other members of the Global Leadership Group (GLG), whereas it is 87.5% overall for Talents and other key roles[25].

23 Total return on investment for the shareholder calculated as a change in the market price of the shares, including distributions or dividends reinvested in shares as compared to a selected list of peers.
24 Net cash flow available in a period at the parent company level after holding expenses and interest costs. Its main components, considered on a cash basis, are the remittance from subsidiaries, the result of the centralized reinsurance, the interests on parent company's financial debt, the parent company's expenses and the actual taxes paid or reimbursed by the parent company.
25 The performance targets are 150%, 100% and 50% respectively for (i) GMC members; (ii) the other relevant personnel and the other members of the Global Leadership Group (GLG); (iii) Talents and other key roles.

The relative TSR whose weight has increased compared to 2019 is compared with the peer group of selected companies represented below, in continuity with 2019.

Peer			
1	Aegon	10	Mapfre
2	Ageas	11	Nn Group
3	Allianz	12	Poste Italiane
4	Asr Nederland	13	Powszechnego Zakladu Ubezpieczen
5	Aviva	14	Sampo
6	Axa	15	Unipol
7	Cattolica	16	Uniqa
8	Cnp Assurances	17	Vienna Insurance Group
9	Intesa SanPaolo	18	Zurich

At the end of the three-years performance period, the Board of Directors will have the faculty, after the mathematical assessment on the basis of the predefined scale, to perform the evaluation of the level of achievement of the economic indicators, taking account in particular of the coherence of the Net Holding Cash Flow indicator with the Net Result in terms of composition and evolution and of the distribution of the flows of Net Holding Cash Flow in the reference period.

Granting of the shares

The maximum number of attributable shares is determined at the beginning of the plan. The potential maximum bonus to be paid in shares corresponds to 200% of the gross yearly remuneration for the members of the Group Management Committee (GMC), 175% of the gross yearly remuneration for the other relevant personnel and the other members of the Global Leadership Group (GLG) and 87.5% for the other beneficiaries i.e. Talents and other key roles[26].

Therefore, the maximum number of attributable shares is given by the ratio between the maximum amount of the bonus and the share value. The share value is calculated as a mean of the share price in the three months prior to the meeting of the Board of Directors called to approve the financial statements of the Holding Company and the consolidated financial statements relative to the financial year prior to that of the starting of the plan.

The shares are granted at the end of the three-year performance period, when there is the final evaluation of the achievement of the defined objectives (on a three-year basis) - on the condition that the relationship is still in force with the Company or another company of the Group at the end of the three-year period, without prejudice to specific rules of the plan or any other decision of the Board of Directors or a member appointed[27] for the purpose.

With regard to timing and conditions of the grant, they are differentiated for:

- Managing Director/Group CEO and Group Management Committee (GMC) members:
  - at the end of the three-year performance period, 50% of the shares accrued on the basis of the results achieved is granted: 25% is immediately available (to allow the participants to pay the tax charges connected with the granting), whereas the remaining 25% is subject to a lock–up period of a year;
  - the remaining 50% of the shares accrued is subject to an additional deferral period of further two years in which the shares can be reset to zero if the threshold level of the Regulatory Solvency Ratio has not been achieved or a malus condition has been activated, as provided in the Rules. Once verified that

26 Without prejudice to the possibility for the Board of Directors to determine, upon the outcome of the governance processes envisaged in the matter of remuneration, different measures of the incentive in favor of individual beneficiaries or categories of beneficiaries also in compliance with current local / business regulations.

27 As already indicated in the remuneration report of last year, as part of the contractual arrangements with the Managing Director / Group CEO, it is expected that, in the event of termination of the assignment during the three-year term, he will retain the rights deriving from the plan only pro rata temporis and only in the so-called “good leaver” hypotheses (subject to the achievement of the objectives and without prejudice to the further terms and conditions of the relative regulation). Instead, it is expected that, in the so-called “bad leavers”, he will lose all the rights deriving from the existing plans and relating to the period of this mandate. “Bad leaver” means cases of voluntary renunciation of the assignment during a three-year term and revocation of the same for just cause. By “good leaver” we mean all the other cases of termination of the relationship.

the threshold level has been achieved, malus conditions have not been activated and, ultimately, the relationship with the Company (or another company of the Group) is still in force[28], the remaining 50% of the shares is granted: 25% is immediately available (to allow the participants to pay the tax charges connected with the granting), whereas the remaining 25% is subject to a lock–up period of a year;

- other relevant personnel[29], GLGs, Talents and other key roles: at the end of the three-year performance period, 100% of the shares accrued is granted: 50% is immediately available (to allow the participants to pay the tax charges connected with the granting), whereas the remaining 50% is subject to a lock-up period of two further years.

The above without prejudice to the obligation of directors participating in the plan to maintain a suitable number of shares assigned until the end of the directorship in course at the expiry of the lock-up.

The restrictions on shares- as specified above- also apply after the termination of the relationship with the participants, without prejudice to the power of the Board of Directors or one of its members delegated to redefine the terms and conditions of all restrictions specified above, potentially also taking into account the overall remuneration of the beneficiary or also with reference to shares assigned under different incentive plans.

Furthermore, the Plan provides for – in continuity with last plans – a dividend equivalent mechanism on the basis of the dividends distributed during the three-year reference period[30]. More specifically, should the Shareholders' Meeting resolve on the distribution of dividends to the shareholders during the three-year reference period[30] at the expiry of this period an additional number of shares determined in relation to the overall dividends distributed during the period will be granted to the beneficiaries. The additional number of shares determined will be granted simultaneously and in relation to the other shares assigned to each beneficiary, subject to the same restrictions (holding period) mentioned above and determined by taking into account the shares' value at the awarding of the plan, to be calculated as the average price of the share in the three months before the Board of Directors' meeting called to resolve on the draft statutory financial statements of the Holding Company and the consolidated financial statements for year previous to the one in which the plan starts.

In order to implement the plan, the free shares granted to the plan's participants, in accordance with the above conditions, will fully or partly result in a specific free increase of the share capital achieved through the use of profits and/or profit reserves - in accordance with the first paragraph of Article 2349 first paragraph of the Italian Civil Code - and/or own shares as may have been purchased by the Company based on a shareholders' meeting authorisation - in accordance with Articles 2357 and 2357-ter of the Italian Civil Code. A maximum of 9,500,000 shares can be granted, which account for 0.6% of the current share capital.

Upon occurrence of factors that may influence key elements of the plan (including but not limited to, extraordinary operations involving Assicurazioni Generali and/or the Generali Group, capital transactions, legislative changes or alterations to the Group's scope, or compliance with specific sector or foreign country regulations applicable for single Group companies, changes in multi-year strategic plans, etc.), the Board of Directors may apply remedies to the plan structure as considered necessary, in order to ensure – within the limits permitted by applicable legislation – its substantive and economic content remains unchanged.

Moreover, in the event of an extraordinary market discontinuity (for example, if material variations occur to the macroeconomic conditions or if the financial scenario worsens), the Board, within the governance process regarding remuneration, may reassess the overall consistency and correctness of the incentive plans (known as Market Adverse Change Clause) putting in place the necessary corrections, and this also and in particular with reference to the reference objectives, the related metrics and evaluation methods. The Company also has the possibility to grant single beneficiaries of the Plan, instead of the – full or partial – granting of shares, an amount in cash calculated based on the value of the shares in the month before the granting, without prejudice to the other relevant applicable terms and conditions of the plan.

28 Except for specific cases of termination of the relationship, such as cases of death, permanent disability, retirement, termination on the company's initiative for objective/organizational reasons, mutual termination and/or other cases contractually predetermined.
29 With the exclusion of the relevant personnel with a variable component of at least 70% of the total remuneration, to whom the provisions previously mentioned apply.
30 And during the additional deferral period for the Managing Director/Group CEO and Group Management Committee (GMC) members.

Stock plan related to the mandate of the Managing Director/Group CEO

In June 2019, the Board of Directors assessed the re-definition of the compensation package of the Managing Director / Group CEO for the new mandate, considering the following criteria:

- the need to define a remuneration package more aligned with the levels and market practices of the main competitors;
- the maximization of retention objectives in connection with the start of the 2019-2021 strategic plan related to the new mandate ongoing;
- the incentive to reach the strategic plan targets communicated to the market and the setting of a return target for shareholders in terms of absolute TSR;
- the pursuit of the objective of strengthening the sharing of long-term objectives between the shareholders and the Managing Director / Group CEO, also through his personal and significant investment in Generali shares.

On the basis of the above criteria, the Board of Directors evaluated to propose a new specific stock plan for the Managing Director/Group CEO similar to the one already approved for the previous mandate.

Thus, as already communicated to the market on June 20 2019, the Plan proposed by the Board of Directors in relation to the current mandate provides for the free allocation, in favor of the Managing Director / Group CEO, in July 2022, of maximum n. 550,000 Assicurazioni Generali shares, subject to the following conditions:

- maintenance by the Managing Director/Group CEO of the ownership of n. 550,000 Assicurazioni Generali shares, until the end of the current term in office. The shares must be held in the portfolio starting from September 2019;
- achieving of two specific three-year goals, independent among each other (with a weight of 50% each) related to Total Shareholders Return (TSR) (maximum target of +46%) calculated over the period June 20th 2019 - June 20th 2022 and to Earning per Share Growth (EPS Growth) (maximum target of +8% CAGR[31]), calculated over the period 2019 - 2021;
- fulfilling of predetermined Regulatory Solvency Ratio thresholds in line with those defined for the incentive system[32];
- remaining in office as Managing Director/Group CEO until the end of the current term, providing the loss of every right deriving from the plan in case of termination of the charge in the Board of Directors before said term for voluntary resignation or termination for just cause (providing on the other hand the maintenance of the rights pro rata temporis – subject to the achievement of the goals and without prejudice to the other terms and conditions of the plan - in the other cases of termination);
- in addition, the Plan provides for the possible attribution of additional shares, determined on the basis of the total dividends distributed in the reference period (i.e. during the performance period and during the two years of further deferral).

The Plan provides for the grant of the overall shares actually accrued in the measure of 50% at the end of the performance period and in the measure of the remaining 50% after further two years (subject to the defined gates in terms of Regulatory Solvency Ratio and to the absence of malus cases).

The Plan also provides the Managing Director/Group CEO to retain - for a period of one additional year - 50% of the free shares awarded to him (both for the first and the second above mentioned tranches), as well as other standard sustainability clauses (e.g. malus, clawback, hedging restrictions) to protect the Company's financial solidity and the non-excessive exposure to risk.

In assessing and redefining the remuneration package of the Managing Director/Group CEO, it was decided to proceed with the proposal of a specific plan of this nature compared to other solutions in order to maximize the retention effectiveness and the alignment of the direct and personal economic interest of the Managing Director / Group CEO to that of the shareholders, maintaining a high focus on the sustainability and continuity of the absolute return results for the shareholders and the focus on the particularly challenging long-term strategic targets connected to the current mandate.

The plan proposal was formulated within the Group's rigorous governance processes regarding remuneration. In particular, the Appointments and Remuneration Committee was activated through a careful process of internal sharing and with the support of primary independent external consultancy companies both in the field of executive reward in the financial sector and in the regulatory and legal field, to propose to the Board of Directors a

31 Compound annual growth rate
32 The minimum threshold of the Regulatory Solvency Ratio is set at 130% (or different percentage from time to time defined by the Board of Directors), in line with the regulatory provisions and the Group Long Term Incentive (LTI) rules, including the possibility for the Board of Directors to reduce the number of share to be granted when the Regulatory Solvency Ratio is lower than the level of "soft limit" established in the Risk Appetite Framework as 150%. The threshold can be subject to review if exceptional non predictable changes occur to the macroeconomic conditions or if the financial scenario worsens. In the event of extraordinary context discontinuity, the Board will re-assess the overall consistency and fairness of the incentive policies (known as "Market Adverse Change" clause).

compensation package aligned with the best experiences and market benchmarks (with particular reference to Allianz, Axa, Zurich, Aviva and Unipol Sai) and to regulatory requirements, and in line with Generali's long-term strategy in the interest of shareholders.

If the Shareholders' Meeting does not approve the Plan, the Company will assess, upon occurrence of the relevant requirements, the possibility to define in favor of the Managing Director/Group CEO (in line with the Company's remuneration policies) alternative payments, that fall under the Board of Directors' competence (i.e. not share based), in relation to any value increase already achieved and/or reasonably expected.

3.4 Fringe benefits

Fringe benefits represent a substantial component of the remuneration package – within a total reward approach – which complement monetary and share based payments. The type and overall value of fringe benefits differ according to different employee clusters.

More specifically, with reference to the Managing Director/Group CEO and other recipients of the policy within Assicurazioni Generali, the supplementary pensions and healthcare are governed by individual contracts, applicable collective bargaining agreements and company-level regulations for managers of the Generali Group. The company level regulation also provides for other guarantees, such as the Long-Term Care guarantee in the event of permanent disability, and the guarantees in the event of death or total permanent disability caused by injury or disease, whether occupational or otherwise.

With reference to the complementary pension treatment for the managers of Generali Group (GenFonDir) within the target population of this policy, in the supplementary pension fund a predetermined percentage of the fixed remuneration defined by the supplementary company/individual agreement (from 13% to 16.5%) is provided.

The fringe benefits package can also include, as an example, the personal and business use of a company car with a fuel card (alternatively a car allowance can be provided), dedicated assistance in case of emergency, and agreements with airport operators (e.g. corporate frequent flyer cards). Moreover, favorable contractual conditions may also be granted, in compliance with all applicable regulations, with regard to, for example, the execution of insurance, banking or other Generali Group products, along with facilitated access to loans, mortgages for buying houses or vehicles, and other fringe benefits or reimbursements related to company events or specific company initiatives.

Furthermore, in the event of a transfer of the workplace within the country or to another country or recruitment of resources from different locations or countries, in line with market practices, supplementary benefits may be provided relating, for example, to the accommodation, support for the education of children and all aspects related to international movement and mobility, for a defined period of time.

3.5 Additional components of remuneration related to certain circumstances or events

In order to attract or retain key figures, specific remunerations may be granted at the time of hiring or during employment.

These remuneration elements, which are only provided for selected high profile managers, may consist, by way of example, in: (a) entry bonuses linked to the loss of incentives within the previous employment relationship and linked, where possible, to the manager's commitment to stay in the company for a certain period; (b) a guaranteed variable remuneration only for the first year of employment; and (c) special payments to ensure employment stability over time.

The Company can also determine the payment of bonuses, connected to operations and/or extraordinary results (such as, disinvestments, merger & acquisitions, reorganisation or efficiency processes) with a particular impact on company value and volumes and/or profitability, that may not be addressed with the ordinary variable remuneration systems thereby justifying an additional exceptional premium. The criteria used to identify possible extraordinary operations or results that could possibly be worth a reward is linked to the level of materiality of the operation which, given the dimensions of the Generali Group, can occur only in the event of operations of remarkable and unusual economic or organisational magnitude. The criteria used to determine the amount of the possible bonus would, on the one hand, be linked to the value of the operation and, on the other hand, would take into account the overall remuneration already granted to the beneficiary within the standard remuneration packages.

Any of these payments will be determined within the framework of the governance processes for remuneration, as applicable to the different categories of beneficiaries, and paid out under terms and conditions aligned with regulation in force[33] (subject to the overall target pay mix, where applicable), and will be appropriately disclosed, as required by current regulations, in Section II of the first Remuneration Report published after the extraordinary payment.

3.6 Compensation for further assignments

The Managing Director/Group CEO and other recipients of the remuneration policy within Assicurazioni Generali cannot receive remuneration and/or attendance fees for other offices they have been assigned by the Holding Company in subsidiaries, entities and associations, except where a specific exception has been made, duly justified, formalized and authorized by the competent bodies.

Lastly, please refer to the sections below for information on the D&O insurance policy and on severance provisions in the event of termination of appointment.

4. Remuneration policy for relevant personnel belonging to Key Functions

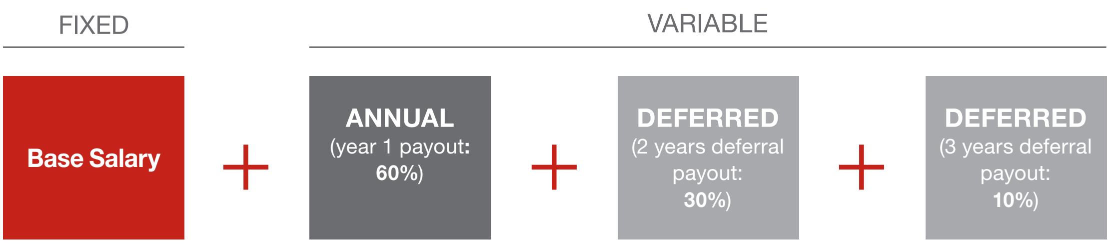
The remuneration package for the heads of Key Functions[34] and their first reporting line managers consists of a fixed and variable remuneration and fringe benefits. The fixed remuneration[35] is established according to the level of the responsibilities and duties assigned, it is suited to guarantee the independence and autonomy required for these roles. The fixed remuneration on average amounts to 77% of the total remuneration. The variable remuneration is linked to the participation in a specific deferred monetary incentive plan whose goals have a multi-year timeframe that relates exclusively to the effectiveness and quality of controls. It amounts on average to 23% of the total remuneration.

More specifically, starting already from 2014, Generali introduced significant changes in the remuneration policy applicable to these managerial groups, reviewing the balance between fixed and variable components in favor of the fixed component (see table at paragraph 3.1) and excluding any form of variable compensation linked to financial indicators and share-based objectives[36] (including what is known as the funding mechanism). In place of the two plans applied to the other business managers (annual and deferred), one only variable plan has been introduced, within which managers may accrue a monetary amount (upon reaching the defined goals linked to specific activities of each of the Key Functions, with reference to goals based on the effectiveness and quality of controls, excluding shared-based performance indicators, which may instead give rise to conflicts of interest, as required by Article 55 of IVASS Regulation No. 38/2018), disbursed in an upfront instalment and in deferred instalments, the latter being subject to the continuity of service and to the verification of the results achieved, with regard to both their effectiveness and their long-lasting sustainability in the first year of each performance cycle, taking into account the effectiveness and the quality of the control action.

In continuity with 2019, the structure of the incentive system of Key Functions is differentiated for cluster of beneficiaries:
- for the Heads of Key Functions and their first reporting line managers belonging to the Group Management Committee (GMC)/Global Leadership Group (GLG), the variable component is paid out over an overall timeframe of 3 years, with the following payout schedule: 60% is paid out at the end of the first year (after the verification of the results achieved); 30% is paid out one year after the first payment (under the conditions illustrated above); 10% is paid out one additional year after the second payment (under the conditions illustrated above);
- for the Heads of Key Functions and their first reporting line managers not included in the categories specified in the previous point, in line with last year, the variable component is paid out over an overall timeframe of 2 years, with the following payout schedule: 60% is paid out at the end of the first year (after the verification of the results achieved); 40% is paid out one year after the first payment (under the conditions illustrated above).

33 This taking into account other incentives that may be paid to the beneficiary as elements of the overall variable component (and related terms and methods of disbursement).
34 Currently identified as the following functions: Internal Audit, Risk Management, Compliance and Actuarial function.
35 And role based allowance eventually assigned.
36 More specifically, a Sustainability/CSR objective with a weight equal to 10%, and a People Value objective with a weight of 15% is included in the individual balanced scorecard of the of Responsible of the Key Functions.

TOTAL TARGET REMUNERATION COMPONENTS FOR KEY FUNCTIONS BELONGING TO GMC/GLG



The Board of Directors, based on the proposal of the Control and Risk Committee, determines the variable remuneration of the heads of Key Functions. The assessment of whether the goals set for the heads of Key Functions managers have been achieved (and at a later stage with regard to the effectiveness and long-lasting performance) is made by the Board of Directors upon a prior opinion being given by the Control and Risk Committee and having consulted the Board of Statutory Auditors, as appropriate[37]. Only if the Board of Directors considers the results achieved and the quality of the controls to be satisfactory, the heads of Key Functions can actually access the incentive programs. Condition precedents and malus and clawback mechanisms also apply, similar to those previously described.

Finally, the managers in question are not entitled to receive remuneration or attendance fees for any other offices held at the request of the Parent Company in subsidiaries or investee companies, entities or associations, unless a specific exception has been made by the Board of Directors, which must naturally be duly justified and formalized.

5. Share plan for the Generali Group employees

Within the 2019-2021 strategic plan framework, the Shareholders' Meeting of 7 May 2019 approved a global share plan for Group employees, providing them with the opportunity to purchase Assicurazioni Generali shares at favorable conditions, offering, in case of share price appreciation, free shares ("matching" and "dividend equivalent") in proportion to the share purchased and to the dividends distributed and which is now in its implementation phase.

The plan was launched in October 2019 and will last 3 years. The plan will be offered to employees under an employment contract with Assicurazioni Generali or another company of the Group, with the exclusion of the Group Management Committee (GMC) and the Global Leadership Group (GLG) members.

During the subscription period, We SHARE was offered globally in 35 countries for about 60,000 employees, with 21,430 people joining and a participation rate of approximately 35%.

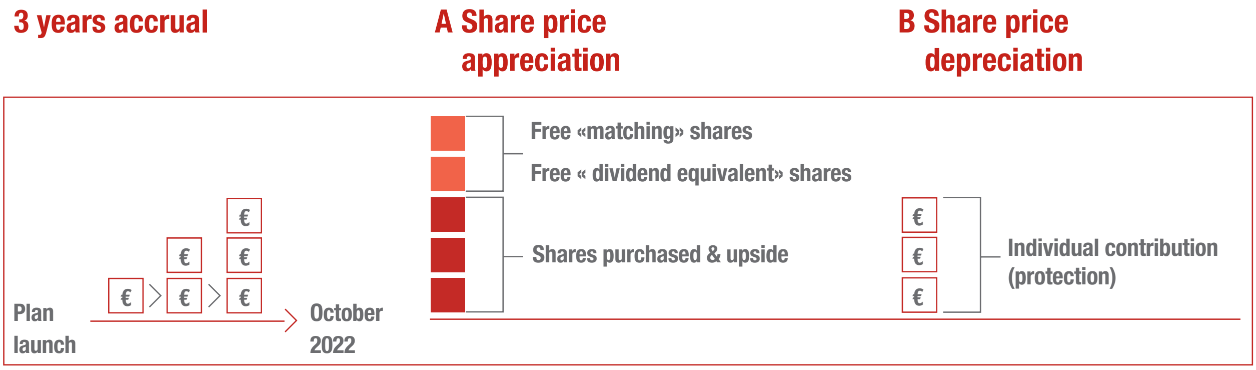
In connection with the Plan, over € 420,000 were allocated to The Human Safety Net Foundation thanks to the donations of the employees together with that of Generali for each participant.

The plan's essential features, as they had already been approved by last year's AGM, detailed in the Information Document of reference, are as follows:

- at the beginning of the plan, the employees who will decide to participate, will be able to decide the amount of their individual contribution, hence the amount they wish to accrue to purchase Assicurazioni Generali Shares at the end of the plan;
- based on the amount of the individual contribution, the participants will receive for free the right ("options") to purchase at the end of the plan Assicurazioni Generali shares at a price set at the beginning of the plan ("initial price"). The number of options to be assigned to each participant will be equal to the ratio between the individual contribution and the initial price;
- the amount of the individual contribution, in the range of minimum of € 540 and maximum of € 18,000 overall, will be accrued through monthly payroll deductions and will be unavailable for the three-year length of the plan;

37 According to the established governance, the competent Committees and the Board of Directors perform a calibration of the performance of the Heads of the Key Functions taking into account all aspects of the performance of the year and based on the evidence collected.

– at the end of the plan, the final price of the shares will be determined and:
  A. in case of share price appreciation, the participants to the plan will:
    – purchase the shares at the initial price with the individual contribution;
    – receive 1 (one) free additional share ("Matching Share") every 3 (three) shares purchased; and
    – receive free "dividend-equivalent" shares, in a number equal to the ratio between the value of the dividends paid by Generali in the 3 years of the plan and the initial price, multiplied by the number of shares purchased;
  B. in case of share price depreciation (and thus if the final price is lower than the initial price), the individual contribution will be returned to participants (capital protection).



In case of share price appreciation, each participant will be entitled to decide whether to sale all the shares and thereby to receive the corresponding sum of money or to continue to hold the shares, except for the shares sold in order to allow the participants to pay the taxes due.

The maximum number of shares to support the Plan is equal to 6,000,000, which account for 0.38% of the current share capital. The plan will be funded through the purchase of own shares in the market, without dilution of capital.

6. Remuneration policy for non-executive directors

The current remuneration policy for all non-executive Directors (whether independent or not) establishes that remuneration must consist of an annual fixed emolument and of an attendance fee issued for each Board of Directors meeting attended, in addition to the reimbursement of expenses incurred by their attendance to the meetings.

Directors who are also members of Board Committees are paid an additional emolument to the one already received for their role as members of the Board of Directors (with the exception of those who are also executives of the Generali Group). This additional remuneration is set according to the duties assigned to the relevant committees and the effort and time required of them, in terms of the number of meetings and preparation required. This remuneration is established by the Board of Directors in accordance with Article 2389, paragraph 3, of the Italian Civil Code.

Moreover, in line with the best international market practices, no variable remuneration is envisaged for non-executive directors.

The remuneration policy for the Chair includes the payment of remuneration for his role as member of the Board of Directors, as specified above, in addition to an annual fixed remuneration that is determined on the basis of comparative analyses with similar roles at both a national and international level. Just like all non-executive directors, the Chair's variable remuneration does not involve his participating in short- and medium/long-term incentive plans. The policy for this role also entails the assignment of certain non-monetary fringe benefits, such as insurance coverage against professional injury and disease, healthcare, and the business and personal use of a company car with a driver.

Please refer to the sections below for information on the D&O insurance policy and on severance provisions in the event of termination of appointment.

7. Remuneration policy for members of the supervisory body

The policy for these roles entails the payment of a fixed gross annual remuneration for the entire term of the appointment, with an increased amount (up to the 50%) for the Chair of the Board of Statutory Auditors, considering the related coordination activities. There are no variable components to the remuneration.

The compensation levels of the members of the Supervisory Body are defined taking into consideration, among other things, the reference benchmark and the size/complexity of the Company.

Members of the Body will also have the right to a refund for all expenses incurred in performing their office and will benefit from the D&O insurance policy as explained below.

8. Remuneration policy for insurance brokers and suppliers of outsourced services

The remuneration policy for insurance brokers is defined by the companies for which they work; it is based on the same principles as the Group's remuneration policy, taking an approach that aims to ensure that remuneration is in line with the overall strategy for these figures as well as the coherence of the remuneration and incentives with the sound and effective risk management principles, using goals and incentive plans that seek to compensate the contribution made towards achieving the Group's goals, the profitability and the balance of the company involved in the long term, as well as not encouraging conduct contrary to the obligation to behave according to fairness towards the insured.

The compliance with the principles set by Article 40 and Article 57 of IVASS Regulation No. 38/2018 in the event of outsourcing of essential or important activities is granted by the Group Outsourcing Policy.

In both cases, it is mandatory to avoid remuneration policies based exclusively or prevalently on short-term results, such as to encourage excessive exposure to risk.

9.D&O (directors' and officers') liability insurance

The current terms of the insurance policy for the coverage of the civil liability of the Company's directors and auditors (Directors' and Officers' Liability Insurance – D&O), and that of the executive in charge of drafting the Company's accounting documents, are as follows:
- validity: from 1 May 2019 to 30 April 2020.
- term: 12 months, renewable annually, until revocation of authorization by the Shareholders' Meeting.
- maximum: € 300 million per claim, aggregated per year and per period of cover, of which € 100 million is reserved for the Company's directors and auditors of Assicurazioni Generali S.p.A. and for the executive in charge of drafting the Company's accounting documents, € 10 million is reserved for Banca Generali S.p.A. directors and auditors, and the remaining amount is reserved for members of corporate bodies and other managers of all the insurance companies of Generali Group.
- cases of willful misconduct are excluded from insurance cover.

D&O coverage includes all insurance and non-insurance companies included in the consolidated financial report of the Group (subsidiaries) and to all their managers. The Group entered into a single policy, which takes into account the legal and economic specificities of each territory. The goal (to ensure standardized coverage conditions for all Group managers and reduce the overall costs, thus allowing a central management of the policy and all related claims, in line with the experience of leading international insurance group competitors) was therefore reached.

10. Severance provisions in the event of termination

Severance provisions in the event of termination of directors will be as follows:
- in the event of the natural expiry of the office, no amount will be due;
- in the event of the early termination of the office without cause, the party concerned may, in compliance with the law and where all legal requirements are met,

be assigned an indemnity of up to the maximum remuneration due for the remainder of the term of office;
- in the event of resignation (excluding any cases of just cause), termination for cause, termination following a takeover bid or forfeiture (for any reason, including the loss of the requirements of professionalism, honor or independence, or for situations of impediment or incompatibility) and, in any case, for any other event and/or cause beyond the Company's control, no amount will be due; and
- in the event of the early termination of the office on mutual consent, the amount to be paid to the individual concerned will be defined on a case-by-case basis, based on the relevant circumstances and grounds for termination (with specific reference to performance achieved, risks undertaken and the effective Company operating results, so that, more specifically, no amount can be paid in the event of gross negligence or willful misconduct), in any case up to the maximum cap provided in the event of the early termination of the office without cause.

Severance provisions in the event of termination of the relevant personnel[38]/managers (usually personnel belonging to "Dirigenti" contractual level and hired as permanent[39]), will be as follows:
- in the event of dismissal, the Company must apply – without prejudice to any changes that may be made to the legislative framework in the future – the mandatory provisions of applicable law and contractual agreements; and
- in the event of termination by mutual consent, the amount that may be paid to the individual concerned will be defined on a case-by-case basis, based on the relevant circumstances and grounds for the termination (with specific reference to performance achieved, risks undertaken and effective Company operating results, so that no amount can be paid in the event of gross negligence or willful misconduct). The amount determined cannot exceed under any circumstance 24 months' "recurring remuneration", in addition to the legal and contractual notice[40].

"Recurring remuneration" means the gross annual remuneration increased by the average of the amount effectively received by the individual by way of the annual part of variable remuneration component in the last three years.

By accepting this amount, the individual waives all and any rights in any way directly and/or indirectly connected to the employment relationship with Assicurazioni Generali S.p.A., or with any of its subsidiaries, and termination of the relationship, and all rights, claims and/or action with regard to other companies of the Group, in any way directly or indirectly connected with the employment and with its definitive, accepted termination.

This waiver also includes the rights to compensation for damages under Articles 2043, 2059, 2087 and 2116 of the Italian Civil Code, and economic rights connected with the employment and its termination.

Both with directors and the relevant personnel members, specific agreements can be entered into in order to predetermine (within the limits mentioned above) the severance payments due in the event of future termination, as well as non-compete or confidentiality agreements for a period subsequent to the employment termination (which may be entered into at the time of hiring, whilst employed or on termination of the relationship). The consideration of non-competition or confidentiality agreements, which have a limited term, is determined by taking into account the term and territorial extension of the obligation, the possible damage that the Company and/or Group could suffer if the director/manager were to start working for competitors of the Company and/or Group or disclose information that could potentially harm the Company and/or Group, and the role and responsibilities previously held by the director/manager.

Given the aforementioned limits and conditions, the severance eventually in place and non-competition agreements will be paid out according to predefined periods, terms and conditions, in coherence for the remuneration of directors with the provision set by IVASS Regulation No. 38/2018 in line with the provisions set for the payment of the variable component.

For the executive directors who are simultaneously under a directorship contract, the Company may provide – instead of the application of the two different severance provisions applicable for directorship and employment contracts – the application only of the severance provisions related to the employment contract above illustrated. In this case – in order to calculate the amount that may be paid to the individual involved – fixed and

38 Category including also Manager with Strategic Responsibilities
39 Currently there are no Manager with Strategic Responsibilities - in Assicurazioni Generali - employed under fixed-term contracts.
40 Or in addition to other treatment with a similar nature or function potentially provided under local applicable laws. In particular, for Managers With Strategic Responsibilities hired by Assicurazioni Generali, the notice is normally calculated on the basis of the provisions of the National Collective Agreement for the "Dirigenti" of Insurance Companies, which provides for a notice from a minimum of 9 to a maximum of 12 months depending on company seniority.
In the event of Managers With Strategic Responsibilities with permanent employment relationship (see previous note), the severance limit is usually represented by the amounts due until the natural expiry of the term.

short-term variable remuneration paid for the office of director (always on the basis of the average of the last three years) will also be considered (without prejudice to the possibility to pay the entire severance thus calculated applying the pay-out provisions envisaged for the directors).

As for the effects of the termination of the relationship on the share plans, see what is illustrated in this regard 3.3.2 with reference to the LTI plans.

11. Governance and compliance

Different bodies and/or functions are responsible for the definition, approval, implementation and subsequent verification of the remuneration policies with tasks that require the involvement and active contribution of different parties according to the policy recipients.

The main parties involved are:
- Shareholders' Meeting;
- Board of Directors;
- Board of Statutory Auditors;
- Appointments and Remuneration Committee and Control and Risk Committee;
- Managing Director/Group CEO; and
- the Group HR & Organization function and the Key Functions.

In general, in addition to what is specified below in detail for each body, proposals relating to the definition of policies for corporate bodies and "relevant personnel" (as defined in paragraph 2 above, "target personnel", in accordance with Article 2, paragraph 1, letter (m) of IVASS Regulation No. 38/2018) are made with the support of the Group HR & Organization function, involving Internal Audit, Compliance and Group Risk Management, as relevant. The Group HR & Organization function also avails itself of the assistance of other Group structures and functions, such as Corporate Affairs, Group Legal Affairs and Group Strategic Planning & Control, collecting and coordinating the various contributions.

Proposals are then submitted to the Managing Director/Group CEO, who validates their content and formulation and, having first requested any supplements or amendments considered necessary, then submits them to the Board of Directors. The Board of Directors, then, approves the proposal, upon the opinion of the Appointments and Remuneration Committee or the Risk and Control Committee (with regard to the relevant personnel of Key Functions), which issues its opinion before in turn submitting the proposals to the Board of Directors.

Conversely, as far as the remuneration policy for the Managing Director/Group CEO is concerned, the proposal is made by the Appointments and Remuneration Committee with the assistance of the HR & Organization function and submitted to the Board of Directors for all relevant assessments.

Once the Board has made its decisions, the policy is submitted for the approval of the Company Shareholders' Meeting.

Below is an overview of the roles of the various parties involved in the definition, approval, implementation and subsequent verification of the remuneration policies.

11.1 Shareholders' Meeting

In accordance with the Company's Articles of Association, the Shareholders' Meeting:
- approves the remuneration policies for members of corporate bodies and "relevant personnel", in addition to financial- and instrument-based remuneration plans (Article 19.1, letter d); and
- determines the gross annual compensation due to the members of the Boards of Directors and Statutory Auditors (Article 19.1, letters f and e).

Furthermore, pursuant to art. 123-ter TUF, section 6, the Shareholders' Meeting expresses a non-binding resolution with reference to the information on the remuneration paid pursuant to Section II of the remuneration report.

11.2 Board of Directors

The Board of Directors defines and regularly revises the remuneration policies for members of corporate bodies and "relevant personnel" (as defined in paragraph 2 above - "target personnel" - in accordance with Article 2, paragraph 1, letter (m) of IVASS Regulation No. 38/2018) and checks that they are correctly applied.

In relation to this, the Board resolves on the remuneration policies for the "relevant personnel" and subsequent revisions thereof to obtain approval by the Company Shareholders' Meeting, guaranteeing that they are kept constantly up-to-date, consistent with the principles of sound and prudent management and in line with the stakeholders' interests. To this end, it makes regular use of benchmarks prepared by both the appointed company functions and external consulting firms, specifically concerning the verification of remuneration with respect to the markets considered. The Board may also use external consultants, including for any amendment or preparation of the remuneration policy.

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

The Board achieves this directly when determining the related remuneration for certain categories of recipients of the policy. In that respect, the Board of Directors, in compliance with the remuneration policies defined, and after having first consulted with the Appointments and Remuneration Committee, the Control and Risk Committee and the Board of Statutory Auditors, as necessary:

- puts forward a proposal to the Shareholders' Meeting, following a proposal from the Appointments and Remuneration Committee, regarding the Board members' remuneration and, following the Appointments and Remuneration Committee's opinion, a proposal to the Shareholders' Meeting regarding the Statutory Auditors remuneration;
- determines the remuneration of the executive directors and other directors holding offices or having offices in accordance with the Articles of Association based on the proposal of the Appointments and Remuneration Committee, and having consulted with the Board of Statutory Auditors;
- determines the remuneration package of the managerial staff who hold the internal roles in the Company or in the Group relevant to their membership in the Group Management Committee based on the proposal of the Managing Director/Group CEO, and having consulted the Appointments and Remuneration Committee;
- determines the remuneration of the Head of Internal Audit, having first sought the binding advice of the Control and Risk Committee and consulted the Board of Statutory Auditors;
- determines the remuneration of the heads of the Actuarial Function and in charge of the Risk Management and Compliance departments, having first sought the opinion of the Control and Risk Committee;
- resolves, based on the proposal of the Managing Director/Group CEO and having consulted the Appointments and Remuneration Committee, on the appointment, revocation and remuneration of the chair, executive directors and general managers (or managers with equivalent roles) of subsidiaries of strategic importance (as defined from time to time by the Board of Directors), their non-executive directors (if they are individuals from outside the Company and the Group) and members of their Boards of Statutory Auditors (or, in any case, of similar corporate bodies with Key Functions);
- examines and approves the guidelines of the incentive plan for managers belonging to the Global Leadership Group (as described above) on the proposal of the Managing Director/Group CEO and following the Appointments and Remuneration Committee's opinion.

Furthermore, the Company's Board of Directors is responsible for verifying the consistent application of the policies within the Group and for the adequate management of Group relevant risks and features linked to the remunerations of Group companies.

More specifically, in order to ensure the correct and coherent implementation in all Group companies of the remuneration policy approved by the Shareholders' Meeting - including those with registered offices outside Italy - the Board of Directors of the Company adopts the Group Remuneration Internal Policy, which contains the principles and guidelines on the application of the remuneration policies themselves (see par. 11.8).

The Board of Directors prepares an annual report for the Shareholders' Meeting, complete with quantitative information, on the application of the remuneration policy. It is specified that in preparing the Group's remuneration policy, rather than using remuneration policies of other companies as a reference, Assicurazioni Generali instead sought the advice of the consulting firm Mercer and did not use the remuneration policies of other companies as a reference.

11.3 Appointments and Remuneration Committee

The Appointments and Remuneration Committee has consulting, advisory and preparatory functions with respect to the Board of Directors on remuneration issues. The Appointments and Remuneration Committee also provides its opinion on transactions with related parties, when these refer to the remuneration of managers with strategic responsibilities. This is done in compliance with the procedures regarding transactions with related parties approved by the Board of Directors.

More specifically, the tasks of the Appointments and Remuneration Committee include:

- assisting the Board in the exercise of its tasks given to it by the Law and the Corporate Governance Code;
- providing the Board with opinions and proposals regarding the determination of the Directors' remuneration;
- providing opinions and proposals concerning remuneration policies for the members of corporate bodies and for the personnel, including remuneration schemes based on financial instruments, checking their correct application;
- delivering proposals and/or opinions to the Board regarding the amount of the remuneration to be granted to Executive Directors and to Directors occupying other particular posts or with responsibilities according to the Articles of Association, as well as on setting performance goals connected with the variable component of that remuneration and checking the actual achievement of performance goals: the opinions and proposals regarding Executive Directors are based on a discretional assessment conducted taking into account the following parameters:
  i) degree of responsibility within the corporate organizational structure;
  ii) impact on corporate results;
  iii) profit and loss figures;
  iv) achievement of specific goals specified beforehand by the Board;
- delivering non-binding opinions and proposals regarding the determination of the amount of the remuneration of those who hold positions within the Company and the Group which are relevant for the membership of the GMC, following a proposal by the Group CEO, according to a discretional assessment meeting the following criteria:
  i) the level of responsibility and the risks connected with the functions performed;
  ii) the results obtained as compared to the goals set;
  iii) the performance delivered for extraordinary commitments;
- regularly evaluating the criteria adopted for the remuneration of the Directors and of the Relevant Personnel, making use, in this regard, of the information provided by the Group CEO and producing general recommendations on the matter to the Board;
- checking the consistency of the overall remuneration system and that the remunerations of Executive Directors are proportional, both mutually, and to those of the Relevant Personnel;
- delivering an opinion on the Group CEO's proposal regarding the incentive system for GLG resources;
- delivering an opinion on the Group CEO's proposals on the remuneration of chairman, executive directors and general managers (or top managers in equivalent roles) of Subsidiary companies with strategic significance, of their nonexecutive directors, if chosen from among officials outside the Company and the Group;
- verifying the consistency between the remuneration and incentive systems in use and the Risk Appetite Framework;
- checking whether the decisions made by the Board based on the proposals submitted are implemented, giving to the Board information as to the effective operation of the remuneration policies;
- periodically submitting the remuneration policies to ensure their adequacy even if the Company and the Group suffer changes in their operating or in the market where they operate;
- ascertaining the occurrence of payment's conditions of Relevant Personnel incentives;
- identifying any potential conflicts of interests and the necessary measures to manage them;
- expressing opinions as part of the procedure for approving transactions with related parties, the experiment of which is required, in particular, with reference to any "derogations" (pursuant to art. 123-ter, paragraph 3 bis, TUF) with respect to the elements of the remuneration policies indicated in this report, expressing in particular the existence of the "exceptional circumstances" referred to in Article 123-ter, paragraph 3bis, TUF).

The Appointments and Remuneration Committee also has a role entailing consultation, proposal and preliminary assessment activity in favor of the Board, with the support of the Corporate Governance, social and environmental Sustainability Committee (in matters that fall under its competence), concerning the size and the composition of the Committee itself, and the replacement of independent executives. The Committee conducts investigations on the preparation of the succession plan for the executive directors and provides an opinion on this of the members of the Group Management Committee (GMC) and the Global Leadership Group (GLG).

The Committee Chair or another Committee member may report to the annual Shareholders' Meeting on how the Committee performs its tasks.

When carrying out its functions, this Committee is entitled to access corporate information and functions relevant for carrying out its tasks. The statutory auditors are invited to attend the Appointments and Remuneration Committee meetings that discuss remuneration matters.

The Committee duly carries out the advisory and consulting functions it is responsible for, drawing up the relevant minutes and reports required for carrying out Company activities.

The Committee in office at the date of this Report has been appointed by the Board of Directors during the meeting of 7 May 2019 and will remain in office until the Shareholders' Meeting called for the approval of the Financial Statements as at 31 December 2021and is composed as follows:

Office	Name and Surname
Chair Non-executive and independent director	Diva Moriani
Committee member Non-executive and independent director	Alberta Figari
Committee member Non-executive and independent director	Romolo Bardin*
Committee member Non-executive and independent director	Sabrina Pucci*
Committee member Non-executive and non-independent director	Lorenzo Pellicioli
Committee member Non-executive and non-independent director	Francesco Gaetano Caltagirone*
Committee member Non-executive and non-independent director	Clemente Rebecchini*

* Committee's member solely regarding appointment matters

The Board of Directors has verified that the Committee is made up of non-executive directors, who are mainly independent. All the members of the Committee have sufficient knowledge regarding remuneration policies.

Should one or more members of the Appointments and Remuneration Committee declare that a correlation exists regarding a transaction under their review; the Committee is integrated, only for reviewing said transaction, by other independent members of the Board of Directors, chosen starting from the oldest in terms of age. In the absence of at least two independent directors of the Appointments and Remuneration Committee, the opinion or proposal must be given by an independent expert appointed by the Board.

Since its establishment, Mr. Giuseppe Catalano has been acting as the Committee's Secretary.

When it is deemed appropriate by the Chair, he/she may invite members from top management, the members of the Group Management Committee (GMC), the Head of the Group HR & Organization function and managers and employees of the Company to take part in the meetings, if they have responsibilities regarding the matters that are submitted for the Committee's approval.

The notice of call is sent to the Board of Statutory Auditors so as to allow this body to participate in the meeting. The current members of the Appointments and Remuneration Committee receive a fixed gross remuneration (€ 40,000 for the Chair, € 30,000 for other members and € 20,000 for the members involved solely in appointment matters), a gross attendance fee of € 2,000 per meeting, and the reimbursement of expenses incurred to participate in the meetings.

In 2019, non-members took part in the meetings of this Committee, on invitation from the Committee itself; some attended the entire meeting and others attended only with reference to single items on the agenda. The Committee also made use of external consultants.

In 2019 the Appointments and Remuneration Committee held 11 meetings regarding remuneration matters, with an average participation of 97%, and 5 meetings regarding appointment matters, with an average participation of 93%. The average length of the Committee meetings, taking into account both matters, was 1 hour and 41 minutes. Minutes were always prepared for each meeting by the Chair and the Secretary and approved by the Committee in the following meeting.

4 meetings on remuneration and 1 meeting on appointments have been held so far in 2020.

The Committee meeting held on 14 February 2020 set its budget for 2020 expenses at € 100,000, which was then approved by the Board of Directors at the meeting 19 February 2020.

11.4 Managing Director/Group CEO

Under the human resources management and organization mandates he has been granted by the Board of Directors, the Managing Director/Group CEO makes proposals regarding the Company and Group's remuneration policies.

In addition, he puts forward proposals regarding the remuneration policies for managers with strategic responsibilities, chairmen, executive directors and general managers (or managers with equivalent roles) of subsidiaries of strategic importance (as defined from time to time by the Board of Directors), their non-executive directors (if they are individuals from outside the Company and the Group) and members of their boards of statutory auditors (or, in any case, of similar corporate bodies with Key Functions). The Managing Director/Group CEO is specifically responsible for putting forward proposals regarding the remuneration of members of the Group Management Committee, without prejudice to the opinion of the Control and Risk Committee regarding the Group Chief Risk Officer.

With regard to the other first reporting roles to the Managing Director/Group CEO, who are not members of the Group Management Committee, remuneration is determined by the Managing Director/Group CEO in line with the policies defined by the Board of Directors for these roles.

The Managing Director/Group CEO is also responsible for setting the staff's remuneration at every level of the Company and the Group, except for those that fall under the Board of Directors' responsibility.

11.5 Statutory Auditors' Board and Control and Risks Committee

In accordance with Article 36.1 of the Articles of Association, the Statutory Auditors' Board is responsible for ruling on the remuneration of directors holding specific offices.

Furthermore, the Board also rules on the remuneration for the Head of the Internal Audit function.

With regard to the Control and Risks Committee, this body provides its opinion on the calculation of the remuneration of the head of the Internal Audit function, which is binding, and of the other managers in charge of Key Functions, in which case these opinions are submitted to the Board of Directors for approval.

11.6 Key Functions

The following Key Functions are involved and cooperate in various capacities in determining and/or subsequently checking the correct implementation of the remuneration policies:

- the Compliance function: this function checks that the remuneration policies are consistent with the goals of compliance with applicable regulations regarding remuneration, including the provisions of the Articles of Association, the governance code for listed companies and the code of conduct, with a view to preventing the risk of incurring judicial sanctions and fines, asset losses and damage to the Company's reputation. The function reports to the relevant bodies regarding the outcomes of the checks carried out and also proposes possible corrective measures.
- the Internal Audit function: this function checks that the remuneration policies are being correctly applied in accordance with the directions set by the Board of Directors with a view to ensuring efficiency and safeguarding the Company's assets. The function once again reports to the Board of Directors and the bodies responsible for adopting possible corrective measures based on the outcomes of the audits conducted.
- the Risk Management function: this function checks on the consistency of the criteria and relevant indicators used to assess performance. With regard to the risk management strategies set by the Board of Directors, it reports to the relevant functions responsible for adopting the relevant corrective measures.

Group Strategic Planning and other functions reporting to the Group Chief Financial Officer are involved in the remuneration policy process to identify and assess the quantitative parameters regarding the strategic goals to which the variable component must be linked.

The bodies in charge of the process assess the relevance of the information received from the Key Functions above mentioned, for a prompt communication to IVASS.

11.7 Group HR & Organization function

The Group HR & Organization function provides technical support (including in the form of reports) and prepares the preliminary support material for defining policies. The specific functions involved are:
- Group Reward & Institutional HR Governance, for implementing the remuneration policies, for analyzing the remuneration levels and drawing comparisons with selected markets, and for monitoring remuneration dynamics;
- Group Organization & Workforce Planning, for mapping and job grading; and
- Group Leadership Development & Academy, to support the performance management, calibration processes and succession planning.

In addition to the above, with particular reference to the remuneration of the direct reports of the Head of Internal Audit, the Head of Compliance, the Head of the Actuarial function and the Chief Risk Officer, the Group HR & Organization function is involved in their definition process. These are proposed by the function manager and reviewed by the Group HR & Organization function, which then informs the Control and Risk Committee so that it may evaluate whether balance and consistency in remuneration is assured within the function. Suitable reports are prepared by the Group HR & Organization function and submitted to the Board of Directors to verify that the remuneration policies defined for these professionals have been correctly implemented.

11.8 Guidelines on remuneration compliant with national and international regulatory requirements

In all countries where the Group operates, the Group's remuneration policy is implemented in full compliance with the laws and regulations applicable to the country or the business sector.

In particular, as a Parent Company, a specific Group Remuneration Internal Policy (GRIP) has been prepared by the Company, in accordance with international and national provisions in order to ensure the consistent application of remuneration policies and annual and deferred incentives systems at Group level, as required by IVASS Regulation No. 38/2018, as well as the compliance of the remuneration of the Group companies with the principles referred to in the aforementioned Regulation, as well as the absence of conflict with the regulatory framework and sector regulations applicable to these companies.

The distribution of the GRIP policy to Group companies takes into account – among other things – their relevance in terms of their activities, risk profile and contribution to group risk, in accordance with the provisions of the legislation. The Group Remuneration Internal Policy has the purpose to adequately calibrate the Group's remuneration policies to the specific features of Group companies – including those with registered offices abroad – and to comply with the requirements set by the local regulatory framework.

In particular, within the GRIP, the Group identifies the beneficiaries of the remuneration policies (so-called Group relevant personnel[41]) through a structured and formalized process that takes into account the impact of the positions on the risk and strategic Group profile.

The GRIP policy explains how the Group Remuneration Policy principles, adopted by the Shareholders' Meeting, have to be transposed and applied concretely.

Furthermore, the above mentioned Policy rules out the cases and the governance procedures through which the Group companies can require and obtain - if the prerequisites are met - the authorization from the Holding Company to adapt and eventually decline these principles and standards, should this be strictly necessary to comply with both local laws, regulations, work collective agreements and their organizational structure and/or operative and business model.

Through these mechanisms, the definition of remuneration packages and systems – although taking place consistently with the Group remuneration policy principles – considers all the regulatory provisions of the countries and business sectors that are relevant to the individual's

41 The Group Relevant Personnel includes GMC members, the so-called "Other Group Relevant Roles" – identified considering the impact on the Group strategic profile –, the so-called "Risk Relevant Roles" – identified considering the significant impact on the Group risk profile – and the relevant Key Functions. The Group pays particular attention to the governance processes of other roles, even if they are not directly identified as Relevant Personnel as not in charge of significant risks at Group level. Therefore, all members of the Global Leadership Group are included in the Target Population of the so-called Group Remuneration Internal Policy.

role. The definition of remuneration packages and systems is developed in compliance with the local regulatory requirements, coherently with the applicable laws and with the regulatory framework applicable to specific business sectors, such as banking and financial ones (e.g., CRD IV, AIFMD, UCITS).

Similarly, the process for setting global rules that apply to incentive plans begins with a detailed analysis of the potential implications from a tax and legal perspective, with a specific focus on labor law and regulations. Plans that require a cash payment are adapted where necessary to comply with deferral requirements, tax implications and provisions of national and individual contracts. Similarly, share incentive plans that require the approval of Shareholders' Meetings have specific appendices in which the provisions that could potentially conflict with local or sector legislation are introduced/modified/amended. The appendices are prepared on the basis of the mandates that the Shareholders' Meeting gives to the Board of Directors and/or the Managing Director/Group CEO. Therefore, it may be necessary to introduce, for managers of certain countries or business sectors, amendments with respect to the principles and mechanisms described in this report (with reference, by way of example only, to entry thresholds, type of performance goals, lock-up and minimum holding periods, deferral, ex-post correction mechanisms).

The process for the Group companies to define and approve a remuneration policy that complies with the principles set out in this Section I of the Group policy is in line with applicable local provisions (including corporate law) and entails the involvement, as the case may be, of the companies' shareholders' meetings and/or administrative bodies.

Section II – Report on payments

Introduction

This section consists of:
- a first part, which provides a description of the remuneration of the remuneration policy's recipients; and
- a second part, which sets out the remuneration mentioned above in a tabular format, as well as the shareholdings held by the individuals in question regarding the relevant financial period.

In this context and in compliance with applicable regulations, disclosure is made regarding the following recipients of the remuneration policy:
- the Chair and other members of the Board of Directors;
- the Chair and other members of the Board of Statutory Auditors;
- the Managing Director/Group CEO;
- the managers with strategic responsibilities[42]; and
- the Heads of Key Functions and their first reporting line managers included in last year's Remuneration Report.

The year 2019 was, in line with 2018, a year of further reinforcement of Generali's remuneration policy, as well as significant achievements in terms of alignment with business and organization strategy and with the greater international integration of the Group.

Significant business results were also achieved also in this fiscal year, in line with the upward trend in growth already observed during the preceding financial period and in line with the expectations of the strategic plan.

These results were reflected in the payout of our incentive plans, characterized by a direct link between incentives and performance (at Group/Countries and businesses level).

All entry thresholds to the incentive plans set for 2019 were reached and the remuneration results are detailed in the tables provided in this section.

More specifically, the performance period of the 2017 Group long-term incentive share plan ended in 2019; the Board of Directors, after having verified the level of achievement of the three-year goals originally set, approved the allocation – following a specific capital increase authorized at that time by the Board for the plan – of an overall number of 6,278,644 shares (compared to a maximum of 12,500,000 shares to be potentially allocated; see details in the second part of this Section, Table 3A). The allocated shares will be subject to lock-up provided under the Plan.

42 Identified in the former Remuneration Policy's Section I, the following roles (in addition to Managing Director/Group CEO): Group Chief Financial Officer; Group Chief Risk Officer; Group Chief Marketing & Customer Officer; Group Chief Investment Officer and CEO Asset & Wealth Management; Country Manager Italy & Global Business Lines; CEO International; Country Manager Germany; Country Manager France & Europ Assistance; Austria, CEE & Russia Regional Officer; Group General Counsel; Group Strategy & Business Accelerator Director; Group Communications & Public Affairs Director; Group Mergers & Acquisitions and Group Bancassurance Director; Head of Corporate Affairs & Company Secretary; Head of Group Audit; Group Chief HR & Organization Officer.

Part I

1. Remuneration of non-executive directors

The Shareholders' Meeting of 7 May 2019 confirmed that, for the three-year period 2019 - 2021, each Board member is entitled to:

- the gross annual fixed remuneration of € 100,000, with a 50% increase for members of the Executive Committee (if established);
- an attendance fee of € 4,000 for each meeting of the Board of Directors and Executive Committee (if established); and
- the reimbursement of out-of-pocket expenses incurred to attend the meetings.

It should be further noted that there are no agreements in place with the non-executive directors regarding severance provisions in the event their appointment is terminated.

The members of the Board Committees and Supervisory Body at the date of this Report are entitled to the following remuneration in accordance with Article 2389 of the Italian Civil Code.

Role	Annual gross remuneration (EUR)	Attendance fee for each meeting (EUR)
Members of the Risk and Control Committee	40,000	2,000
Chair of the Risk and Control Committee	60,000	2,000
Members of the Corporate Governance, social and environmental Sustainability Committee	20,000	2,000
Chair of the Corporate Governance, social and environmental Sustainability Committee	30,000	2,000
Members of the Investments Committee *	30,000	2,000
Chair of the Investments Committee and Strategic Operations Committee *	No remuneration	No remuneration
Members of the Strategic Operations Committee	10,000	2,000
Members of the Appointments and Remuneration Committee **	30,000/20,000	2,000
Chair of the Appointments and Remuneration Committee	40,000	2,000
Members of the Related-Party Transactions Committee	20,000	2,000
Chair of the Related-Party Transactions Committee	25,000	2,000
Members of the Supervisory Body ***	25,000	0
Chair of the Supervisory Body	35,000	0

* The position of Chairman of the Investment Committee and of the Strategic Operations Committee is held by the Managing Director / Group CEO and does not provide for the payment of remuneration.
** The different remuneration refers, respectively, to the members involved in appointment and remuneration issues or that are involved only in appointment issues.
*** The remuneration of the member who also plays the role of executive of Generali is absorbed in the emoluments already provided in his favor because of the aforementioned role.

With regard to the remuneration for the **Chair** of the Board of Directors, appointed as of May 7 2019, the Board resolved, in line with the previous mandate, to pay the Chair, in addition to the remuneration due to the other non-executive directors, a gross annual emolument/gross annual remuneration for the powers conferred of € 850,000. This remuneration is in line with the emoluments/remuneration received by both Italian and foreign individuals that hold similar roles in companies comparable to Assicurazioni Generali in terms of size and characteristics.

The following fringe benefits were also resolved on:

- insurance coverage relating to occupational accidents, illnesses, in the event of death and total and permanent disability;
- supplementary insurance coverage for healthcare expenses, with characteristics equivalent to that provided for Company managers:
- availability of the company car with driver for mixed use.

The Chair also received emoluments and attendance fees for the offices of Chair of the Corporate Governance, social and environmental Sustainability Committee and member of the Investment and strategic Operations Committee (until May 7, 2019) and member of the Investment Committee (from May 7, 2019).

No specific agreements are in place with the Chair regarding severance provisions in the event of termination, on which, therefore, in accordance with the law, the relevant policy in place for the relevant year applies.

Details of the relevant emoluments are set out in Table 1 below, whereas Table 4 contains the shareholdings of the individuals in question.

2. Remuneration for members of the Board of Statutory Auditors

The Shareholders' Meeting of 27 April 2017 approved the remuneration to be paid to the Board of Statutory Auditors, setting a gross annual remuneration of € 100,000 for the effective Auditors for each of the 2017, 2018 and 2019 financial years, with a 50% supplement for the Chair of the Board of Statutory Auditors.

Details of the relevant remuneration relating to 2019 are set out in Table 1 below, whereas Table 4 contains the shareholdings of the individuals in question.

3. Remuneration of the Managing Director/Group CEO and other Managers with strategic responsibilities

The remuneration package of the Managing Director/ Group CEO, as resolved on by the corporate body and in line with the Group Remuneration Policies, included in the reference year (2019) the following items:

Managing Director/Group CEO:

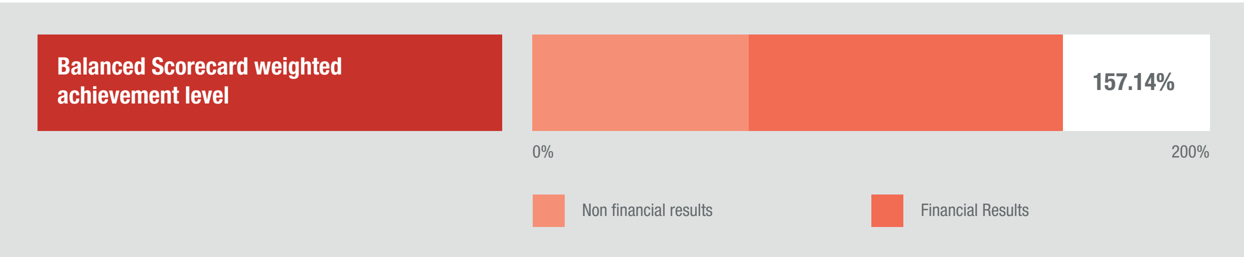
- a gross annual salary as Executive of € 1,100,000 increased to € 1,350,000 with effect from May 7, 2019 and a gross annual remuneration as CEO of € 300,000, increased to € 350,000 with effect as of May 7, 2019, inclusive of the emoluments and attendance fees provided for the members of the Board of Directors and those in the capacity of member of internal Board Committees;
- an annual part of the variable remuneration component: payment of a bonus connected to the annual goals (as described above), which is, at target level, equal to € 1,700,000 gross and can reach up to 200% of the fixed component in the event of over performance;
- a deferred part in shares of the variable component of the remuneration for which, in relation to the achievement of the assigned objectives (as described above), the interested party can be awarded a maximum total amount equal to 200% of the current fixed remuneration in the event of over-performance; in line with the provisions of the other members of the Group Management Committee (GMC);
- a specific stock plan related to the mandate, which provides - in line with what is described in section I par. 3.3.2 - the free allocation, in July 2022, of a maximum n. of 550,000 Assicurazioni Generali shares, subject, inter alia, to the occurrence of performance conditions and the maintenance by the Managing Director / Group CEO in the portfolio until the natural expiry of the mandate of ownership of n. 550,000 Assicurazioni Generali shares;
- a supplementary pension: as per the national collective bargaining agreement and supplementary individual agreement, with a contribution borne by the Company amounting to 16.5% of the fixed remuneration component and overall fixed annual remuneration and an annual gross supplement by the Company of € 107,452.22;
- a non-competition agreement: this agreement will be in force for six months after termination, in exchange for the payment of an amount corresponding to the fixed remuneration that would have been received in that period and a penalty clause corresponding to twice the amount of the remuneration; and
- other fringe benefits and severance provisions: in line with the guidelines and the limits set in the Group policy[43].

With particular reference to the variable remuneration (in its various annual, deferred components and specific stock plan), in the reference year (2019), the current Managing Director / Group CEO has completed the following treatments:

A) **annual part of the variable remuneration component**: based on the results achieved, the short-term part of the variable annual part of the variable component of the remuneration: based on the results obtained, the amount of the annual part of the variable component amounts to **€ 2,671,441** gross (equal to 157.14% compared to a maximum of 200% of the fixed remuneration as shown below).

43 Specifically, severance equal to legal and contractual notice plus 24 months of annual recurring remuneration (calculated also on the remuneration as director, based on the criteria outlined in Section I paragraph 10). The severance is due in case of dismissal without cause or resignation with cause, the latter including cases of revocation of office (without cause), non-renewal of the office and substantial reduction of powers (without just cause) or the attribution to other individuals of powers which are substantially equivalent to his or anyways powers having a substantial impact on his leading position. With regards to the effects of the termination of the relationship on the rights assigned within the LTI plans, the contractual provisions in place provide that, in the event of termination of the employment relationship with the Managing Director/Group CEO by Company initiative (also as a result of non-renewal of the office) without cause, he will maintain the right to receive the share incentive of the plans (subject to the achievement of relevant performance objectives and all others terms and conditions provided by the relevant rules). Starting from the 2019 LTI Plan, the contractual terms for the Managing Director/Group CEO provide that, in case of termination of the office during a three-year mandate, he shall retain the rights arising from the plan only pro rata temporis and only in so-called "good leaver" cases (subject to the achievement of the objectives and to the other terms and conditions under the plan rules). Conversely, in so-called "bad leaver" cases he lose all rights arising from outstanding plans and referred to the period of such mandate. "Bad leaver" shall include the cases of voluntary resignation from the office during the course of the three-year mandate and revocation for cause. "Good leaver" shall include all other cases of termination.

This amount was determined on the basis of the degree of achievement of the objectives defined by the Board of Directors in the individual report relating to the economic, financial and operating results (ie Group Adjusted Net Profit[44], Remittance from Subsidiaries[45] and Group Return on Risk Capital), and non-financial results (key projects related to the Group's strategy, Brand & Sustainability Commitment and People Value), assessed positively with respect to the expectations of the strategic plan for the reference year.



The payout level of the parts of the annual variable remuneration for the Managing Director / Group CEO reflects the extremely positive performance for the year 2019 of all economic and financial objectives compared to the challenging expectations of the strategic plan, with results exceeding the targets defined in consistency with the Group's strategic plan for Net Profit and Return on Risk Capital (RORC) and significantly higher with reference to Remittance from Subsidiaries.

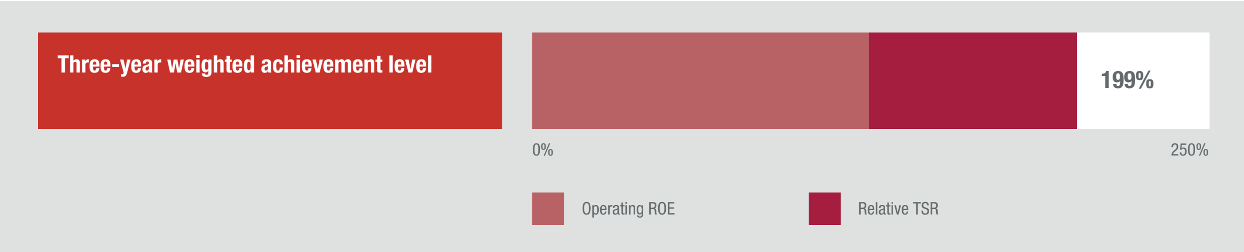
Even the results that were not strictly financial (key projects related to the Group's strategy) were positively assessed by the Board of Directors in line with or better than the expectations of the strategic plan. In particular with reference to the initiatives of:

- **Profitable growth, capital management and financial optimization**, important results were obtained in terms of significant growth in Net Result and Net Normalized Result, Operating result and Solvency. Improvements were also recorded with regard to Life Net Flows, Non-Life Premiums and Combined Ratio. In line with the strategy, the Asset Management segment was significantly developed. In the same period, significant M&A operations and the consolidation of the capital position at Group level were carried out. Finally, it is worth highlighting the efficiency of total expenses in the European insurance perimeter and debt reduction in line with the targets announced to the market;
- **Innovation, digital transformation and strategy enablers**, important strategic initiatives have been launched to support transformation through the Group (which have led, for example, to the creation of a mobility platform and to the increase in the number of digital policies). Furthermore, relevant investment was made in Brand & Sustainability commitment initiatives (for example the definition and implementation of the "Life Time Partner transformation hallmarks" through the Group) which led the Group to a solid improvement in terms of Relationship NPS and Brand preference. This is associated with the strengthening of the Group's commitment to sustainability with growth recorded in "green, social and ESG" products, in new "green and sustainable" investments (for instance Generali was the first European insurer issuing a "green bond"), the maintenance within the Dow Jones Sustainability World Index and the inclusion in the Dow Jones Sustainability Europe Index. In addition, The Human Safety Net - THSN foundation has been successfully activated in 21 countries. As regards the People Value section, many important strategic initiatives related to the People Strategy 2019-2021 were successfully conducted (the Group Academy was inaugurated, the share plan for all employees was successfully launched) which led to having already in 2019 an extremely positive employee participation and engagement rate that is higher than the market benchmarks (89% participation and 82% engagement index).

B) **deferred part in shares of the variable component of the remuneration**: at the end of the performance period of the 2017 LTI plan and on the basis of the degree of achievement of the related objectives (as previously described), the assignment to the Managing Director / Group CEO was

44 Group net profit declared in the financial statements, adjusted excluding any extraordinary component that cannot be foreseen (deriving from, by way of example and not limited to: amortization / goodwill depreciation, significant changes in the law / regulators / regulations, significant impacts deriving from changes relating to tax treatment, capital gains / losses from M&A) and approved by the Board of Directors on the proposal of the Appointments and Remuneration Committee according to these guidelines.
45 Dividends or equivalent transactions (e.g. capital reduction, subordinated debt repayment) approved by the Group Head Office and / or by the corporate body of reference, where appropriate.

approved of n. **228,872 shares**, including additional shares assigned on the basis of the dividend equivalent mechanism, against a performance level of 199% compared to a maximum of 250% (as shown below). These shares are subject to the lock-up periods referred to in the plan.



C) As regards the deferred part, it should also be noted that the **specific stock plan for the Managing Director / Group CEO** that was assigned to him at the beginning of the previous mandate has been completed.
A number of 172,508 shares have been attributed, inclusive of additional shares attributed on the basis of the dividend equivalent mechanism, against a maximum number of potentially attributable shares equal to n. 250,000. The attribution has been made considering the degree of achievement of the absolute target of Total Shareholders Return in the performance period July 2016 - July 2019 equal to 52.16%. The additional condition of maintaining in the portfolio for the period of the mandate of at least n. 200,000 Generali shares, purchased through own means (which the Managing Director / Group CEO continues to hold) has also been verified.
As required by the Plan rules, 50% of the shares attributed will be subject to a two-year lock-up period (so-called minimum holding).

The payout level of the parts of the deferred variable remuneration in shares for the Managing Director / Group CEO reflects the extremely positive performance in the three-year reference period of all economic and financial objectives compared to the challenging expectations of the strategic plan (ROE, absolute TSR and relative TSR).

Remuneration of other Managers with Strategic Responsibilities

In 2019, considering the managerial positions in place, the category of managers with strategic responsibilities comprised a total 17 people[46].

In particular, salary increases were envisaged for 8 incumbents, taking into account the evidences of market benchmarks and according to the defined governance. As already specified in the Remuneration Report of last year, the incidence of the deferred variable component for the members of the Group Management Committee was also reviewed, in compliance with regulatory provisions. In line with the remuneration policy, benefits related to the housing and logistics situation and the education of the children were also recognized in addition to the assignment of the company car with a fuel card.

In addition to the normal fixed component (see details in Table 1 below), the managers with strategic responsibilities, as the case may: (i) be accrued the annual variable remuneration (STI) subject to and based on the extent of achievement of the goals set for 2019 and, with reference to 2 individuals, accrued the deferred instalments for the 2018 STI, which was deferred subject to and based on the assessment of the continuity and sustainability of the 2018 performance (see details in Table 3B below); (ii) be accrued shares on the basis of the LTI Plan 2017 (see details in Table 3A below); and (iii) may accrue a certain number of free shares during the next financial years, as deferred remuneration, based on the different LTI plans currently in force and subject to achievement of the goals and the terms and conditions set out in the plans (see details in Table 3A below).

The economic arrangements in the event of termination of employment for managers with strategic responsibilities in force are defined on the occasion of the termination of the relationship, in line with the relevant policy for the reference year, whereby a maximum amount corresponding to 24 months' recurring remuneration (gross annual salary plus the average of the amounts received

46 Including the Heads of Key Function belonging to the Managers with strategic responsibilities.

as short-term remuneration in the last three years) can be granted, in addition to the legal and contractual notice (where applicable). At present, there are no agreements with executives with strategic responsibilities who predetermine ex ante the treatments due in the event of future termination of the relationship.

No termination of the employment relationships for manager with strategic responsibilities was agreed in 2019.

The details regarding the remuneration received by the Managing Director/Group CEO and other managers with strategic responsibilities for the 2019 period are recorded in Table 1, whereas Tables 3.A and 3.B refer to the incentive plans, and Table 4 provides details on the shareholdings of the individuals in question.

As to detailed information relating to the long-term variable component, please refer to the reports drafted in accordance with Article 114-bis of the Consolidated Law on Finance [T.U.F. *Testo Unico Finanza*], which can be found on the Company's website under the section "Governance\Remuneration".

4. Remuneration of heads and first reporting managers of Key Functions

In 2019, considering the managerial turnover, the category of managers of the Key Functions comprised (either throughout the whole year or a part thereof) a total of 23 people (excluding the Heads of Key Function belonging to the Managers with strategic responsibilities).

As specified in last year Remuneration Report, starting from 2014, for managers belonging to these functions an ad hoc remuneration package is provided in line with specific regulatory requirements. Starting from 2015, this package has also been extended to heads and first reporting managers of the Actuarial function.

In the reference financial year, the heads of Key Functions and their first reporting line managers were paid a total gross amount of € 3,695,617 in terms of the fixed component. It is important to note that the remuneration packages for 9 managers of Key Functions were adjusted based on the outcomes of a benchmark analysis carried out by an external consultancy firm and, in light of the specific regulatory requirements, focused on achieving a correct balance between fixed and variable components (as described above), subject to the approval of the Risk and Control Committee.

The total of the short-term variable component and other bonuses was:
- € 1,450,185 gross, of which € 882,111 gross paid upfront and € 568,074 gross subject to deferral, to be paid out according to the regulatory provisions subject to and based on the assessment of the continuity and sustainability of the 2019 performance;
- € 423,597 gross, pertaining to the 2018 financial year, was paid after one year's deferral.

In terms of overall benefits and additional remuneration, based on tax criteria, these amounted to a total of €163,960 gross.

It should also be noted that during 2019 a severance treatment was provided for a total amount of € 226,000 gross.

TABLES

Table 1 - Remuneration paid to members of the management and control bodies, general managers and other managers with strategic responsibilities

Person Name and Surname / Office held	Period for which office was held	Office expiry	Emoluments (in Euro) - Emoluments for the office held: Fixed emoluments	Variable emoluments	Attendance fees	Bonus and other incentives	Non monetary benefits	Other remuneration	Total	Fair value equity	Severance indemnity for end of office or termination of employment
(I) Emoluments in the company that prepares the financial statement											
Gabriele GALATERI DI GENOLA		**Total**	**971,131.29**		**96,000.00**	**--**	**9,796.68**	**--**	**1,076,927.97**	**--**	**--**
Chairman	1.1-31.12.2019	Approved f.s. 2021	814,583.34 (*)		56,000.00		9,796.68		**880,380.02**		
Member of the Board of Directors	1.1-31.12.2019	Approved f.s. 2021	100,000.00						**100,000.00**		
Chairman of the Corporate Governance, social and environmental Sustainability Committee	1.1-31.12.2019	Approved f.s. 2021	26,547.95		14,000.00				**40,547.95**		
Member of Investments and Strategic Operations Committee	1.1.-7.5.2019	Approved f.s. 2018	10,356.16		8,000.00				**18,356.16**		
Member of Investments Committee	7.5.-31.12.2019	Approved f.s. 2021	19,643.84		18,000.00				**37,643.84**		
Francesco Gaetano CALTAGIRONE		**Total**	**167,917.81**	**--**	**88,000.00**	**--**	**--**	**--**	**255,917.81**	**--**	**--**
Member of the Board of Directors	1.1-31.12.2019	Approved f.s. 2021	100,000.00		44,000.00				**144,000.00**		
Member of Investments and Strategic Operations Committee	1.1.-7.5.2019	Approved f.s. 2018	10,356.16		4,000.00				**14,356.16**		
Member of the Appointments and Remuneration Committee	1.1-31.12.2019	Approved f.s. 2021	18,273.97		6,000.00				**24,273.97**		
Member of the Corporate Governance, social and environmental Sustainability Committee	7.5.-31.12.2019	Approved f.s. 2021	13,095.89		6,000.00				**19,095.89**		
Member of the Investments Committee	7.5.-31.12.2019	Approved f.s. 2021	19,643.84		16,000.00				**35,643.84**		
Member of the Strategic Operations Committee	7.5.-31.12.2019	Approved f.s. 2021	6,547.95		12,000.00				**18,547.95**		
Philippe DONNET		**Total**	**1,595,000.00**	**--**	**--**	**2,671,441.00**	**251,540.14**	**--**	**4,517,981.14**	**1,636,090.79**	
Group CEO (1)	1.1-31.12.2019	Approved f.s. 2021	1,595,000.00			2,671,441.00	251,540.14		**4,517,981.14**	1,636,090.79 (**)	
Member of the Board of Directors	1.1-31.12.2019	Approved f.s. 2021							--		
Member of Investments and Strategic Operations Committee	1.1.-7.5.2019	Approved f.s. 2018							--		
Member of the Investments Committee	7.5.-31.12.2019	Approved f.s. 2021							--		
Member of the Strategic Operations Committee	7.5.-31.12.2019	Approved f.s. 2021							--		
Lorenzo PELLICIOLI		**Total**	**163,095.90**	**--**	**94,000.00**	**--**	**--**	**--**	**257,095.90**	**--**	**--**
Member of the Board of Directors	1.1-31.12.2019	Approved f.s. 2021	100,000.00		44,000.00				**144,000.00**		
Member of the Appointments and Remuneration Committee	1.1-31.12.2019	Approved f.s. 2021	26,547.95		20,000.00				**46,547.95**		
Member of Investments and Strategic Operations Committee	1.1.-7.5.2019	Approved f.s. 2018	10,356.16		4,000.00				**14,356.16**		
Member of the Investments Committee	7.5.-31.12.2019	Approved f.s. 2021	19,643.84		14,000.00				**33,643.84**		
Member of the Strategic Operations Committee	7.5.-31.12.2019	Approved f.s. 2021	6,547.95		12,000.00				**18,547.95**		

Person Name and Surname / Office held	Period for which office was held	Office expiry	Emoluments (in Euro) – Emoluments for the office held: Fixed emoluments	Variable emoluments	Attendance fees	Bonus and other incentives	Non monetary benefits	Other remuneration	Total	Fair value equity	Severance indemnity for end of office or termination of employment
Clemente REBECCHINI		**Total**	**199,287.68**	--	**136,000.00**	--	--	--	**335,287.68**[2]	--	--
Member of the Board of Directors	1.1-31.12.2019	Approved f.s. 2021	100,000.00		56,000.00				**156,000.00**		
Member of the Appointments and Remuneration Committee	7.5.-31.12.2019	Approved f.s. 2021	13,095.89		6,000.00				**19,095.89**		
Member of Investments and Strategic Operations Committee	1.1.-7.5.2019	Approved f.s. 2018	10,356.16		8,000.00				**18,356.16**		
Member of the Corporate Governance, social and environmental Sustainability Committee	7.5.-31.12.2019	Approved f.s. 2021	13,095.89		8,000.00				**21,095.89**		
Member of the Investments Committee	7.5.-31.12.2019	Approved f.s. 2021	19,643.84		18,000.00				**37,643.84**		
Member of the Strategic Operations Committee	7.5.-31.12.2019	Approved f.s. 2021	6,547.95		12,000.00				**18,547.95**		
Member of the Risk and Control Committee	1.1-31.12.2019	Approved f.s. 2021	36,547.95		28,000.00				**64,547.95**		
Paola SAPIENZA		**Total**	**52,191.78**	--	**24,000.00**	--	--	--	**76,191.78**	--	--
Member of the Board of Directors	1.1.-7.5.2019	Approved f.s. 2018	34,794.52		16,000.00				**50,794.52**		
Member of the Investments and Strategic Operations Committee	1.1.-7.5.2019	Approved f.s. 2018	10,438.36		6,000.00				**16,438.36**		
Member of the Related party transactions Committe	1.1.-7.5.2019	Approved f.s. 2018	6,958.90		2,000.00				**8,958.90**		
Alberta FIGARI		**Total**	**181,369.87**	--	**102,000.00**	--	--	--	**283,369.87**	--	--
Member of the Board of Directors	1.1-31.12.2019	Approved f.s. 2021	100,000.00		56,000.00				**156,000.00**		
Chair of the Risk and Control Committee	1.1-31.12.2019	Approved f.s. 2021	56,547.95		28,000.00				**84,547.95**		
Member of the Corporate Governance, social and environmental Sustainability Committee	1.1.-7.5.2019	Approved f.s. 2018	5,178.08		6,000.00				**11,178.08**		
Member of the Appointments and Remuneration Committee	7.5.-31.12.2019	Approved f.s. 2021	19,643.84		12,000.00				**31,643.84**		
Sabrina PUCCI		**Total**	**154,821.92**	--	**94,000.00**	--	--	--	**248,821.92**	--	--
Member of the Board of Directors	1.1-31.12.2019	Approved f.s. 2021	100,000.00		56,000.00				**156,000.00**		
Member of the Risk and Control Committee	1.1-31.12.2019	Approved f.s. 2021	36,547.95		28,000.00				**64,547.95**		
Member of the Appointments and Remuneration Committee	1.1-31.12.2019	Approved f.s. 2021	18,273.97		10,000.00				**28,273.97**		
Ornella BARRA		**Total**	**45,232.88**	--	**26,000.00**	--	--	--	**71,232.88**	--	--
Member of the Board of Directors	1.1.-7.5.2019	Approved f.s. 2018	34,794.52		16,000.00				**50,794.52**		
Chair of the Appointments and Remuneration Committee	1.1.-7.5.2019	Approved f.s. 2018	10,438.36		10,000.00				**20,438.36**		
Romolo BARDIN		**Total**	**169,643.84**	--	**96,000.00**	--	--	--	**265,643.84**	--	--
Member of the Board of Directors	1.1-31.12.2019	Approved f.s. 2021	100,000.00		48,000.00				**148,000.00**		
Member of the Risk and Control Committee	1.1.-7.5.2019	Approved f.s. 2018	10,356.16		8,000.00				**18,356.16**		
Member of the Related party transactions Committe	1.1-31.12.2019	Approved f.s. 2021	20,000.00		6,000.00				**26,000.00**		
Member of the Appointments and Remuneration Committee	7.5.-31.12.2019	Approved f.s. 2021	13,095.89		6,000.00				**19,095.89**		
Member of the Investments Committee	7.5.-31.12.2019	Approved f.s. 2021	19,643.84		16,000.00				**35,643.84**		
Member of the Strategic Operations Committee	7.5.-31.12.2019	Approved f.s. 2021	6,547.95		12,000.00				**18,547.95**		

Person Name and Surname / Office held	Period for which office was held	Office expiry	Emoluments (in Euro) / Emoluments for the office held: Fixed emoluments	Variable emoluments	Attendance fees	Bonus and other incentives	Non monetary benefits	Other remuneration	Total	Fair value equity	Severance indemnity for end of office or termination of employment
Diva MORIANI		**Total**	**153,095.89**	--	**84,000.00**	--	--	--	**237,095.89**	--	--
Member of the Board of Directors	1.1-31.12.2019	Approved f.s. 2021	100,000.00		56,000.00				**156,000.00**		
Member of the Related party transactions Committe	7.5.-31.12.2019	Approved f.s. 2021	20,000.00		6,000.00				**26,000.00**		
Chair of the Appointments and Remuneration Committee	7.5.-31.12.2019	Approved f.s. 2021	26,191.78		12,000.00				**38,191.78**		
Member of the Appointments and Remuneration Committee	1.1.-7.5.2019	Approved f.s. 2018	6,904.11		10,000.00				**16,904.11**		
Paolo DI BENEDETTO		**Total**	**143,273.97**	--	**70,000.00**	--	--	--	**213,273.97**	--	--
Member of the Board of Directors	1.1-31.12.2019	Approved f.s. 2021	100,000.00		52,000.00				**152,000.00**		
Chair of the Related party transactions Committe	1.1-31.12.2019	Approved f.s. 2021	25,000.00		6,000.00				**31,000.00**		
Member of the Corporate Governance, social and environmental Sustainability Committee	1.1-31.12.2019	Approved f.s. 2021	18,273.97		12,000.00				**30,273.97**		
Roberto PEROTTI		**Total**	**163,095.90**	--	**102,000.00**	--	--	--	**265,095.90**	--	--
Member of the Board of Directors	1.1-31.12.2019	Approved f.s. 2021	100,000.00		56,000.00				**156,000.00**		
Member of the Risk and Control Committee	1.1-31.12.2019	Approved f.s. 2021	36,547.95		26,000.00				**62,547.95**		
Member of the Related party transactions Committe	1.1.-7.5.2019	Approved f.s. 2018	6,904.11		2,000.00				**8,904.11**		
Member of the Investments Committee	7.5.-31.12.2019	Approved f.s. 2021	19,643.84		18,000.00				**37,643.84**		
Ines MAZZILLI		**Total**	**104,767.12**	--	**62,000.00**	--	--	--	**166,767.12**	--	--
Member of the Board of Directors	7.5.-31.12.2019	Approved f.s. 2021	65,479.45		40,000.00				**105,479.45**		
Member of the Risk and Control Committee	7.5.-31.12.2019	Approved f.s. 2021	26,191.78		18,000.00				**44,191.78**		
Member of the Related party transactions Committe	7.5.-31.12.2019	Approved f.s. 2021	13,095.89		4,000.00				**17,095.89**		
Antonella MEI-POCHTLER		**Total**	**91,671.23**	--	**48,000.00**	--	--	--	**139,671.23**	--	--
Member of the Board of Directors	7.5.-31.12.2019	Approved f.s. 2021	65,479.45		36,000.00				**101,479.45**		
Member of the Corporate Governance, social and environmental Sustainability Committee	7.5.-31.12.2019	Approved f.s. 2021	13,095.89		4,000.00				**17,095.89**		
Member of the Related party transactions Committe	7.5.-31.12.2019	Approved f.s. 2021	13,095.89		8,000.00				**21,095.89**		
Carolyn DITTMEIER		**Total**	**150,000.00**	--	--	--	--	--	**150,000.00**	--	--
Chairman of the Statutory Auditors	1.1-31.12.2019	Approved f.s. 2019	150,000.00						**150,000.00**		
Lorenzo POZZA		**Total**	**100,000.00**	--	--	--	--	--	**100,000.00**	--	--
Statutory Auditor	1.1-31.12.2019	Approved f.s. 2019	100,000.00						**100,000.00**		
Antonia DI BELLA		**Total**	**100,000.00**	--	--	--	--	--	**100,000.00**	--	--
Statutory Auditor	1.1-31.12.2019	Approved f.s. 2019	100,000.00						**100,000.00**		
Other managers with strategic responsibilities (3)		**Total**	**9,689,166.67**	--	--	**11,567,775.00**	**846,761.66**	--	**22,103,703.33**	**6,456,409.00****	-
Total***			**14,394,763.75**	--	**1,122,000.00**	**14,239,216.00**	**1,108,098.48**	--	**30,864,078.23**	**8,092,499.79**	-

(1) For the incidence of the components of Director and Employee, refer to what is described in Part I of Section 2 with reference to the remuneration of the Managing Director / Group CEO.

(2) The remuneration is paid directly to Mediobanca.

(3) During the 2019 financial year, there were 17 managers with strategic responsibilities shown in the table.

* Amount weighted in relation to the period of the year referred to in which the Chair covered the role, and consequently the payment has been done.

** Sum of the fair value relating to the shares attributable and potentially attributable in the future (as part of the long-term incentive plans subject to the achievement of the objectives and the terms and conditions set out in the respective plans) for the part recognized in the financial statements 2019 on an accrual basis according to international accounting standards.

*** The data include the compensation from subsidiaries and associates.

Table 2 - Stock options granted to members of the Board of Directors, general managers and other managers with strategic responsibilities

		Options held at the start of the financial year				Options assigned 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	Office	Pian	Number of options	Exercise price	Possible exercise period	Number of options	Exercise price	Possible exercise period	Fair value at assignment date	Assignment date	Market price of the shares at the assignment of options	Number of options	Exercise price	Market price of the shares at the assignment date	Number of options	Number of options	Fair value
(I) Emoluments in the company that prepares the financial statement																	
(II) Emoluments from subsidiaries and associates																	
(III) Total																	

This table has not been completed because there are no outstanding stock option plans.

Tabella 3A - Incentive plans based on financial instruments other than stock options for members of the Board of Directors, general managers and other managers 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													
Philippe DONNET	Managing Director/ Group CEO	LTI 2017-2019 (resolution of the Shareholders' meeting 27.04.2017) [(a)]								16,945 Shares not granted [(b)]	228,872 Shares to be granted	€ 2,699,545	€ 442,049
		LTI 2018-2020 (resolution of the Shareholders' meeting 19.04.2018) [(c)]	196,054 Shares potentially granted	2018-2020									€ 555,498
		LTI 2019-2021 (resolution of the Shareholders' meeting 07.05.2019) [(d)]			224,332 Shares potentially granted	€ 3,842,134	2019-2021	07.05.2019	€ 17.127				€ 580,260
		Special Stock Plan [(e)]								51,982 Shares not granted [(b)]	172,508 Shares to be granted	€ 2,935,224	€ 58,284
Other managers with strategic responsibilities		LTI 2017-2019 (resolution of the Shareholders' meeting 27.04.2017) [(a)]								88,115 Shares not granted [(b)]	743,676 Shares to be granted	€ 8,771,658	€ 1,249,165
		LTI 2018-2020 (resolution of the Shareholders' meeting 19.04.2018) [(c)]	762,061 Shares potentially granted	2018-2020									€ 1,980,826
		LTI 2019-2021 (resolution of the Shareholders' meeting 07.05.2019) [(d)]			1,110,691 Shares potentially granted	€ 19,022,805	2019-2021	07.05.2019	€ 17.127				€ 3,226,418
(III) Total	**(*)**		**958,115**		**1,335,023**					**157,042**	**1,145,056**	**€ 14,406,427**	**€ 8,092,500**

(*) including emoluments from subsidiaries

(a) Number of shares to be granted on April 2019 as per Assicurazioni Generali Board of Directors' resolution after the conclusion of performance period and based on the achievement of the objectives set for the three-year period 2017-2019, including the additional number of shares based on the overall amount of the dividends distributed in the three-year reference period (so-called dividend equivalent).
The amount on maturity date has been determined considering the official closing price of the share on March 12, 2020, date on which the Assicurazioni Generali Board of Directors was held, verified the achievement of three-years objectives and approved the resolution on free capital increase.

(b) Number of shares not granted subject to the achievement of objectives, taking into account for the LTI plans the performance in the last year of the plan.

(c) Maximum number of shares to be potentially granted at the end of vesting period (2018-2020) subject to the achievement of the objectives and the terms and conditions of the plan, considering that, with regard to 2018 and 2019, the number of shares is calculated based on the level of performance achieved in the years. Moreover, as stated in LTI plan's rules and as described in last year Remuneration Report, beneficiaries could receive an additional number of shares based on the overall amount of the dividends distributed in the three-year reference period (so-called dividend equivalent).

(d) Maximum number of shares to be potentially granted at the end of vesting period (2019 – 2021) subject to the achievement of the objectives and the terms and conditions of the plan. Moreover, as stated in LTI plan's rules and as described in last year Remuneration Report, beneficiaries could receive an additional number of shares based on the overall amount of the dividends distributed in the three-year reference period (so-called dividend equivalent).

(e) Number of shares granted in July 2019, considering the achievement of the objectives and the terms and conditions of the plan, including the additional number of shares based on the overall amount of the dividends distributed in the three-year reference period (so-called dividend equivalent).

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

A	B	(1)	(2)			(3)			(4)
			Bonus of the year			Bonus of the previous years			Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
Name and surname	Office	Plan	Payable/ Paid	Deferred	Deferment period	No longer payable	Payable/ Paid	Still deferred	
(I) Emoluments in the company that prepares the financial statement (€)									
Philippe DONNET	Managing Director/ Group CEO	STI 2019	2,671,441						
Other managers with strategic responsibilities		STI 2019	11,266,775	367,250	2022				
		STI 2018 (1)					301,000		
		Other bonuses							-
(III) Total (*)			**13,938,216**	**367,250**			**301,000**		**0**

(*) including emoluments from subsidiaries and associates.
(1) The amount represented refers to deferred part as foreseen by incentive system for Key Functions.

Tabella 4 - Shareholdings of members of the management and control bodies, general managers and other managers with strategic responsibilities

Name and Surname	Investee Company	Number of shares held at the end of the previous year	Number of shares acquired	Number of shares sold	Number of shares held at the year-end
Gabriele GALATERI DI GENOLA *Chairman of the Board*	Generali	26,800	26,800	26,800	26,800
Francesco Gaetano CALTAGIRONE *Deputy Chairman of the Board*	Generali	74,900,000[(1)]	6,950,000[(2)]	3,350,000[(2)]	78,500,000[(3)]
Philippe DONNET *Managing Director/ Group CEO*	Generali	316,745	371,205[(4)]		687,950
Romolo BARDIN *Board member*	Generali	3,000	0	0	3,000
Other managers with strategic responsibilities	Generali	554,361	489,007[(5)]	256,520	786,848

(1) Of which 74,785,000 shares held through an intermediate legal person.
(2) Through an intermediate legal person.
(3) Of which 78,385,000 shares held through an intermediate legal person.
(4) Of which 198,697 shares attributed under the 2016 LTI Plan and 172,508 under the special share plan relating to the mandate for the 2016-2019 three-year period
(5) Of which 489,007 shares granted under 2016 LTI Plan.

Section III - Control functions verifications

Verifications of the Compliance and Risk Management functions

1. Introduction

IVASS Regulation n. 38/2018, which repealed ISVAP Regulation no. 39/2011, provides that the definition and implementation of the remuneration policies adopted by the company are subject, at least annually, to a verification by the Fundamental Functions, according to the area of their respective competence.

The Compliance Function, in particular, pursuant to art. 58 of the aforementioned IVASS Regulation n.38 / 2018, has the task of verifying that the aforementioned policies comply with the rules on remuneration and incentive policy pursuant to Part II, Chapter VII of the IVASS Regulation n. 38/2018, the Articles of Association as well as any ethical codes or other standards of conduct applicable to the Company, in order to prevent and contain legal and reputational risks.

The Risk Management Function, on the other hand, has the task of contributing to ensuring the consistency of the remuneration policies with the propensity to risk also by defining the risk indicators and verifying their correct use.

2. Verification of the remuneration policy

With particular reference to the remuneration policy, the Compliance Function and the Risk Management Function have examined ex ante, for the aspects of their respective competence, the new text, which will be submitted, after approval by the Board of Directors, to the Shareholders' Meeting on next April 30, 2020.

The new policy is in substantial continuity with that approved in 2019 while maintaining the following characteristics:
- a combination of annual (Short Term Incentive - STI) and deferred (Long Term Incentive - LTI) plans consistent with the Group's business strategy and priorities, with the Group's performance trends and with the return for shareholders;
- the link between remuneration and risk, in line with the provisions and recommendations of IVASS and the Solvency II regulation, through key indicators in the Group's incentive systems such as the Regulatory Solvency Ratio and the Return on Risk Capital (RoRC);
- alignment of objectives and performance indicators (KPI) with the Group's business strategy and priorities.

The provisions of greatest interest and those that present novelties mainly concern the following aspects:
- the scope of recipients already provided for by the 2019 Policy has been confirmed;
- with reference to the **STI plan**:
  - the provision of a reference threshold to which the funding pool of the Short Term Incentive (STI) plan identified in a specific minimum level of Regulatory Solvency Ratio (RSR) equal to 130% was confirmed. This minimum level of RSR was set considering the level of "hard limit" defined in the Group's Risk Appetite Framework (RAF) approved by the Board of Directors in December 2019. The Board of Directors' ability to provide for any reduction of the available funding pool where the RSR is lower than the "soft limit" level envisaged by the Group RAF, equal to 150%, but in any case higher than 130%. The link between remuneration and risk was also maintained with the confirmation of Return on Risk Capital (RoRC) objectives in the incentive systems;
  - the process of defining the conditions and assigning the Short Term Incentive (STI) plan was confirmed, with a detailed description of the different phases in which this process is divided (funding pool; individual performance; calibration and payout);
  - it has been confirmed that the minimum and maximum values within which the funding pool is included are determined in relation to the degree of achievement of the Group's result levels;
  - the maximum number of balanced scorecard objectives was confirmed, based on 3 perspectives. Compared to 2019:
    - the first perspective (risk-adjusted economic and financial performance) has not undergone changes and continues to weigh 50%;
    - the second perspective has been changed from "2019-2021 strategic projects / KPIs" to "Country / BU specific objectives and Group strategic projects" and has as indicators "Country / BU specific KPIs linked to Business strategies and local projects and KPIs related to Group strategic projects for all relevant GLGs / leaders of strategic projects". The percentage also went from 30-40% to 15-35%;
    - The third perspective has been changed from

"people value" to "Generali 2021 enablers", its weight has increased from 10-15% to 20-30% and has as its objective a managerial assessment based on specific relative performance indicators (KPI) to:
  - ♦ "People Value", with specific priority on the "Reskilling" program and "Diversity & Inclusion" plan;
  - ♦ "Brand & Life-time partner", with specific priority on "Relationship NPS ";
  - ♦ "Sustainability commitment", with specific objectives for the leaders of sustainability initiatives. In particular, the objectives of the Generali Group in terms of sustainability include the 7-9% increase in premiums deriving from environmental and social insurance products between 2018 and 2021, € 4.5 billion of new green investments and sustainable by 2021 and the expansion of The Human Safety Net's activities within the Group.
  - With reference to the annual variable remuneration for the Managing Director / Group CEO, the individual form defined by the Board of Directors provides for economic, financial and operational objectives including a risk indicator (ie Group Adjusted Net Profit, Total Remittance and Return on Risk Capital - Group RORC) and non-financial objectives (key projects related to the Group's strategy and Generali2021 Enablers), in line with the expectations of the strategic plan.
- with reference to the **LTI plan**:
  - the annual and three-year access threshold to the Long Term Incentive (LTI) plan has been confirmed;
  - the "other key Group roles" identified on the basis of the role held, the performance expressed and the growth potential, for the purpose of "attraction" and "retention" within the perimeter of beneficiaries of the LTI plan have been included in place of Directors;
  - the payout of the shares is envisaged upon reaching new Group performance conditions (Net Holding Cash Flow and relative TSR);
  - the maximum number of shares that can be assigned to the recipients has decreased from 12,000,000 to 9,500,000;
  - the stock plan for the Managing Director / Group CEO as approved by the BoD on 20 June 2019. This plan is aimed at pursuing the objective of increasing the value of Generali shares, while aligning the economic interest of the Managing Director / Group CEO with that of the shareholders through the staff and significant investment in Generali shares and the setting of objectives in line with the 2019-2021 three-year strategic plan.
- a specific share ownership plan was implemented for all employees aimed at promoting the sense of belonging to the Group and aligning the objectives of the personnel with those outlined in the 2021 Strategic Plan, offering employees the opportunity to purchase Assicurazioni shares Generali SpA on favorable terms, connected to the creation of value of the action in the long term and stability of the Group's financial situation;
- the conditions and procedures have been identified that allow derogation from specific Policy elements, as required by the new art. 123-ter of the TUF;
- the overall cap of the D&O coverage per claim, in the annual aggregate and per coverage period, was confirmed at € 300 million. In this context, the ceiling reserved for the Directors and Statutory Auditors of Assicurazioni Generali S.p.A. as well as to the Manager in charge of preparing the Company's corporate accounting documents, it is always equal to 100 million euros per loss in the annual aggregate and per coverage period, just as the analogous cap reserved for Directors and the Statutory Auditors of Banca Generali SpA was kept at € 10 million while the others refer to the members of the corporate bodies and to all the managers of the insurance companies of the Generali Group;
- the binding nature of the Policy principles was confirmed through the preparation of a Group Remuneration Internal Policy as a tool aimed at ensuring the overall consistency and application of the remuneration policies by all Group companies, in compliance with the characteristics of each of these companies and in accordance with the limits set by the local and / or sector regulatory framework.

In this context, the Risk Management Function has verified the consistency of the identified criteria and the related indicators used for performance evaluation with respect to the risk management strategies established by the Board of Directors, with particular reference to the Risk Appetite Framework and the Recovery Plan .

3. Conclusions

Following the evaluations:
- the Compliance Function believes that the remuneration system described in the remuneration policy com-

plies with the provisions of the Delegated Acts issued in implementation of the Solvency II Directive, with those issued by IVASS in Regulation no.38 / 2018, the Articles of Association, the Code of Corporate Governance of listed companies and the Group Code of Conduct;
- the Risk Management Function, with particular reference to the criteria and parameters adopted for the determination of the variable remuneration, believes that the new remuneration system is consistent with the Group's risk management strategies.

Ex post verifications of the internal audit function

Pursuant to art. 58 of IVASS Regulation n. 38/2018, the Internal Audit Function verified the correct application of the remuneration policies based on the guidelines established by the Board of Directors for the sake of efficiency and safeguarding of company assets. This activity integrates the assessments carried out by other control functions (Compliance and Risk Management).

This audit verified both the correct settlement and payment in 2019 of the fixed and variable components attributed to the recipients based on remuneration policies for 2018, and the correct implementation of the 2019 remuneration policy. Both analyses were subsequent and consequent to the various resolutions taken by the Shareholders' Meeting on May 07, 2019 on remuneration and on the approval of the financial statements as of 31 December 2018.

The checks, based on analyses and sample tests, did not reveal any notable exceptions.

Information note in accordance with Article 84-bis, paragraph 5, of the CONSOB Issuers' Regulation

Financial instrument-based remuneration plans – granting of shares/rights under the 2019 long-term incentive plan and previous plans

With reference to the 2017 Long Term Incentive Plan approved by the Shareholders' meeting on April 27 2017, the Board of Directors of Assicurazioni Generali S.p.A, on 12 March 2020, upon proposal of the Appointment and Remuneration Committee, and having verified the achievement of the performance conditions provided for in the plan , assigned to No. 397 beneficiaries an overall number of Generali' shares equal to no. 6,278,644, subject to the conditions set forth in the plan and including the additional number of shares based on the overall amount of the dividends distributed in the three-year reference period (so-called dividend equivalent).

With reference to the 2019 Long Term Incentive Plan, approved by the Shareholders' Meeting on May 7 2019, the Board of Directors of Assicurazioni Generali S.p.A, on June 20 2019, upon proposal of the Appointment and Remuneration Committee, resolved to give execution to the plan. No. 519 beneficiaries have thus been identified, and as such have been granted, effective as of 2019, the right to receive an overall number of Generali shares up to n. 12,000,000, which may be allotted at the end of a three-year vesting period, subject to the occurrence of the conditions set forth in the plan.

Moreover, as stated in LTI plan's rules and as described in last year Remuneration Report, beneficiaries could receive an additional number of shares based on the overall amount of the dividends distributed in the three-year reference period (so-called dividend equivalent).

For more details on the 2017 Long Term Incentive Plan and on the other Long Term Incentive Plans, please refer to the respective information documents available on the issuer's website
www.generali.com.

Table 1, Section 1 – Instruments relating to plans that are currently valid and were approved on the basis of previous shareholders' meeting resolutions

A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Name and surname or category	Office	Date of meeting resolution	Type of financial instrument	Number of financial instruments	Date assigned	Instrument purchase price (if applicable)	Market price at the time of assignment	Vesting period
Philippe DONNET	Group CEO/Amm. Del. (*)	LTI 2017-2019 (resolution of the Shareholders' meeting 27.04.2017) [a]	Assicurazioni Generali ordinary Shares	228,872 Shares granted	27.04.2017		14.58	2017 - 2019
		LTI 2018-2020 (resolution of the Shareholders' meeting 19.04.2018) [b]	Assicurazioni Generali ordinary Shares	196,054 Shares potentially granted	19.04.2018		16.52	2018 - 2020
Other Managers with strategic responsibilities (*)		LTI 2017-2019 (resolution of the Shareholders' meeting 27.04.2017) [a]	Assicurazioni Generali ordinary Shares	743,676 Shares granted	27.04.2017		14.58	2017 - 2019
		LTI 2018-2020 (resolution of the Shareholders' meeting 19.04.2018) [b]	Assicurazioni Generali ordinary Shares	762,061 Shares potentially granted	19.04.2018		16.52	2018 - 2020
Other managers (*)		LTI 2017-2019 (resolution of the Shareholders' meeting 27.04.2017) [a]	Assicurazioni Generali ordinary Shares	5,306,096 Shares granted	27.04.2017		14.58	2017 - 2019
		LTI 2018-2020 (resolution of the Shareholders' meeting 19.04.2018) [b]	Assicurazioni Generali ordinary Shares	5,608,977 Shares potentially granted	19.04.2018		16.52	2018 - 2020

(*) including emoluments from subsidiaries.

(a) Number of shares to be granted in April 2020 following the resolution of the Assicurazioni Generali Board of Directors as a conclusion to the vesting period of the plan and based on the level of achievement of the objectives defined for the three-year 2017-2019, including the number of additional shares based on the overall amount of the dividends distributed in the three-year period (so-called dividend equivalent).

(b) Maximum number of shares to be potentially granted at the end of vesting period (2018-2020) subject to the achievement of the objectives and the terms and conditions of the plan, considering that, in particular with regard to 2018 and 2019, the number of shares is calculated based on the final achievement of the objectives during those calendar years. Moreover, as stated in LTI plan's rules and as described in last year Remuneration Report, beneficiaries could receive an additional number of shares based on the overall amount of the dividends distributed in the three-year reference period (so-called dividend equivalent).

Table 1, Section 2 – New assignment instruments on the basis of the decision of:

☐ the Board of Directors to propose to the shareholders' meeting
☑ the competent body for the implementation of the shareholders' meeting resolution

A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Name and surname or category	Office	Date of meeting resolution	Type of financial instrument	Number of financial instruments	Date assigned	Instrument purchase price (if applicable)	Market price at the time of assignment	Vesting period
Philippe DONNET	Managing Director/ Group CEO (*)	LTI 2019-2021 (resolution of the Shareholders' meeting 07.05.2019) [a]	Assicurazioni Generali ordinary Shares	224,332 Shares potentially granted	07.05.2019		17.127	2019 - 2021
Other Managers with strategic responsibilities (*)		LTI 2019-2021 (resolution of the Shareholders' meeting 07.05.2019) [a]	Assicurazioni Generali ordinary Shares	1,110,691 Shares potentially granted	07.05.2019		17.127	2019 - 2021
Other Managers (*)		LTI 2019-2021 (resolution of the Shareholders' meeting 07.05.2019) [a]	Assicurazioni Generali ordinary Shares	7,579,200 Shares potentially granted	07.05.2019		17.127	2019 - 2021

(*) including emoluments from subsidiaries.
(a) Maximum number of shares to be potentially granted at the end of vesting period (2019 – 2021) subject to the achievement of the objectives and the terms and conditions of the plan. Moreover, as stated in LTI plan's rules and as described in last year Remuneration Report, beneficiaries could receive an additional number of shares based on the overall amount of the dividends distributed in the three-year reference period (so-called dividend equivalent).

Glossary

Appointment and Remuneration Committee (ARC)
The Appointment and Remuneration Committee of the Company set up in line with the CG Code (articles 5 and 6).

Articles of Associations
The Articles of Associations of the Company.

Auditor
Either statutory or alternate auditor/s of the Board of Statutory Auditors of the Company.

Board Committees
From May 7 2019, Board Committees are RCC, RPTC, ARC, GSC, IC and SOC..

Board of Directors or BoD
The Board of Directors of the Company.

Board of Statutory Auditors
The Board of Statutory Auditors of the Company.

Chairman
Chairman of the Board of Directors of the Company.

Company (or Parent Company or Generali)
Assicurazioni Generali S.p.A.

CONSOB
“Commissione Nazionale per le Società e la Borsa”, “Italian Companies and Stock Exchange Commission”.

Consolidated Law on Finance [T.U.F. Testo Unico Finanza]
The Legislative Decree no. 58 of 24 February 1998, the Consolidated Law on Finance pursuant to articles 8 and 21 of Law no. 52 of 6 February 1996, as amended at the date of this Report.

Corporate Governance Code (CG)
The corporate governance code of listed-companies, adopted in July 2018 by the Corporate Governance Committee, promoted by Borsa Italiana S.p.A., ABI, ANIA, Assogestioni, Assonime and Confindustria and published in the Web site www.borsaitaliana.it. The Company has implemented it with a resolution of the Board of Directors.

Corporate Governance, social and environmental Sustainability Committee (GSC)
The Corporate Governance, social and environmental Sustainability Committee of the Company.

Director/s
Members of the Board of Directors of the Company.

Global Leadership Group (GLG)
The team of Top Managers of the Company and the Group, with a higher organizational weight and with a high impact on strategy implementation process, including among others the CEOs of subsidiaries, Branch managers, the strategic positions inside countries and business lines and positions at head office with a global impact on the Group’s results.

Group
The Company and the subsidiaries incorporated under Italian and foreign laws subject to control of the Company, pursuant to article 93 of the Consolidated Law on Finance.

Group Management Committee (GMC)
The team of Top Managers of the Company and the Group, supporting the Managing Director/Group CEO, where essential decisions for the Group are discussed, proposals to be submitted to the Board of Directors are verified, main risks, investments and financial as well as industrial results are evaluated.

Independent Director (or Directors)
Director/s complying with the independence criteria, as verified by the Board of Directors, pursuant to the CG Code.

Investment Committee (IC)
The Company’s Investment Committee

Investments and Strategic Operations Committee (IC)
The Investment and Strategic Operations Committee of the Company.

Italian Civil Code / c.c.
The Italian Civil Code.

IVASS Regulation no. 38/2018
IVASS Regulation no. 38 of 3 July 2018 (Regulation on disposals in the field of Corporate Governance).

IVASS
The Italian Institute for the Supervision of Insurance. This Authority supervises the Italian insurance market to ensure stability and adequate protection of insured persons.

Key Functions
The Internal Audit, Compliance, Risk Management and Actuarial functions.

Manager in charge of accounting reporting
The Manager in charge of accounting reporting of the Company, pursuant to s. 154-bis of the Consolidated Law on Finance.

Managing Director/Group CEO
The person mainly in charge of the management of the Company and the Group.

Net Holding Cash Flow
Net cash flow available in a period at the parent company level after holding expenses and interest costs. Its main components, considered on a cash basis, are the remittance from subsidiaries, the result of the centralized reinsurance, the interests on parent company's financial debt, the parent company's expenses and the actual taxes paid or reimbursed by the parent company.

Net Profit Adjusted
Group Net Profit stated in the financial statements, adjusted by excluding any extraordinary items not predictable (due to, for example but not exhaustive: amortization / goodwill depreciation, significant legal / regulatory / legislative changes, significant impacts resulting from changes to tax treatment, gains / losses from M&A) and approved by the Board of Directors on the recommendation of Appointment and Remuneration Committee in accordance with these guidelines.

Operating Result
The Operating result represents earnings before taxes, gross of interest expense on liabilities linked to financing activities, specific net income from investments and non-recurring income and expenses.

Parent Company
Assicurazioni Generali S.p.A.as holding Company.

Regulatory Solvency Ratio
Ratio between the Eligible Own Funds and the Group Solvency Capital requirement, both calculated according to the definitions of the Solvency II regime. Own funds are determined net of proposed dividend.

Related-Party Transactions Committee (RPTC)
The Related-Party Transactions Committee (RPTC) of the Company.

Relative Total Shareholder Return (rTSR)
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 a selected list of peers.

Relevant Personnel
General Managers with strategic tasks, the Heads and the highest-level personnel of the Key Functions and the other categories of personnel whose activity can have a significant impact on the company risk profile in accordance to art. 2, letter m) of IVASS Regulation no. 38/2018

Report
This "Report on Remuneration Policy and payments" adopted by the Board of Directors on March 12 2020, prepared in accordance with article 123-ter of Consolidated Law on Finance [T.U.F. Testo Unico Finanza], and with article 41 of IVASS Regulation no. 38/2018.

Return on Risk Capital (RoRC)
The Return on Risk Capital (RoRC) is a risk adjusted performance indicator that is the ratio between business profitability and risk generated.
RoRC is calculated as the ratio between Net result and average SCR.

Risk and Control Committee (RCC)
The Risk and Control Committee of the Company, set up in line with the CG Code (article 7).

Total Remittance
Dividends and equivalent permanent or medium-long term transactions (capital reductions, debt repayments, loans to the parent company not to cover life reserves) measured in cash and approved by the Group's Head Office and / or by the relevant corporate bodies in agreement with the Group's internal regulations.

Shareholders
The shareholders of the Company.

Shareholders Meeting
The meeting of the shareholders of the Company.

Solvency II
The set of legislative and regulatory provisions introduced following the issue of Directive 2009/138/EC of the European Parliament and the Council of 25 November 2009, on the taking-up and pursuit of the business of insurance and reinsurance, published in the Official Journal of the European Union on 17 December 2009.

Strategic Operations Committee (SOC)
The Company's Strategic Operations Committee.

Subsidiary
The subsidiaries of Assicurazioni Generali S.p.A., also indirect subsidiaries, pursuant to the regulation from time to time in force.

Surveillance Body
The Surveillance Body of the Company, pursuant to Legislative Decree no. 231.

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Concept & Design
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