

187th year

Remuneration Report



Remuneration Report

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The integrated overview of our reports

The Group reporting approach is based on the integrated thinking and Core&More¹ concept also this year the **Annual Integrated Report** is our **Core** report, centred on material financial and non-financial information while **other reports and channels of communication (More)** present more detailed 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 Annual Integrated Report, providing details of the Group's financial performance in compliance with national and international regulations.



Corporate Governance and Share Ownership Report

It outlines the corporate governance system of Assicurazioni Generali and its ownership structure.



Management Report and Parent Company Financial Statements

It provides information on the performance of Assicurazioni Generali, in accordance with currently effective regulations.



generali.com

for further information on the Group.



¹ **Core&More** is a reporting approach developed by Accountancy Europe which 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 Remuneration Report

The Group Remuneration Report 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 deferment periods for the payment of the variable components, as well as the policy regarding the severance indemnity;
- d. information about the changes made to the already approved policies.



Remuneration Report

It provides specific information on the remuneration policy adopted by the Group and its implementation.

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 Remuneration Report 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 Annual General Meeting for information, provides ex-post disclosure of 2018 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,

during 2018, Generali Management team has hardly worked for the set-up of a new strategic plan for the three-year period 2019-2021 that was presented to the market at the end of November.

This plan presents a significant ambition of evolution focused on:

- Profitable growth
- Capital Management and Financial optimization
- Innovation and Digital Transformation



Within this solid and challenging strategic context, it is important to adopt a balanced and incentivising remuneration policy in order to align and drive the Management and employees towards the Company' strategic objectives.

The remuneration policy has the role to attract, motivate and retain talents in a global market that becomes more and more competitive year over year.

Therefore, for 2019, the Board of Directors and the Remuneration Committee have developed a remuneration model based on the consolidation of four key pillars:

- meritocracy of the remuneration and incentive systems directly linked to the Group strategic priorities and shareholders return;
- link among remuneration, risk and sustainability of the performance in our incentive plans;
- consistency with the reference market practices and compliance to the new regulatory framework;
- transparency and disclosure towards shareholders and investors.

The fundamental premise of the Group strategic plan success is the empowerment of all employees and the spread of a corporate culture that fosters the involvement and the participation to Group value creation.

That is why for 2019 the Group identified the opportunity to include a share plan for all employees within the remuneration system.

In this context, characterized by a strong transformation and strategic innovation, we believe that this policy is in line with the clear and distinctive Group vision and confirms the enhancement of our people as fundamental competitive advantage in view of the achievement of sustainable results in the long run for clients and investors.

Ornella Barra

Chair of the Assicurazioni Generali Appointments and Remuneration Committee



We, Generali

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Group highlights¹



Glossary available at the end of this document

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.



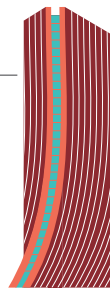
www.generali.com/who-we-are/history

GROSS WRITTEN PREMIUMS

+4.9%

€ 66,691 mln

of which € 12,420.4 mln premiums from social and environmental products²



OPERATING RESULT

+3.0%

€ 4,857 mln

13.4% Operating Return on Equity (RoE) 2015-2018

REGULATORY SOLVENCY RATIO

+9 pps

216%

TOTAL ASSETS UNDER MANAGEMENT (AUM)

+0.4%

€ 488 bln

of which € 289 bln direct investments to which the RIG is applied (-2.2%) and € 33.2 bln SRI (-2.1%)³

TOTAL EMISSIONS⁴

t 107,394 CO₂e (-13.8% vs base year 2013)

NET PROFIT

+9.4%

€ 2,309 mln



PROPOSED DIVIDEND PER SHARE

+5.9%

€ 0.90

PROPOSED TOTAL DIVIDEND

+6.2%

€ 1,413 mln

¹ All changes in this Report are calculated on 2017, unless otherwise reported. Changes in Life net cash inflows and premiums are on equivalent terms, i.e. at constant exchange rates and consolidation scope pursuant to IFRS 5. Changes in Operating result, Assets Under Management and Operating RoE consider, in accordance with IFRS 5, 2017 comparative data restated following the divestment of Belgian, German and Guernsey businesses as well as the disposal of the Dutch and Irish operations completed in February and June 2018, respectively. Please refer to the paragraph Changes in the presentation of the performance indicators of the Group in the Note to the Management Report for further information.

² Premiums from social and environmental products refer to companies that represent 94.4% of total gross direct written premiums contributing to the analysis. Their amount is hardly comparable with that of 2017 due to some methodological improvements made during 2018.

³ RIG is the Responsible Investment Guideline that codifies responsible investment activities at Group level. SRI are assets managed according to Generali Insurance Asset Management's SRI (Socially Responsible Investment) proprietary methodology both on behalf of Group insurance companies and third-party clients (two funds and three mandates). Their change considers 2017 comparative data restated following a change in methodology.

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



2018 Good Award
MSCI ESG
LEADER RICHES



OUR PEOPLE

-0.8%

70,734

11.5% women in the top management⁵ (+0.6 pps)

92% local actions implemented after the Generali Global Engagement Survey⁶

OUR CUSTOMERS⁷

+7.0%

61 mln

OUR DISTRIBUTORS⁸

n.m.

155 thousand

LIFE



Good performance: both net cash inflows and gross written premiums increased. Both operating result and Life new business profitability grew.

GROSS WRITTEN PREMIUMS

+5.7%

€ 46,084 mln

Life net cash inflows € 11,369 mln (+5.2%)

NBV

+4.3%

€ 1,877 mln

OPERATING RESULT

+2.8%

€ 3,067 mln

P&C



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

GROSS WRITTEN PREMIUMS

+3.3%

€ 20,607 mln

CoR

+0.1 pps

93.0%

OPERATING RESULT

+2.5%

€ 1,992 mln

4 Total emissions refer to 42% of the total Group employees in the following countries: Austria, France, Germany, Italy, Czech Republic, Spain and Switzerland. They are calculated according to the location-based method; they are also disclosed according to the market-based method on our website.
 5 Top management refers to the Group Management Committee (GMC) and the Generali Leadership Group (GLG).
 6 The Generali Global Engagement Survey (GGES) is launched every two years. During the year when it is conducted, the data monitored are the engagement rate and the response rate while the subsequent year it is the percentage of local actions implemented after the GGES.
 7 The number of customers refers to all entities with core insurance business, banks and pension funds (line-by-line consolidated entities, few insurance entities in Asia measured with the equity method where Generali has relevant shareholdings and specific Europ Assistance entities with relevant direct BTC business in Belgium, Italy, France, Spain and USA).
 8 The number of distributors refers to all entities with core insurance business with relevant traditional distribution networks (line by line consolidated entities and few insurance entities in Asia measured with the equity method where Generali has relevant shareholdings).

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 position⁹

FOCUS ON HIGH POTENTIAL INSURANCE MARKETS:

15%-25% earnings CAGR 2018-2021 depending on country/segment

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 will drive the execution of the strategy:



1. our people

2. a strong brand

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 million reduction in annual gross interest expense by 2021 vs 2017

TRANSFORM AND DIGITALIZE OPERATING MODEL

Generali 2021 – Financial Targets



GROWING EARNINGS PER SHARE:
6%-8%
EPS CAGR range¹⁰ 2018-2021



GROWING DIVIDEND:
55%-65%
dividend pay-out range¹¹ 2019-2021



HIGHER RETURN FOR SHAREHOLDERS:
>11,5%
average return on equity¹² 2019-2021



3. a continuous commitment to sustainability

9 Based on IAS-IFRS gross written premiums in Europe at year-end 2017.
10 3 year CAGR; adjusted for impact of gains and losses related to disposals.
11 Adjusted for impact of gains and losses related to disposals.
12 Based on IFRS Equity excluding OCI and on total net result.

Our purpose and the value creation

E X T E R N A L

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



The Generali 2021 strategy, p. 16-17

Our strategy

Our governance



Our governance and remuneration policy, p. 34-39

In defining its new strategic plan, Generali has identified a new purpose representing an evolution of its previous vision and mission:

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

It is the essence of what Generali does for its clients every day.

Our **sustainable value creation**

is reflected in an integrated offering of Life, P&C and Asset Management products, which is fundamental for customers who seek complete solutions to protect their quality of life, now and in the future.

We distribute our products and we offer our services based on a multi-channel strategy: the guidance of our agents will be essential to provide our customers with customized products that meet their needs, including with the support of new technologies.



The Generali 2021 strategy, p. 21



Challenges and opportunities of the market context, p. 31

BRAND

LIFE-TIME PARTNER

Social and relationship capital
Natural capital



Glossary available at the end of this document

CONTEXT



Challenges and opportunities of the market context, p. 28-33

VALUES

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

CULTURAL TRANSFORMATIONAL AREAS

Ownership
Simplification
Human touch
Innovation

Intellectual capital
Manufactured capital
Human capital



The Generali 2021 strategy, p. 16-20



www.generali.com/our-responsibilities/our-commitment-to-the-environment-and-climate/real-estate-investments for further information on sustainable real estate investments

Deliver on the promise

At 31 December 2018, Generali reached and surpassed its financial targets of more than € 7 billion in cumulative net operating cash in the 2015-2018 period and an average operating return on equity of more than 13%. The proposed 2019 dividend per share will enable Generali to reach and exceed the target of more than € 5 billion in cumulative dividends in the 2015-2018 period.

- > € 7 bln cumulative net operating cash 2015-2018
- > € 5 bln cumulative dividends 2015-2018
- > 13% average operating RoE 2015-2018



Financial capital



www.generali.com/investors/investing-in-generali/goals-and-results for further details on the achievement of 2015-2018 strategic objectives

Value our people

We value our people, encourage diversity and invest in continuous learning and growth by creating a transparent, cohesive and accessible working environment. Developing our people will ensure our company's long-term future.



Human capital



The Generali 2021 strategy, p. 18-20

Live the community

We are proud to belong to a global Group with strong, sustainable and long-lasting relationships in every market in which we operate. Our markets are our homes.



Social and relationship capital
Natural capital



The Generali 2021 strategy, p. 21-23

Be open

We are curious, approachable and empowered people with open and diverse mindsets who want to look at things from a different perspective.



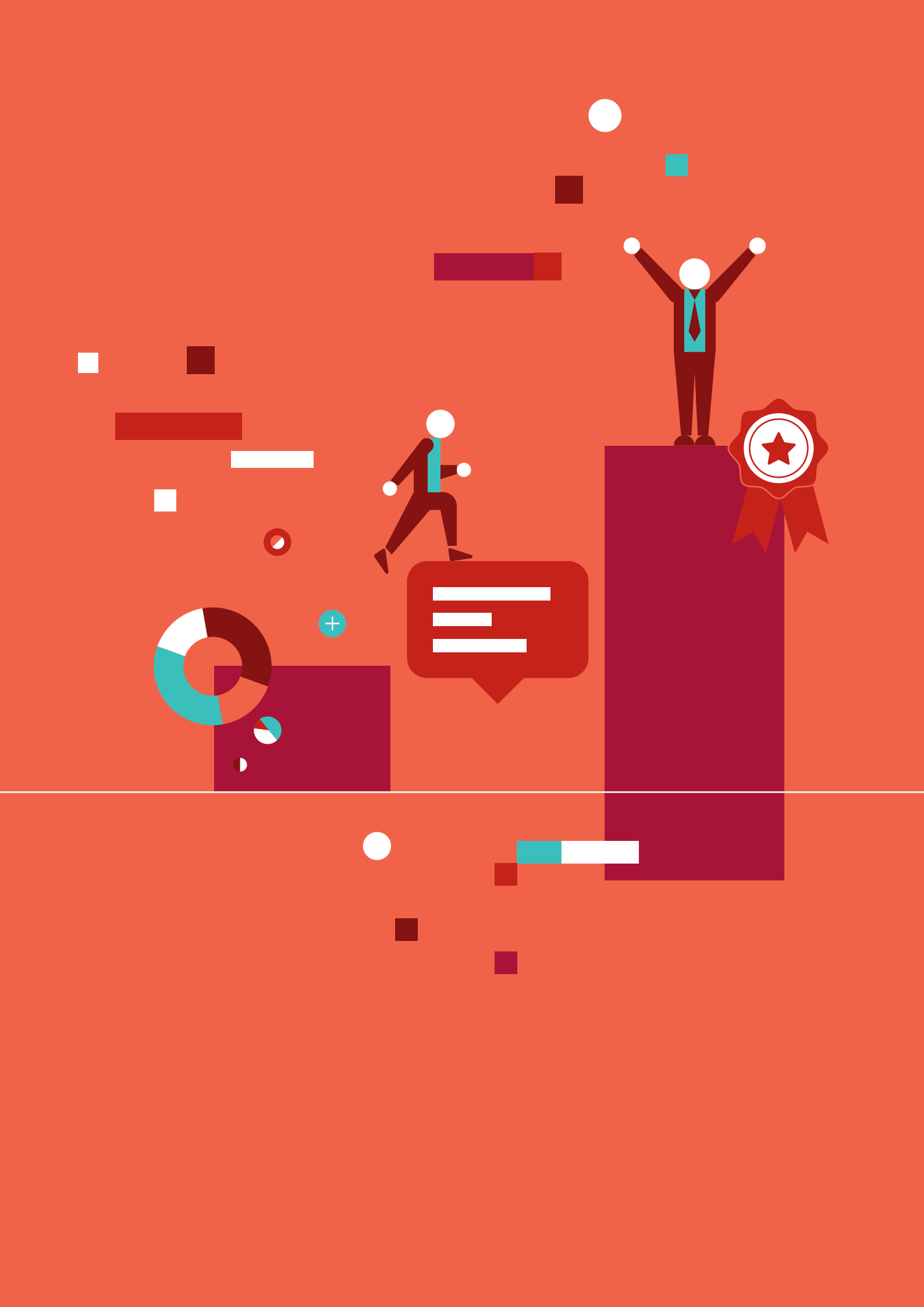
Social and relationship capital
Intellectual capital



The Generali 2021 strategy, p. 16-20



Challenges and opportunities of the market context, p. 30



Remuneration Report

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Executive Summary

Remuneration policy:

Our remuneration policy is designed 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

With the purpose to align the remuneration policy of Assicurazioni Generali (hereafter “The Company”) and the Group with the new 2019-2021 strategic plan and in order to guarantee the consistency with the recent evolution of the Italian regulatory framework (IVASS Regulation No. 38 dated 3rd July 2018), some features of the incentive system have been reviewed, with particular focus on:

- the structure of the variable remuneration in terms of overall timeline and deferral periods;
- the further strengthening of the alignment of the objectives with the long-term perspective.

Generali remuneration system for 2019, that embeds the above mentioned new features, is anyway in line with last year in terms of key elements, still being characterized by:

- a combination of annual (Short-term Incentive - STI) and deferred (Long-Term Incentive - LTI) plans, consistent with the strategy, Group’s performance trends and shareholders’ return;

- the link between risk and remuneration – in line with Solvency II and IVASS regulation and recommendations - through key indicators of our Group incentive systems, as the Regulatory Solvency Ratio and the Return on Risk Capital (RoRC);
- the alignment of goals and key performance indicators (KPIs) to the targets defined in the Group strategy.

Moreover, within the Group remuneration policy framework and with the purpose of promoting employees empowerment and of spreading a company culture that fosters the involvement and participation of employees in Group value creation within the 2019-2021 strategic plan, it has been identified the opportunity for 2019 to adopt within the remuneration system a share plan for Group employees, with exclusion of the roles belonging to Group Management Committee (GMC) and Global Leadership Group (GLG).

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 Di-

rectors) 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 and to encourage the individual’s 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 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 di-

rect 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, that are also closely linked to the individual’s performance, potential and strategic impact, based on 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 specifically predefined, measurable, linked to the economic, operating, financial and non-financial results – defined in line with the Group strategy – and adjusted by risks. These goals are assessed not only on the basis of the achievement of quantitative goals, but also on the ba-

sis of the behaviour demonstrated in achieving the goals – particularly in terms of behaviour being consistent 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 Group.

For the relevant personnel¹ 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 incentive plan the maximum funding pool is equal to 150% of the sum of the individual baselines² and the individual incentives are set at a maxi-

imum 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 the achievement of 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 and financial objectives.

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 (average Net Return on Equity, Earning Per Share growth

and relative Total Shareholder Return) and is subject to the verification of the achievement of a minimum threshold of the Regulatory Solvency Ratio; and

- the plan is based on deferral periods differentiated 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.

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.

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.

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 a significant deterioration of the Company or the 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 plans 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 within the 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 perfor-

mance, 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, in addition to the notice (as applicable).

10. Governance and Compliance

The Company and the Group remuneration policy is approved 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. Indeed, the Risk Management and Compliance functions prepare, to the extent applicable, reports on the consistency of the remuneration policy with applicable law, and 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.

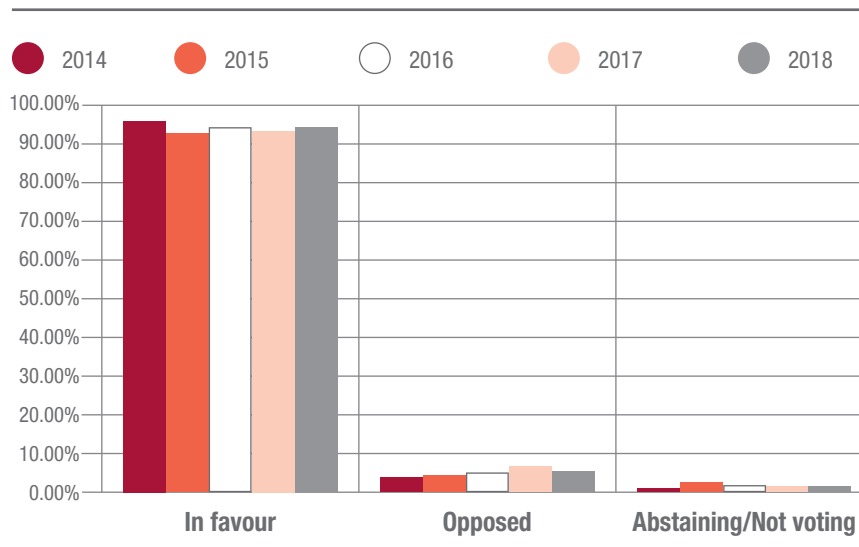
Lastly, within the Group remuneration policy framework and with the purpose of promoting employees empowerment and of spreading a company culture that fosters the involvement and participation of employees in Group value creation within the 2019-2021 strategic plan, it has been identified the opportunity to adopt within the remuneration systems a share plan for Group employees, with exclusion of the roles belonging to Group Management Committee (GMC) and Global Leadership Group (GLG).

³ "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 2018 Remuneration Report 2018

(Section I)

In line with regulation provisions, Section I of the 2018 Remuneration Report has been submitted for Approval to the Annual Shareholders' Meeting on April 19th, 2018. Favourable votes represent the 93.64% of the overall share capital.



Remuneration - summary of the remuneration policy instruments

Short Term Incentive (STI) system

	No	Yes
Existence of a short-Term incentive (STI) system		X
Existence of a bonus cap		X

Short Term Incentive KPIs for Executives

	Weight
Economic & Financial risk adjusted performance (Net Profit, Total Expenses, RoCE, RORC)	50%
2019-2021 Strategic Projects/KPIs	30-40%
People Value	15%

Other components of the remuneration policy

	No	Yes
Does the company use a peer group?		X

Long Term Incentive (LTI) system

	No	Yes
Existence of a long-Term Incentive (STI) system		X

LTI vehicle

Cash	
Financial Instruments	X

Long Term Incentive KPIs for Executives

	Weight
Net ROE	40%
EPS	40%
rTSR	20%

Idemnification and non-competition agreements

	No	Yes
Severance pay		X
Non-compete agreements		X

Section I – 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 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 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.

With the purpose to align the remuneration policy of the Company and the Group with the new 2019-2021 strate-

gic plan and in order to guarantee the consistency with the recent evolution of the Italian regulatory framework (IVASS Regulation No. 38 dated 3rd July 2018), some features of the incentive system have been reviewed, with particular focus on:

- the structure of the variable remuneration in terms of overall timeline and deferral periods;
- the further strengthening of the alignment of the objectives with the long-term perspective.

Generali remuneration system for 2019, that embeds the above mentioned new features, is anyway in line with last year in terms of key elements, still being characterized by:

- a combination of annual (Short-term Incentive - STI) and deferred (Long-Term Incentive - LTI) plans, consistent with the strategy, Group’s performance trends and shareholders’ return;
- the link between risk and remuneration – in line with Solvency II and IVASS regulation and recommendations - through key indicators of our Group incentive systems, as the Regulatory Solvency Ratio and the Return on Risk Capital (RoRC);
- the alignment of goals and key performance indicators (KPIs) to the targets defined in the Group strategy.

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, Regions, Functions of our Group, so that all these fall in line with the Group’s goals, whilst ensuring that they are always compliant and aligned with local rules and regulations.

Finally, an assessment is made regarding the structuring of the remuneration package among the different components of remuneration, whether fixed and variable, cash and non-cash, short and medium-long term, in terms of internal equity and consistency in relation to the role in question (and aligned externally in relation to the market).

Alignment with corporate strategy

Remuneration policies 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 consistent level of performance in terms of results and risks taken, in line with shareholders' requests and regulatory requirements.

Competitiveness

To ensure the effectiveness of remuneration decisions, our remuneration policy entails the constant monitoring of our peers' and market practices and trends regarding remuneration, in terms of pay mix, remuneration levels, fringe benefits, and compliance with the regulatory framework.

At local level and at Group level, comparative analysis is carried out by taking into account specific groups of local 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 for assessing 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.

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 more 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 incentivise 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 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"⁴ 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)⁵, leadership team made up of Group managers, where essential decisions for the Group are discussed and proposals to be submitted to the Board of Directors are verified; 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 Company⁶ 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 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)⁷, which represent the main approximately 200 Group roles with higher organisational weight and impact on the results and strategy implementation process, as well as, limited to the Group long-term incentive plan (LTI), the directors and key talents selectively identified (see paragraph 3.3.2).

⁴ This perimeter includes the managers with strategic responsibilities identified in line with CONSOB Regulation.

⁵ 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 and 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.

⁶ 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; Group Head of Mergers & Acquisitions, Group Bancassurance.

⁷ 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.

3. Remuneration policy for the Managing Director/Group CEO and the relevant personnel⁸

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.

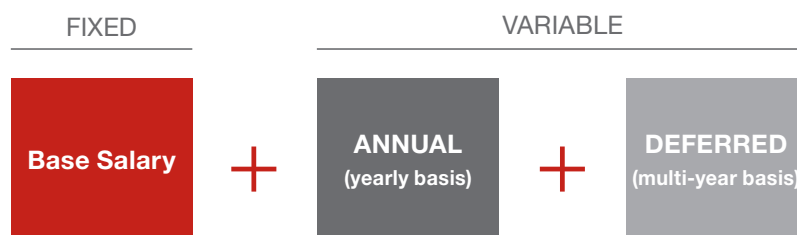
The underlying principles on the basis of which the remuneration package is structured are those explained at the beginning of the report and further described and expanded on below. More specifically:

- all components of the remuneration package are 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 incentivise 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 comprised of annual and deferred incentive plans based on individual and Group risk-adjusted 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 claw-back mechanisms;
- the performance expected 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



⁸ 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 analysed 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 incentivise 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 evaluated with reference to market practice 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 Man-

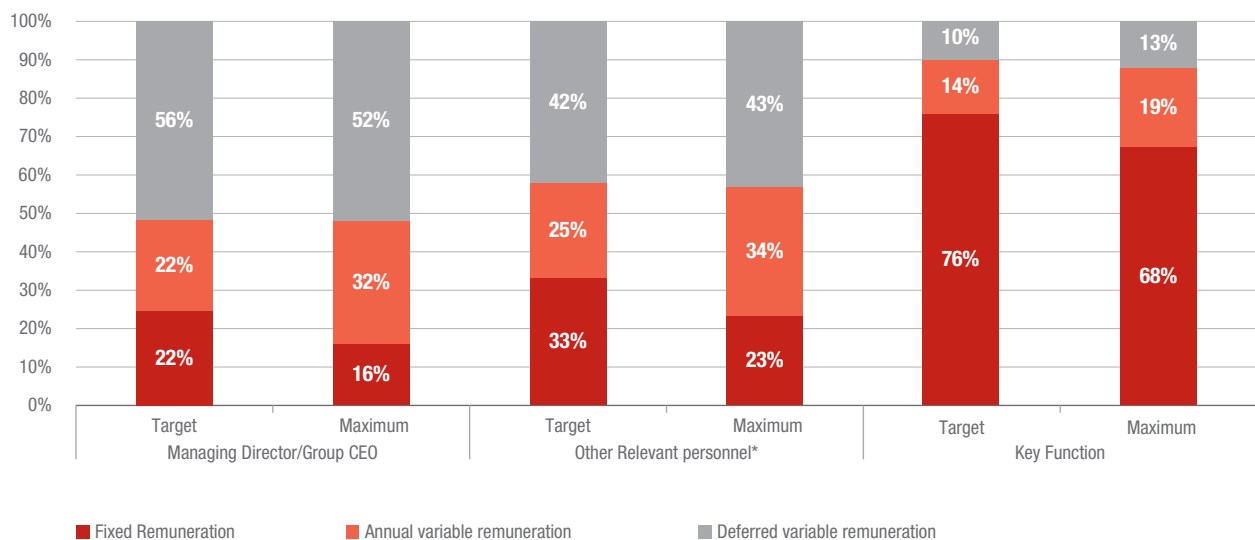
agement Committee (GMC) members, after obtaining the prior opinion of the Appointments and Remuneration Committee, the Board of Directors establishes the overall positioning policy at Group level in terms of the value of remuneration. It also defines guidelines for remuneration review and pay mix wherever 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 favour 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.

2019 TARGET AND MAXIMUM PAY MIX⁹

Average impact of the fixed and variable remuneration on the total target/maximum remuneration package of the target population of this policy, with evidence of the average/maximum impact of the annual and deferred plans on the total remuneration.



* 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).

9 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, over 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, Region, 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 organisational 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 labour contracts contain specific details on the maximum amount of the variable remuneration and the proportions of the annual and deferred plans.

With respect to the variable remuneration, the adoption of both annual (see Section 3.3.1) and deferred incen-

tive 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 personnel¹⁰, 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 within the calibration process and as malus/clawback mechanism as necessary.

Moreover, no incentive is to be paid 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 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.

¹⁰ 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.

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 personnel¹¹ and the other members of the Global Leadership Group (GLG)¹² subject to the achievement of predefined goals.

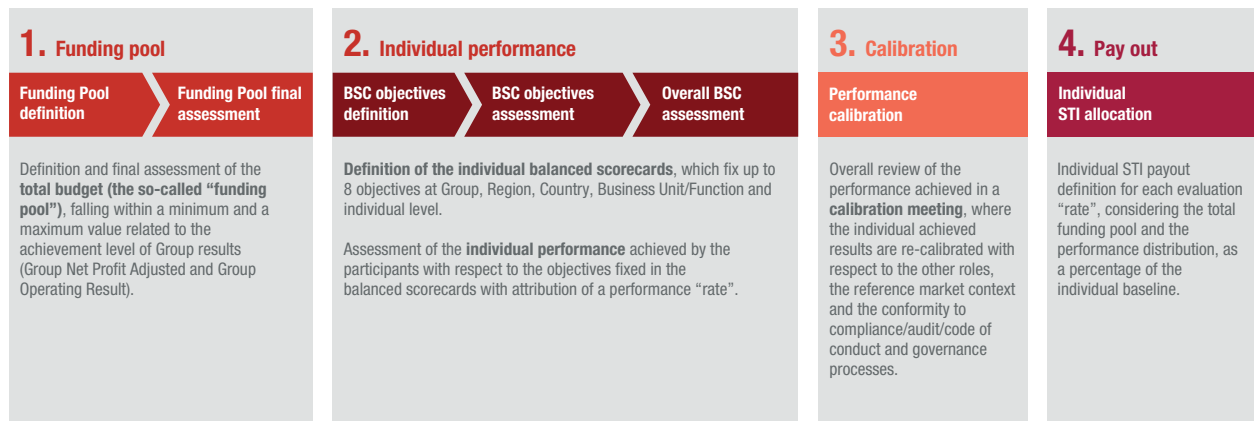
The annual incentive plan for the members of the Group Management Committee (GMC), the other relevant personnel and the other members of the Global Leadership Group (GLG) aims at linking the incentive to the effective performance of both the individuals and the Group as a whole, through:

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 determined by the shared performance review during the calibration meeting.

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)



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. 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 individually if target results are achieved.

11 As identified in par. 2 of this Section.
12 As identified in par. 2 of this Section.

According to the level of achievement of the Group Net Profit Adjusted¹³ and the Group Operating Result, the amount of the funding pool will be determined using a linear interpolation methodology within the ranges established in the funding matrix (shown below) and it is, in any case, subject to of the achievement of a minimum threshold of the Regulatory Solvency Ratio, which is set at 130%¹⁴ for 2019. This limit is fixed considering

the “hard limit” level defined in the Group Risk Appetite Framework, approved by the Board of Directors in December 2018.

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 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 Adjusted¹³ 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 nor bonus will be paid.

Following the proposal of the Managing Director/Group CEO, based on a prior opinion of the Appointments and Remuneration Committee, and provided that the Regulatory Solvency Ratio threshold is achieved, the Board of Directors may authorise: an ad hoc funding pool, even if the Group results are lower than the minimum expected of Group goals determined by the Board of Directors for the reference year.

Furthermore, following the proposal of the Managing Director/Group CEO, based on a prior opinion of the Appointments and Remuneration Committee, and provided that the Regulatory Solvency Ratio threshold is achieved, the Board of Directors may authorise an additional share of the funding pool – of up to 10% of the actual funding – to remunerate individuals who have performed exceptionally well. 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. 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.

¹³ 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.

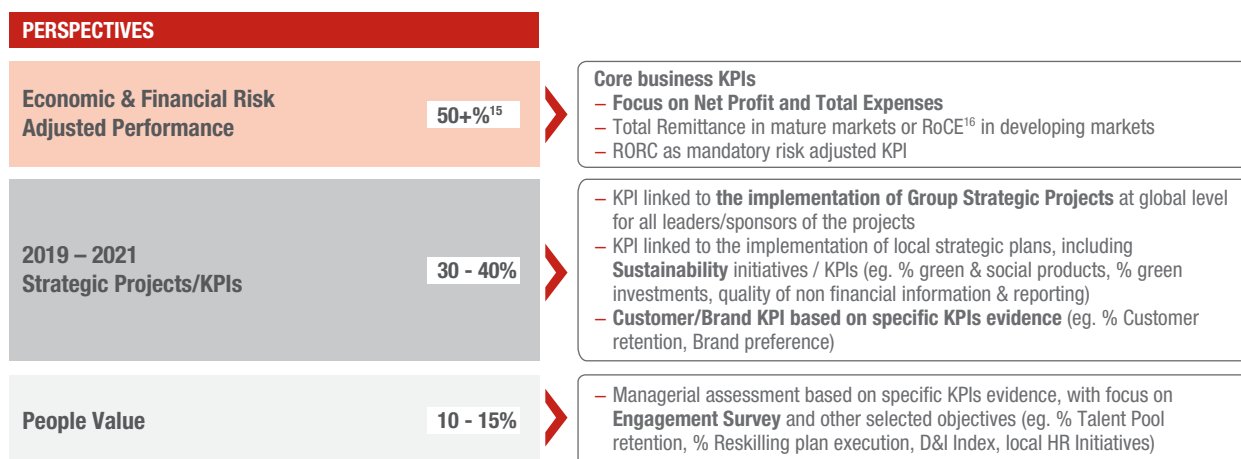
¹⁴ The threshold can be subject to review if exceptional changes occur to the macroeconomic conditions or if the financial scenario worsens. In the event of extraordinary context discontinuity, the Board will re-assess the overall consistency and fairness of the incentive policies (known as “Market Adverse Change” clause).

Individual performance



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

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



The different perspectives include pre-determined, measurable, financial and non-financial 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 Remittance/Return on Capital Employed (RoCE) and Group 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, region or country level (with a weight of up to 15%), is generally provided in all the balanced scorecards.

In line with the new 2019-2021 Group strategy, focused on Profitable Growth, Value creation and Innovation and Digital Transformation, two KPIs linked to the implementation of Group and local strategic projects – including sustainability initiatives- are provided in all individual balanced scorecard for the achievement of Plan objectives. Also for this year, a focus remains on the “Customer &

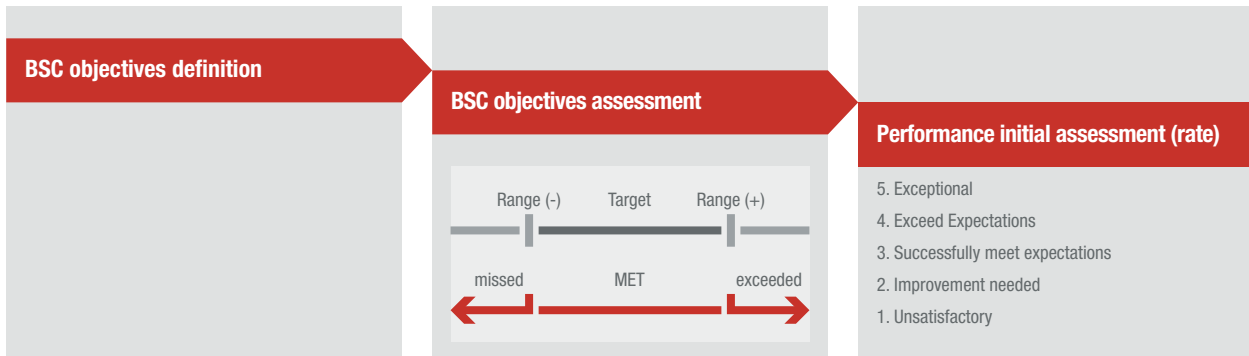
Brand” goals, based on goal results linked to the managerial assessment of specific plans and performance indicators (e.g. Customer retention ratio, Brand preference).

Lastly, and again with a view of aligning the company’s strategy with that of the Group and strengthening the leadership model, a focus remains on People Value through the performance of a managerial assessment based on specific performance indicators (KPI), falling within HR’s remit, usually with a minimum weight of 10% (e.g. engagement survey index, % Talent pool retention, % reskilling plan execution, Diversity & Inclusion Index, HR local initiatives).

For each goal 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 performance is preliminarily assessed using a scale from 1 to 5 (with 5 being the best possible score), based on the assessment of the goals included in the balanced scorecard and their conversion method in a rate of overall performance (i.e. “rate”).

15 For business roles. – 40% for staff roles.
16 Return on Capital Employed.



Calibration meeting



The final performance assessments are based on a preliminary assessment conducted taking into account the level of achievement of the goals included in the balanced scorecard (as shown in the previous paragraph) which is then “calibrated” based, among others, on the following assessment factors:

- assessment of the results in comparison with the oth-

er beneficiaries of the Short-Term Incentive plan (STI) who have similar roles (known as “peers”);

- market framework and conditions;
- “stretch” level of the individual balanced scorecard;
- individual assessment of conformity to Compliance, Audit and Code of Conduct.

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 depends on the funding pool and the individual performance distribution level; in any case, it can only reach up to a maximum of 200% of the individual baseline.

This maximum amount is paid 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 macro-economic 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”).

Annual variable remuneration for the Managing Director/Group CEO

With specific reference to the Managing Director/Group CEO, the individual balanced scorecard defined by the Board of Directors provides for economic, financial and operational goals, a risk indicator (i.e. Group Net Profit Adjusted¹³, Total Remittance and Group Return On Risk Capital – RoRC) and non-financial goals (key projects

linked to the Group Strategy, sustainability initiatives and People Value), in line with the ambitions of the strategic plan. An exemplification of the structure, the KPIs and the weights of the Managing Director/Group CEO balanced scorecard is represented below.

Perspective	KPI	Weight	Assessment
Economic and Financial Risk Adjusted Performance	Group Net Profit Adjusted ⁽¹³⁾	65%	Financial
	Total Remittance from subsidiaries		
	Group RORC		
New Generali Strategy Pillars implementation		35%	Non financial based on specific KPIs evidence
Brand & Sustainability commitment			
People Value			

The annual incentive – 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; and
- 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 (which is set, as described above, at 130%¹⁷ for 2019) and/or at least a weight of 40% of the overall goals included in the individual scorecard has not been achieved.

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

¹⁷ The threshold can be subject to review if exceptional 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).

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 2016, 2017 and 2018 are currently underway. The share allocation relating to the 2016 LTI plan, whose performance cycle ended at the end of 2018, will take place in April 2019 (see Section II of this Remuneration Report), whereas those relating to the 2017 and 2018 LTI plans will take place respectively in 2020 and 2021.

Upon Board of Directors proposal, in 2017 the Shareholders' Meeting approved a special share based plan for the Managing Director/Group CEO.

The aim of this special Plan is to strengthen the participation of the Managing Director/Group CEO in the long-term shareholders objectives, through the significant personal investment already made by the Managing Director/Group CEO – with the personal purchase of 200.000 shares – and by setting a single and highly challenging long term value creation in terms of absolute Total Shareholder Return (TSR).

The Plan provides for the granting, on July 2019, of maximum n. 200.000 shares of Assicurazioni Generali free of charge, subject to, among others, the verification of specific performance conditions, the maintenance of both the role of Managing Director/Group CEO and the ownership of the 200.000 shares already acquired personally until the end of the current mandate.

For more details on the Plan see Section II of this Report and the information document approved by the Shareholders' Meeting published on the Group Generali website.

2019 Long-Term Incentive Plan

Principles

In line with last year, a new long-term incentive plan based on Assicurazioni Generali shares – the 2019 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 (average Net ROE¹⁸, EPS¹⁹ growth and relative TSR²⁰) 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 an entry threshold which is defined by the Board of Directors and which represents a condition precedent;
- 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 other directors and talents of the Group (i.e. other managers not included in the previously mentioned clusters) selectively identified according to their role, performance and potential, taking into account specific attraction and retention needs²¹.

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 new Group Strategy, the 2019 Long Term Incentive plan 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.

¹⁸ Return on Equity.

¹⁹ Earning Per Share.

²⁰ Total Shareholder Return.

²¹ To the GLG members and to the directors and talents 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.

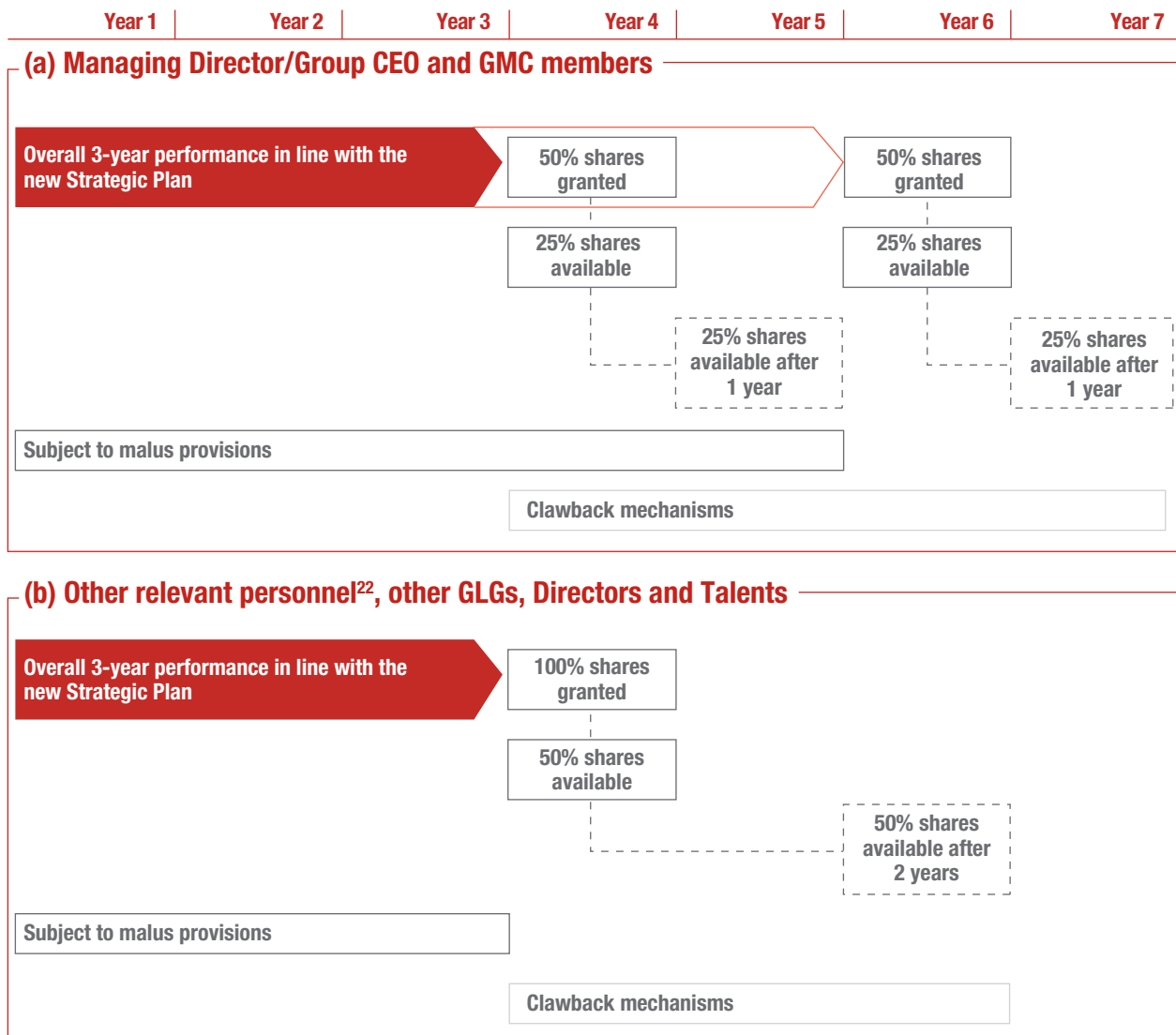
In order to ensure the highest level of consistency, fairness and homogeneity in the selection of the beneficiaries, as the first requirement, both the achievement of high and consistent performance results and a high potential of growth are verified. These two elements, in conjunction with consolidated 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.

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:

- a) for the Managing Director/Group CEO and Group Management Committee (GMC) members, the pay-out system is set over an overall timeframe of seven calendar years;
- b) for other relevant personnel²², the other members of the Global Leadership Group (GLG), Directors and Talents, the pay-out system is set over an overall timeframe of six calendar years.

These different structures are represented in the table below:



²² 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.

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%²³ - 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 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.

These goals determined and set at the start of the three-year cycle of the plan and maintained coherent over time, in compliance with the Group’s long-term goals and strategies, are represented by the average Net ROE, EPS growth and the relative TSR, which is compared with a peer group composed by a list of selected companies, as represented below:

Peer			
1	Aegon	10	Mapfre
2	Ageas	11	Nn Group
3	Allianz	12	Poste Italiane
4	Asr Nederland	13	Powszechnego Zakładu 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

The performance level is indicated as a percentage of the level of achievement of average Net ROE, EPS Growth and relative TSR, determined with reference to three 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 only if the positioning of the Group in the ranking is higher than the lower quartile.

The maximum performance level is always 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 other beneficiaries known as directors and key talents²⁴ (for the Managing Director/Group CEO, this percentage is up to 250% overall).

²³ This percentage applies to all outstanding incentive plans.

²⁴ 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) directors and talents.

	40% prospective share	+	40% prospective share	+	20% prospective share
	Performance Average Net Roe		Performance EPS Growth		Performance rTSR
0% vesting	≤ 10%		≤ 3%		Lower Quartile
Target vesting	11,5%		6%		Median ranking
Maximum vesting	≥ 12%		≥ 8%		Top ranking

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

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. Directors and key talents. This percentage is equal to up to 250% for the Managing Director/Group CEO²⁵.

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 for the purpose.

In particular, starting from the 2019 LTI Plan, the contractual terms for the future Managing Director/Group CEO will 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 will 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.

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 further 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 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 force²⁶, 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 further year;

²⁵ Without prejudice to the possibility for the Board of Directors to define, on completion of the due governance processes concerning remuneration, different measures of the incentive for single beneficiaries or categories, also in compliance with the local/sector applicable regulation.

²⁶ 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.

– other relevant personnel²⁷, GLGs, Directors and talents: at the end of the three-year performance period, 100% of the shares accrued on the basis of the results achieved 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 - 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 2016, 2017 and 2018 plans – a dividend equivalent mechanism on the basis of the dividends distributed during the three-year reference period²⁸. More specifically, should the Shareholders' Meeting resolve on the distribution of dividends to the shareholders during the three-year reference period²⁸ 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 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 12.000.000 shares can be granted, which account for 0,77% 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 amend and supplement the plan structure as considered necessary or appropriate, 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).

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.

As concerns specifically the Managing Director/Group CEO, the Board of Directors may provide (subject to specific Shareholders Meeting approval ex art. 114-bis TUF) for the participation to a special share-based plan for the 2019-2021 timeframe (possibly including, as for the previous special plan referred to above, an initial purchase of shares or the maintenance of the shares already owned by the Managing Director/Group CEO). Such plan may possibly integrate or substitute (entirely or partially) of the ordinary LTI plan referred to above. In these cases, the maximum percentages of variable remuneration (compared to the fixed one) would be substantially in line with those above mentioned.

²⁷ 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.

²⁸ And during the additional deferral period for the Managing Director/Group CEO and Group Management Committee (GMC) members.

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.

Other fringe benefits can be assigned for a defined period of time in line with market practices in case of internal or international mobility such as housing, child education and other allowances linked to internal and international relocation, for a defined period of time.

3.5 Extraordinary remuneration

As an extraordinary measure within the remuneration policy context, and 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 exceptional 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 extraordinary payments will be determined within the framework of the governance processes for remuneration, as applicable to the different categories of beneficiaries, 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 Additional remuneration

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, formalised and authorised 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 Functions²⁹ and their first reporting line managers consists of a fixed and variable remuneration and fringe benefits. The fixed remuneration³⁰ 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 76% 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 24% 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 favour of the fixed component (see table at paragraph 3.1) and excluding any form of variable compensation linked to eco-

nomic and financial objectives (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.

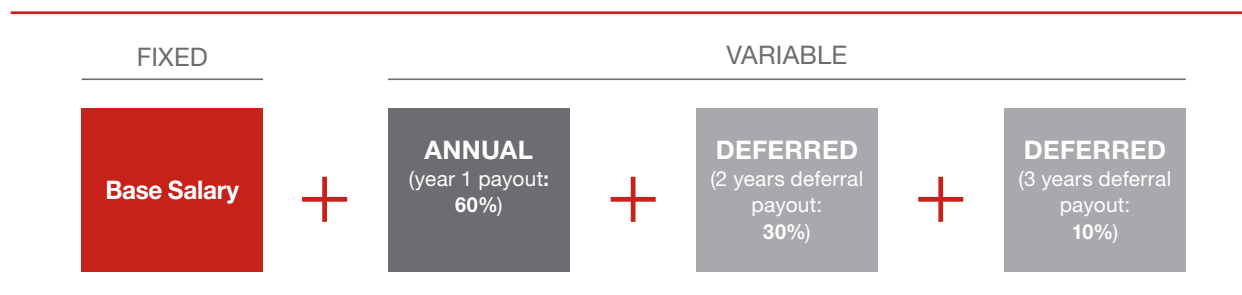
Starting from 2019, the structure of the incentive system of Key Functions is differentiated for cluster of beneficiaries:

- 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).

²⁹ Currently identified as the following functions: Internal Audit, Risk Management, Compliance and Actuarial function.

³⁰ And role based allowance eventually assigned.

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. 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 formalised.

5. Share plan for the Generali Group employees

Within the 2019-2021 strategic plan framework, it's being submitted for approval of the Shareholders' Meeting for 2019 a 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.

The initiative represents a tangible mean of promoting:

- employee engagement towards the new strategic objectives;
- a culture of ownership and empowerment;
- employee participation to Group sustainable value creation.

The plan is expected to be 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. The Board of Directors of Assicurazioni Generali, giving execution to the plan, will identify the specific categories of employees who may be beneficiaries of the plan.

The plan's essential features, 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 Euro 540 and maximum of Euro 18,000 overall, will be accrued through monthly payroll deductions and will be unavailable for the three-year length of the plan;

– 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

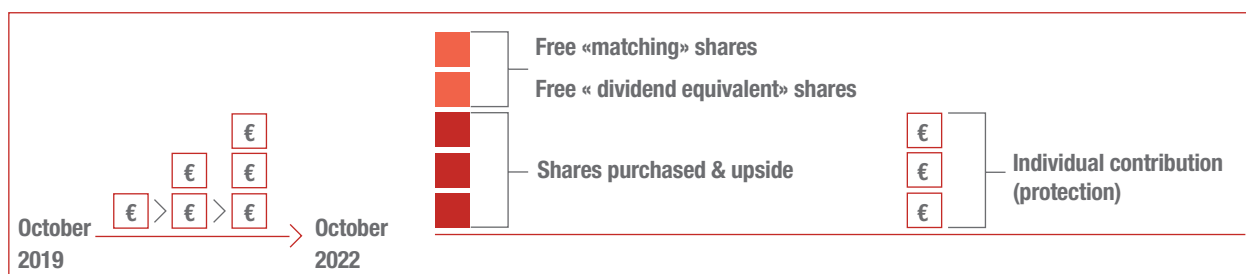
number equal to the ratio between the value of the dividends paid by Generali in the 3 years of the plan and the initial price, multiplied by the number of shares purchased;

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).

3 years accrual

A Share price appreciation

B Share price depreciation



In case of share price appreciation, each participant will be entitled to decide whether to sell 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, increased by 50% for the Chair of the Board of Statutory Auditors. There are no variable components to the remuneration.

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 adopted by the Board of Directors of the company on 5 November 2014 and 17 March 2016.

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 2018 to 30 April 2019.
- term: 12 months, renewable annually, until revocation of authorisation 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 standardised 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/managers, 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 notice³¹ (where applicable).

"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.

³¹ Or in addition to other treatment with a similar nature or function potentially provided under local applicable laws. In case of a fixed-term working relationship, the severance limit is usually represented by the amounts due until the natural expiry of the term.

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 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).

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).

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 auditor's remuneration;
- determines the remuneration of the executive directors and other directors holding offices 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 Group Management Committee members 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); and

- 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.

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:

- formulating opinions and proposals for the Board in terms of remuneration for directors;
- formulating opinions and proposals referring to the remuneration policies for members of corporate bodies and relevant personnel, including financial instrument-based remuneration plans and checking that these are correctly applied;
- providing the Board proposals and/or opinions regarding the remuneration of executive directors and directors holding other specific tasks or appointments in accordance with the Articles of Association, as well as defining performance goals related to the variable component of the remuneration and checking that performance goals are effectively achieved. The opinions and proposals relating to executive directors are based on a discretionary assessment made by taking into consideration, among other things, the following parameters:
 - i) the significance of the responsibilities within the corporate organisational structure;
 - ii) the impact on corporate results;
 - iii) the financial results achieved; and
 - iv) the achievement of specific goals set beforehand by the Board;
- providing opinions and proposals for the Board regarding remuneration for whoever holds an internal role within the Company and the Group that is significant in terms of membership of the Group Management Committee, based on a prior proposal by the Managing Director/Group CEO, and on a discretionary assessment according to the following criteria:
 - i) the level of responsibility and risks associated with the tasks carried out;
 - ii) the results achieved in relation to the assigned goals; and
 - iii) the performance in relation to extraordinary commitments;
- making periodical assessment of remuneration policies in order to guarantee consistency even in case of changes of the Company or Group functioning or of the market environment in which they operate;
- making periodical assessments on the criteria adopted for the remuneration of directors and “relevant personnel”, based on the information provided by the Managing Director/Group CEO, and issuing general recommendations on this matter to the Board;
- checking the consistency of the complex remuneration scheme as well as the proportionality of the executive directors’ remunerations, in comparison with one another, and in relation to the “relevant personnel”;
- providing an opinion on the Managing Director/Group CEO’s proposal relating to the incentive plan for managers belonging to the Global Leadership Group (GLG) (as described above);
- providing an opinion on the Managing Director/Group CEO’s proposals relating to the remuneration of the chair, executive directors and general managers (or managers with equivalent roles) of subsidiaries of strategic importance, and of 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);
- verifying the consistency between the remuneration policies, incentive policies and the Risk Appetite Framework;
- monitoring that the decisions made by the Board based on the proposals that were submitted are in fact applied, providing information regarding the effective functioning of remuneration policies;
- verifying the achievement of the conditions for the payments in favor of the relevant personnel;
- identifying potential conflicts of interest and the measures to manage them.

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 28 April 2016 and will remain in office until the Shareholders' Meeting called for the approval of the Financial Statements as at 31 December 2018 and is composed as follows:

Office	Name and Surname
Chair Non-executive and independent director	Ornella Barra
Committee member Non-executive and independent director	Diva Moriani
Committee member Non-executive director	Lorenzo Pelliccioli
Committee member Non-executive director	Francesco Gaetano Caltagirone*
Committee member Non-executive and independent director	Sabrina Pucci*

* 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 the purpose of 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 (€ 30,000 for the Chair, € 20,000 for other members and € 15,000 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 2018, 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.

Following its appointment on 28 April 2016, in 2018 the Appointments and Remuneration Committee held 7 meetings regarding remuneration matters, with an average participation of 100%, and 5 meetings regarding appointment matters, with an average participation of 96%. The average length of the Committee meetings, taking into account both matters, was 2 hours and 26 minutes. Minutes were always prepared for each meeting by the Chair and the Secretary and approved by the Committee in the following meeting.

3 meetings have been held so far in 2019.

The Committee meeting held on 18 February 2019 set its budget for 2019 expenses at € 100,000, which was then approved by the Board of Directors at the meeting 20 February 2019.

11.4 Managing Director/Group CEO

Under the human resources management and organisation 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 analysing 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 order to ensure consistency in remuneration at Group level, the implementation of the remuneration policy and annual and deferred incentive plans in the Group's companies, the Company, as the Holding Company of the

Group, issued a specific Group Remuneration Internal Policy, in accordance with international and national provisions.

The purpose of this policy is to adequately calibrate the Group's remuneration policies to the specific features of each Group company and to comply with the requirements set by the local regulatory framework, in compliance with both local regulatory requirements and Group remuneration policies throughout all Group companies, including those with registered offices outside Italy.

Through the above mentioned Policy the principles and standards of the remuneration policy adopted by the Shareholders' Meeting are illustrated to all Group companies. The policy explains how the principles have to be transposed and applied concretely.

In particular, the Group identifies the beneficiaries of the remuneration policies (so called Group relevant personnel³²) through a structured and formalized process that takes into account the impact of the positions on the risk and strategic Group profile.

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 waive these principles and standards, should this be 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 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

³² 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.

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 the implementation of the remuneration policy

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 responsibilities³³; and
- the Heads of Key Functions and their first reporting line managers included in last year's Remuneration Report.

The year 2018 was, in line with 2017, a year of further reinforcement of Generali's remuneration policy, as well as significant achievements in terms of alignment with business and organisation strategy and with the greater international integration of the Group.

Significant business results were also achieved in 2018, 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 pay-out of our incentive plans, characterised by a direct link between incentives and performance (at Group/Countries and businesses level).

All entry thresholds to the incentive plans set for 2018 were reached and the remuneration results are detailed in the tables provided in this section.

More specifically, the performance period of the 2016 Group long-term incentive share plan ended in 2018; 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 authorised at that time by the Board for the plan – of an overall number of 4,435,531 shares (compared to a maximum of 10,000,000 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.

³³ Identified in the former Remuneration Policy's Section I, the following roles: Group Chief Financial Officer; Group Chief Risk Officer; Group Chief Operations & Insurance Officer; Group Chief Marketing & Customer Officer; Group Chief Investment Officer and CEO Asset & Wealth Management; CEO Global Business Lines & International; Italy Country Manager; Germany Country Manager; France Country Manager; Austria, CEE & Russia Regional Officer; Group General Counsel; Group Strategy & Business Accelerator Director; Group Communications & Public Affairs Director; Group Mergers & Acquisitions Director; Head of Corporate Affairs; Head of Group Audit; Group Chief HR & Organization Officer.

Part I

1. Remuneration of non-executive directors

The Shareholders' Meeting of 28 April 2016 confirmed that, for the three-year period 2016 - 2018, 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	30,000	2,000
Chair of the Risk and Control Committee	50,000	2,000
Members of the Corporate Governance, social and environmental Sustainability Committee	15,000	2,000
Chair of the Corporate Governance, social and environmental Sustainability Committee	20,000	2,000
Members of the Investments and Strategic Operations Committee *	30,000	2,000
Chair of the Investments and Strategic Operations Committee **	No remuneration	No remuneration
Members of the Appointments and Remuneration Committee ***	20,000/15,000	2,000
Chair of the Appointments and Remuneration Committee	30,000	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 ****	20,000	--
Chair of the Supervisory Body	30,000	--

* Members of the Investments and Strategic Operations Committee are Generali employees and are not entitled to this remuneration.

** The office of Chair of the Investments and Strategic Operations Committee is held by the Managing Director/Group CEO and no remuneration is envisaged.

*** The remuneration differs depending on whether the individuals are involved in remuneration matters or appointment matters.

**** Any member who has an employment relationship with Generali is required to pay back this remuneration to Generali.

With regard to the remuneration for the Chair of the Board of Directors, appointed as of 28 April 2016, 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 cover in the event of death or permanent disability as a result of accident or illness;

- supplementary insurance cover for health expenses, with features similar to those provided for Group managers; and
- the use of a Company car with a driver.

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.

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 2018 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 (2018) the following items:

Managing Director/Group CEO:

- an annual gross remuneration as Group CEO of € 1,100,000 and an annual gross remuneration as Managing Director of € 300,000, inclusive of the remuneration and attendance fees provided for members of the Board of Directors and of the 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 € 1,400,000 gross and can reach up to 200% of the fixed component in the event of over performance;

- a deferred part of the variable remuneration component, according to which, the Managing Director/Group CEO may be granted an incentive that can reach up to 250% of the current fixed remuneration component in the event of over performance, subject to the achievement of the assigned goals (as described above);
- a special share plan, which provides for – in line with what has been outlined in Section I par. 3.3.2 - the granting, on July 2019, of maximum n. 200,000 shares of Assicurazioni Generali free of charge, subject to, among others, the verification of specific performance conditions, the maintenance of the role of Managing Director/Group CEO and of the ownership of the 200,000 shares already acquired personally until the end of the current mandate (as reported in previous years Remuneration Report);
- 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 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 policy³⁴.

With specific reference to the parts of variable component of the remuneration (annual and deferred), in the reference year 2018, the Managing Director/Group CEO in office accrued the following remuneration:

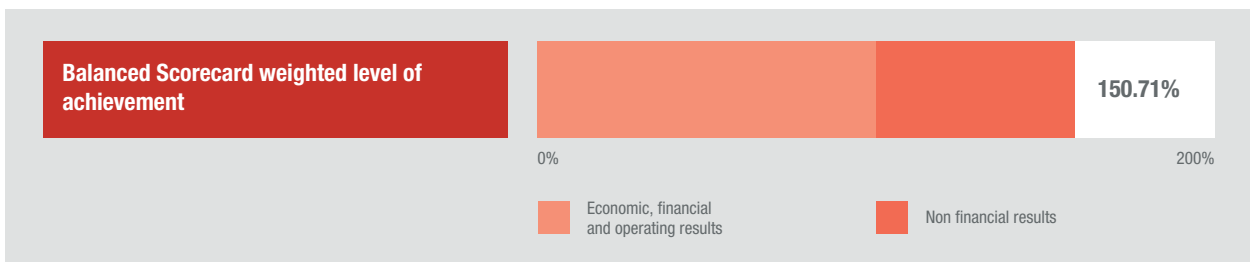
- annual part of the variable remuneration component: based on the results achieved, the short-term part of the variable component amounted to € 2,109,993 gross (corresponding to the 150.71% against the maximum of 200% of the individual baseline as represented below). This amount was calculated based on the

³⁴ 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 future Managing Director/Group CEO will 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 will 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.

achievement of the goals set in the individual scorecard by the Board of Directors in relation to the Group's economic, financial and operating results (i.e. Group Net Profit Adjusted³⁵, Dividends from subsidiaries³⁶, Group Operating Result, Group Return On Risk Cap-

ital) and to non-financial results (key Group strategic projects and People Empowerment), assessed positively with respect to the expectations of the strategic plan for the relevant year;

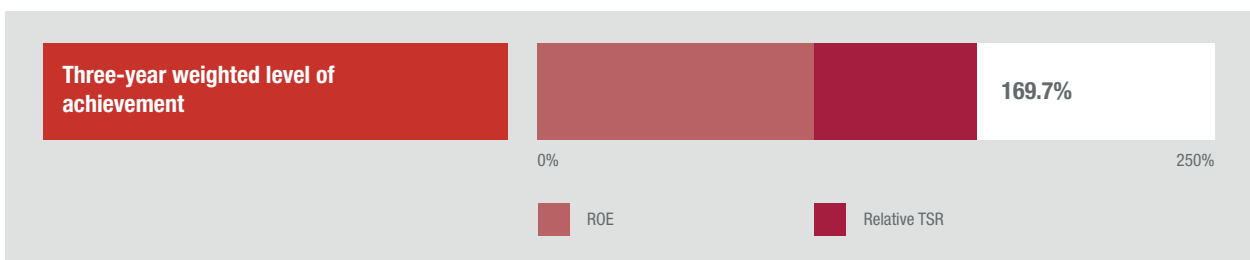
KPIs contribution to the level of achievement of the overall performance of the Managing Director/ Group CEO BSC



– deferred part of variable remuneration: on completion of the 2016 LTI performance period and on the basis of the level of achievement of related goals (as described before), the allocation to Managing Director/Group CEO was resolved on of n. 198,697 shares, including

the additional shares allocated for the dividend equivalent mechanism, in view of a performance level of 169.7% against a maximum of 250% (as represented below). These shares are subject to the plan's lock-up period.

KPIs contribution to the level of achievement of the overall performance of the Managing Director/ Group CEO 2016 plan



The payout level of the variable remuneration for the Managing Director/Group CEO reflects the positive performance in all the economic and financial objectives with

respect to the ambitions of the strategic plan, with significant results in particular with reference to Dividends from subsidiaries³⁶ and Return on Risk Capital.

³⁵ 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.

³⁶ Dividends or dividend-equivalent transactions (e.g. capital reduction, subordinated debt reimbursement) approved by Group Head Office and/or appropriate Corporate Body, as relevant.

Remuneration of other managers with strategic responsibilities

In 2018, considering the managerial turnover, the category of managers with strategic responsibilities comprised (either throughout the whole year or a part thereof) a total 18 people³⁷.

Remuneration packages were set for 1 manager with strategic responsibilities appointed during the year. Salary adjustments were also provided for 12 managers with strategic responsibilities that were already in service at the beginning of the financial period in question. As stated also in last year Remuneration Report, in 2017 the possibility to activate a non-competition agreement has been introduced in the definition of remuneration packages. In 2018 there has been the introduction of the non-competition agreement for 6 managers. Fringe benefits were also given regarding relocation and accommodation needs, child education and a company car with fuel card.

In addition to the normal fixed component (see details in Table 1 below), the managers with strategic responsibilities, as the case may be: (i) accrued the annual variable remuneration (STI) subject to and based on the extent of achievement of the goals set for 2018 and, with reference to 2 individuals, accrued the deferred instalments for the 2017 STI, which was deferred subject to and based on the assessment of the continuity and sustainability of the 2017 performance (see details in Table 3B below); (ii) accrued other cash-based bonuses pertaining to the financial year (see details in Table 3B below); (iii) accrued shares on the basis of the LTI Plan 2016 (see details in Table 3A below); and (iv) 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 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 as short-term remuneration in the last three years) can be granted, in addition to the legal and contractual notice (where applicable).

The termination of the employment relationships with 1 manager with strategic responsibilities was agreed in 2018. The terminations occurred with mutual consent and, in accordance with the applicable contractual provisions and in line with the remuneration policy in force, entailed the loss of rights relating to the incentive plans in place whose performance cycle had yet to be completed at the termination date. The Company paid a total of: (i) € 1,700,872 gross as severance payment to one individual; and (ii) € 225,000 gross as remuneration for non-competition agreement which is paid in instalments throughout the duration of the covenant for one individual.

The details regarding the remuneration received by the Managing Director/Group CEO and other managers with strategic responsibilities for the 2018 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 2018, 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 22 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 € 3,683,797 in terms of the fixed component. It is important to note that the remuneration packages for 9 managers of Key Functions were adjusted based

³⁷ Including the Heads of Key Function belonging to the Managers with strategic responsibilities.

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:

– € 1,288,543 gross, of which € 773,126 gross paid up-

front and € 515,417 gross subject to one-year deferral, to be paid out in 2020 subject to and based on the assessment of the continuity and sustainability of the 2018 performance;

– € 413,177 gross, pertaining to the 2017 financial year, was paid after one year's deferral.

In terms of overall benefits, based on tax criteria, these amounted to a total of € 215,424 gross.

Part II

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	Emoluments (in Euro)									Fair value equity	Severance indemnity for end of office or termination of employment
			Emoluments for the office held										
			Office expiry	Fixed emoluments	Variable emoluments	Attendance fees	Bonus and other incentives	Non monetary benefits	Other remuneration	Total			
(l) Emoluments in the company that prepares the financial statement													
Gabriele GALATERI DI GENOLA	Total		1,000,000.00	--	118,000.00	--	9,796.68	--	1,127,796.68	--	--		
Chairman	1.1-31.12.2018	Approved f.s. 2018	850,000.00		64,000.00		9,796.68		923,796.68				
Member of the Board of Directors	1.1-31.12.2018	Approved f.s. 2018	100,000.00						100,000.00				
Chairman of the Corporate Governance, social and environmental Sustainability Committee	1.1-31.12.2018	Approved f.s. 2018	20,000.00		18,000.00				38,000.00				
Member of Investments and Strategic Operations Committee	1.1-31.12.2018	Approved f.s. 2018	30,000.00		36,000.00				66,000.00				
Francesco Gaetano CALTAGIRONE	Total		145,000.00	--	72,000.00	--	--	--	217,000.00	--	--		
Member of the Board of Directors	1.1-31.12.2018	Approved f.s. 2018	100,000.00		48,000.00				148,000.00				
Member of the Investments and Strategic Operations Committee	1.1-31.12.2018	Approved f.s. 2018	30,000.00		16,000.00				46,000.00				
Member of the Appointments and Remuneration Committee	1.1-31.12.2018	Approved f.s. 2018	15,000.00		8,000.00				23,000.00				
Philippe DONNET	Total		1,400,000.00	--	--	2,109,993.00	198,051.90	--	3,708,044.90	2,278,355.43	--		
Group CEO ⁽¹⁾	1.1-31.12.2018	Approved f.s. 2018	1,400,000.00			2,109,993.00	198,051.90		3,708,044.90	2,278,355.43 ⁽¹⁾			
Member of the Board of Directors	1.1-31.12.2018	Approved f.s. 2018							--				
Chairman of the Investments and Strategic Operations Committee	1.1-31.12.2018	Approved f.s. 2018							--				
Lorenzo PELLICOLI	Total		150,000.00	--	92,000.00	--	--	--	242,000.00	--	--		
Member of the Board of Directors	1.1-31.12.2018	Approved f.s. 2018	100,000.00		60,000.00				160,000.00				
Member of the Appointments and Remuneration Committee	1.1-31.12.2018	Approved f.s. 2018	20,000.00		14,000.00				34,000.00				
Member of the Investments and Strategic Operations Committee	1.1-31.12.2018	Approved f.s. 2018	30,000.00		18,000.00				48,000.00				
Clemente REBECCHINI	Total		160,000.00	--	148,000.00	--	--	--	308,000.00⁽²⁾	--	--		
Member of the Board of Directors	1.1-31.12.2018	Approved f.s. 2018	100,000.00		64,000.00				164,000.00				
Member of the Investments and Strategic Operations Committee	1.1-31.12.2018	Approved f.s. 2018	30,000.00		36,000.00				66,000.00				
Member of the Risk and Control Committee	1.1-31.12.2018	Approved f.s. 2018	30,000.00		48,000.00				78,000.00				
Paola SAPIENZA	Total		150,000.00	--	106,000.00	--	--	--	256,000.00	--	--		
Member of the Board of Directors	1.1-31.12.2018	Approved f.s. 2018	100,000.00		64,000.00				164,000.00				
Member of the Investments and Strategic Operations Committee	1.1-31.12.2018	Approved f.s. 2018	30,000.00		36,000.00				66,000.00				
Member of the Related party transactions Committee	1.1-31.12.2018	Approved f.s. 2018	20,000.00		6,000.00				26,000.00				
Alberta FIGARI	Total		165,000.00	--	114,000.00	--	--	--	279,000.00	--	--		
Member of the Board of Directors	1.1-31.12.2018	Approved f.s. 2018	100,000.00		48,000.00				148,000.00				
Chair of the Risk and Control Committee	1.1-31.12.2018	Approved f.s. 2018	50,000.00		48,000.00				98,000.00				
Member of the Corporate Governance, social and environmental Sustainability Committee	1.1-31.12.2018	Approved f.s. 2018	15,000.00		18,000.00				33,000.00				

Person Name and Surname	Office held	Period for which office was held	Emoluments (in Euro)									Severance indemnity for end of office or termination of employment
			Emoluments for the office held									
			Office expiry	Fixed emoluments	Variable emoluments	Attendance fees	Bonus and other incentives	Non monetary benefits	Other remuneration	Total	Fair value equity	
Sabrina PUCCI	Total		145,000.00	--	122,000.00	--	--	--	267,000.00	--	--	
Member of the Board of Directors	1.1-31.12.2018	Approved f.s. 2018	100,000.00		64,000.00				164,000.00			
Member of the Risk and Control Committee	1.1-31.12.2018	Approved f.s. 2018	30,000.00		48,000.00				78,000.00			
Member of the Appointments and Remuneration Committee	1.1-31.12.2018	Approved f.s. 2018	15,000.00		10,000.00				25,000.00			
Ornella BARRA	Total		130,000.00	--	62,000.00	--	--	--	192,000.00	--	--	
Member of the Board of Directors	1.1-31.12.2018	Approved f.s. 2018	100,000.00		48,000.00				148,000.00			
Chair of the Appointments and Remuneration Committee	1.1-31.12.2018	Approved f.s. 2018	30,000.00		14,000.00				44,000.00			
Romolo BARDIN	Total		150,000.00	--	100,000.00	--	--	--	250,000.00	--	--	
Member of the Board of Directors	1.1-31.12.2018	Approved f.s. 2018	100,000.00		64,000.00				164,000.00			
Member of the Risk and Control Committee	1.1-31.12.2018	Approved f.s. 2018	30,000.00		30,000.00				60,000.00			
Member of the Related party transactions Committee	1.1-31.12.2018	Approved f.s. 2018	20,000.00		6,000.00				26,000.00			
Diva MORIANI	Total		140,000.00	--	80,000.00	--	--	--	220,000.00	--	--	
Member of the Board of Directors	1.1-31.12.2018	Approved f.s. 2018	100,000.00		60,000.00				160,000.00			
Member of the Related party transactions Committee	1.1-31.12.2018	Approved f.s. 2018	20,000.00		6,000.00				26,000.00			
Member of the Appointments and Remuneration Committee	1.1-31.12.2018	Approved f.s. 2018	20,000.00		14,000.00				34,000.00			
Paolo DI BENEDETTO	Total		140,000.00	--	88,000.00	--	--	--	228,000.00	--	--	
Member of the Board of Directors	1.1-31.12.2018	Approved f.s. 2018	100,000.00		64,000.00				164,000.00			
Chair of the Related party transactions Committee	1.1-31.12.2018	Approved f.s. 2018	25,000.00		6,000.00				31,000.00			
Member of the Corporate Governance, social and environmental Sustainability Committee	1.1-31.12.2018	Approved f.s. 2018	15,000.00		18,000.00				33,000.00			
Roberto PEROTTI	Total		150,000.00	--	90,000.00	--	--	--	240,000.00	--	--	
Member of the Board of Directors	1.1-31.12.2018	Approved f.s. 2018	100,000.00		60,000.00				160,000.00			
Member of the Risk and Control Committee	1.1-31.12.2018	Approved f.s. 2018	30,000.00		24,000.00				54,000.00			
Member of the Related party transactions Committee	1.1-31.12.2018	Approved f.s. 2018	20,000.00		6,000.00				26,000.00			
Carolyn DITTMAYER	Total		150,000.00	--	--	--	--	--	150,000.00	--	--	
Chairman of the Statutory Auditors	1.1-31.12.2018	Approved f.s. 2019	150,000.00						150,000.00			
Lorenzo POZZA	Total		100,000.00	--	--	--	--	--	100,000.00	--	--	
Statutory Auditor	1.1-31.12.2018	Approved f.s. 2019	100,000.00						100,000.00			
Antonia DI BELLA	Total		100,000.00	--	--	--	--	--	100,000.00	--	--	
Statutory Auditor	1.1-31.12.2018	Approved f.s. 2019	100,000.00						100,000.00			
Other managers with strategic responsibilities (3)	Total		9,140,555.56	--	--	11,324,916.00	1,123,576.54	--	21,589,048.09	6,511,924.47*	1,925,872.00	
TOTAL**			13,515,555.56	--	1,192,000.00	13,434,909.00	1,331,425.12	--	29,473,889.67	8,790,279.90	1,925,872.00	

(1) With reference to the detail of Managing Director and Group CEO components please refer to Part I of Section II referred to remuneration of the Managing Director / Group CEO.

(2) The emolument is paid directly to Mediobanca.

(3) During 2018 the other managers with strategic responsibilities were 18.

(*) Sum of the fair value of the shares to be granted on April 2019 and to be potentially granted in the future (within the long-term incentive plans in place, subject to the achievement of the objectives and the terms and conditions of the respective plans) for the relevant portion accrued in the 2018 balance sheet based on international accounting standards.

(**) Data include emoluments from subsidiaries and associates.

Table 2 – Stock options granted to members of the Board of Directors, General Managers and other managers with strategic responsibilities

A	B				Options held at the start of the financial year			(8)	(9)	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	
		(1)	(2)	(3)	(4)	(5)	(6)			(7)	(10)	(11)	(12)	(13)	(14)	(15) = 2+5-11-14	(16)
Name and Surname	Office	Plan	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.

Table 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

A	B	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		
		(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 2016-2018 (resolution of the Shareholders' meeting 28.04.2016) ^(a)								28,910 Shares not granted ^(b)	198,697 Shares to be granted	€ 3,143,188	€ 642,052
		LTI 2017-2019 (resolution of the Shareholders' meeting 27.04.2017) ^(c)	209,310 Shares potentially granted	2017-2019									€ 657,656
		LTI 2018-2020 (resolution of the Shareholders' meeting 19.04.2018) ^(d)			205,992 Shares potentially granted	€ 3,402,988	2018-2020	19.04.2018	€ 16,52				€ 779,114
		Special Stock Plan ^(e)	200,000 Shares potentially granted	2017-2019									€ 199,533
Other managers with strategic responsibilities		LTI 2016-2018 (resolution of the Shareholders' meeting 28.04.2016) ^(a)								116,856 Shares not granted ^(b)	511,103 Shares to be granted	€ 8,085,138	€ 1,481,082
		LTI 2017-2019 (resolution of the Shareholders' meeting 27.04.2017) ^(c)	719,513 Shares potentially granted	2017-2019									€ 2,062,670
		LTI 2018-2020 (resolution of the Shareholders' meeting 19.04.2018) ^(d)			831,603 Shares potentially granted	€ 13,738,082	2018-2020	19.04.2018	€ 16,52				€ 2,968,172
(III) Total	(*)		1,128,823		1,037,595					145,766	709,800	11,228,326.20	8,790,279.90

* 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 2016-2018, 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 price of the share on March 13, 2019, 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 2018 objectives.

(c) Maximum number of shares to be potentially granted at the end of vesting period (2017 – 2019) subject to the achievement of the objectives and the terms and conditions of the plan, considering that, with regard to 2017 and 2018, 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 (2018 – 2020) subject to the achievement of the objectives and the terms and conditions of the plan, considering that, with regard to 2018, the number of shares is calculated based on the level of performance achieved in the year. 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) Maximum number of shares to be potentially granted at the end of vesting period (2017 – 2019) 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, beneficiary 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 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 2018	2,109,993							
		STI 2018	10,800,916	301,000	2020 (1 year)					
Other managers with strategic responsibilities		STI 2017 ⁽¹⁾					224,000			
		Other bonuses							300,000	
(III) Total (*)			12,910,909	301,000			224,000		300,000	

* including emoluments from subsidiaries and associates.

(1) The amount represented refers to deferred part as foreseen by incentive system for Key Functions.

Table 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 <i>Chairman of the Board</i>	Generali	26,800			26,800
Francesco Gaetano CALTAGIRONE <i>Deputy Chairman of the Board</i>	Generali	55,500,000 ⁽¹⁾	20,724,753 ^{(2) (3)}	1,324,753 ^{(2) (3)}	74,900,000 ⁽⁴⁾
Philippe DONNET <i>Managing Director/ Group CEO</i>	Generali	245,324	71,421 ⁽⁵⁾		316,745
Romolo BARDIN <i>Board member</i>	Generali	0	3,000		3,000
Other managers with strategic responsibilities	Generali	290,183	318,117 ⁽⁶⁾	73,037	554,361

(1) Of which 55,385,000 shares held through an intermediate legal person.

(2) Through an intermediate legal person.

(3) Additional 11,681,065 shares have been transferred among Caltagirone Group subsidiaries.

(4) Of which 74,785,000 shares held through an intermediate legal person.

(5) Shares granted under 2015 LTI Plan

(6) Of which 314,617 shares granted under 2015 LTI Plan.

Section III - Control functions verifications

Verifications of the Compliance and Risk Management functions

1. Introduction

IVASS Regulation No. 38/2018 that has repealed ISVAP regulation No. 39/2011, provides that the implementation of the remuneration policies adopted by the firm is subject, at least on an annual basis, to the review by the internal control functions within the scope of their respective responsibility. More specifically, under Article 58 of the IVASS Regulation mentioned above, the Compliance function is responsible for verifying that the remuneration and incentive policies comply with the provisions of Part II, Capo IV of IVASS Regulation No. 38, the Company's Articles of Association, and any codes of ethics or other standards of conduct applicable to the company, to prevent and control legal and reputational risks.

In this context, after the approval of the remuneration policy at the Shareholders' Meeting of 19 April 2018, the Compliance and the Risk Management functions have put in place, within the scope of their respective responsibility, the actions needed to ensure the compliance of corporate conducts with the relevant regulatory framework, including the compliance assessments of the actions/documents implementing the remuneration policy, also taking into consideration the Group's Code of Conduct and its implementing rules.

2. Verification of the remuneration policy

With specific regard to the remuneration policy, the Compliance and the Risk Management functions, within the scope of their respective responsibilities, completed an ex-ante assessment of the new text, to be submitted to the Board of Directors and the to the Shareholders' Meeting called for 7 May 2019.

There is a substantial continuity between the new policy and the one approved in 2018.

The most relevant provisions and amendments - a part from those arising from the managerial turnover throughout the course of the reference year - regard the following main aspects:

- the provision of a specific threshold to which the funding pool for the Short-Term Incentive (STI) is subject to, identified as a minimum level of Regulatory Solvency

Ratio (for 2019, set at 130%), replacing the minimum level of Regulatory Solvency Ratio for 2018 (at 120%). This threshold was set taking into account the "hard limit" level set in the Group Risk Appetite Framework, which was approved by the Board of Directors in December 2018. 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 RAF as 150% - but still above 130%. It is also the annual and three-year entry gate of the Long-Term Incentive plan (LTI). The connection between remuneration and risk was also maintained, as well as the Return on Risk Capital (RoRC) goals in the incentive plans;

- with regard to the category of persons included in the target population, the "relevant personnel" definition has been aligned with IVASS Regulation No. 38/2018. Within the scope of the "relevant personnel", the category of persons included in the GMC has been modified with the purpose of including the organizational changes occurred over 2018, and, primarily, the General Manager and the elimination of the Group Chief Operations & Insurance Officer, moreover, the category of "first reports of the Managing Director/Group CEO, the General manager and the Board of Directors with a significant impact on the Group strategic profile" has been aligned with the current organizational structure;
- the process of definition of the assumptions and allocation of the Short Term Incentive (STI) plan has been confirmed, with a more detailed description of the different phases in which this process is structured (funding pool, individual performance, calibration and pay-out);
- the confirmation that the minimum and maximum values within which the funding pool is included are calculated based on the level of achievement of the Group results;
- the confirmation, with reference to the STI plan, of objectives and key performance indicators (KPIs) in the balanced scorecards of the relevant personnel, with an increase from 5-7 to 8 goals. in line the new 2019-2021 Group's strategy - which is focused on profitable growth, value creation, innovation and digital transformation, two indicators linked to local and Group's strategic projects implementation respectively - including sustainability initiatives - for the achievement of the Group's objectives, are included in all balanced scorecard. More specifically, within the individual performance assessment known as "Economic and Financial Risk Adjusted Performance", the indicators "Core business KPI" were maintained, including the mandatory

- RoRC with a weight up to 15%, and, additionally, KPIs represented by “Focus on Net Profit and Total Expenses” as well as “Total Remittance in mature markets or RoCE in developing markets” have been introduced; the perspective “Efficiency & Business Transformation” has been replaced by the new perspective indicated as “Strategic Projects/KPIs”, which includes the following objectives: (i) Group Strategic Projects implementation at global level for leaders and sponsors of the project; (ii) implementation of local strategic projects, including sustainability initiatives; (iii) customer/brand objectives based on specific KPIs evidence, as, for example, percentage of customer retention and brand preference; ultimately, the third perspective changed from “People empowerment” to “People value”, which includes the Managerial assessment based on specific HR KPIs, specifically including engagement surveys, percentage of talent pool retention, percentage of reskilling plan execution e Diversity & Inclusion Indexes, local HR initiatives;
- with reference to the Long Term Incentive plan (LTI), the maximum number of shares that can be assigned to recipients has been increased from 11,500,000 to 12,000,000;
 - from 2019 onwards, the structure of the incentive system of Key Functions is differentiated for cluster of beneficiaries: (i) for the Heads of Key Functions and their first reporting line managers belonging to the Group Management Committee (GMC) or to the Global Leadership Group (GLG), the variable component is paid out over an overall timeframe of three years, with the following payout schedule: 60% is granted at the end of the first year; 30% is granted one year after the first payment; 10% is granted one additional year after the second payment. In all of the cases the payment is subject to the verification of the conditions defined for the variable remuneration; (ii) 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 according to terms and periods provided in the previous policy;
 - a specific share Plan for employees has been introduced, which aims at promoting the sense of belonging to the Group and at aligning the employees’ objectives to the objectives defined in 2021 Strategic Plan, by offering to the employees the opportunity to favourably purchase Assicurazioni Generali S.p.A. shares linked to the value creation of the share in the long run and to the stability of the Group financial situation. The Plan will start approximately in October 2019 and will last 3 years. The beneficiaries of the Plan are employees un-

der an employment contract with Generali or another company of Generali Group, with exclusion of Group Management Committee (GMC) and Global Leadership Group (GLG) members.

- the overall maximum coverage of the directors’ and officers’ liability insurance (D&O) has been confirmed at € 300 million per claim, aggregated per year and per cover period. The maximum coverage for the Company’s directors and auditors and for the executive in charge of drafting the Company’s accounting documents remains unchanged and amounts to € 100 million per claim, aggregated per year and per cover period. A similar maximum coverage of € 10 million has been confirmed specifically for Banca Generali’s directors and auditors;
- a reference has been maintained regarding the design of a Group Remuneration Internal Policy as an instrument aimed at ensuring the overall consistency and application of the remuneration policies of Assicurazioni Generali S.p.A. to all Group companies, including those with registered offices abroad, developed respecting the features of each of these companies and in compliance 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 of the relevant indicators used to evaluate performance regarding the risk management strategies approved by the Board of Directors, with specific reference to Risk Appetite Framework and Recovery Plan, and considers them appropriate.

Conclusions

As a result of the above evaluations:

- the Risk Management function, with specific reference to the criteria and parameters adopted for determining the variable component, deems that the new remuneration policy is consistent with the Group’s risk management strategies; and
- the Compliance function deems that the remuneration system described in the remuneration policy complies with the provisions set out under the Delegated Acts implementing the Solvency II Directive framework and the IVASS Regulation No. 38/2018 provisions - including the letters to the market (“*Lettere al Mercato*”), the Company’s Articles of Association, the Corporate Governance Code for Listed Companies and the Group’s Code of Conduct.

Both functions will in any case verify ensure that the implementation of the new remuneration policy will comply with the provisions of the policy and with IVASS Regulation No. 38/2018, the Company's Articles of Association, the Corporate Governance Code for Listed Companies and the Group's Code of Conduct and related implementing rules.

Ex post verifications of the internal audit function

This report has been prepared pursuant to art. 58 of IVASS Regulation No. 38/2018 which provides that the Internal Audit Function verifies 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 audit

integrates the assessments carried out by other control functions (Compliance and Risk Management).

This audit activity covered both the verification of the correct settlement and payment of the fixed and variable components attributed to the recipients based on remuneration policies for 2017, which were paid in 2018, and the verification of the correct implementation of the 2018 remuneration policy. Both types of checks were subsequent and consequent to the various resolutions taken by the Shareholders' Meeting on April 19, 2018 on remuneration and on the approval of the financial statements as of 31 December 2017.

The results of these checks, based in some cases on data analytics techniques and the analysis of a sample of transactions in case the target population was particularly extensive, 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 2018 long-term incentive plan and previous plans

With reference to the 2016 Long Term Incentive Plan approved by the Shareholders' meeting on April 28th 2016, the Board of Directors of Assicurazioni Generali S.p.A, on 13 March 2019, 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. 291 beneficiaries an overall number of Generali' shares equal to No. 4,435,531, 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 2018 Long Term Incentive Plan,

approved by the Shareholders' Meeting on 19th April 2018, the Board of Directors of Assicurazioni Generali S.p.A, on 4 July 2018, upon proposal of the Appointment and Remuneration Committee, resolved to give execution to the plan. No. 505 beneficiaries have thus been identified, and as such have been granted, effective as of 2018, the right to receive an overall number of Generali shares up to No. 11,500,000, 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 2016 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	Managing Director/ Group CEO (*)	LTI 2016-2018 (resolution of the Shareholders' meeting 28.04.2016) ^(a)	Assicurazioni Generali ordinary Shares	198.697 Shares granted	28.04.2016		13.56	2016 - 2018
		LTI 2017-2019 (resolution of the Shareholders' meeting 27.04.2017) ^(b)	Assicurazioni Generali ordinary Shares	209.310 Shares potentially granted	27.04.2017		14.58	2017 - 2019
		Special Plan (resolution of the Shareholders' meeting 27.04.2017) ^(c)	Assicurazioni Generali ordinary Shares	200.000 Shares potentially granted	27.04.2017		14.58	2017 - 2019
Other Managers with strategic responsibilities (*)		LTI 2016-2018 (resolution of the Shareholders' meeting 28.04.2016) ^(a)	Assicurazioni Generali ordinary Shares	511.103 Shares granted	28.04.2016		13.56	2016 - 2018
		LTI 2017-2019 (resolution of the Shareholders' meeting 27.04.2017) ^(b)	Assicurazioni Generali ordinary Shares	719.513 Shares potentially granted	27.04.2017		14.58	2017 - 2019
Other Managers (*)		LTI 2016-2018 (resolution of the Shareholders' meeting 28.04.2016) ^(a)	Assicurazioni Generali ordinary Shares	3.725.731 Shares granted	28.04.2016		13.56	2016 - 2018
		LTI 2017-2019 (resolution of the Shareholders' meeting 27.04.2017) ^(b)	Assicurazioni Generali ordinary Shares	5.264.170 Shares potentially granted	27.04.2017		14.58	2017 - 2019

* including emoluments from subsidiaries.

- (a) Number of shares to be granted in April 2019 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 2016-2018, 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 (2017 – 2019) subject to the achievement of the objectives and the terms and conditions of the plan, considering that, in particular with regard to 2017 and 2018, 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).
- (c) Maximum number of shares to be potentially granted at the end of vesting period subject to the achievement of the objectives during the performance period and under the terms and conditions of the plan. Moreover, as stated in LTI plan's rules and as described in last year Remuneration Report, the beneficiary 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 2018-2020 (delibera assembleare 19.04.2018) ^(a)	Assicurazioni Generali ordinary Shares	205.992 Shares potentially granted	19.04.2018		16.52	2018 - 2020
Other Managers with strategic responsibilities (*)		LTI 2018-2020 (delibera assembleare 19.04.2018) ^(a)	Assicurazioni Generali ordinary Shares	831.603 Shares potentially granted	19.04.2018		16.52	2018 - 2020
Other Managers (*)		LTI 2018-2020 (delibera assembleare 19.04.2018) ^(a)	Assicurazioni Generali ordinary Shares	6.150.882 Shares potentially granted	19.04.2018		16.52	2018 - 2020

* including emoluments from subsidiaries.

- (a) 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, the number of shares is calculated based on the level of performance achieved in the year. 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 28th April 2016, Board Committees are: RCC, RPTC, ARC, GSC and IC.

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 24th February 1998, the Consolidated Law on Finance pursuant to articles 8 and 21 of Law no. 52 of 6th 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.borsaitalia.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.

Earning Per Share (EPS) growth

Percentage variation (compound average) of the Earning Per Share, based on the Net result normalized by gains/losses from disposals.

Global Leadership Group (GLG)

The team of Top Managers of the Company and the Group, with a higher organisational 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.

Investments and Strategic Operations Committee

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 3rd 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 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.

Net Return on Equity (Net RoE)

Net Return on Equity (Net RoE), calculated as the ratio between net result and net IFRS equity (excluding "Other Comprehensive Income").

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 "Remuneration Report" adopted by the Board of Directors on 13th March 2019, 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.

Return On Capital Employed (RoCE)

Return on "capital employed" calculated as (net profit + net interests expense) / Average (Equity excluding OCI + subordinated debt). In calculating the ROCE / ROAR for each BU / Region some calculation peculiarities may occur.

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 or dividend-equivalent transactions (e.g. capital reduction, debt reimbursement) approved by Group Head Office and/or appropriate Corporate Body, as relevant.

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 25th 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 17th December 2009.

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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Inarea Strategic Design



ELEMENTAL
CHLORINE
FREE
GUARANTEED



HEAVY METAL
ABSENCE
CE 94/62



