189th year

generali.com

REPORT ON REMUNERATION POLICY AND PAYMENTS

GENERALI

REPORT ON REMUNERATION POLICY AND PAYMENTS

Across almost two centuries of history, Generali has consolidated its resilience and helped people build a safer future by caring for their lives and their dreams.

It remained this way, even in an unprecedented year, such as 2020, and will also be in the future.

The ability to offer solutions with competence and a human touch was celebrated in the Group's first global advertising campaign, from which the images illustrating this Report are taken and which highlight the distinctive characteristics of Generali Red: empathy, passion, dynamism, proactivity.

For us, these are the qualities that people look for in a brand and that add value to the lives of customers, agents, employees, investors and partners.

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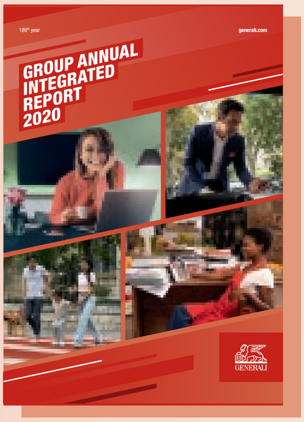
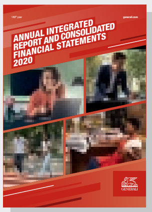
THE INTEGRATED OVERVIEW OF OUR REPORTS

Our sustainable value creation story continues to be based on integrated thinking. In line with the Core&More[1] approach, the Annual Integrated Report is the Core report of the Group, providing material financial and non-financial information. We provide further information, mainly addressed to a specialized audience, through the More reporting, including other Group's reports and channels of communication.



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 (leg. decree) 254/2016.



ANNUAL INTEGRATED REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

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

MANAGEMENT REPORT AND PARENT COMPANY FINANCIAL STATEMENTS

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

CORPORATE GOVERNANCE AND SHARE OWNERSHIP REPORT

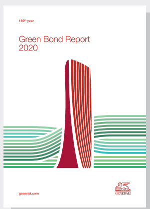
It outlines the corporate governance system of Assicurazioni Generali and its ownership structure.

CLIMATE-RELATED FINANCIAL DISCLOSURE

It provides investors and other stakeholders with relevant information to assess the adequacy of the Group's approach to climate change and its ability to manage the risks and opportunities it brings.

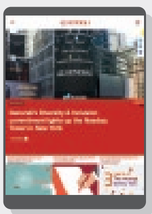
REPORT ON REMUNERATION POLICY AND PAYMENTS

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



GREEN BOND REPORT

It outlines the use of proceeds of the Generali's Green Bond issuance and associated impacts in terms of lower CO_2 emissions.



www.generali.com
for further information on the Group

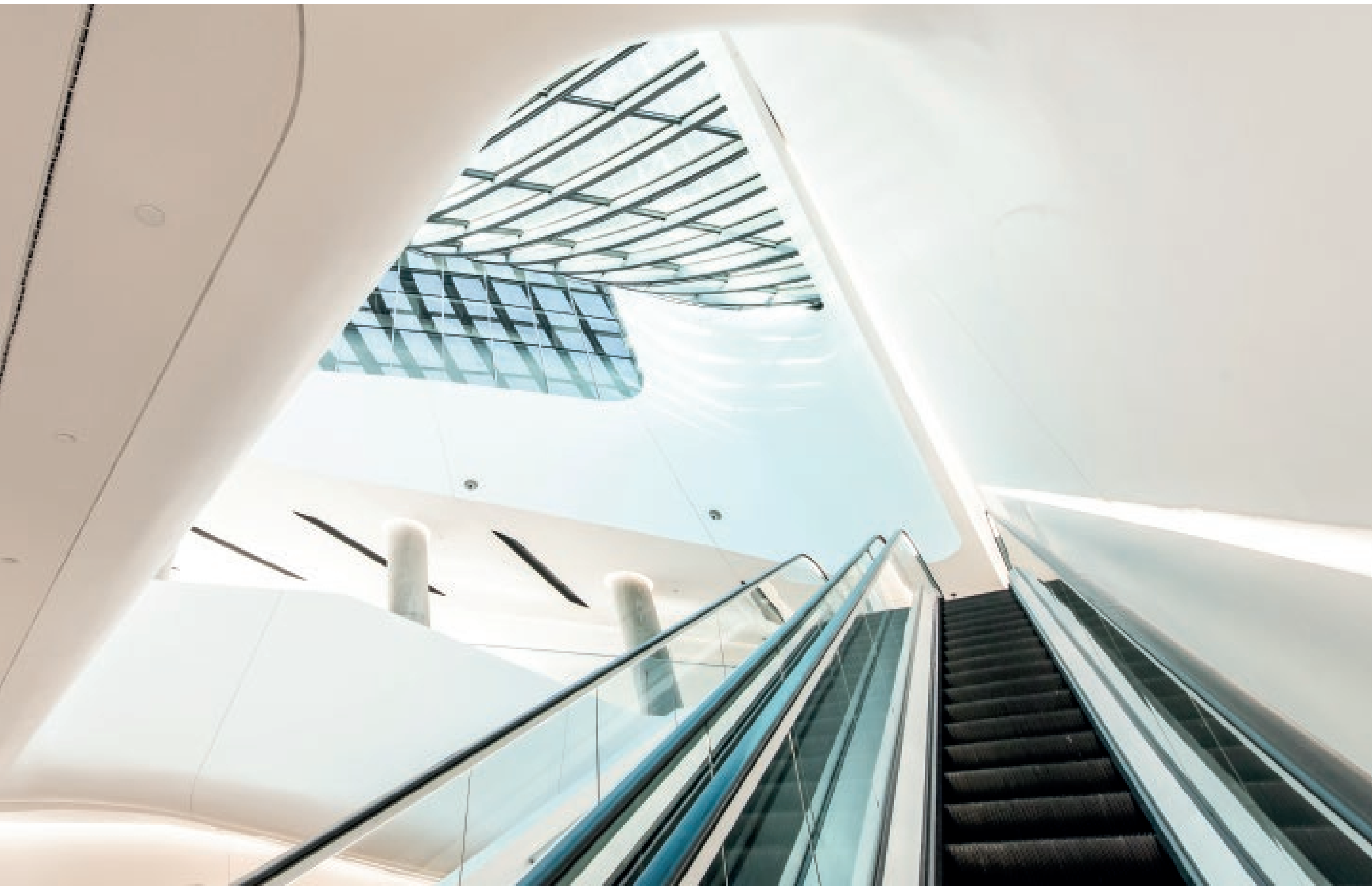
1 The Core&More approach developed by Accountancy Europe provides for a core report, including a summary of all key information required to evaluate and understand a company, and more reports, presenting more detailed information. www.accountancyeurope.eu/ for further information.

INFORMATION ON THE REPORT ON REMUNERATION POLICY AND PAYMENTS

The Group Report on the Remuneration Policy and Payments is the document submitted to the Shareholders' vote in the Annual General Meeting in accordance with IVASS regulations on remuneration policies (contained in Regulation no. 38 of 3 July 2018) and the regulatory provisions applicable to listed issuers (art. 123-ter TUF "*Consolidated Law on Finance*" and CONSOB issuer regulation).

The Report contains:

- a Section I, subject to Shareholders' approval: this section includes the description of the principles of our Policy, the structure of our incentive system, and the other elements of the remuneration package. In accordance with the requirements of the IVASS regulation, the section also contains, among other things:
  - an illustration of the general features, the reasons, and the purposes that we intend to pursue through our Remuneration Policy;
  - information regarding the decision-making process used to define the Remuneration Policy, including the individuals/bodies involved;
  - indications as to the criteria used to define the balance between fixed and variable remuneration and the parameters, reasons, and relevant deferral periods for the payment of the variable remuneration, as well as the policy regarding payments in the event of termination;
  - information regarding the changes made compared to the policies previously approved.
- a Section II, subject to the advisory vote of the Annual General Meeting: this section provides ex-post disclosure on the remuneration paid in the previous financial year (2020) to the Managing Director/Group CEO and to the Executives with Strategic Responsibilities, including information on the implementation of the incentive system;
- a Report containing information on the remuneration verifications carried out by the Audit, Compliance & Risk Management Key Functions.



WE, GENERALI

#WEREALLABOUTYOU

GROUP'S HIGHLIGHTS[1]

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 +0.5%

€ 70,704 mln

OPERATING RESULT +0.3%

€ 5,208 mln

NET PROFIT -34.7%

€ 1,744 mln

ADJUSTED NET PROFIT[2] excluding expenses from the Extraordinary International Fund Covid-19 and the liability management transaction -12.7%

€ 2,076 mln

Adjusted net profit[2] amounted to € 1,926 mln (-12.1%).

PROPOSED DIVIDEND PER SHARE* +€ 0.97

€ 1.47

PROPOSED TOTAL DIVIDEND +€ 1.530 mln

€ 2,315 mln

* Split into two tranches of € 1.01 and € 0.46, respectively. The first tranche, payable as from 26 May 2021, represents the ordinary pay-out from 2020 earnings: shares will be traded ex-dividend as from 24 May 2021.
The second tranche, instead, related to the second part of the 2019 retained dividend, will be payable as from 20 October 2021 and the shares will be traded ex-dividend as from 18 October 2021: such second tranche will be payable subject to the verification by the Board of Directors of the absence of impeding supervisory provisions or recommendations in force at that time.

TOTAL ASSETS UNDER MANAGEMENT (AUM) +5.4%

€ 664 bln

SOLVENCY RATIO 0 pps

224%

LIFE

Net inflows confirmed at excellent level. The operating result was impacted by the continued acceleration of provisions for guarantees to policyholders in Switzerland and the negative financial markets performance.

LIFE NET INFLOWS -10.5%

€ 12,144 mln

Gross written premiums € 48,557 mln (+0.8%)

NEW BUSINESS VALUE (NBV) +4.9%

€ 1,856 mln

OPERATING RESULT -16.1%

€ 2,627 mln

PROPERTY & CASUALTY (P&C)

Premiums were stable in a context heavily impacted by the pandemic. The operating result grew thanks to a significant improvement in the CoR.

GROSS WRITTEN PREMIUMS +0.1%

€ 22,147 mln

COMBINED RATIO (COR) -3.5 pps

89.1%

OPERATING RESULT +19.4%

€ 2,456 mln

1 All changes in this Report are calculated on 2019, unless otherwise reported. Changes in premiums, Life net inflows and new business are on equivalent terms, i.e. at constant exchange rates and consolidation scope. Operating result, Assets Under Management and Life technical provisions exclude entities under disposal or disposed of in the period. The scope for non-financial indicators included in the NFS is reported in the chapters dedicated to them, when it differs from the consolidated scope.
2 Adjusted for impact of gains and losses related to disposals.

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA

FTSE4Good

2021 MSCI ESG Leaders Indexes Constituent

EURONEXT vigeo World 120

Member 2020/2021 STOXX ESG LEADERS INDICES

The European House Ambrosetti

www.generali.com/our-responsibilities/performance/sustainability-indices-and-ratings

NEW GREEN AND SUSTAINABLE INVESTMENTS[3]

€ 5,973 mln

DIRECT INVESTMENTS BY THE GROUP'S INSURANCE COMPANIES WHICH ARE SUBJECT TO THE RIG[4] +4.7%

€ 326,425 mln

OUR PEOPLE +1.0%

72,644

DIVERSITY AND INCLUSION INDEX[9] +25 pps

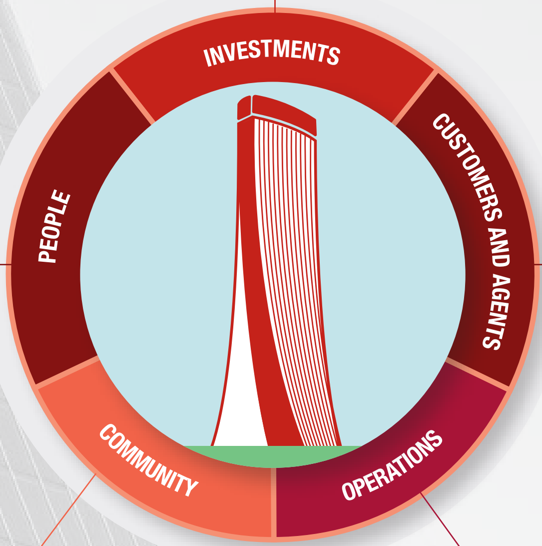
106%

RESKILLED EMPLOYEES[10] +32.3 pps

52%

ORGANIZATIONAL ENTITIES WITH SMART WORKING POLICY[11] +21 pps

83%



OUR CUSTOMERS[5] +7.3%

65.9 mln

PREMIUMS FROM SOCIAL AND ENVIRONMENTAL PRODUCTS[6] +11.2%

€ 16,930 mln

OUR AGENTS[7] +5.5%

165 thousand

CHANGE IN RELATIONSHIP NPS[8] vs 1Q2019

+9

The Human Safety Net

ACTIVE COUNTRIES +4.8%

22

INVESTMENTS IN INTERNAL STRATEGIC INITIATIVES 2019-2020

€ 823 mln

TOTAL GHG EMISSIONS -36.1% vs base year 2013

77,456 tCO_2e

ASSET MANAGEMENT

Significant increase in operating revenues, especially in performance fees. Assets Under Management of the segment rose.

OPERATING RESULT +28.5%

€ 546 mln

NET RESULT +38.0%

€ 386 mln

ASSET UNDER MANAGEMENT +5.7%

€ 561 bln

3 They are investments that support green and/or social projects, with the explicit aim of creating a positive impact and contributing to the United Nations Sustainable Development Goals.
4 The Responsible Investment Group Guideline (RIG) is the document that codifies responsible investment activities at Group level.
5 They are either physical persons or legal entities that hold at least one active insurance policy and pay a premium to Generali accordingly, a banking product or a pension fund product.
6 Social and environmental products are products which, due to the type of customer protected or coverage supplied, have specific social or environmental characteristics.
7 They represent the sales force within traditional distribution networks.
8 The Relationship Net Promoter Score (NPS) is based on customer research data and calculated deducting the percentage of detractors from the percentage of promoters. It is a score expressed as an absolute number and reported using a moving average of the last four quarter. The change in Relationship NPS is calculated compared to 1Q2019, when the measurement started.
9 The index is calculated as an average that differently weighs, according to our priorities, the progress of a series of indicators related to gender, age, culture and inclusion compared to ambitions set in 2021.
10 It represents the percentage of employees who completed the training in accordance with the Group's programme We LEARN.
11 They are the organizational entities where, in accordance with local laws and regulations, it is possible to adopt smart working through the application of a dedicated policy.

THE GENERALI 2021 STRATEGY

BEING A LIFE-TIME PARTNER TO CUSTOMERS, OFFERING INNOVATIVE, PERSONALIZED SOLUTIONS THANKS TO AN UNMATCHED DISTRIBUTION NETWORK

PROFITABLE GROWTH

STRENGTHEN LEADERSHIP IN EUROPE:
reinforce #1 market position[12]

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

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

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

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

INNOVATION AND DIGITAL TRANSFORMATION

BECOME LIFETIME PARTNER TO CUSTOMERS

ENABLE DIGITAL TRANSFORMATION OF DISTRIBUTION

TRANSFORM AND DIGITALIZE OPERATING MODEL

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

3 KEY ENABLERS WHICH DRIVE THE EXECUTION OF THE STRATEGY

01 **OUR PEOPLE**

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

LEADING THE EUROPEAN INSURANCE MARKET FOR INDIVIDUALS, PROFESSIONALS AND SMES, WHILE BUILDING A FOCUSED, GLOBAL ASSET MANAGEMENT PLATFORM AND PURSUING, OPPORTUNITIES IN HIGH POTENTIAL MARKETS

GENERALI 2021 / FINANCIAL TARGETS

GROWING EARNINGS PER SHARE	GROWING DIVIDEND	HIGHER RETURN FOR SHAREHOLDERS
6%-8% EPS CAGR RANGE[13] 2018-2021 ON TRACK	**55%-65%** DIVIDEND PAYOUT RANGE[14] 2019-2021 **€ 4.5 - € 5 bln** CUMULATIVE DIVIDENDS 2019-2021	**> 11.5%** AVERAGE RETURN ON EQUITY[15] 2019-2021
✓ **ON TRACK**	✓ **ON TRACK** SUBJECT TO REGULATORY ENVIRONMENT	✓ **2019 and 2021e** ROE >11.5% ✗ **2020** impact of Covid-19 and one-offs Average RoE 2019-2021 won't be higher than 11.5% due to 2020 evidence

02 A STRONG BRAND

03 A CONTINUOS COMMITMENT TO SUSTAINABILITY

13 3 year CAGR; adjusted for impact of gains and losses related to disposals.
14 Adjusted for impact of gains and losses related to disposals.
15 Based on IFRS Equity excluding OCI and on total net result.

SECTION I REPORT ON REMUNERATION POLICY

#WEREALLABOUTYOU

SECTION I

LETTER FROM THE CHAIRWOMAN OF THE APPOINTMENTS AND REMUNERATION COMMITTEE

Dear Shareholders,

2020 was a year of unprecedented changes which saw our people and our business face a major test of resilience. The response given to these extraordinary events has exceeded our expectations and has once again proven our tangible commitment towards the goals set.

The **results achieved** last year testify the solidity of a Group which, even in such an unpredictable context, was able to strengthen its leadership in Europe and seize opportunities for development and integration. A Group that has further accelerated its digital transformation and multi-channel distribution strategy, confirming its constant growth and solid capital position with a Regulatory Solvency Ratio level of over 220%, despite the current context.

In the face of a global uncertainty, we have strengthened our role as "Lifetime Partner" for customers and our Social Responsibility activities towards the communities where we operate, establishing a **100 million Euro Extraordinary International Fund for the Covid-19 emergency**, in addition to the voluntary decision of the Top Management to reduce their fixed remuneration by 20%, from April 2020 till the end of the year, alongside similar initiatives on the part of members of the Board of Directors.

Despite the complex global economic scenario, we look forward to 2021, the last year of implementation of our three-year strategic plan based on three pillars: Profitable Growth; Capital Management and Financial Optimisation; Innovation and Digital Transformation.

On the path towards the "**new normal**", in an era that has greatly impacted all markets from an economic, cultural and social perspective, the remuneration policy represents a fundamental lever to implement the corporate strategy. Today more than ever, it is a key tool to ensure that **sustainability and people** always remain at the heart of our challenging financial and non-financial goals.

Like in previous years, our **inspiring principles** underpin the Remuneration Policy aiming to reward merit and respect of Group values, in order to enhance talent, recognise the achievement of long-lasting results, and foster sustainable and shared value creation, in line with the expectations of shareholders and with continued attention to promote **D&I**, **sustainability** and **people empowerment**.

Our Group's shared belief in the principles of **fair remuneration**, **competitiveness**, **merit** and **performance aligned with corporate strategy** represents the best opportunity to create, motivate and retain a management team that is up to the challenges of the coming years. A vision that is possible because it is supported by a strict governance based on transparency and disciplined execution of processes.

Again this year, the 2021 Policy follows the monitoring of the best market practices and a constant and fruitful dialogue with you, Shareholders, and other stakeholders, which led to the definition of an even more transparent and immediate instrument in its articulated structure.

To concretely respond to Shareholders' expectations, some changes have been made to the Policy, especially with regards to:

- the increase in the level of disclosure related to the components and goals of our incentive system and the variable remuneration paid;
- the evolution of the indicators for the deferred component in shares of the variable remuneration (Long Term Incentive - LTI), specifically in terms of TSR and ESG goals, that are integrated with those already provided in the annual incentive;
- the formalisation of Share Ownership Guidelines for the Top Management;
- the significantly more restrictive review of the provisions related to payments in the event of termination.

The Remuneration Policy decisions illustrated in this Report firmly place us in a **competitive market position**, in line with our Principles to attract, motivate and retain the best talent during this evolving stage of our business and our Group.

With the great challenges linked to the emergence of new economic and socio-cultural paradigms, we believe that a **fair and transparent policy** is one of the fundamental tools for achieving our long-term goals, also in terms of **return for Shareholders**.

Certain of your confidence, together with my fellow members of the Committee, I thank you Shareholders for your usual openness to dialogue and for your interest each year in our Remuneration Policy.

Diva Moriani
Chairwoman of the Appointments and Remuneration Committee
of Assicurazioni Generali

CHAPTER 1
REMUNERATION DECISIONS BETWEEN CONTINUITY AND INNOVATION

INTERVENTIONS OF THE 2021 REMUNERATION POLICY

Remuneration policies are going through a period of great change, both in Italy and in Europe. Like many other sectors, even Executive Pay is currently experiencing evolutionary pressures that reflect, on the one hand, changes in the market and, on the other, new regulatory requirements.

Within this new scenario, Assicurazioni Generali chose to dialogue with investors and proxy advisors, welcoming and taking into account within its programs the recommendations emerged during the previous AGM season.

The outcome is a Remuneration Policy aligned with the transformation strategy of Generali and **in perfect continuity with the decisions made at the start of the 2019-2021 three-year plan**, at the same time enriched by several measures to follow the natural development of the remuneration systems and **evolving regulatory framework**.

The interventions promoted by Assicurazioni Generali as part of the 2021 Remuneration Policy concern various areas and also take into account market and investors' recommendations.

In particular, between September 2020 and February 2021, **the Chairwoman of the Appointments and Remuneration Committee** actively took part in **28 meetings with investors and proxy advisors** in order to investigate the issues related to the analysis of the outcomes of the 2020 Shareholders' Meeting vote and recommendations received and to illustrate the direction of the 2021 Remuneration Policy and related rationale.

Here below is the summary of the main provisions adopted:

1. Increase of disclosure related to the goals linked to the annual cash component of the variable remuneration (STI) of the Managing Director/Group CEO, with details of goals, weights and, on the one hand, the indication of the percentage ranges for the ex-ante disclosure and, on the other, the representation in absolute values for the ex-post one.
   This approach has a dual purpose: on the one hand, it protects the confidentiality and market sensitivity of the ex-ante information also in terms of strategic competitive advantage; on the other, it promotes maximum transparency on the results actually achieved, in line with the best market practices.
2. Increase in disclosure in the Report on Payments (Section II) with indication of the absolute minimum, target and maximum levels of the financial indicators versus the budget and the actual results achieved, in line with best practices.
3. Raising at market median the minimum threshold for the payment of the rTSR KPI of the deferred component in shares of the variable remuneration (new LTI Plan 2021-2023).
4. Introduction in the deferred component in shares of the variable remuneration (new LTI Plan 2021-2023) of the following ESG ratings/indices (environmental, social and governance sustainability): MSCI ESG rating (MSCI)[1] and S&P Global Corporate Sustainability Assessment Percentile (S&P)[2] as multiplier/reducer factor.
5. Disclosure of the peer group used for remuneration benchmarking purposes defined according to a methodology developed by an independent consultant that compares similar companies by sector, size, business model and geographical scope. This classification, set following rigorous criteria, makes it possible to align the Remuneration Policy to a competitive level consistent with comparable companies and to be strategically used in order to attract, motivate and retain key people and talents.
6. Significantly more restrictive review of the Policy on payments in the event of termination, with the introduction of a maximum limit (**cap**) including **non-competition agreement and severance**, which is calculated using a predefined formula that combines predetermined and objective criteria, in addition to seniority. The changes to the Policy determine a **reduction of up to -32% of the cap** on potential payments in the event of termination compared to the cap of the previous Policy. Such impact, due to the double introduction of the new maximum limit and the calculation of severance through a predefined formula depending on seniority, determines an average reduction of the cap equal to -16% (which can go up to -32%) of the overall potential payments for top management positions in the event of termination.
7. Introduction of specific share ownership guidelines equal to at least 300% of the fixed remuneration for the Managing Director/Group CEO and 150% of the fixed remuneration for the members of the Group Management Committee (GMC). These minimum requirements, set in line with market evidence, represent for Generali a simple **formalisation of a practice already widely applied by the Management**.
8. Introduction of disclosure elements in line with market best practices such as Pay for Performance, Managing Director/Group CEO Pay Ratio and Gender Pay Gap, also in accordance with the recent CONSOB Issuers' Regulations, which are detailed in the dedicated chapters.

1 Result of the ESG assessment provided by MSCI (Morgan Stanley Capital International) in the multi-line insurance & brokerage sector.
2 Positioning of the score provided by Standard & Poor's Global Corporate Sustainability Assessment in the insurance sector.

CHAPTER 2

EXECUTIVE SUMMARY OF THE REMUNERATION POLICY

2.1 Principles

The Remuneration Policy is based on clear, globally shared and consistent principles, expressed in the form of remuneration programs compliant with regulatory requirements and local laws. Every intervention to the remuneration policies can be traced back to these inspiring principles that underlie all the decisions taken.

EQUITY AND CONSISTENCY of remuneration in terms of responsibilities assigned and capabilities demonstrated	+	**ALIGNMENT WITH THE STRATEGY AND LONG TERM SUSTAINABLE VALUE CREATION** for all stakeholders	+	**COMPETITIVENESS** with respect to market trends and practices	+	**MERIT AND PERFORMANCE-BASED REWARD** in terms of sustainable results, behaviours and Group values	+	**CLEAR GOVERNANCE AND COMPLIANCE** with the regulatory framework

2.2 Governance

The Group governance model of Assicurazioni Generali was designed to ensure maximum clarity, transparency and reliability in decision-making processes with effective control of remuneration and risk management policies.
Rigour, independency and accountability are the founding elements on which a **strong system of governance regulations** on remuneration has been built, ensuring adequate control of remuneration practices throughout the Group, protection of stakeholders' interests, and proper disclosure in full compliance with current regulations.

The Remuneration Policy is approved by the Annual Shareholder's Meeting, acting on the proposal by the Board of Directors, upon the opinion of the Appointments and Remuneration Committee, in accordance with the regulations and applicable governance procedures.

In order to ensure full compliance with the legal requirements to operate successfully in the market and in compliance with the law, an important role in the process of defining and implementing the Remuneration Policy is played by the Key Functions. To this end, the Risk Management and Compliance functions draw up, within their scope of responsibility, a **report on the alignment of the Remuneration Policy with the applicable regulations**. Moreover, the Audit function drafts a **report that analyses in details the correct implementation of the policy approved the previous year**. These reports are illustrated in **Section III** of this document, while an **in-depth analysis of the governance processes** is found in the dedicated chapter of this Report.

2.3 Pay-mix

The remuneration package is comprised of fixed remuneration, variable remuneration and benefits, structured in such a way as to ensure a proper balance of the components. Generali regularly performs structural analyses of the systems, in order to ensure a **fair equilibrium of the various components** and to foster managers' commitment to **achieving sustainable results**.

Components	Purpose and characteristics
Fixed remuneration	It remunerates the **role covered and the responsibilities assigned**, taking into account the experience and skills of each manager, also keeping as reference the levels and practices of market peers in terms of attractiveness, competitiveness and retention.
Variable remuneration	It is defined through **annual cash and deferred incentive plans** aimed at motivating management to achieve sustainable business goals through the **direct link between incentives and results** set at Group, Business Unit, Country, function and individuals level, both financial and non-financial.
Benefits	They represent a relevant component of the remuneration package - in a **Total Reward approach** – as an **integrative element** to cash and share payments. Benefits **differ based on the category of recipients**, both in type and overall value.

In terms of total target remuneration, the Group's intention is to align the remuneration to a competitive level, **between the median and upper quartile** of the specific reference market, with the individual positioning linked to the evaluation of performance, potential and strategic business impact, according to a segmented approach.

The Remuneration Policy provides for a complete disclosure of the relevant peer group panel of reference, defined by the Board of Directors upon the opinion of the Appointments and Remuneration Committee, with the support of PwC acting as an independent external consultant.

2.4 Remuneration and Sustainable performance

The variable component of the remuneration is based on a meritocratic approach and on a multi-year horizon, including a **short-term (annual)** and **long-term (deferred)** part, based on the achievement of a combination of sustainable business goals and the **direct link between incentives and results** set at Group, Business Unit, Country, function and individual level, both financial and non-financial.

The goals are predefined, measurable, linked to the achievement of economic, operational, financial and non-financial and sustainability results. In line with our Group strategy, the performance goals consider the risks undertaken and are assessed not only with respect to the achievement of quantitative targets, but also considering the **demonstrated behaviours** to achieve them and their **coherence with Group values**.

2.4.1 SUSTAINABLE VALUE CREATION

At Generali, deferred remuneration plays a particularly significant role, in order to strengthen the connection with of long-term sustainable value creation. It has an impact proportionate to the level of direct influence on Group results that each person can potentially produce.

For the relevant personnel, the variable remuneration component (including an annual cash component and a deferred component in shares) is as a whole:

- made up of at least 50% of shares;
- structured according to percentages and deferral periods differentiated by cluster of beneficiaries.

Maximum caps are always provided for variable remuneration, both globally and individually, connected to the actual achievement of the performance conditions and goals set.

In compliance with regulatory requirements and to appropriately incentivise managers to perform their duties, a specific variable incentive system is provided for the Heads and First Reporting Managers of the Key Functions, based on qualitative goals identified in relation to their tasks and control activities, paid in upfront and deferred instalments, excluding any form of incentive based on economic and financial goals.

2.4.2 THE STRUCTURE OF VARIABLE REMUNERATION

Components	Characteristics	Criteria and Parameters
Annual cash component - Group Short Term Incentive (STI)	*Annual cash bonus set within predefined maximum caps*	• **Group Funding Pool**, linked to the results achieved in terms of **Group Net Profit Adjusted and Group Operating Result** after verification of the achievement of the **Regulatory Solvency Ratio threshold;** • Achievement of financial and non-financial goals defined in the individual Balanced Scorecards in terms of sustainable value creation, risk-adjusted profitability, implementation of strategic projects, sustainability, customer and people value; • **Maximum cap** on the STI variable remuneration compared to the fixed remuneration equal to **200% for the Managing Director/Group CEO** and on average equal to 170% for the Managers with Strategic Responsibilities (excluding those belonging to Key Functions, who participate in a specific Plan, with a maximum cap equal to 75% of fixed remuneration).
Deferred component in shares - Group Long Term Incentive (LTI)	*Multi-year plan, based on Assicurazioni Generali shares, subject to Shareholders' approval, with allocations over a period of 6-7 years within predefined maximum caps*	• **Overall three-year performance** with goals linked to Group strategy and business priorities after verification of the achievement of the **Regulatory Solvency Ratio threshold**; • Performance indicators referring to **Net Holding Cash Flow**[3], **relative TSR**[4] and **ESG** goals; • Allocation of shares with **deferral and lock-up periods over a time frame of 6-7 years**, depending on the reference population; • **Maximum cap** on the LTI variable remuneration compared to the fixed remuneration equal to **200% for the Managing Director/Group CEO** and for the Managers with Strategic Responsibilities.

3 Net cash flows available at the parent company level over a given period, after holding expenses and interest costs. Its main components, considered from a cash point of view, are: remittances from subsidiaries; the result of centralised reinsurance; interest on financial debt; expenses and taxes paid or reimbursed at the Parent Company level.
4 Total return on investment to the shareholder calculated as a change in the market price of the shares, including distributions or dividends reinvested in shares against a selected list of peers.

2.5 Malus, Clawback and Hedging

All annual and deferred variable remuneration plans provide for malus and clawback mechanisms.

No incentive is paid in the event of wilful misconduct or gross negligence or in the event of a violation of the Code of Conduct, or a violation of the regulatory provisions applicable to the scope of activities managed by the individual, especially those regarding the protection of policyholders, the processing of personal data and anti-money laundering and countering the financing of terrorism, or in the event of failure to achieve the predetermined results, or in the event of a significant deterioration of the Group's financial position.

Any amount paid out is subject to clawback in the event that the relevant performances prove to be non-lasting nor effective as a result of wilful misconduct or gross negligence or in case of violation of the Code of Conduct, or of violation of the regulatory provisions applicable to the scope of activities managed by the individual.

The malus and clawback provisions also apply if the data based on which the incentive was determined should prove to be manifestly incorrect.

In line with European regulation (Solvency II), the Company requires beneficiaries of incentive plans, through specific provisions included in the contractual documents governing such plans, not to resort to strategies of personal or insurance coverage (so-called hedging) that may alter or undermine the risk alignment effects embedded in the variable remuneration mechanisms.

2.6 Payments in the event of termination

In the event of revocation/dismissal of a Director or of another member of the relevant personnel, the Company must necessarily comply - within the current regulatory context - with the applicable legal or contractual provisions.

In particular, in the event of consensual termination of employment of a member of the relevant personnel, the relative financial terms are defined based on the circumstances and reasons for the termination - with specific reference to the performance achieved, the risks taken and the Company's actual operational results, so that no amount can actually be paid in the presence of wilful or grossly negligent conduct.

The Remuneration Policy of Assicurazioni Generali provides for a significantly more restrictive review of the Policy on payments in the event of termination, which has resulted in two main interventions: (1) the definition of a new cap equal to 24 months of recurring remuneration including both the maximum severance payable and non-competition agreements and (2) the introduction of a predefined formula for calculating the severance which combines predetermined and objective criteria, in addition to seniority.

The new policy represents a further alignment with the stringent market expectations, applying a balanced approach, in full compliance with the regulatory provisions and the specific mandatory local law requirements related especially to the notice period.

The changes to the Policy determine a **reduction of up to -32% of the cap** on potential payments in the event of termination compared to the cap of the previous Policy. Such impact, due to the double introduction of the new maximum limit and the calculation of severance through a predefined formula depending on seniority, determines an average reduction of the cap equal to -16% (which can go up to -32%) of the overall potential payments for top management positions in the event of termination.

2.7 Remuneration of the Managing Director/Group CEO

The remuneration of the Managing Director/Group CEO is set in line with market practices and regulatory requirements to ensure a correct balance between the fixed and variable components, providing for an adequate distribution between the component linked to annual goals and that linked to multi-year ones.

The Remuneration consists of fixed component, variable incentives linked to predefined and measurable short and long-term goals, as well as additional benefits in line with the Group Policy.

In full alignment with market expectations, Assicurazioni Generali's 2021 Remuneration Report illustrates in the dedicated chapter and in section II an adequate level of disclosure especially related to the following elements of the remuneration package of the Managing Director/Group CEO:

- Peer group for market benchmarking on remuneration levels and practices;
- Annual cash component of the variable remuneration – Short Term Incentive (STI) with details on maximum cap, financial and non-financial performance goals, weights, measurement criteria and payout levels, both for the ex-ante and for the ex-post. Where intermediate results are achieved, the method for calculating the linear interpolation of the incentive value is also shown;
- Deferred component in shares of the variable remuneration – Long Term Incentive (LTI) with details on financial and ESG goals, weights, maximum cap and share allocation mechanisms. In the final assessment, the weighted average results achieved in relation to the financial parameters identified for the performance evaluation are also shown as well as the number of shares actually allocated at the end of the three-year period of the 2018-2020 LTI Plan;

- Co-investment share plan related to the mandate with details on both the financial goals applied and the prerequisite to maintain for the entire duration of the mandate a significant and direct co-investment with personal financial exposure of the Managing Director/Group CEO, in full alignment with the market perspective;
- Pay-mix 2020 which represents the weight of the individual fixed and variable components with respect to total remuneration;
- Pay Ratio which indicates the variation in the total remuneration 2019-2020 of the Managing Director/Group CEO compared to that of employees and the main Group financial indicators;
- Severance where details are provided on the conditions and circumstances that determine the right to payments in the event of termination.

CHAPTER 3

PRINCIPLES OF THE REMUNERATION POLICY

Our policy is founded on clear and shared principles that guide compensation programs and the actions that ensue.

EQUITY AND CONSISTENCY of remuneration in terms of responsibilities assigned and capabilities demonstrated	+	**ALIGNMENT WITH THE STRATEGY AND LONG TERM SUSTAINABLE VALUE CREATION** for all stakeholders	+	**COMPETITIVENESS** with respect to market trends and practices	+	**MERIT AND PERFORMANCE-BASED REWARD** in terms of sustainable results, behaviours and Group values	+	**CLEAR GOVERNANCE AND COMPLIANCE** with the regulatory framework

3.1 Equity and consistency

The remuneration is set in line with the provisions of national and Company collective agreements and must be consistent with:

- the role performed;
- the responsibilities assigned to the person;
- the skills and capabilities demonstrated.

This applies both to Top Management as well as the other Company's roles.

In a global Group such as Generali, the principle of coherence results in a consistent approach adopted in the various Business Units, Countries and Functions, to correctly guide all our people towards Group goals whilst ensuring compliance with local laws and regulations.

Finally, the principles of Equity and Consistency, with respect to role and position, shape the composition of remuneration packages, defined by calibrating the different forms of remuneration (variable and fixed, cash and non-monetary, short and medium/long-term), also taking into account best market practices.

3.2 Alignment with the strategy and long-term sustainable value creation

Remuneration systems are a fundamental tool for aligning managers' conduct with corporate strategies. In this sense, our incentive systems are structured so that the roles are remunerated based on the achievement of financial and non-financial sustainable Group results and goals are set – both on an annual and multi-year basis, and in a forward-looking perspective – taking into account the actual results achieved over time. The aim is to maintain a sustainable level of performance in terms of results and risks taken, in line with Shareholders' requests and regulatory requirements.

In particular, in the annual part of the variable remuneration (STI), the "**Balanced Scorecards**" of all participants include a significant percentage of goals tied to the implementation of strategic Group projects and/or local plans. The overall budget or Funding Pool allocated for the STI Plan varies between a minimum and a maximum value in relation to the degree of achievement of the Group's level of results (Group Net Profit Adjusted and Group Operating Result). Similarly, the goals of the deferred part of the variable remuneration (LTI) are strictly tied to the Group strategic business priorities.

All incentive systems also include a strong component related to Sustainability, both through appropriate non-financial and sustainability performance parameters and goals, and through the so-called "gates" tied to the "solvency" level (failure to exceed this determines the impossibility of providing variable remuneration), and through financial risk-adjusted KPIs set in line with the Group Risk Appetite Framework.

3.3 Competitiveness

Generali's Remuneration Policy is independently defined by the Group, considering its own characteristics and specificities, without taking the policies of other companies as a reference. At the same time, to ensure that our Remuneration Policy is updated according to market trends, there is constant monitoring of our peers' practices and general trends, in terms both of pay-mix, remuneration levels and systems, and of alignment with the regulatory context and specific business framework.

Comparison with peers is essential in order to assess both the performance of Assicurazioni Generali in absolute and relative terms, and the competitiveness of the remuneration packages of recipients in terms of total reward and talent attraction. Information about the peer group used as a reference and the criteria used for its definition are provided in the chapter related to the remuneration of the Managing Director/Group CEO (and referred to in the following chapter on the Managers with Strategic Responsibilities).

In terms of total target remuneration, the Group's intention is to align the remuneration to a competitive level, **between the median and upper quartile** of the specific reference market, with the individual positioning linked to the evaluation of performance, potential, and strategic business impact according to a segmented approach.

Peers analyses are carried out by independent external consultants (Mercer and PwC) who provide relevant information and market analyses to the Company's corporate bodies and top management, to inform any remuneration decision for the reference group with respect to the practices in use internationally in the insurance and financial sector.

At a local and Group level, the comparative analysis is conducted taking into account specific groups of peers, in order to ensure alignment with the reference market. The competitiveness of each local remuneration structure, defined on the basis of the reference benchmarks, must, in any case, be consistent with the general principles of the Group Remuneration Policy.

3.4 Merit and performance-based reward

Merit is a key factor in the Group Remuneration Policy. The system through which this is valued is based on several elements:

- **RELATIONSHIP BETWEEN INCENTIVES AND RESULTS**: through the definition of systems that set a direct link between remuneration and results assessed at Group, Business Unit, and individual level;
- **ASSESSMENT OF CONDUCT**: considering while analysing the results, not only the achievement of financial and operational goals, but also the behaviours demonstrated to achieve them and their consistency with Group values;
- **TIME PERSPECTIVE**: assessing performance not only yearly, but also on a long-term perspective and timeframe;
- **TRANSPARENCY OF THE MERITOCRATIC SYSTEMS**: by sharing the annual assessment of all recipients of this policy in a calibration meeting involving the Company's top management, to promote equity, coherence and transparency of our meritocratic approach;
- **PERIODIC PERFORMANCE CHECKS**: considering feedback on trends with respect not only to annual, but also intermediate performance, to facilitate alignment with the expected targets and the possible undertaking of corrective actions.

Our incentives reward the achievement of performance goals, both financial and non-financial, through the payment of variable remuneration, as further detailed below. Setting a balanced remuneration package for all managerial roles is considered to be a key driver for aligning to Group goals. The weight and the structure of the variable remuneration are balanced to incentivise the achievement of sustainable results over time taking into consideration the Group risk framework to avoid any behaviour not in line with the Company's risk appetite.

All goals used in the incentive systems are defined by selecting, as performance indicators for the annual and long-term plans, consistent parameters to support the Group strategy.

3.5 Clear Governance and Compliance

The Generali Group has set up a governance process that involves both the corporate bodies and part of the Company management, with the aim of defining, regulating, implementing and managing remuneration policies.

Rigour, independency and accountability are the founding elements of the governance system for an adequate control of remuneration practices ensuring stakeholders' interests.

Regulatory compliance, alignment with the business strategy and Group values, are the guiding principles applied by the corporate bodies in the process of definition, approval, and implementation of the Remuneration Policy.

Finally, the Generali governance model provides for the Board of Directors to have discretion over the provisions of the Remuneration Policy in exceptional circumstances. This takes place within the Group's strict governance processes, with prior application, where necessary, of the transaction procedure with Related Parties, as required by law, and without prejudice to the compliance with the solvency requirements.

We are convinced that by drawing inspiration from these principles, our remuneration systems can be a key element for attracting, developing and retaining talents and key people with critical skills and high potential, thereby promoting a correct approach in aligning their performance with Company results and building the premises for solid and sustainable results over time.

CHAPTER 4

FOCUS ON MANAGING DIRECTOR/GROUP CEO, MANAGERS WITH STRATEGIC RESPONSIBILITIES AND OTHER RELEVANT PERSONNEL

REMUNERATION STRUCTURE

4.1 Recipients of the Remuneration Policy

The Remuneration Policy contained in this Report applies to members of the corporate bodies (the Board of Directors, including the Managing Director/ Group CEO and the Board of Statutory Auditors) as well as to the "relevant personnel", including the Managers with Strategic Responsibilities, identified based on the criteria indicated in art. 2, paragraph 1, lett. m) of IVASS Regulation No. 38/2018, or: "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 respectively:

- the members of the Group Management Committee (GMC)[5], the leadership team made up of Group managers who discuss the fundamental decisions for the Group and verify the proposals to be submitted to the Board of Directors, whose decisions and guidelines are conveyed within the Group;
- the Heads and First Reporting Managers of the Key Functions[6], for whom specific provisions are envisaged, in line with the applicable regulatory requirements;
- other roles directly reporting to the Managing Director/Group CEO and to the Company's Board of Directors[7] with significant impact on the Group's strategic profile.

In line with the Group strategy adopted, which aims to increase the Group international integration and strengthen its role at an international level, and in compliance with the regulatory framework, the principles contained in this Group Remuneration Policy are globally consistent, and therefore applicable to all members of the Group relevant personnel, without prejudice to compliance with local/sector laws and specificities.

Furthermore, the Group pays special attention to the governance processes related to the members of the Global Leadership Group (GLG)[8], who represent the approximately 200 roles with the greatest Group organisational weight and impact on the results and the process of rolling out the strategy, as well as, limited to the Group Long Term Incentive (LTI) Plan, Talents and other selectively identified key roles.

4.2 Elements of the remuneration package

4.2.1 TOTAL REMUNERATION PACKAGE IN TERMS OF LEVEL, STRUCTURE AND BALANCE

The Managing Director/Group CEO and the relevant personnel not belonging to Key Functions are recipients of an overall remuneration package consisting of a fixed remuneration and a variable remuneration (annual in cash and deferred in shares) and benefits.

The principles guiding the remuneration package are those already explained at the beginning of the Report and hereby illustrated. In particular:

- the remuneration package is clearly defined in order **to guarantee a balance between fixed remuneration and variable remuneration**, as well as to encourage the achievement of sustainable long-term results;
- the remuneration package is structured as a whole to ensure balance between the requirement **to adequately incentivise the achievement of the best results** in the interest of the Group and, at the same time, **to guarantee**, through the adoption of a series of precautions and safeguards, **a healthy and prudent management**, in accordance with the relevant regulatory framework;
- the "target" remuneration package is defined with the aim of **maintaining a competitive level** between median and upper quartile of the specific reference market, with the individual positioning linked to the evaluation of performance, potential, and strategic business impact, according to a segmented approach;
- variable remuneration is defined through annual cash and deferred share-based incentive plans, tied to individual and Group performance indicators, which also take into account the **sustainability requirements**, also in terms of the risks undertaken;
- the structures of the incentive plan provide **access thresholds** related to the Company's financial situation and risk management, as well as risk indicators and malus and clawback mechanisms;

5 Currently identified in the following roles Group Chief Financial Officer; Group Chief Risk Officer; Group Chief Marketing & Customer Officer; Group Chief Insurance and Investment Officer; CEO Asset & Wealth Management; Country Manager Italy & Global Business Lines; CEO International; Group Chief Transformation Officer; Country Manager Germany; Country Manager France & Europ Assistance; Austria, CEE & Russia Officer; Group Chief HR & Organization Officer. Of these the Country Manager France & Europ Assistance and the Austria, CEE & Russia Officer are nor employees of the Group in Italy. Therefore for these persons the Remuneration Policy and governance illustrated below in this document shall apply in compliance with the respective governance and with local regulations.

6 Head of Group Audit, Group Chief Risk Officer, Group Compliance Officer and Group Head of Actuarial Function and their first reporting managers. The Anti Money Laundering (AML) function whose responsible is the Anti Money Laundering Officer is assimilated to the Key Functions for the application of the remuneration and incentive rules. The specific provisions provided for the Heads of the Key Functions also apply to the Group Chief Risk Officer, even if a member of the Group Management Committee (GMC).

7 Currently identified in these roles are: Group General Counsel; Group Communications & Public Affairs Director; Head of Corporate Affairs & Company Secretary; Group Head of Mergers & Acquisitions. Also reporting to the Board of Directors are the Head of the Group Audit function and the Group Compliance Officer already included in the Key Functions.

8 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.

- the expected performances are clearly predetermined through a structured and explicit system of **performance management**;
- the variable component (including an annual and a deferred part) is as a whole:
  - made up of **at least 50% of shares**;
  - structured **according to percentages and deferral periods differentiated** by cluster of beneficiaries.

TOTAL TARGET REMUNERATION COMPONENTS

FIXED		VARIABLE		
FIXED REMUNERATION	+	**ANNUAL** (on a yearly basis)	+	**DEFERRED** (on a multi-year basis)

Analyses are carried out on the structure of the remuneration package in order to ensure the balance of fixed remuneration, variable remuneration and benefits to promote the commitment of managers in contributing to the achievement of sustainable results. In particular, the remuneration is determined for such an amount that does not incentivise inappropriate risks by the manager while allowing, in the theoretical event the related conditions occur, the efficient application of the appropriate ex post correction mechanisms (malus and clawback) on variable remuneration.

Also as far as benefit evaluation, the markets are constantly monitored aiming for alignment with main market practices, carrying out surveys by professional families, business line, and territory.

Special guidelines on balancing the various remuneration components are defined for each target population and, with special reference to the members of the **Group Management Committee** (GMC), the **Board of Directors**, upon the opinion of the Appointments and Remuneration Committee, establishes the overall positioning policy at Group level in terms of remuneration value, also defining guidelines for the revision of the remuneration and of the pay-mix where necessary, in line with market trends and internal analysis.

The Board of Directors, upon the proposal of the Appointments and Remuneration Committee, annually approves the criteria and structure of the incentive plans for the recipients of this policy, ensuring the appropriate balancing of the variable remuneration opportunities in the pay-mix structure.

With regard to the pay-mix policy for the relevant personnel of the Key Functions, the balancing is defined by the Risk and Control Committee in favour of the fixed component with an approach to variable remuneration consistent with the aim of ensuring their independence and effectiveness of their control action.

4.2.2 FIXED REMUNERATION

Fixed remuneration is determined and adjusted over time considering the **role performed** and **responsibilities assigned**, also taking into account the experience and skills of each manager.

The weight of the fixed remuneration is such as to adequately remunerate in order to attract and retain key people and at the same time it must be sufficient to remunerate the role correctly even if the variable remuneration should not be paid following the failure to achieve the individual, Company or Group goals, in order to prevent behaviour that is not proportionate to the Company's degree of risk appetite.

The level of fixed remuneration, like the other components of the remuneration package, is also regularly assessed with respect to the evolution of the market.

4.2.3 VARIABLE REMUNERATION

Variable remuneration seeks to motivate management to achieve business goals through the direct connection between incentives and:

- Group goals, also through the definition of a "Funding Pool" matrix set in order to guarantee the alignment of the annual bonuses of top management with the Group's results in terms of Group Operating Result and Group Net Profit Adjusted[9];
- Goals set at Business Unit, Country or Function and individual level - both financial and non-financial.

Performance is assessed with a multidimensional approach that takes into account, depending on the evaluation time frame considered, the results achieved by individuals, those achieved by the structures in which the individuals operate and the results of the Group as a whole.

9 Group Net Profit reported 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 upon the recommendation of the Appointments and Remuneration Committee in accordance with these guidelines.

The impact of variable remuneration on the overall remuneration varies according to the organisational level, the possibility of directly influencing the Group results and the impact that the individual role has on the business. In addition, the time horizon of accrual and payment of the variable remuneration differs based on the role, according to the criteria better illustrated below.

The Group guidelines on variable remuneration ensure alignment with the regulatory provisions and with the recommendations relating to the Key Functions.

The individual agreements with Managers who are recipients of the Remuneration Policy usually contain specific details relating to the variable component of the remuneration, both the annual and deferred part.

With reference to variable remuneration, **incentive plans**, both annual and deferred, are adopted especially establishing that:

- the variable remuneration is as a whole comprised **of at least 50% of shares**;
- a portion equal to at least **60%** of the variable remuneration is subject to deferred payment systems for a period of time of no less than **5 years for people whose variable remuneration represents a particularly high amount of the overall remuneration**, identified as the Managing Director/Group CEO and the members of the Group Management Committee (GMC);
- a portion equal to **at least 40%** of the variable remuneration is subject to **deferred** payment systems for a period of time of no less than **3 years, for the remaining relevant personnel**[10];
- the variable remuneration provides **adjusted mechanisms for the risk** defined in alignment with the strategy (**Return on Risk Capital**) and with the limits of the **Regulatory Solvency Ratio** defined by the Board within the Group's Risk Appetite Framework;
- the variable remuneration is coherent and does not conflict with the goal of full **compliance with the Group internal and external regulatory provisions**;
- the active involvement of the **Finance, Risk Management, Compliance and Audit** functions is provided to verify the consistency of criteria and strategic performance indicators with respect to the risks and regulatory requirements.

The **maximum cap** of the variable remuneration compared to the fixed remuneration for the Managing Director/Group CEO is equal to:

- **200% of the fixed remuneration in relation to the annual component** in cash of the variable remuneration (STI);
- **200% of the fixed remuneration in relation to the deferred component** in shares of the variable remuneration (LTI).

The **maximum cap** of the variable remuneration compared to the fixed remuneration for the Managers with Strategic Responsibilities is **on average** equal to:

- **170% of the fixed remuneration in relation to the annual component** in cash of the variable remuneration (STI);
- **200% of the fixed remuneration in relation to the deferred component** in shares of the variable remuneration (LTI).

The process for the definition and consistent application of the Remuneration Policy for Group companies is managed within the Group governance process, also through the adoption of specific internal policies, taking into consideration the local/sector characteristics and specificities, with particular attention, in addition to regulatory requirements, to local practices in terms of levels, pay-mix and eligibility for incentive plans with the aim of keeping our remuneration packages competitive with respect to local markets to attract the best people.

All annual and deferred variable remuneration plans provide for malus and clawback mechanisms.

No incentive is paid in the event of wilful misconduct or gross negligence or in the event of a violation of the Code of Conduct, or a violation of the regulatory provisions applicable to the scope of activities managed by the individual, especially those regarding the protection of policyholders, the processing of personal data and anti-money laundering and countering the financing of terrorism, or in the event of failure to achieve the predetermined results, or in the event of a significant deterioration of the Group financial position.

Any amount paid out is subject to clawback in the event that the relevant performances prove to be non-lasting nor effective as a result of wilful misconduct or gross negligence or in case of violation of the Code of Conduct, or of violation of the regulatory provisions applicable to the scope of activities managed by the individual.

The malus and clawback provisions also apply if the data based on which the incentive was determined should prove to be manifestly incorrect.

With specific reference to the incentive plans, the final assessment of the level of achievement of the goals also includes an individual evaluation of behavioural integrity (in line with the provisions of the Code of Conduct), **compliance with the regulatory provisions** applicable to the scope of the activities managed by the individual, completion of mandatory training and the resolution of remediation actions defined within the audit activity. This assessment is to be carried out and used as a **calibration or clawback mechanism** where necessary.

Aside from the consequences in terms of variable remuneration, anyone who attempts to violate or violates the internal and/or external regulatory provisions applicable to the perimeter of the activities managed by the individual, is subject to possible disciplinary actions based on the seriousness of the conduct and in accordance with the locally applicable employment laws (e.g. from a warning letter to dismissal).

In line with European regulation (Solvency II), the Company requires beneficiaries of incentive plans, through specific provisions included in the contractual documents governing such plans, not to resort to strategies of personal or insurance coverage (so-called hedging) that may alter or undermine the risk alignment effects embedded in the variable remuneration mechanisms.

10 With the exception of relevant personnel whose variable remuneration represents at least 70% of the overall remuneration, where the provisions of the previous point apply.

4.2.4 ANNUAL CASH COMPONENT OF THE VARIABLE REMUNERATION - SHORT TERM INCENTIVE (STI)

As in past years, the annual cash component of the variable remuneration consists in the so-called Short Term Incentive (STI), based on an annual performance assessment period and which provides for the payment of a cash remuneration upon the achievement of predetermined goals.

Specific Short Term Incentive (STI) Plans are provided for the Managing Director/Group CEO, for the Managers with Strategic Responsibilities[11], including the members of the Group Management Committee (GMC), and for the Heads and First Reporting Managers of the Key Functions.

In particular, the Short Term Incentive (STI) Plans for the Managing Director/Group CEO and for the Managers with Strategic Responsibilities, including the members of the Group Management Committee (GMC), are determined by the Board of Directors, upon the proposal of the Appointments and Remuneration Committee; while the plan for the Heads and First Reporting Managers of the Key Functions is approved by the Board of Directors, upon the proposal of the Risk and Control Committee.

The annual incentive systems for the Managing Director/Group CEO and for the members of the Group Management Committee (GMC) aim at anchoring the incentive to the achievement of business goals through the direct link between incentives and Group goals (ensuring sustainability of the payment of bonuses with respect to the Group results in terms of Operating Result and Net Profit Adjusted) and goals at Business Unit, Country or Function and individual level, both financial and non-financial.

The variable remuneration plan dedicated to the Heads and First Reporting Managers of the Key Functions is consistent with the specific activities of each of these functions, independent of the results achieved by the operating units subject to their control, and linked to the achievement of goals related to the effectiveness and quality of the control action, and is also defined in such a way as not to be a source of potential conflicts of interest.

4.2.5 DEFERRED COMPONENT IN SHARES OF THE VARIABLE REMUNERATION - LONG TERM INCENTIVE (LTI)

Generali's deferred variable remuneration consists in multi-year plans (so-called Long Term Incentive Plan - LTI) approved from time to time by the competent bodies, and whose recipients can be the Managing Director/Group CEO, the members of the Group Management Committee (GMC), the remaining relevant personnel (with the exception of the Heads and First Reporting Managers of the Key Functions), the other members of the Global Leadership Group (GLG), and other selected employees of Generali.

From 2013, Generali has adopted plans based on a single three-yearly cycle, after which free shares can be granted, subject to predefined holding/lock-up periods. In particular, the 2018, 2019 and 2020 LTI Plans are currently under way. The share allocation relating to the 2018 LTI Plan, whose performance cycle ended at the end of 2020, takes place in April 2021, while those relating to the 2019 and 2020 LTI Plans may take place respectively in 2022 and 2023.

Starting from 2019, the structure of the LTI Plans provides for an allocation system of shares with deferral and lock-up periods over a time frame of 6-7 years, depending on the population of reference.

4.2.6 BENEFITS

Benefits represent a substantial element of the remuneration package – in a **Total Reward** approach - to supplement the cash and share-based components. Benefits differ based on the category of recipients, both in type and overall value.

In particular, with regard to the Managing Director/Group CEO and the other recipients of the Policy within Assicurazioni Generali, the supplementary pension and health care benefits are governed by the individual contracts, applicable collective bargaining agreements and Company-level agreements. This 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 and total permanent disability caused by injury or disease, whether professional or extra-professional.
With reference to the supplementary pension, for the managers of Assicurazioni Generali within the target population of this policy, a predetermined percentage of the fixed remuneration defined by supplementary Company/individual agreement (between 13% and 16.5%) is provided in the supplementary pension fund (GenFonDir).

The 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, favourable contractual conditions may also be granted, in compliance with all applicable regulations, with regard to, for example, the execution of **insurance, banking or the purchase of other products of the Generali Group, along with facilitated access to loans, mortgage for buying houses or vehicles**, and other benefits or reimbursements related to Company events or specific Company initiatives.

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

11 System applied also to the remaining relevant personnel as well as the other members of the Global Leadership Group.

4.2.7 ADDITIONAL COMPONENTS OF REMUNERATION RELATED TO CERTAIN CIRCUMSTANCES OR EVENTS

In order to attract or retain key individuals, specific remunerations can be agreed upon during recruitment or during the course of the employment.

These components, which are **only awarded for selected high profile managerial positions**, may consist, for example, of (a) entry bonuses linked to the loss of incentives by the previous employer and linked, where possible, to the commitment to remain employed at the Company for a specified period; (b) variable components guaranteed only for the first year of employment; (c) payments linked to the stability of the employment over time.

The Company can also award **bonuses in connection with extraordinary operations and or results** (such as, for example, disinvestments, acquisitions, mergers, reorganisation or efficiency processes), of such significance as to materially impact the value and volumes of the Company's activity and/or its profitability and as such not apt to be adequately rewarded within the framework of ordinary variable remuneration systems, so as to justify this additional payment. The parameter for identifying any extraordinary transactions or results possibly worthy of recognition is linked to the **level of materiality of the operation** which, in consideration of the size of the Generali Group, can only occur in relation to operations of extraordinary and unusual economic or organisational dimensions. The criteria for determining the amount of any bonus would, on the one hand, be connected to **the value of the operation** and, on the other hand, would consider the overall **remuneration already paid** to the beneficiary within the standard remuneration systems.

Any of these payments, determined in compliance with the remuneration governance processes applicable depending on the categories of recipients, and paid according to terms and methods compliant with the regulatory provisions[12] (without prejudice to the overall target pay-mix, where applicable), will be appropriately disclosed, as required by regulations in force, in Section II of the first Remuneration Report published following the payment.

4.2.8 COMPENSATION FOR FURTHER ASSIGNMENTS

The Managing Director/Group CEO and the other recipients of the Remuneration Policy within Assicurazioni Generali cannot receive payments and/or attendance fees for other offices they have been assigned by the Parent Company in subsidiaries, entities, associations, unless a specific derogation is made, duly motivated and formalised and authorised each time by the competent bodies.

Finally, please refer to the following sections for the policies relating to the D&O insurance policy and for the payments in the event of termination.

4.2.9 SHARE OWNERSHIP GUIDELINES

Upon the proposal of the Appointments and Remuneration Committee, the Board of Directors introduced Group Share Ownership Guidelines for the Managing Director/Group CEO and for Managers with Strategic Responsibilities who are part of the Group Management Committee (GMC)[13], in order to further align managerial interests with those of the Shareholders.

These guidelines provide that:

- the Managing Director/Group CEO shall hold for the entire term of office a minimum number of Generali shares of equivalent value to 300% of the annual fixed remuneration;
- the Managers with Strategic Responsibilities who are part of the Group Management Committee (GMC) shall hold for the entire term of office a minimum number of Generali shares of equivalent value to 150% of the annual fixed remuneration.

These levels must be achieved within 5 years from appointment and must be maintained for the entire duration of the office held.

In compliance with regulatory requirements and in line with the principles of the Remuneration Policy, the recipients of the Share Ownership Guidelines are required not to resort to strategies of personal or insurance coverage (so-called hedging) that may alter or undermine the risk alignment effects embedded in the variable remuneration mechanisms.

12 This taking into account other incentives that may be paid to the beneficiary as elements of the overall variable remuneration (and related terms and methods of payment).
13 Excluding personnel belonging to the Key Functions.

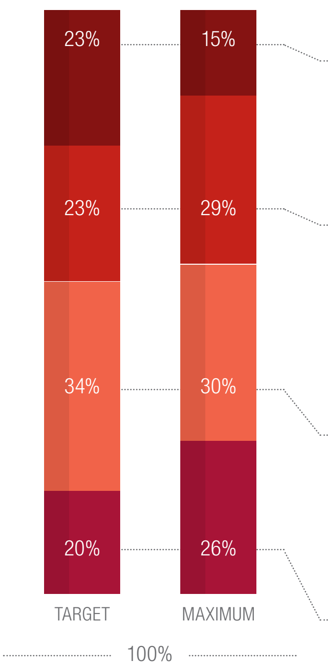
CHAPTER 5

REMUNERATION OF THE MANAGING DIRECTOR/GROUP CEO

5.1 Remuneration package

The remuneration of the Managing Director/Group CEO is set in line with market practices and regulatory requirements to ensure a correct balance between the fixed and variable components, providing for an adequate distribution between the component linked to annual goals and that linked to multi-year ones.
The Remuneration consists of a fixed component, variable incentives linked to predefined and measurable short and long-term goals, as well as additional benefits in line with the Group Policy and specific Share Ownership Guidelines.

PAY MIX



REMUNERATION

- Fixed
- Annual variable
- Deferred variable
- Co-investment

ELEMENTS	CRITERIA AND PARAMETERS
Fixed remuneration	Appropriate to the level of responsibility and defined in line with market practices and levels
Annual Variable Cash Remuneration (STI) **Maximum cap: 200% fixed remuneration**	**Financial targets** **(weight 60%)** • Group Net Profit Adjusted (40%) • Group RORC (20%) **Non-financial targets** **(weight 40%)** • Innovation & Digital Transformation KPIs (20%) • Generali 2021 Enablers KPIs (20%)
Deferred variable remuneration in shares (LTI) **Maximum cap: 200% fixed remuneration**	**Financial targets** • Net Holding Cash Flow (50%) • Relative TSR (50%) **ESG Multiplier/Reducer** Rating, presence and positioning in main ESG indices (MSCI and S&P) with multiplier/reducer factor from x0.8 to x1.2
Co-investment share plan related to the mandate	Share plan related to the strategic plan's three-year performance in terms of absolute TSR and EPS Growth with co-investment of 550,000 Generali shares until the end of the mandate
Benefit	Supplementary pension and other benefits in line with the Group Policy
Share Ownership Guidelines	300% of the fixed remuneration

5.2 Remuneration towards the market and the regulatory context

The Remuneration Policy of the Generali Group provides for continuous monitoring of the regulatory environment, of peer remuneration practices and general market trends, in terms of pay-mix, remuneration levels and systems, in order to ensure the competitiveness of the remuneration offer and guarantee the Group's ability to attract, retain and motivate key people.

The reference panel for the remuneration benchmarking of the Managing Director/Group CEO is set up with the support of PwC, acting as an independent external consultant to the Appointments and Remuneration Committee, based on a methodology related to **specific dimensional and business criteria that ensure its significance**.

The reference panel defined includes European companies of comparable size to Generali, belonging to the insurance and banking sectors, considering the convergence of the remuneration and regulatory practices between the two sectors and their proximity in terms of labour market.

For the assessment of the dimensional comparability with respect to Generali, the adopted methodology analyses a set of economic and financial indicators (revenues, value of market capitalisation, value of assets, number of employees) so that the dimensional positioning of Generali compared to the panel companies is aligned with the median values (53rd percentile) of the panel.

For the selection of companies in the peer panel, **comparability of the business model, corporate structure and international presence, as well as the geographical scope of the selected companies** were also considered.

Based on the criteria described, 15 companies have been identified to build the reference peer panel:

Parameters for the Panel Selection

INDUSTRY (Financial Services)	**SIZE** (Revenues, n. employees, capitalisation, total asset)
GLOBAL PRESENCE	**COUNTRY**
BUSINESS MODEL	**ATTRACTIVENESS, COMPETITIVENESS AND RETENTION**

Peer Panel 2021

1	AEGON
2	ALLIANZ
3	AVIVA
4	AXA
5	BBVA
6	CREDIT SUISSE
7	DEUTSCHE BANK
8	INTESA SANPAOLO
9	MUNICH RE
10	PRUDENTIAL
11	SOCIÉTÉ GÉNÉRALE
12	SWISS RE
13	UNICREDIT
14	UNIPOL
15	ZURICH

Panel Characteristics 2021

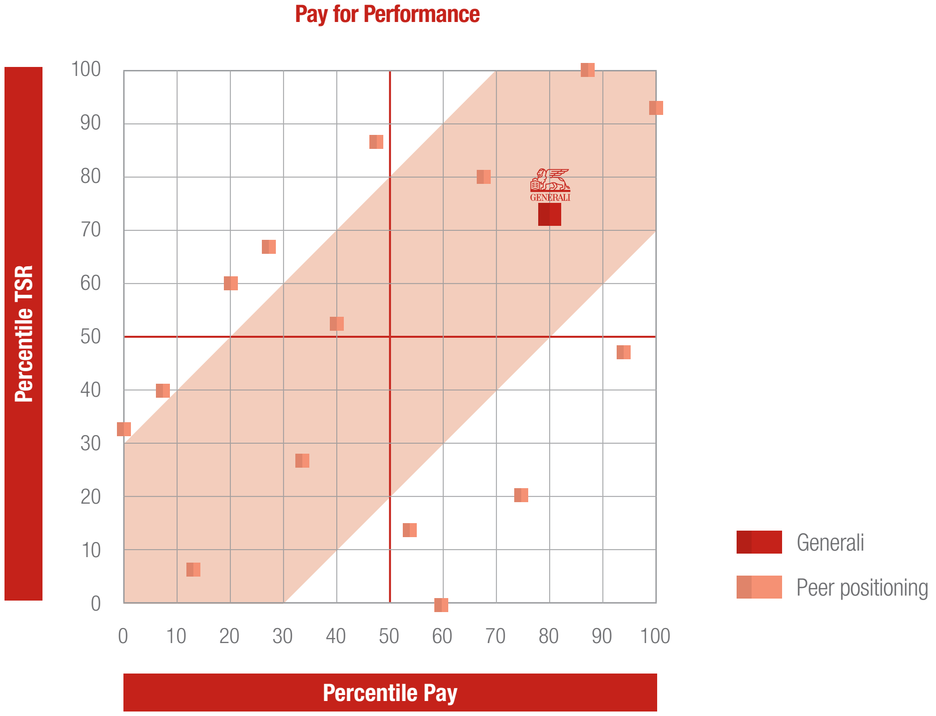
The Panel proposed guarantees:

- The **comparability** of peers with respect to Generali in terms of size: Generali is on the **53rd percentile** of the reference panel
- **The inclusion of the main financial services companies in the financial sector of the European Countries of reference to ensure the competitiveness of remuneration** in order to attract, motivate and retain key people and talents
- A **balanced representation of the financial sector**, including 9 insurance companies and 6 with mainly banking business

The peer panel is used not only to compare the remuneration levels of Generali with the external market, but also to evaluate the coherence between remuneration and Company performance.

The graph below illustrates the ratio between the positioning of the average total remuneration of the Managing Director/Group CEO over the last three years[14] compared to the peer panel and the level of performance in terms of Total Shareholder Return (TSR) in the same period.
The remuneration actually paid to the Managing Director/Group CEO during the period and the results of TSR of Generali are fully positioned within the market consistency range in terms of Pay for Performance between the 70th and 80th percentile compared to the reference peer group.

14 Analysis based on the public data available during the 2017-2019 period.



5.3 Components of the remuneration

5.3.1 FIXED REMUNERATION

The Remuneration of the Managing Director/Group CEO was determined at the beginning of the three-year mandate (relating to the years 2019 - 2021) based on the scope of the role and the relevant managerial and strategic challenges of deep transformation of the Group embedded in the 2019-2021 three-year strategic plan in terms of profitable growth, capital management and financial optimisation, innovation and digital transformation and acceleration on the key Enablers of the strategy related to people, customers and sustainability.

The fixed component is made up of the remuneration for the executive employment relationship and of the remuneration as Director, defined by considering also the levels and practices of market peers.

5.3.2 ANNUAL CASH COMPONENT OF THE VARIABLE REMUNERATION - SHORT TERM INCENTIVE (STI)

The Managing Director/Group CEO participates in a specific Group incentive system which provides for the payment of a variable cash incentive that can reach a maximum cap of 200% of the fixed remuneration, upon the achievement of measurable and predetermined annual goals, defined in line with the Group business strategy and leading to an individual Balanced Scorecard (BSC) that includes financial performance indicators adjusted for risk and non-financial performance indicators based on the evidence of specific relevant KPIs.

The performance goals of the Managing Director/Group CEO for 2021, the relative weight in determining the incentive amount, and the scale used for the measurement are:

Perspective	Weight	KPI	Payout Level				
			0%	60%	100%	150%	200%
Risk-adjusted economic & financial performance (60%)	40%	Group Net Profit Adjusted	<85%	85%	100%	110%	120%
	20%	Group RORC (Return on Risk Capital)	<85%	85%	100%	110%	120%
			Measurement vs. Budget				
Non financial performance (40%)	20%	**Innovation & Digital Transformation** *% Digital policies* *% clients registered on Mobile & Web Hub (Seamless Omnichannel Experience)*	Not achieved	Partially achieved	Achieved	Exceeded	Far Exceeded
	20%	**Generali 2021 Enablers** **People Value:** *Quality and solidity of the succession plan* *D&I Index* **Brand & Lifetime Partner Transformation:** *Relationship NPS* **Sustainability Commitment:** *Group Sustainability Initiatives focused on increasing Green & Social Products*	Not achieved	Partially achieved	Achieved	Exceeded	Far Exceeded
			Measurement vs. specific strategic KPIs				

The performances set at target level are in line with the annual budget values, connected to the Generali three-year strategic plan[15]. The parameters identified reflect the priorities of the strategic plan: profitable growth, capital management and financial optimisation, innovation and digital transformation and the key Enablers of the strategy.

In particular:

- **the financial parameters identified are the Group Net Profit Adjusted and the Group RORC (Return on Risk Capital):**
  - the Group Net Profit Adjusted reported in the financial statements, adjusted by excluding any extraordinary items not predictable[16];
  - the Group RORC (Return on Risk Capital) to reflect the profitability of the Group also in relation to capital management and financial optimisation.
- **the non-financial parameters reflect the key Enablers of the Strategy and Generali's Sustainability Commitment:**
  - the Innovation & Digital Transformation goal includes indicators aimed at monitoring the digital transformation process undertaken by the Group, such as the % of digital policies and the % of customers registered on the Mobile & Web Hub ("Seamless Omnichannel Experience");
  - the goal relating to Generali 2021 Enablers includes indicators linked to some key areas of the strategic plan:
    - People: two main indicators referring to the "quality and solidity of the succession plan" relating to the position of Managing Director/Group CEO and of the Group Management Committee (GMC), and to the Diversity & Inclusion (D&I) Index, which includes the measurement of various components related to gender, age, training, international experience, culture and inclusion, measured on specific parameters and KPIs;
    - Clients: Brand & Lifetime Partner program, with specific priority on the goal of Relationship Net Promoter Score (NPS);
    - Sustainability: relating to the implementation of sustainability initiatives, with particular focus on the increase and development of green & social products in terms of impact on Gross Direct Written Premiums (GDWP).

The degree of achievement of the goals is determined by the Board of Directors, upon the proposal of the Appointments and Remuneration Committee based on the actual results achieved. In particular, the non-financial parameters reflect the key Enablers of the Strategy and Generali's Sustainability Commitment: their assessment is based on the evidence of specific reference KPIs and on an overall evaluation made by the Board of Directors.

The actual value of the incentive is determined based on the degree of achievement of the assigned goals and corresponds to:

- 100% of fixed remuneration (including the remuneration as Director) in case all goals are achieved at target level;
- 200% of the fixed remuneration (cap) in case all goals are achieved at maximum level.

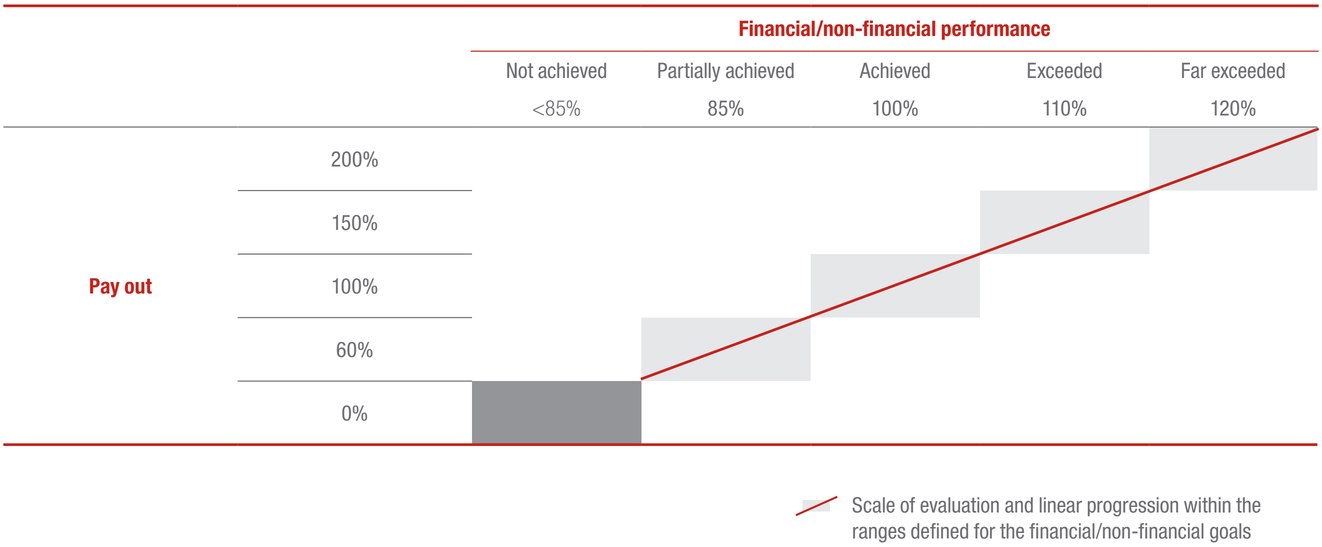
15 The target level of the goals in absolute value is not reported considering the confidentiality and market sensitivity of the information also in terms of strategic competitive advantage.
16 Such as, by way of example, amortisation/goodwill depreciation, significant legal/regulatory/legislative changes, and significant impacts resulting from changes to tax treatment, gains/losses from M&A.

No payment is provided in the event one of the following factors should occur:

- failure to reach the Regulatory Solvency Ratio threshold;
- failure to achieve at least 40% of the overall weighted result (payout) of the assigned goals;
- Group Net Profit Adjusted less than 80% of the budget;
- Group Operating Result less than 85% of the budget.

In case of achievement of intermediate results, the value of the incentive linked to the financial goals is calculated by linear interpolation, as shown below.

BSC Target Assessment



The threshold level of the Regulatory Solvency Ratio is set at 130%[17] for the year 2021, in line with the "hard limit" level defined in the Group Risk Appetite Framework, approved by the Board of Directors at the meeting of 16 December 2020.

The Plan provides for a Market Adverse Change clause, where, in the event of unforeseeable exceptional circumstances, such as significant changes in the macroeconomic and financial context, the Board of Directors can reassess the fairness and consistency of the incentive systems, implementing the required corrective measures (and this also especially in terms of the reference goals, the related metrics and methods of evaluation) to keep unchanged - within the limits allowed by the applicable legislation and notwithstanding compliance with the limits and general principles of this Policy - the substantial and essential economic features of the systems, preserving their main incentive purposes.

The Plan also provides for malus and clawback clauses in line with the Group Policy.

5.3.3 DEFERRED COMPONENT IN SHARES OF THE VARIABLE REMUNERATION - LONG TERM INCENTIVE (LTI)

The Managing Director/Group CEO is a recipient of the Long-Term Incentive Plan, as also provided for the other Group top managers and beneficiaries, based on Assicurazioni Generali shares – Group Long Term Incentive (LTI) 2021–2023, submitted to the Annual Shareholders' Meeting for approval.

In particular, the Plan provides for the allocation of shares at the end of a three-year performance period, subject to the verification of the achievement of a minimum level of Regulatory Solvency Ratio and connected to the achievement of Group performance conditions.

Performance indicators

The parameters provided to determine the incentive are:

- **Net Holding Cash Flow** (NHCF) cumulative for the period (weighing 50%);
- **relative Total Shareholder Return** (rTSR) for the period, with vesting and payment starting from a relative positioning equal to or greater than the median (weighting of 50%);
- **ESG goals** that reflect Generali's rating, presence and positioning in the main market sustainability indices (**Morgan Stanley Capital International ESG rating** and **Standard & Poor's Global Corporate Sustainability Assessment**) as a multiplier/reducer factor in a range of x0.8 to x1.2.

As also detailed in the next section of this Report, which includes the comprehensive description of the Group 2021-2023 LTI Plan where the Managing Director/Group CEO also participates, the performance

17 Threshold subject to possible revision in the event of exceptional, unforeseeable changes in macroeconomic conditions or a worsening of the financial environment. In case of high discontinuity, the Board of Directors will re-assess the fairness and consistency of the incentive systems ("Market Adverse Change" clause).

parameters and the reference target levels have been defined in alignment and support of the Group strategy, especially considering:

- the confirmation of **Net Holding Cash Flow as the main driver of cash generation**, selected also considering the greater impacts on other financial balance sheet indicators deriving from the prospective introduction of the new international accounting standards (IFRS 9 and 17);
- the maintenance of the **relative Total Shareholder Return as a fundamental indicator of performance for shareholders**, increasing the threshold and target level for the allocation of shares starting from the **median** positioning with respect to the comparative insurance peer panel, in line with market expectations;
- the introduction of **ESG goals related to the positioning of Generali in the main reference sustainability indices** for the market, as a multiplier/reducer factor where only the improvement of Generali current positioning in the three-year reference period is rewarded (or, conversely, providing for a reduction in case of worsening conditions).

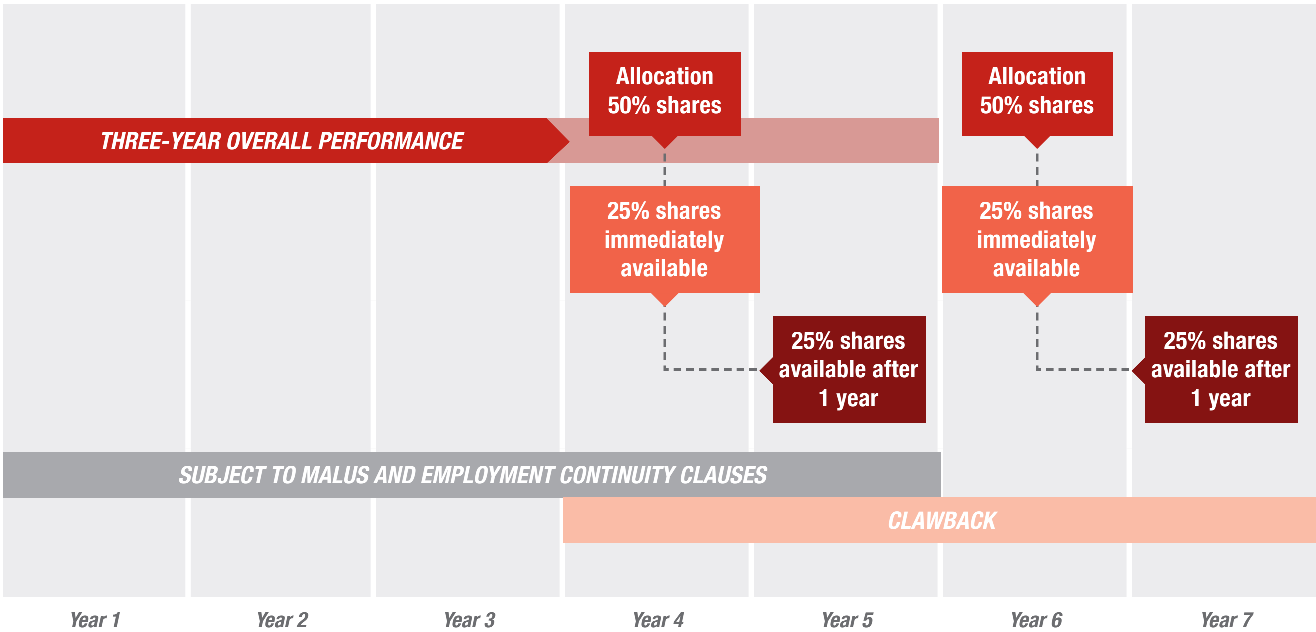
The decision of opting for the inclusion of **external ESG indices** in the 2021-2023 LTI Plan is a specific solution aimed at introducing immediately further sustainability indicators on top of the internal ones already considered in the short-term annual incentive system.

From 2022, in the following cycles of future LTI Plans, ESG operational indicators will be considered, leveraging on the **new internal sustainability goals** that will be defined in line with the next three-year strategic plan 2022-2024.

This confirms the strong cultural imprint that the Group intends to impress on its policies, underlining the **strategic role of sustainability in every business decision**.

Allocation of Shares

With reference to the shares potentially granted to the Managing Director/Group CEO and the related deferral and lock-up periods, these are defined on a 7 calendar year time frame, as shown in the following diagram:



The maximum number of shares that can be granted is determined at the beginning of the plan based on the ratio between the maximum amount and the value of the share at the date of assignment.

The actual value of the incentive is determined based on the degree of achievement of the assigned goals and corresponds to:

- 150% of fixed remuneration (including the remuneration as Director) in case all goals are achieved at target level;
- 200% of the fixed remuneration (cap) in case all goals are achieved at maximum level.

In case of achievement of intermediate results, the number of shares to be granted will be calculated by linear interpolation.

No payment is provided in case of performance below the minimum level (threshold) or failure to reach the Regulatory Solvency Ratio threshold.

The Plan also provides for malus and clawback clauses in line with the Group Policy.

The Plan is further illustrated in the next section of the Report that includes the detailed description of the Group LTI 2021-2023 plan where the Managing Director/Group CEO also participates.

5.3.4 CO-INVESTMENT SHARE PLAN RELATED TO THE MANDATE

The Managing Director/Group CEO participates in a special co-investment share plan related to the 2019-2021 mandate, already approved by Shareholders in 2020, whose prerequisite is the maintenance for the entire duration of the mandate of a significant, direct and personal initial co-investment. Subject to this, free shares can be granted only in case of positive achievement of extremely challenging performance goals after completing and exceeding the three-year strategic plan targets, also in terms of absolute return to Shareholders.

The characteristics of the Plan - also given the significant level of personal exposure associated with the co-investment - are consistent with the specific profile of the current Managing Director/Group CEO and are strictly connected to the achievement of the important managerial and strategic challenges of deep transformation of the Group at the foundation of the 2019-2021 three-year strategic plan.

The plan fosters a direct alignment with the investor perspective by virtue of the initial co-investment by the Managing Director/Group CEO, as well as with the performance and return indicators for Shareholders it is connected with. In fact, the actual assignment of the shares is provided only after reaching and exceeding the goals that reflect value creation measured over the three-year term of the mandate, so that the plan rewards the achievement of unprecedented Group strategic and transformation ambitions in terms of size, business and capitalisation.
Conversely, in the event of failure to achieve, the co-investment mechanism exposes the Managing Director/Group CEO to the risk of a significant personal financial loss fully aligned with the market perspective, as already recorded during the period.

Furthermore, in connection with the assignment of the co-investment share plan, the Board of Directors defined at the same time a reduction of the maximum cap of the Group Long-Term Incentive Plan (LTI) for the Managing Director/Group CEO from 250 % to 200% of the fixed remuneration.

The co-investment share plan related to the mandate was approved by the Board of Directors at the meeting of 20 June 2019 and by the Annual Shareholders' Meeting of 30 April 2020; further details relating to the Plan are reported in the Information Document.

The Plan provides for the maintenance, by the Managing Director/Group CEO, starting from September 2019 and until the end of the current three-year term as Director, of an initial co-investment of 550,000 Generali shares at a reference price defined at the start of the plan equal to € 16.56.

The goals of the Plan, independent of each other, are assessed over a three-year time period and provide for reaching and exceeding indicators with specific targets in relation to the goals of the strategic plan. They are defined in terms of:

- Earning per Share (EPS) Growth in the period 2019-2021, weighing 50%;
- Absolute Total Shareholder Return (TSR), calculated in the period 20 June 2019 – 20 June 2022, weighing 50%.

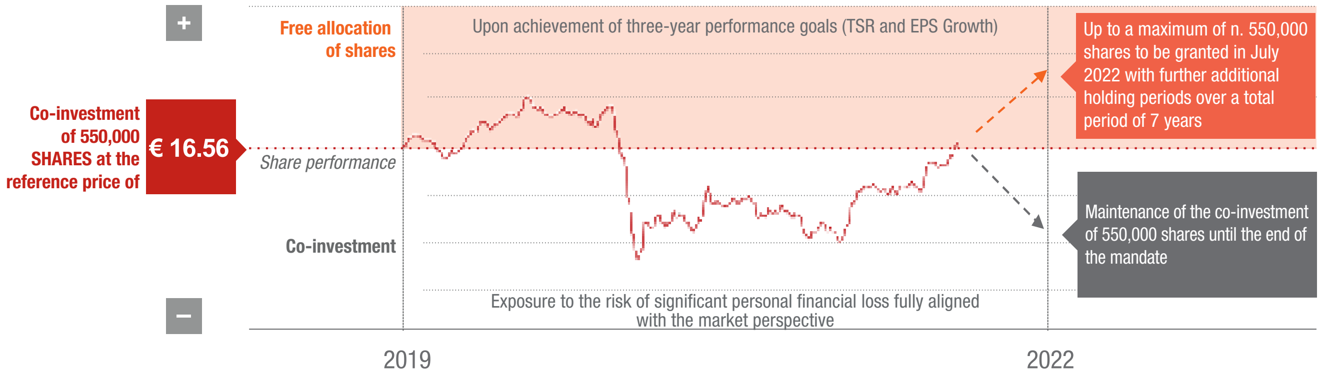
The Plan is subject to exceeding the minimum threshold of the Regulatory Solvency Ratio indicator defined for Group incentive systems.

The maximum number of shares which may be granted is equal to 550,000; the actual number of shares which will be allocated is determined based on the achievement of the goals according to the following diagram:

KPI	LEVEL OF ACHIEVEMENT	FREE SHARES
TSR	≥ 46%	275,000
	Between 22% and 46%	137,500 – 275,000
	< 22%	0
EPS Growth	≥ 8%	275,000
	Between 6% and 8%	137,500 – 275,000
	< 6%	0

For intermediate results, the actual number of shares to be awarded will be calculated by linear interpolation.

The following diagram, illustrating how the Plan operates, highlights the market risk associated with the personal co-investment of the Managing Director/ Group CEO.



The Table shows the nominal value of the personal co-investment of the Managing Director/Group CEO at the dates considered and the variation from the nominal value at the start of the Plan.

	Date			
	June 20th 2019 (Plan start)	December 31st 2019	June 20th 2020	December 31st 2020
Share reference price (average previous three months)	€16.56*	€18.41	€12.78	€13.26
Co-investment nominal value	€9,108,000	€10,125,500	€7,029,000	€7,293,000
Co-investment nominal value variation vs. the value at Plan start		+€1,017,500	-€2,079,000	-€1,815,000

* Reference price set at Plan start equal to € 16.56 (calculated as the average share price in the three months prior to the Board of Directors' resolution on June 20th 2019 related to the Plan).

The actual allocation of any free shares accrued, depending on the level of achievement of the defined goals, will take place in two tranches over a total period of 7 years similar to the other Group plans:

- the first tranche (50% of the shares) will be granted at the end of the three-year performance period;
- the second tranche (50% of the shares) is subject to a further deferral for a period of two additional years.

Furthermore, 50% of the shares that may be granted for each tranche will be subject to an additional holding period of one year.

The actual allocation of these shares is subject to exceeding the threshold set in terms of Regulatory Solvency Ratio and the non-occurrence of malus and clawback conditions.

An assignment of additional shares, determined based on the total amount of dividends distributed in the reference period (e.g. during the performance period and the two years of further deferral), can also be provided according to the so called "dividend equivalent" mechanism.

The plan is subject to the condition that the beneficiary maintains the office of Managing Director until the end of the current mandate, with loss of all rights deriving from the plan if the office ends before this term, due to voluntary resignation or revocation for cause (while the rights arising from the Plan are retained pro rata temporis - subject to achievement of the targets and without prejudice to the further terms and conditions of the Plan - in other cases of termination).

5.3.5 BENEFITS AND OTHER PROVISIONS

The remuneration of the Managing Director/Group CEO includes benefits to integrate the recurring component of the remuneration as for the Group Policy described above. In particular, the benefit package for the Managing Director/Group CEO, as for the other recipients of the policy within Assicurazioni Generali, provides for the supplementary pension and health care benefits, governed by the individual contracts, applicable collective bargaining agreements and Company-level agreements. This 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 and total permanent disability caused by injury or disease, whether professional or extra-professional. The benefit package also includes the availability of a Company car for both business and personal use with fuel card, assistance in the event of emergency situations and agreements with airport operators and additional supplementary benefits relating to accommodation and support for all aspects related to national and international travel and mobility.

In addition, upon proposal of the Appointments and Remuneration Committee, the Board of Directors introduced Group Share Ownership Guidelines which provide that the Managing Director/Group CEO shall hold for the entire term of office a minimum number of Generali shares of equivalent value to 300% of the annual fixed remuneration.

Finally, in terms of the provisions relating to the payments in the event of termination (subsequently detailed in the specific section of the Report), a non-competition agreement is provided lasting 6 months following termination (against a fee equal to the fixed remuneration provided for the corresponding reference period and a penalty equal to double this amount) and a severance in addition to the notice period due by law and collective agreement, equal to 24 months of recurring remuneration (also calculated on the Director's remuneration).

The payment is due in case of dismissal without cause, or resignation for cause, an event that includes cases of revocation from office (in the absence of cause), failure to renew the office and substantial reduction of powers (in the absence of cause) or attribution to others of substantially equivalent or in any case significant powers that considerably affect the Managing Director/Group CEO's position.

Starting from the 2019 LTI Plan, the contractual arrangements with the Managing Director/Group CEO provide that, in the event of termination of the office during the three-year mandate, he will retain the rights deriving from the Plan only pro rata temporis and only in the so-called "good leaver" conditions (subject to achieving the goals and subject to the additional terms and conditions of the relative regulations).

it is provided that, in so-called "bad leaver" conditions, the Managing Director/Group CEO conversely loses all the rights deriving from the Plans in place and relating to the period of such mandate. "Bad leaver" means cases of voluntary resignation of the office during the three-year mandate and revocation of the same for cause. "Good leaver" means all the other cases of termination.

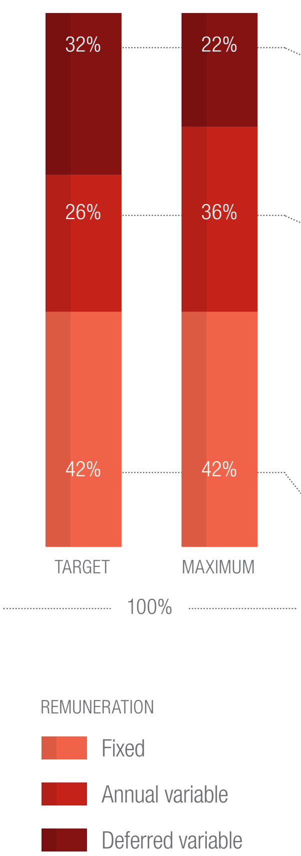
CHAPTER 6

REMUNERATION OF THE MANAGERS WITH STRATEGIC RESPONSIBILITIES AND OTHER RELEVANT PERSONNEL

6.1 Remuneration package

The remuneration of the Managers with Strategic Responsibilities (not belonging to the Key Functions) is set in line with market practices and regulatory requirements to ensure a correct balance between the fixed and variable components, providing for an adequate distribution between the component linked to annual goals and that linked to multi-year ones. The Remuneration consists of a fixed component, variable incentives linked to predefined and measurable short and long-term goals, as well as additional benefits in line with the Group Policy and specific Share Ownership Guidelines for members of the Group Management Committee (GMC).

PAY MIX



ELEMENTS	CRITERIA AND PARAMETERS	
Fixed remuneration	Appropriate to the level of responsibility and defined in line with market practices and levels	
Annual Variable Cash Remuneration (STI) **Maximum weight equal on average to 170% of the fixed remuneration**	**Financial goals** **with an average weight of 60% and focus on:** • Net Profit Adjusted • Total Remittance • RORC	**Non-financial goals** **with an average weight of 40% and focus on:** • Strategic initiatives and projects linked to specific KPIs • Generali 2021 Enablers KPIs
Deferred variable remuneration in shares (LTI) **Maximum weight equal on average to 200% of the fixed remuneration**	**Financial goals** • Net Holding Cash Flow (50%) • Relative TSR (50%)	**ESG multiplier/reducer** Rating, presence and positioning in main ESG indices (MSCI and S&P) with multiplier/reducer factor from x0.8 to x1.2
Benefit	Supplementary pension and other benefits in line with the Group Policy	
Share Ownership Guidelines	150% of the fixed remuneration for the Group Management Committee (GMC) components	

6.2 Remuneration towards the market and the regulatory context

The Remuneration Policy of the Generali Group provides for continuous monitoring of the regulatory environment, of peer remuneration practices and general market trends, in terms of pay-mix, remuneration levels and systems, in order to ensure the competitiveness of the remuneration offer and guarantee the Group's ability to attract, retain and motivate key people.

The reference panel for the remuneration benchmarking of the Managers with Strategic Responsibilities is the same as the one described for the Managing Director/Group CEO, defined on the basis of a methodology related to **specific dimensional and business criteria that ensure its significance**.

6.3 Components of the remuneration

6.3.1 FIXED REMUNERATION

Fixed remuneration is determined and adjusted over time taking into consideration the **role performed and responsibilities assigned**, taking into account the experience and skills of each manager and set with reference also to the levels and practices of market peers in terms of attractiveness, competitiveness and retention.

6.3.2 ANNUAL CASH COMPONENT OF THE VARIABLE REMUNERATION - SHORT TERM INCENTIVE (STI)

The annual incentive system for the Managers with Strategic Responsibilities[18], including the members of the Group Management Committee (GMC), as well as the other relevant personnel and the members of the Global Leadership Group (GLG), aims at aligning the incentive with the actual performance of both individual recipients as well as the Group as a whole, through four rigorous process phases articulated in the definition of:

- the **Group Funding Pool**, linked to the level of achievement of Group Net Profit Adjusted and Group Operating Result and subject to prior verification of the minimum Solvency requirements;
- the **Individual Performance**, determined in accordance with pre-defined and measurable financial and non-financial goals within the individual Balances Scorecards (BSC);
- the Individual Performance **calibration** process in relation to the overall performance distribution, the reference context and compliance assessments;
- the **Payout** and individual cash allocation.

18 Excluding personnel belonging to the Key Functions.

01 Funding Pool

Funding Pool definition Funding Pool final assessment	Definition and final assessment of the **total budget (the so-called "Funding Pool")** between a minimum and maximum value in relation to the degree of achievement of the Group level results (Group Net Profit Adjusted and Group Operating Result). The final assessment of the Funding Pool is subject to prior verification of the minimum Solvency requirements.

02 Individual performance

BSC goals definition BSC goals assessment BSC overall assessment	**Definition of the individual balanced scorecards** in which 6 - 8 goals are defined at Group, Region, Country, Business, Unit/function and individual level. Assessment of **individual performance** achieved by participants with respect to the goals set in the balanced scorecard (BSC) with assignment of a performance "rate".

03 Calibration

Performance calibration	Overall review of the performance achieved within the framework of a calibration meeting where the results achieved by individuals are recalibrated against the other roles, the reference market context and conformity with the compliance/audit/code of conduct and governance processes.

04 Payout

Individual STI allocation	Definition of individual STI payouts for each performance "rate", taking into account the overall Funding Pool available and the performance distribution as a percentage of the individual baseline.

01. Funding Pool

The Funding Pool represents the total amount made available at the start of each financial year for the payment of the Short Term Incentive for the members of the Group Management Committee (GMC), the other relevant personnel and the members of the Global Leadership Group (GLG) based on Group performance. The Funding Pool mechanism guarantees complete alignment of individual performance and incentives with the overall Group results.

The maximum amount of the target Funding Pool corresponds to 150% of the sum of the individual "baseline", that is the amounts of variable remuneration to be paid to the individual beneficiaries of the STI Plan if results are achieved at target level.

The Funding Pool is defined by linear interpolation on the basis of the level of achievement of the Group Net Profit Adjusted and the Group Operating Result within the ranges defined in the funding matrix (shown in the Table below). The Funding Pool is in any case subject to the **verification of access threshold achievement**, represented by a specific Regulatory Solvency Ratio. This level is equal to **130%**[19] **for 2021**, limit set considering the "hard limit" level defined in the Group Risk Appetite Framework, approved by the Board of Directors in December 2020.

Furthermore, the Board of Directors may also **reduce the Funding Pool** available if the Regulatory Solvency Ratio is lower than the "soft limit" provided in the Risk Appetite framework, equal to 150% - but nevertheless higher than the hard limit (130%).

19 Threshold subject to possible revision in the event of exceptional, unforeseeable changes in macroeconomic conditions or a worsening of the financial environment. In case of high discontinuity, the Board of Directors will re-assess the fairness and consistency of the incentive systems ("Market Adverse Change" clause).

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

* Group Net Profit reported 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 upon the recommendation of the Appointments and Remuneration Committee in accordance with these guidelines.

The actual Funding Pool available for payment of the Short Term Incentives (STI) is defined in the financial year following that of reference, after the verification of the level of achievement of the Group Net Profit Adjusted and the Group Operating Result approved by the Board of Directors. The Managing Director/Group CEO proposes the final Funding Pool to the Appointments and Remuneration Committee which expresses its opinion for the approval by the Board of Directors.

No Funding Pool or bonus payment is foreseen with a result below the minimum budget result vis-à-vis the Group target.

The Board of Directors may also (i) authorise an ad hoc Funding Pool even in the event of Group results below the minimum set for the Group goals set by the Board of Directors for the reference year; or (ii) authorise an additional portion - equal to a maximum of 10% of the actual funding - with the aim of remunerating individual persons whose performance has been of particular relevance. These measures may be envisaged if the conditions set out in article 123-ter of the Consolidated Law on Financial Intermediation (TUF) regarding temporary exceptions to the Remuneration Policy are met, on the proposal of the Managing Director/Group CEO, subject to the approval procedure for transactions with Related Parties, and only on condition that the Regulatory Solvency Ratio has been achieved.

On the basis of the Funding Pool mechanism, in fact, there is the theoretical possibility that, due to the degree of achievement of the Group results, managers who have reached or largely exceeded all of the assigned goals, may still receive a bonus lower than the target amount or, no bonus at all, due to the zeroing or significant reduction of the available so-called Funding Pool. In this situation, the corrective measures illustrated above which have, to date, never been used, have the role of intervening - at the end of the rigorous process of governance described above and still only when the minimum access threshold has been reached to guarantee the Group's capital stability - in order to allocate an additional amount to the Funding Pool and correct such situations.

The exercise of this power by the Board of Directors can occur, as described, within the rigorous governance processes of the Group, subject to the procedure for transactions with Related Parties where necessary, as required by law and subject to compliance with the Solvency requirements.

The presence of flexibility margins within the Remuneration Policy represents an element of value for the purposes of the company's ability to attract, motivate and retain key personnel, although this option has never been used to date, even in the context of the strong discontinuity of 2020. This last circumstance represents, among other things, another confirmation that the systems adopted in the remuneration policies are effective and can adapt to the market variables clearly aligning remuneration to the actual performance, capital solidity, and solvency requirements.

02. Individual performance

Each participant is assigned a Balanced Scorecard (BSC) that is defined according to the following guidelines.

The Balanced Scorecard normally includes a maximum of **6-8 goals based on the following 3 perspectives**:

PERSPECTIVES

RISK ADJUSTED ECONOMIC AND FINANCIAL PERFORMANCE	**>50%**	**Core Business Key Performance Indicator (KPI) with priority on:** · Net Profit Adjusted at Group/Country/Business Unit (BU) level · Total Remittance at Group/Country/Business Unit (BU) level · RORC at Group/Country/Business Unit (BU) level
SPECIFIC COUNTRY/BU GOALS AND GROUP STRATEGIC PROJECTS	**15-35%**	**Strategic initiatives and projects at Group/Country/Business Unit (BU) level linked to specific KPIs** (e.g. Combined Ratio Best Estimate; New Business Margin)
GENERALI 2021 ENABLERS	**20-30%**	Assessment based on specific KPI evidence relating to: **· People Value** **· Brand & Lifetime Partner** **· Sustainability Commitment**

Predetermined and measurable financial and non-financial goals (including sustainability indicators) are included in the various perspectives allowing for the monitoring of multiple company performance aspects; these goals are also differentiated according to the different competencies and areas of operation of the recipients.

The overall weight of the economic-financial goals in the individual BSCs is at least equal to 50% for business roles.

The most commonly used financial goals are: Net Profit Adjusted, Total Remittance[20] and Return on Risk Capital (RORC). Depending on the specific positions, these goals are set at Group, Business Unit, or Country level.

In particular, in continuity with last year, in order to confirm the link between remuneration and risk, all Balanced Scorecards normally include the Return on Risk Capital at Group, Business Unit, or Country level with a weight up to 20%.

The specific focus on non-financial goals referring to the Generali 2021 Enablers (People Value, Brand & Lifetime Partner and Sustainability Commitment) is also confirmed including indicators connected to a number of key areas of the strategic plan:

KPI CLUSTER	EXAMPLE OF INDICATORS
PEOPLE VALUE	Focusing on the quality and solidity of the succession plan, D&I index (that includes the measuring of a number of components related to gender, age, training, international experience, culture and inclusion, measured on specific parameters and KPIs), Reskilling program execution ("Turn to the new" index), Group Engagement index
BRAND & LIFETIME PARTNER	Focusing on Relationship Net Promoter Score (NPS), Customer Retention, Brand Preference
SUSTAINABILITY COMMITMENT	Focusing on Group/local initiatives with priority on increasing green & social products, green & sustainable investments, THSN development, Climate Strategy implementation

The non-financial parameters reflect the key Enablers of the strategy and the Sustainability Commitment of Generali; their assessment is based on specific KPIs and on the evaluation of the overall evidences of results.

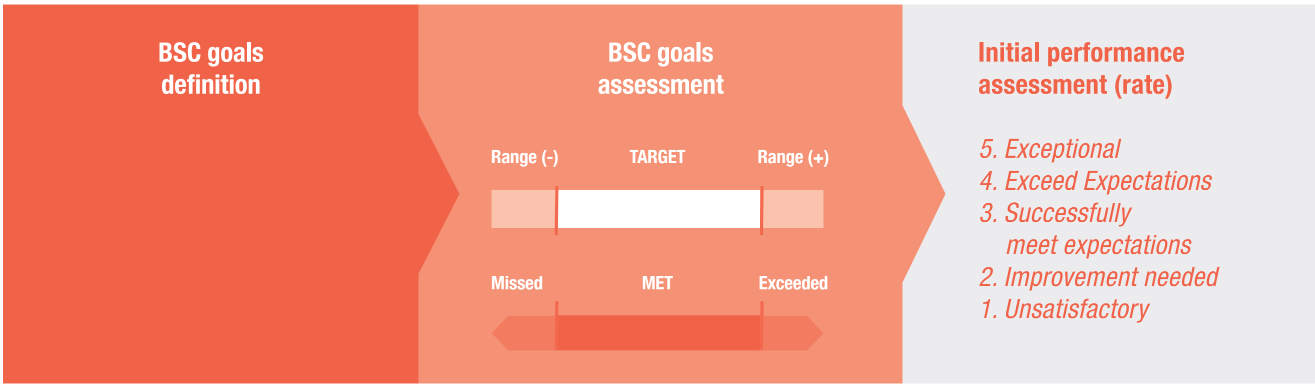
20 Dividends and equivalent permanent or medium-long term transactions (capital reductions, debt repayments, loans to the parent company not to cover life reserves) measured in cash and approved by the Group Head Office and / or by the relevant corporate bodies in agreement with the Group's internal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

03. Calibration

The expected target and the range within which the target is considered achieved are defined for each financial goal included in the individual balanced scorecard (BSC). If the level of achievement of the goal is below or above this range, the goal is considered as not achieved or exceeded, respectively.

For each non-financial goal included in the individual balanced scorecard (BSC), the level of achievement is calculated on the basis of the assessment of predefined KPIs and targets that support the final assessment based on the overall evidences of the results achieved compared to the expectations and ambitions of the strategic plan.

Once all the financial and non-financial goals have been assessed, an overall evaluation of the individual performance is defined mathematically based on a predefined methodology for converting the assessment of the goals included in the BSC into an overall initial performance assessment (rate) on a scale from 1 to 5 (from "Unsatisfactory" to "Exceptional").



This initial performance rate (defined on a scale of 1-5 where 5 represents the maximum value and 3 the target value) is then "calibrated" to define the final individual performance rate.

The "calibration" process is defined within the overall available Funding Pool cap and considers the factors below:

- **evaluation of the results** in comparison to the other participants in the STI Plan with similar roles (so-called "peers");
- **context and market conditions**;
- **"stretch" level** of the individual Balanced Scorecard;
- **individual evaluation of behavioural integrity** (in line with the provisions of the Code of Conduct), **compliance with the regulatory provisions** applicable to the scope of the activities managed by the individual, especially those regarding the protection of policyholders, the processing of personal data and anti-money laundering and countering the financing of terrorism, completion of mandatory training and the resolution of remediation actions defined within the audit activity.

In the event that the individual scorecard includes targets defined in terms of budget/cost reduction, any costs sustained in preparing actions to mitigate compliance risks (including the risk of money laundering and financing of terrorism) are neutralised in the assessment of the level or achievement of the goal. More specifically, if the employing company, subject to a positive assessment by the competent Group functions, is faced with expenses not included in the agreed budget, traceable to the preparation of measures to meet Group compliance requirements, then these expenses are treated as "extra budget" for the purposes of assessing the level of achievement of the goal.

04. Payout and individual cash allocation

The assessment of results achieved and the subsequent determination of the incentives are the responsibility of:

- the Board of Directors upon proposal of the Managing Director/Group CEO, subject to the opinion of the Appointments and Remuneration Committee, for the members of the Group Management Committee (GMC);
- the Managing Director/Group CEO for the remaining relevant personnel and the other members of the Global Leadership Group (GLG), considering the system guidelines and the related process as previously described.

Considering the overall Funding Pool and the distribution of the performance, the individual STI (Short Term Incentive) payout is defined for each performance "rate" as a percentage of the individual baseline, i.e. the amounts of variable remuneration to be paid to individual managers, beneficiaries of the STI Plan.

The amount of the incentive may reach a maximum of 200% of the individual baseline (this **cap** is on average equal to a maximum of **170% compared to the fixed remuneration** for the Managers with Strategic Responsibilities). This maximum may only be paid with high selectivity in limited cases of extremely significant performance well above targets and expectations.

The **target** amount of the incentive is determined at 100% of the individual baseline, which is therefore equal to an average of **85% compared to the fixed remuneration** for the Managers with Strategic Responsibilities.

The actual cash incentive is determined in relation to the capacity of the actual Funding Pool available and the individual performance distribution level.

The Plan also provides for malus and clawback clauses in line with the Group Policy.

The Plan provides for a Market Adverse Change clause, where, in the event of unforeseeable exceptional circumstances, such as significant changes in the macroeconomic and financial context, the Board of Directors can reassess the fairness and consistency of the incentive systems, implementing the required corrective measures (and this also especially in terms of the reference goals, the related metrics and methods of evaluation) to keep unchanged - within the limits allowed by the applicable legislation and notwithstanding compliance with the limits and general principles of this Policy - the substantial and essential economic features of the systems, preserving their main incentive purposes.

6.3.3 DEFERRED COMPONENT IN SHARES OF THE VARIABLE REMUNERATION - LONG TERM INCENTIVE (LTI) OF MANAGERS WITH STRATEGIC RESPONSIBILITIES AND OTHER RELEVANT PERSONNEL

As in previous years, a Group Long-Term Incentive Plan based on Assicurazioni Generali shares - (LTI) 2021 - 2023 - is submitted to the Annual Shareholders' Meeting for approval.
The Plan provides for the allocation of shares at the end of a three-year performance period, subject to the verification of the achievement of a minimum level of Regulatory Solvency Ratio and connected to the achievement of Group performance conditions, as described below and in the relevant information document.

Beneficiaries

The perimeter of the beneficiaries of the Long Term Incentive (LTI) Plan includes the Managing Director/Group CEO, the Managers with Strategic Responsibilities, including the members of the Group Management Committee (GMC), the other relevant personnel, the other members of the Global Leadership Group (GLG), the Talents and other key roles selectively identified on the basis of the role held, the performance expressed, the growth potential and for attraction or retention[21] purposes.

In line with market practices and with a process which already began in 2014, in order to promote the engagement of managers and the empowerment of key talents for the execution of the Group strategy, the 2021-2023 Long Term Incentive Plan provides for the substantial **confirmation of the population of recipients** in line with previous year, up to a maximum of approximately **600 beneficiaries**, selectively identified on the basis of common criteria defined at Group level and validated through the Talent Review process.

In order to ensure maximum consistency, fairness and equality when identifying beneficiaries, the first requirement is the achievement of consistently high performance standards over time and the possession of high growth potential which, together with consolidated managerial skills, may enable the identified persons to achieve challenging career goals and reach leadership positions within our Group. Other criteria relevant in identifying such beneficiaries are, amongst others, the possession of solid technical skills, the respect and promotion of Group values and the aspiration to grow by filling strategic roles at an international level in a short time frame.

In accordance with specific regulatory provisions, the personnel belonging to the Key Functions is not included amongst the potential beneficiaries of the Plan.

Plan structure and mechanism

The structure of the LTI Plan is differentiated in terms of the overall duration and deferral periods for two different categories of beneficiaries according to regulatory provisions:

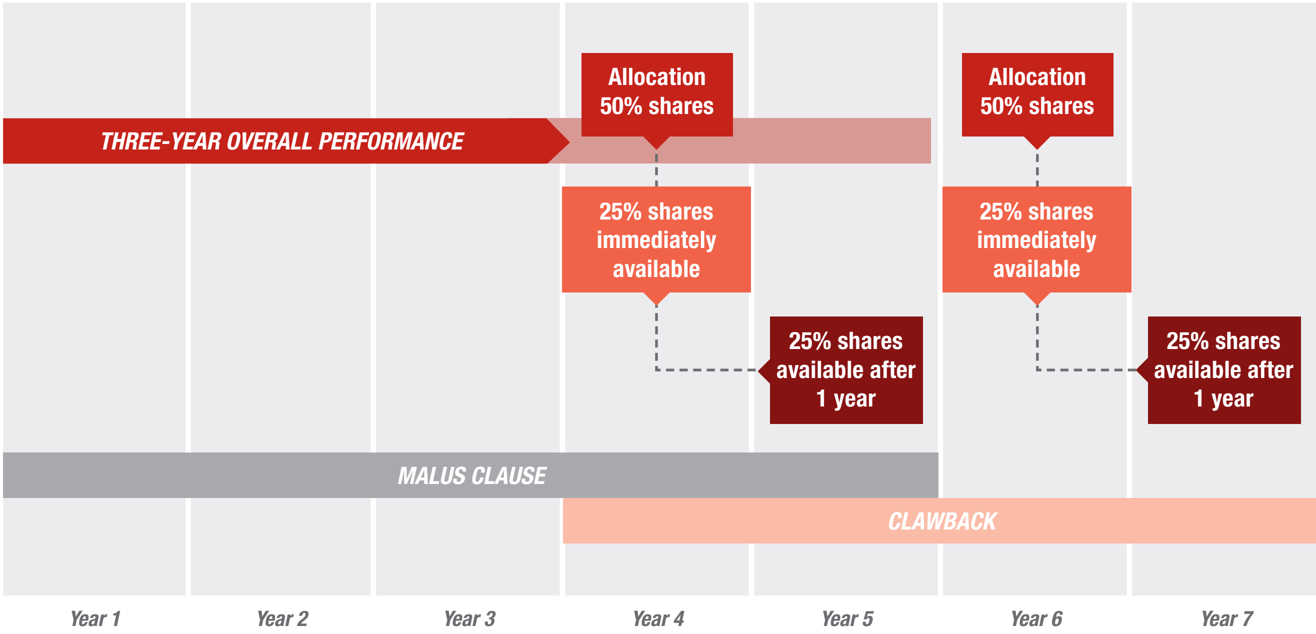
- **an allocation structure within an overall time period spread over 7 calendar years** is envisaged for the Managing Director/Group CEO and the members of the Group Management Committee (GMC);
- **an allocation structure within an overall time period spread over 6 calendar years** is envisaged for the other relevant personnel[22], the other members of the Global Leadership Group (GLG), the talents and other key roles in the Group.

21 The members of the Global Leadership Group (GLG), the talents and the other key Group roles belonging to Banca Generali shall be beneficiaries (subject to the approval of the competent corporate bodies of Banca Generali) of a three-year LTI Plan based on Banca Generali shares, with structural characteristics similar to those of the Group LTI Plan (except for the specificities linked to the necessary compliance with the applicable banking regulations). Detailed information on the Plan will be published by Banca Generali in the information document of the Plan (pursuant to Article 114 bis of the TUF) and in the related Report on Remuneration Policy and Payments.

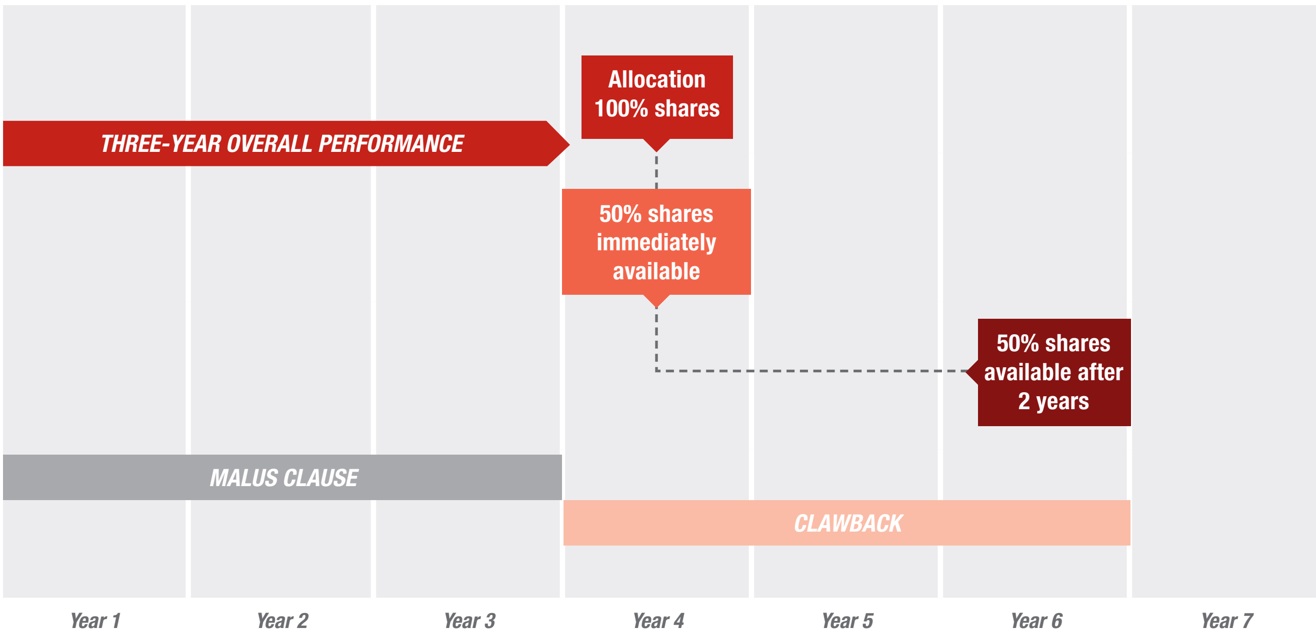
22 With the exception of relevant personnel whose variable remuneration represents at least 70% of the overall remuneration, for which the provisions of the previous point apply.

These different structures are represented in the following Tables:

(a) Group CEO and GMC: Staff with particularly high total remuneration variable components



(b) GLG & other LTI beneficiaries; other staff



In each year of the Plan and at the end of the three-year performance period, the Board of Directors makes an assessment of the level of **achievement of the access threshold** defined in terms of Regulatory Solvency Ratio equal to 130%[23] - limit set taking into account the "hard limit" level defined in the Group Risk Appetite Framework (RAF) - or the different percentage set from time to time by the Board of Directors.

This assessment represents a malus mechanism based on which the number of shares to be definitively allocated could be reduced or cancelled by the Board of Directors should the Regulatory Solvency Ratio be lower than the defined threshold.

The Board of Directors also has the power to implement any **reduction in the number of shares** definitively allocated if the Regulatory Solvency

23 This percentage will be applied to all outstanding incentives plans.

Ratio is lower than the "**soft limit**" level, equal to 150% - but still above 130%.

Once the actual achievement of the Regulatory Solvency Ratio threshold has been established, the assessment of the performance goals and performance indicators defined at Group level is then verified over the three-year period.

The structure and mechanisms of the LTI Plan are confirmed for the LTI 2021-2023 Plan in line with previous year, with a review of the indicators, the relative thresholds and the percentage weight in light of the reference context:

- confirming the Net Holding Cash Flow (NHCF)[24] cumulative for the period (weighing 50%);
- maintaining the relative Total Shareholder Return[25] (rTSR) for the period, with vesting and payment starting from a relative positioning equal to or greater than the median (weighing 50%);
- introducing ESG goals that reflect Generali's rating, presence and positioning in the main market sustainability indices: **Morgan Stanley Capital International ESG rating** (MSCI)[26] and **Standard & Poor's Global Corporate Sustainability Assessment Percentile** (S&P)[27] with a multiplier/reducer factor in a range of x0.8 to x1.2.

The performance parameters and the reference target levels have been defined in alignment and support of the Group strategy, especially considering:

- the confirmation of the **Net Holding Cash Flow as main driver of cash generation**, selected also considering the greater impacts on other financial balance sheet indicators deriving from the prospective introduction of the new international accounting standards (IFRS 9 and 17);
- the maintenance of the **relative Total Shareholder Return as a fundamental indicator of performance for shareholders**, increasing the threshold and target level for the allocation of shares starting from the **median** positioning with respect to the comparative insurance peer panel, in line with market expectations;
- the introduction of **ESG goals related to the positioning of Generali in the main reference sustainability indices** for the market, as a multiplier/reducer factor where only the improvement of Generali current positioning in the three-year reference period is rewarded (or, conversely, providing for a reduction in case of worsening conditions).

	50%	+	50%		ESG MULTIPLIER/REDUCER		
					Sustainability		
% LTI Vesting	Net Holding Cash Flow		rTSR		Factor	MSCI rating 2023	&P Three-year average result
0%	≤ 6.6 bln				0.8	2023 rating < A	< 75° perc.
Target Vesting	≥ 7.1 bln		≥ 50° perc.	X	1	2023 rating ≥ AA	≥ 90° perc.
Maximum Vesting	≥ 8.1 bln		≥ 90° perc.		1.2	2023 rating AAA	≥ 95° perc.

These indicators are identified and set at the start of the three-year cycle of the Plan and coherently maintained over time in line with the Group business priorities.

The maximum overall performance level is equal to 200% for the members of the Group Management Committee (GMC), 175% for the other relevant personnel and the other members of the Global Leadership Group (GLG); whilst it is equal to 87.5% for talents and other key roles[28].

The performance level is expressed in percentage in respect to the achievement level of the Net Holding Cash Flow and of the relative TSR determined with reference to 2 independent baskets.

The final results of the Net Holding Cash Flow and of the relative TSR are calculated using the linear interpolation methodology.

24 Net cash flows available at the parent company level over a given period, after holding expenses and interest costs. Its main components, considered from a cash point of view, are: remittances from subsidiaries; the result of centralised reinsurance; interest on financial debt, expenses and taxes paid or reimbursed at the parent company level.
25 Total return on investment to the shareholder calculated as a change in the market price of the shares, including distributions or dividends reinvested in shares against a selected list of peers.
26 Result of the ESG assessment provided by MSCI (Morgan Stanley Capital International) in the multi-line insurance & brokerage sector.
27 Positioning of the score provided by S&P (Standard & Poor's) Global Corporate Sustainability Assessment in the insurance sector.
28 The performance targets are respectively 150%, 100% and 50% for: (i) the members of the GMC; (ii) the remaining relevant personnel and other members of the Global Leadership Group (GLG) not included in the previous categories; (iii) talents and other key roles.

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

In continuity with the previous year, the relative TSR is compared with the following **peer group panel**[29] defined by the Board of Directors taking into account, in particular, the companies of the insurance sector included in the Eurostoxx index and other specific players of reference for Generali:

Panel 2021	
1	AEGON
2	AGEAS
3	ALLIANZ
4	ASR NEDERLAND
5	AVIVA
6	AXA
7	CATTOLICA
8	CNP ASSURANCES
9	INTESA SANPAOLO
10	MAPFRE
11	NN GROUP
12	POSTE ITALIANE
13	POWSZECHNY ZAKLAD UBEZPIECZEŃ (PZU)
14	SAMPO
15	UNIPOL
16	UNIQA
17	VIENNA INSURANCE GROUP
18	ZURICH

In conclusion, the multiplier/reducer factor used for the ESG goals will consider the following elements:

- **the MSCI ESG** indicator will be assessed taking into account **the result of the assessment provided in 2023 by Morgan Stanley Capital International;**
- **the S&P** indicator will be assessed based on the **three-year average positioning of the score provided by Standard & Poor's Global Corporate Sustainability Assessment in the insurance sector.**

The multiplier/reducer factor, calculated using the linear interpolation methodology, cannot in any case exceed the maximum cap of the incentive as previously defined.

The decision of opting for the inclusion of **external ESG indices** in the 2021-2023 LTI Plan is a specific solution aimed at introducing immediately further sustainability indicators on top of the internal ones already considered in the short-term annual incentive system.

From 2022, in the following cycles of future LTI Plans, ESG operational indicators will be considered, leveraging on the **new internal sustainability goals** that will be defined in line with the next three-year strategic plan 2022-2024.

This confirms the strong cultural imprint that the Group intends to impress on its policies, underlining the **strategic role of sustainability in every business decision**.

Allocation of Shares

The maximum number of shares that may be allocated is determined at the start of the Plan. The maximum potential bonus to be paid in shares corresponds to 200% of the fixed remuneration for the Managing Director/ Group CEO and the members of the Group Management Committee (GMC), 175% of the fixed remuneration for the other Managers with Strategic Responsibilities, for the other relevant personnel and the other members of the Global Leadership Group (GLG) and 87.5% of the fixed remuneration for the other talent beneficiaries and other key roles[30].

The maximum number of shares that can be granted is determined at the beginning of the plan based on the ratio between the maximum amount and the value of the share, the latter calculated as the average of the actual share price in the three months preceding the meeting of the Board of Directors called to resolve the draft financial statements of the Parent Company and the consolidated financial statements relating to the year

29 Without prejudice to the possibility for the Board of Directors to reconsider the inclusion of peers subject to take-over or extraordinary corporate operations.
30 Without prejudice to the possibility for the Board of Directors to determine, upon the outcome of the governance processes envisaged on remuneration, different incentive measures in favour of individual beneficiaries or of categories of beneficiaries also in compliance with local/business legislation in force.

preceding that of the Plan launch.

Unless otherwise expressly provided for in the Plan regulations (and illustrated in the related information document) and unless otherwise determined by the Board of Directors or person delegated by it, the shares will be granted at the conclusion of the three-year performance period, when the final assessment of the actual achievement of the goals defined based on an overall three-year basis is carried out - provided that the relationship with the company or with another company of the Group is still in place at the end of the three-year reference period[31].

With reference to the structure and timing of the share allocation, these are differentiated by:

- **Managing Director/Group CEO and the members of the Group Management Committee** (GMC):
  - at the conclusion of the three-year performance period, an allocation of 50% of the shares accrued on the basis of the goals achieved is granted; 25% (i.e. half of the first share instalment) is immediately available (to allow beneficiaries to bear the tax burden related to the allocation) whilst the remaining 25% (i.e. the remaining half of the first share instalment) is subject to an additional lock-up period of one year;
  - the remaining 50% of the accrued shares is subject to a further two year deferral period during which the portion accrued may be reset to zero should the Regulatory Solvency Ratio level envisaged by the Plan fail to be achieved, or the malus hypothesis envisaged by the Plan rules occurs. Once the level of achievement of the aforementioned threshold and the absence of the malus hypothesis are verified, and provided that the relationship with the company (or with another Group company)[32], is still in place at that date, the remaining 50% of the accrued shares is allocated; 25% of which (i.e. half of the second share instalment) is immediately available (to allow the beneficiaries to bear the tax burden related to the allocation) while 25% (i.e. the remaining half of the second share instalment) is subject to an additional lock-up period of one year;
- **the remaining relevant personnel**[33]**, Global Leadership Group (GLG), talents and other key roles**: at the conclusion of the three-year performance period, the allocation of 100% of the accrued shares is granted, of which 50% is immediately available (to allow the beneficiaries to bear the tax burden related to the allocation), while the remaining 50% is subject to an additional lock-up period of two years.

The above applies without prejudice to the obligation of the Directors that participate in the Plan to maintain an adequate number of allocated shares up until the conclusion of the term of office.

The lock-up or holding period to which the shares are subject, as indicated above, remain in place even after the termination of the relationship with the beneficiary, without prejudice to the right of the Board of Directors, or its specifically delegated member, to redefine the terms and conditions of all the lock-up restrictions indicated above, possibly also assessing the remuneration in favour of the beneficiary as a whole, or even with reference to shares granted under different incentive plans.

Furthermore, the Plan provides - in continuity with the previous Plans - a mechanism for recognising the dividends distributed during the three-year reference period[34] (so-called dividend equivalent). More specifically, if the Annual Shareholder's Meeting distributes dividends in favour of shareholders during the three-year period of reference[34], at the end of this period the beneficiaries will be paid a number of additional shares determined based on the total amount of the dividends distributed during the three-year reference period. The additional shares will be granted at the same time and, in relation to the other shares allocated to each beneficiary, these will also be subject to holding periods as described above and will be determined considering the value of the shares at the moment of allocation, calculated as the average of the three months preceding the meeting of the Board of Directors called to resolve the draft financial statements of the Parent company and the consolidated financial statements relating to the year preceding that of the plan launch.

For the purpose of implementing the Plan, the shares to be granted free-of-charge to the Plan beneficiaries, under the above indicated conditions, will be wholly or partly redeemed from a free share capital increase through the use of profits and/or profit reserves pursuant to art. 2349 (1) of the Civil Code and/or from treasury shares possibly purchased by the company when executing the relevant Annual Shareholder's Meeting authorisation pursuant to articles 2357 and 2357-ter of the Civil Code. The maximum number of attributable shares is 12,100,000 equal to 0.77% of the actual paid-up share capital.

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

The Plan also provides for malus and clawback clauses in line with the Group Policy.

31 As already reported in last year's Remuneration Report, and as also outlined above in the chapter dedicated to the Managing Director/Group CEO, as part of the contractual agreements with the Managing Director/Group CEO, it is envisaged that, in the event of termination of the office during the three-year mandate, he will retain the rights deriving from the plan only pro rata temporis and only in so-called "good leaver" cases (subject to the achievement of the goals and subject to the additional terms and conditions of the relevant regulations). Conversely, in so-called "bad leaver" cases, he will lose all the rights deriving from the outstanding Plans and related to the period of such mandate. "Bad leaver" includes cases of voluntary resignation from the office during the three-year mandate and revocation of the same for cause. "Good leaver" includes all the other cases of termination of the relationship.

32 Except in specific cases of termination of the relationship such as death, permanent disability, retirement, termination at the initiative of the company for objective/organizational reasons, consensual termination and / or other contractually predetermined hypotheses.

33 With the exception of relevant personnel whose variable remuneration represents at least 70% of the overall remuneration, where the provisions of the previous point apply.

34 And during the further deferral period for the Managing Director/Group CEO, the members of the Group Management Committee (GMC) and the relevant personnel whose variable remuneration represents at least 70% of the total.

In the event of major market discontinuity (e.g. if there are material changes in the macroeconomic conditions or a worsening in the financial scenario) the Board of Directors, as part of the governance processes concerning remuneration, may **reassess the overall fairness and consistency of the incentive systems** (so-called "Market Adverse Change" clause) implementing the necessary measures, and this also especially in terms of the reference goals, the related metrics and methods of evaluation, to keep unchanged - within the limits allowed by the applicable legislation and notwithstanding compliance with the limits and general principles of this Policy - the substantial and essential economic features of the systems, preserving their main incentive purposes. 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.

6.3.4 BENEFITS AND OTHER PROVISIONS

The remuneration of the Managers with Strategic Responsibilities and other relevant personnel includes benefits to integrate the recurrent component of the remuneration as per the Group Policy described above.

In particular, the benefit package for Managers with Strategic Responsibilities and other relevant personnel, as for the other recipients of the policy within Assicurazioni Generali, provides for the supplementary pension and health care benefits, governed by the individual contracts, applicable collective bargaining agreements and Company-level agreements. This 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 and total permanent disability caused by injury or disease, whether professional or extra-professional.

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

In addition, upon proposal of the Appointments and Remuneration Committee, the Board of Directors introduced Group Share Ownership Guidelines whereby the Managers with Strategic Responsibilities who are members of the Group Management Committee (GMC)[35] are required to hold for the entire term of office a minimum number of Generali shares of equivalent value to 150% of the annual fixed remuneration.

As regards the provisions relating to payments in the event of termination, please refer to the specific section of this Report.

6.4 Group internal remuneration guidelines in compliance with the national and international regulatory requirements

In all of the Countries in which the Group operates, the implementation of the Group Remuneration Policy takes place in full compliance with the applicable laws and legislation of the specific Country or the relevant business sector.

In particular, as parent company, the company has prepared a Group Remuneration Internal Policy (GRIP), in compliance with the international and national provisions to ensure the coherent application of the Remuneration Policy and the annual and deferred incentive systems at a Group level as provided for under Regulation IVASS n° 38/2018, as well as the compliance of the remuneration of Group companies with the principles set out in the aforementioned regulation and the absence of conflict with the legal framework and sector regulations applicable to such companies.

The dissemination of the GRIP to Group companies takes into account - amongst other things - the relevance of the GRIP in terms of the business carried out, risk profile and contribution to Group risk in accordance with that provided by the regulations. The aim of the GRIP is to guarantee that the remuneration policies are suitably calibrated taking into account the characteristics of the Group companies - including those with registered offices abroad - in accordance with the limits set out by local regulations and in compliance with the regulatory requirements.
Within the GRIP itself, the Group, through an organised and formalised structure that takes into account, amongst other things, the impact of the positions on the risk and strategic profiles of the Group, identifies the recipients of the policy (so-called "Group relevant personnel")[36].

The principles of the Group Remuneration Policy adopted by the Shareholder's Meeting are illustrated through the GRIP, with explanations as to how these must be transposed and applied in practice.

It also regulates the cases and the governance procedures through which the Group companies can request, and if conditions are met, obtain authorisation from the parent company to adapt and otherwise decline these principles, where this is strictly necessary, to ensure compliance with the law, the regulations, the local collective labour agreements and the relevant organisational structure and/or the business operating models.

These mechanisms ensure that the definition of the packages and remuneration systems - while taking place in full coherence with the principles of the Group Remuneration Policy - also take all of the regulatory provisions and the business sectors relevant for the role holder into consideration. The

35 Excluding personnel belonging to Key Functions.
36 The following are included in the perimeter of the relevant personnel of the Group: the members of the Group Management Committee (GMC), the so-called Other Group Relevant Roles - identified on the basis of the impact on the strategic profile of the Group, the so-called Risk Relevant Roles - identified on the basis of the significant impact on the Group's risk profile, and the Relevant Key Functions. The Group also pays particular attention to the governance processes of other positions, even if not directly identified as significant personnel because they are not responsible for significant risks at Group level. Therefore also all members of the Global Leadership Group (GLG) fall within the broader so-called target population of the Group Remuneration Internal Policy.

definition of the remuneration packages of the latter is not only in coherence with the requirements of the local regulations - developed in compliance with the applicable laws - but also with the regulatory framework applicable to specific business sectors such as, for example, banking and finance (e.g. CRD IV, AIFMD, UCITS), that could, amongst other things, provide specific payment mechanisms in terms of deferral and use of financial instruments.

Similarly, the process for the global definition applied to the Incentive Plans starts with a detailed **analysis of the potential implications from a legislative point of view** (labour, regulatory and tax). Therefore, for example, the Plans that provide a "cash" payment are suitable where it is necessary for compliance with any deferment obligations, for tax implications and the provisions of the national and individual contracts. Similarly, specific appendices are drafted for the Share Incentive Plans for which the approval of the Shareholders' Meeting is required in which articles potentially in conflict with the local or sector regulations are introduced/modified/amended. The appendices are drafted based on the powers delegated by the Shareholders' Meeting to the Board of Directors and/or Managing Director/Group CEO. For managers of individual Countries or interested business sectors it could, therefore, be necessary to introduce modifications to the principles and mechanisms described in this Report (with regard, by way of example only, to access thresholds, type of performance target, lock-up period and minimum holding, deferment, ex-post correction mechanisms).

The definition and approval process by the individual Group companies of a Remuneration Policy that complies with the main contents of the Group policy referred to in this Section I follows the provisions, including those of company law, applicable locally, with consequent involvement, as appropriate, of the assembly and/or the administrative organs of the individual companies.

Remuneration Policy for insurance intermediaries and outsourced service providers

The Remuneration Policy for insurance intermediaries is defined by the companies on behalf of whom they are active and is based on the principles of the Remuneration Policy, adopting an approach aimed at achieving, for these roles as well, remuneration and incentives coherent with:

- the principles of business soundness and sound and prudent management;
- integration of the sustainability risks in investment or insurance consulting;
- the overall strategy through goals and incentives systems that aim at remunerating the contribution to the achievement of Group targets;
- the long-term profitability and balance of the company concerned.

Furthermore, conduct contrary to the obligation to behave fairly towards policyholders is discouraged. The remuneration mechanisms for distribution personnel must be defined in such a manner as not to discourage the application of the anti-money laundering regulatory obligations, in particular in cases where these result in the obligation to refuse customers also as a result of information sharing mechanisms within the Group.

Compliance with the principles contained in articles 40 and 57 of IVASS Regulation 38/2018 in cases of outsourcing of essential or important activity is guaranteed by the Outsourcing Group Policy.
In both cases, it is mandatory to avoid remuneration polices based only or mainly on short-term results, which would encourage an excessive risk exposure.

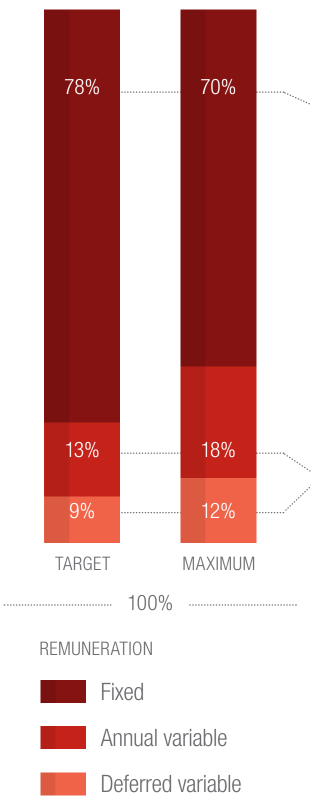
CHAPTER 7

REMUNERATION OF THE RELEVANT PERSONNEL BELONGING TO THE KEY FUNCTIONS

7.1 Remuneration package

The remuneration of Heads and First Reporting Managers belonging to the Key Functions[37] is structured in line with market practices and regulatory requirements.
Remuneration consists of fixed remuneration, a variable remuneration linked to participation in a specific deferred cash Incentive Plan, as well as additional benefits in line with the Group Policy.

PAY MIX



ELEMENTS	CRITERIA AND PARAMETERS
Fixed remuneration	Appropriate to the level of responsibility and commitment associated with the role and suitable to guarantee the level of autonomy required
Annual cash incentive plan with deferred payment	**Non-financial goals** Individual goals of a non-financial nature associated with the activity of the role supervised and independent from business results **Payment method** Deferred cash payment over 3 years subject to assessment of continuity and sustainability of the performance on a multi-year basis
Benefit	Supplementary pension and other benefits in line with the Group Policy

37 Currently identified in the Audit, Risk Management, Compliance and Actuarial function. The Anti Money Laundering functions is assimilated to the Key Functions for the application of the remuneration and incentive rules.

7.2 Remuneration towards the market and the regulatory context

For the relevant personnel belonging to the Key Functions, the Generali Group Remuneration Policy also includes a continuous monitoring of the regulatory context, of remuneration practices of peers and the general market trends in terms of pay-mix, levels and remuneration systems so as to ensure the competitiveness of the remuneration offer and guarantee the ability of the Group to attract, retain and motivate key people.

More specifically, starting already in 2014, significant changes were made to the remuneration scheme for relevant personnel belonging to the Key Functions by revising the balance between fixed and variable remuneration to the advantage of the former and eliminating any form of incentive based on economic and financial goals (including the so-called Funding Pool mechanism) and/or financial instruments.

The variable remuneration is coherent with the specific activity of each of the Key Functions and independent of results achieved by operating units subject to their control and is linked to goals connected to the effectiveness and quality of the control action[38], provided that this is not a source of conflict of interest, as provided for under article 55 of Regulation IVASS n. 38/2018.

The weight of variable remuneration on total remuneration is very limited compared to business roles and compared to the practices observed on the market for the main international peers.

The payment of cash variable remuneration, albeit to a limited extent, represents an important instrument both in terms of attractiveness and retention of key people and in terms of guidance, control and monitoring by the Risk and Control Committee and the Board of Directors through the assignment of goals and the verification of results, continuity and progress.

7.3 Components of the remuneration

7.3.1 FIXED REMUNERATION

Fixed remuneration[39] represents the prevalent part of the remuneration package and is suitable to the level of responsibility and commitment connected to the role and appropriate to guarantee the level of independence required.

Fixed remuneration is determined and adjusted over time taking into consideration the role performed and the responsibilities assigned, the experience and skill of each manager and set with reference also to the levels and practices of market peers in terms of attractiveness, competitiveness and retention.

7.3.2 VARIABLE CASH REMUNERATION WITH DEFERRED PAYMENT

The variable remuneration is linked to participation in a specific deferred cash incentive plan linked to multi-year goals related exclusively to the effectiveness and quality of the control action.

A single Variable Remuneration Plan has been introduced in place of the two plans provided for the Generali managers (annual cash and deferred in shares). Under this Plan managers can accrue a cash incentive, once the goals are met, paid in upfront and deferred instalments, the latter of which is subject to the length of service and verification of the effective and lasting nature of the results of control activities achieved in the first year of each performance cycle.

In continuity with 2020, the incentive system of Key Functions is differentiated by beneficiary clusters:

- for Heads and First Reporting Managers of the Key Functions belonging to the Group Management Committee (GMC) and the Global Leadership Group (GLG), the variable component is paid out over a total period of 3 years, with a payout system structured as follows: 60% paid at the end of the first year (after the assessment of the performance achieved); 30% paid one year after the first payment (after the assessment of the effective and lasting nature of the performance achieved); 10% paid one year after the second payment (after assessment of the effective and lasting nature of the performance achieved);
- in line with last year, for Heads and First Reporting Managers belonging to the Key Functions not falling into the categories above, the variable component is paid out over a total period of 2 years with a payout system structured as follows: 60% paid at the end of the first year (after the assessment of the performance achieved); 40% paid one year after the first payment (after the assessment of the effective and lasting nature of the performance achieved).

The portion of the variable remuneration of the Heads of the Key Functions is determined by the Board of Directors upon the proposal of the Risk and Control Committee.

38 More specifically, Sustainability and People Value goals are also included in the individual scorecard of the managers of Key Functions.
39 It includes any fixed allowance for the role.

COMPONENTS OF THE TOTAL TARGET REMUNERATION FOR GMC AND GLG BELONGING TO KEY FUNCTIONS

FIXED	VARIABLE		
FIXED REMUNERATION	+ **ANNUAL** Payment year 1: **60%**	+ **DEFERRED** Deferred payment year 2: **30%**	+ **DEFERRED** Deferred payment year 3: **10%**

The Board of Directors carries out the assessment of the level of achievement of the aforementioned goals assigned to the Heads of the Key Functions (and subsequently on the effective and lasting nature of such performance), upon the opinion of the Risk and Control Committee for and after consulting the Board of Statutory Auditors for the areas of competence[40]. Only if the Board of Directors considers the results achieved and the quality of the controls to be satisfactory can the Heads of Key Functions actually access the incentive program.

The application of suspensive conditions and malus and clawback mechanisms in line with the Group Policy is also provided.

7.3.3 BENEFITS AND OTHER PROVISIONS

The remuneration of the relevant personnel of the Key Functions includes benefits to integrate the recurring remuneration component as for the Group Policy described above.

In particular, the benefit package for the Managing Director/Group CEO, as for the other recipients of the policy within Assicurazioni Generali, provides for the supplementary pension and health care benefits, governed by the individual contracts, applicable collective bargaining agreements and Company-level regulation. This 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 and total permanent disability caused by injury or disease, whether professional or extra-professional.

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

As regards the provisions relating to payments in the event of termination, please refer to the specific reference section.

Finally, the persons in question may not receive emoluments and attendance fees for other positions held at the indication of the Parent Company in subsidiaries and investee companies, bodies, associations, unless a specific waiver is granted by the Board of Directors, suitably justified and formalised.

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

CHAPTER 8
THE LINK BETWEEN PERFORMANCE AND SUSTAINABLE BUSINESS

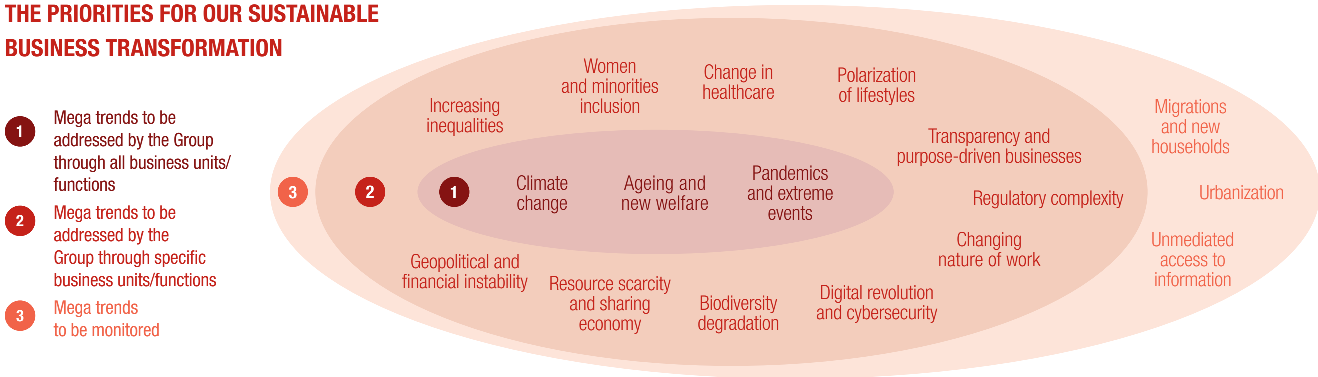
REMUNERATION AND SUSTAINABILITY

Sustainability, meant as the ability of businesses to create long-term economic value while preserving the environment and acting for the common good, is a distinctive competitive factor for the Group, which places all its stakeholders at the centre: not only Shareholders and customers, but also employees, suppliers, local communities and society as a whole.

Indeed, sustainability is one of the Enablers of the Generali 2021 Strategy, the result of a path built on solid foundations such as governance, policies, guidelines and a serious and reliable integrated financial reporting.

The integration of sustainability into management remuneration is a key step to ensuring an even stronger link between individual performance and business sustainability. In line with the Group's ambitions and in continuity with 2020, a specific performance indicator has been inserted into the Balanced Scorecard (BSC) of the management through a basket of strategic goals on Sustainability which reflect the priorities of the Generali 2021 Strategy and are the direct manifestation of the Group's ESG criteria. The latter are consistent with the "Materiality Analysis" inserted into the non-financial section of the Group's Integrated Report and the United Nations Sustainable Development Goals.

THE PRIORITIES FOR OUR SUSTAINABLE BUSINESS TRANSFORMATION



The ESG criteria included in the incentive system represent an element of market competitiveness and for attracting talent and seek to go beyond economic and financial returns, encouraging the achievement of long-term sustainable results. That's why sustainability at Generali is synonym of a wide-ranging activity, which aims to be an integral part of the way of conducting business, in order to have a positive impact on the environment, the community, social inclusion and workforce, through activities aimed at improving working conditions, fairness and equal pay.

A corporate governance system, compliant with international best practices, carefully monitors all activities and ensures compliance with sustainability parameters and their tangible integration into daily decisions in every aspect of the business, in line with the goal of promoting sustainable development of the business and of generating long-lasting value for the real economy.

Through the Remuneration Policy, Generali is supporting diversity and inclusion, carrying out initiatives aimed at reducing the gender pay gap, promoting permanent training and improving the skills of its population through upskilling and reskilling activities and large-scale projects for the recognition of our people, such as the Share Plan for Generali Group Employees.

Compared to 2020, the 2021 performance year provides a further increase of the weight of ESG indicators in the incentive system:

- confirming the inclusion of specific sustainability indicators linked to the strategy in the **annual variable component (STI)**;
- adding an **indicator which reflects the positioning of Generali in the main ESG sustainability ratings**, acting as multiplier/reducer factor in the **deferred variable component in shares** (LTI).

The provision of specific performance indicators linked to ESG factors and the assessment of the level of achievement of these goals, also based on what is foreseen in internal regulations for the management of responsible investments, ensure the Remuneration Policy is consistent with the integration of sustainability risks in investment decisions both for individual performance and for alignment and protection of the interests of investors and stakeholders.

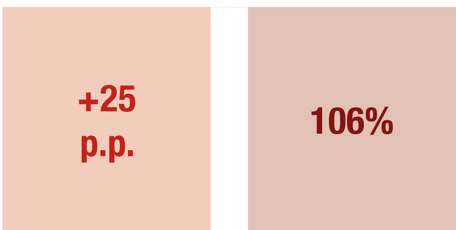
And it is, among other things, the inclusion in all incentive systems of sustainability indicators (in particular in the various forms tied to wellbeing, inclusion, value diversity, re-skilling and overall growth of employees), which represents one of the main elements through which Generali's remuneration policies have a positive effect on remuneration and working conditions of all Group employees.

8.1 Diversity & Inclusion

The Group accelerated the promotion of an inclusive organisational culture and environment, which values diversity. Inclusion is a key element to create value for employees and customers, especially when the socio-economic context becomes complex. Our strategy of Diversity & Inclusion (D&I) is based on four priorities of gender, generations, culture and inclusion and on structured action plans, orchestrated globally and locally.

In 2019, we introduced the D&I Index to measure the Group's progress with respect to the ambitions for 2021 determined internally based on the four priorities.

D&I INDEX 2020



The increase of the D&I Index to 106% is due to the very positive results of some key projects of the Group focused on the increase in the percentage of female managers, of young talents and the involvement of employees in upskilling and reskilling programs. There has also been growth in the number of the organisation's entities that have introduced the smart working policy and action plans on disability.

8.1.1 GENDER PRIORITY

As highlighted in more detail in the section dedicated to Gender Balance & Pay Equity, Generali aims to rebalance the presence of females in leadership positions and succession plans. A dual program was therefore launched at Group level:

- LIONESS ACCELERATION PROGRAM, an 18-month training course for female senior managers, supported by mentoring and coaching and a panel of international experts on leadership issues;
- ELEVATE, a 12-week program for female managers with six webinars and two live sessions to support the career growth of managerial figures in the Group.

These two programs are joined by **over 60 locally initiated actions, such as Women Mentoring and STEM Women Recruitment Programs**.

The results of local and Group actions are having a **positive impact on the representativeness of females in senior and managerial positions**. In leadership positions, the percentage of females is 15% (13% in 2019), senior managers in strategic Group positions are 25% (23% in 2019), female managers have grown to 35% (32% in 2019), while at the bottom of the pyramid the data confirm substantial gender balance (51%).

8.1.2 GENERATION PRIORITY

The aim of this priority is to ensure a balance between the different generations working at the Company and to pay attention to young talents. To this end, 2020 saw the launch of FUTURE OWNERS, a spontaneous application program aimed at nurturing **young talents in the various companies of the Group** and accelerate their **career path** through dedicated development initiatives.

8.1.3 CULTURE PRIORITY

In this context, the aim is to support the Group's transformation project by attracting and retaining people with different backgrounds, innovative skills and a global mindset. To this end, **upskilling and reskilling** programs have started which enable all employees to acquire skills to personally contribute to the current digital transformation in the business.

8.1.4 INCLUSION PRIORITY

Inclusion at Generali means promoting mindsets and behaviours that value differences. To support this priority, the CONSCIOUS INCLUSION RAPID LEARNING SERIES was created, a program for growing awareness on **unconscious biases that affect decision-making processes**.
There are also many initiatives to further strengthen respect for people with disabilities and a different sexual orientation. The D&I Council, led by Business Leaders from around the world, have approved the Group's action plans in relation to Disability and LGBTQI+.

- The DIVERSEABILITY AWARENESS JOURNEY program launched at the end of 2020, with 60 international Group Champions aims to define local action plans to concretely promote the inclusion of people with disabilities, identifying and removing existing systemic and cultural barriers.
- Finally, WePROUD was created, the **first LGBTQI+ Employee Resource Group** supported by a communication campaign to raise awareness of the LGBTQI+ world and the value of inclusion.

8.2 Gender Balance & Pay Equity

For Generali, being sustainable means creating long-term value for all stakeholders, including our people: their talent, their diversity, and their ability to be inclusive allow Generali to be an even more innovative Group capable of becoming a Lifetime Partner for its customers.

The Group's undertaking for equal treatment and equal pay for females and males at all levels of the organisation consists of well-defined numerical ambitions to guarantee better representation of females in senior and managerial positions and an adequate and fair remuneration to employees.

The remuneration culture is based on meritocracy: the belief that equal jobs should also be matched by equal pay, giving people the same access to opportunities, regardless of their gender or what their personal characteristics are.

To reach this objective, in 2020 specific local analyses were carried out to review progress within the Company in order to continue to promote a culture based on equal treatment and equal pay. The analyses were carried out applying a common methodology throughout the Group to investigate remuneration issues related to:

- "Equal Pay Gap" - the pay gap between females and males for comparable roles, implying a comparison of females' remuneration with that of males' in comparable jobs. The analysis compared the remuneration of females and males in the same job family and at the same organisational level;
- "Gender Pay Gap" - the pay gap between females and males across the entire organisation, regardless of the nature of their role or organisational level.

The Group's methodology has been developed in collaboration with Mercer, an international consulting firm which, in its capacity as **independent third party**, supervised all project phases, providing support in setting up the methodology, collecting, aggregating, and presenting the results at Group level, ensuring further solidity to the process.

In this regard, Mercer's assessment outlined that:

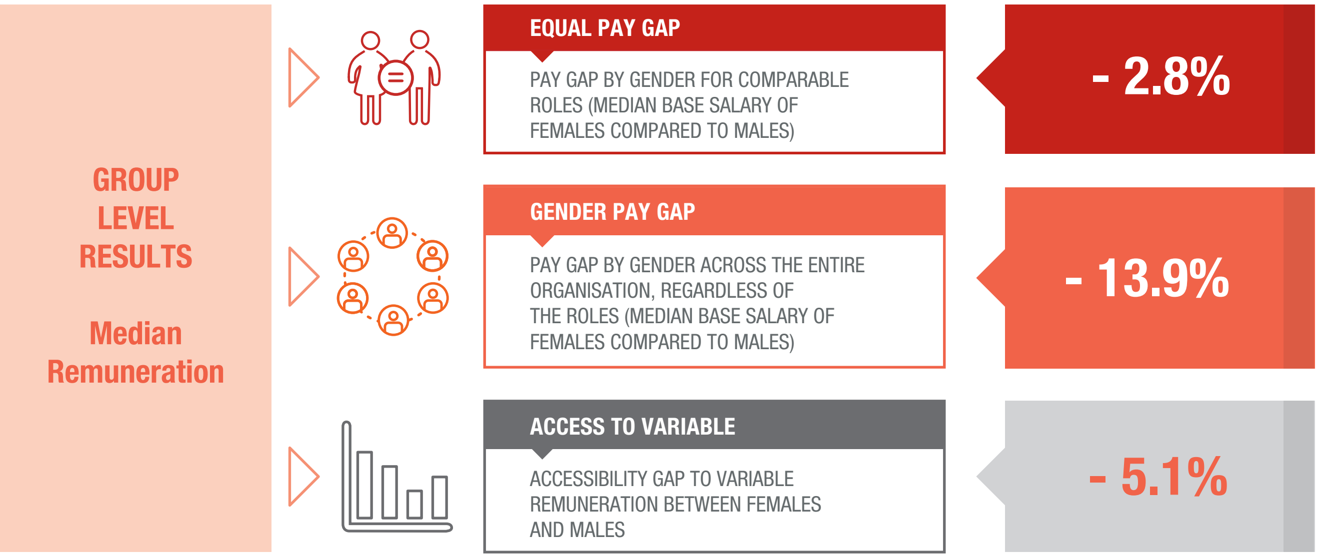
> This project represents the **beginning of a long-term journey** toward an even more inclusive and fair workplace at both Group and local level. In line with other Diversity & Inclusion initiatives, a "Fairness Opinion" process was established, consisting of the **monitoring of key results, mitigation actions and improvement over the years**. According to the Mercer assessment methodology, eight key dimensions were analysed: organization and leadership commitment; data analysis methodology and metrics; job architecture; results; mitigation actions; link with other Group HR processes; ongoing monitoring and disclosure. Based on this assessment, we believe that Generali's work on Gender Balance and Pay Equity is **aligned with - and sometimes even more advanced than - current international best practices**.

***Mercer**, consulting firm*

8.2.1 GROUP LEVEL RESULTS

The aggregate results at Group level show that the median base salary of females is -2.8% compared to that of males' for the same role (Equal Pay Gap), while in terms of the pay gap between females and males, regardless of the role across the entire organisation, the difference is -13.9% (Gender Pay Gap).

In terms of overall remuneration, the accessibility gap to variable remuneration between females and males is equal to -5,1%.



All indicators[41] are monitored and calculated on a population in scope of about 80% of our people in the Group.

8.2.2 MAIN FINDINGS

The result of the Equal Pay Gap analysis at Group level represents the evidence at local level: over 80% of the employees analysed belong to Countries and Business Units with an Equal Pay Gap that falls within the "range" of ± 5% (reference range in line with international standards on gender equality).

In terms of the Gender Pay Gap between females and males across the entire organisation, the main factor which influences the results is the role, i.e. the different representation of females and males, as evidenced by the:

- prevalence of females **in administrative positions** and majority of males at higher organisation levels;
- prevalence of females in the **least remunerative professional groups.**

These factors affect the outcome of the access and pay gap on variable remuneration between females and males.
These results mainly reflect the current organisational structure and highlight the need to strengthen the representativeness of females in senior and managerial positions, in total alignment with the strategy and ambitions of Group Diversity & Inclusion.

8.2.3 HOW GENERALI IS ADDRESSING THE GAPS FOUND

Within the Generali People Strategy, the Group defined in 2019 a clear "Diversity & Inclusion" strategy that develops through a Group-wide action plan, in addition to 200 actions at local level. The commitment related to Gender is one of the strategy's four priorities along with Generations, Culture and Inclusion.

Within this context, based on the results of the analyses, all Countries and Business Units will continue to develop specific local mitigation actions, aiming to progressively reduce over **the next 4-5 years** the gaps found.

The mitigation actions include initiatives aiming to positively impact gender balance and pay equity, both locally and tied to the Group's strategy on Diversity & Inclusion.

Some examples of such actions are:

- re-examination of the recruitment, performance management and talent development processes, in order to eliminate potential biases in the current processes;
- programs of female career acceleration;
- programs of mentoring and sponsorship;
- awareness-raising on diversity and unconscious bias;
- re-examination or introduction of Diversity & Inclusion policies (e.g. parenting and care-giving policies, etc.).

41 Furthermore, in addition to the median base salary, additional components of remuneration are monitored (also with reference to the average values), both for the same role (Equal Pay Gap), and across the entire organisation regardless of the role (Gender Pay Gap). In particular, in terms of average base salary, the Equal Pay Gap is -2.9% and the Gender Pay Gap -19.2%. In terms of overall remuneration (base salary and annual variable remuneration) the Equal Pay Gap is -4.1% on the median (-5.0% on the average) and the Gender Pay Gap is -19.9% on the median (-25.4% on the average). Observing only the annual variable remuneration, the Equal Pay Gap is +0.7% on the median (-3.0% on the average) and the Gender Pay Gap is -34.3% on the median (-45% on the average).

With the aim of supporting Countries and Business Units in this process, a **recurring annual monitoring process** has been introduced to assess the results across the organisation and the effectiveness of mitigation actions.

8.3 Share Plan for the Generali Group Employees

We SHARE, the first Share Plan for the Generali Group employees, approved by the Shareholders' Meeting of 7 May, 2019, represents a key initiative in support of Generali's 2021 Strategic Plan.

The Plan promotes the direct involvement of employees in the Group's strategic goals, a culture of "**Ownership**", and the **active participation in sustainable value creation**.

We SHARE provides the opportunity to purchase Assicurazioni Generali shares at favourable conditions, assigning, in case of share price appreciation, **free shares** ("matching" and "dividend equivalent") defined in proportion to the number of shares purchased and the dividends distributed.

The Plan, now in its implementation phase, began in October 2019, **lasts 3 years**, and was offered to employees under an employment contract with Assicurazioni Generali or a Group Company, with the exclusion of the Group Management Committee (GMC) and the Global Leadership Group (GLG) members.

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

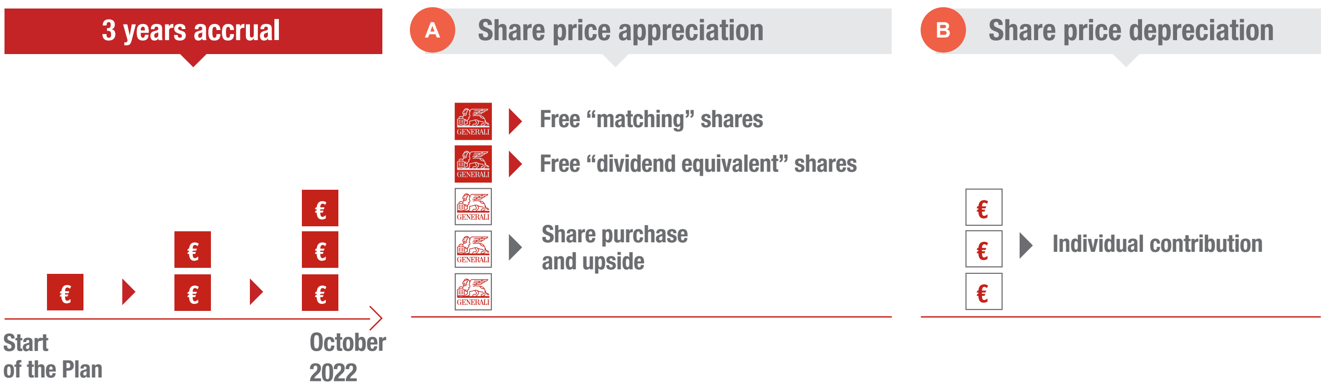
In connection with the Plan, **over € 420,000** were allocated to **The Human Safety Net** Foundation thanks to the donations of the employees together with that of Generali for each participant.

The main features of the Plan are summarised as follows:

- at the beginning of the Plan, employees who decided to participate could **define the amount** of their individual contribution, hence, the amount of contribution they wished to accrue to purchase Assicurazioni Generali shares at the end of the Plan;
- based on the amount of the individual contribution, participants receive for free the right ("options") to **purchase** Assicurazioni Generali shares **at the end of the Plan** at a price set at the beginning of the Plan ("initial price"). The number of options assigned to each participant is equal to the ratio between the individual contribution and the initial price;
- the amount of the individual contribution, in the range of minimum of € 540 and maximum of € 18,000 overall, will be accrued through monthly payroll deductions and will be locked-up 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** (defined "in the money", i.e. equal to or higher than the initial price), the Plan participants will:
  - **purchase the shares** at the initial price with the amount of the individual contribution;
  - receive **1 (one) free additional share** ("matching share") **every 3** (three) shares purchased;
  - receive **free "dividend equivalent" shares**, in a number equal to the ratio between the value of the dividends paid by Assicurazioni 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, defined as "out of the money"), the participants to the plan will be **reimbursed the individual contribution's entire amount accrued during the Plan** (capital protection).



In case of share price appreciation, each participant will be entitled to decide whether **to sell the shares** ("sell all" option), thereby receiving the countervalue in cash, or **to continue to hold them**, except for the shares anyway sold to pay taxes due ("sell to cover" option).

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 is implemented through the purchase of own shares in the market, therefore without dilution of capital.

The high employee participation rate and the contribution proposals exceeding the 6 million available shares confirm the success of the We SHARE Plan, which recognises the essential role of Generali employees who **believed and invested in the success of the Company**.

CHAPTER 9

PAYMENTS IN THE EVENT OF TERMINATION

The significantly more restrictive review of the provisions related to the payments in case of mutual termination of the relationship is one of the most significant evolutionary elements of the Group Remuneration Policy. This review is based on an even approach seeking to balance market expectations, prospective regulatory requirements and the essential legal requirements of each Country - especially strict and specific in the Italian framework - aimed at maximizing the corporate interests to reduce litigation and related risks.

The intervention resulted in (1) the definition of a new cap equal to 24 months of recurring remuneration including both the maximum severance payable and the consideration for non-competition covenants and (2) the introduction of a predefined formula for calculating the severance which combines predetermined and objective criteria, in addition to seniority.

The changes to the Policy determine a **reduction of up to -32% of the cap** on potential payments in the event of termination compared to the cap of the previous Policy. Such impact, due to the double introduction of the new maximum limit and the calculation of severance through a predefined formula depending on seniority, determines an average reduction of the cap equal to -16% (which can go up to -32%) of the overall potential payments for top management positions in the event of termination.

Regarding the payments in case of termination, different rules are provided for Directors in general, the Managing Director/Group CEO and the Executives belonging to the so-called "relevant personnel" respectively (also given the different nature and legal framework of such work relations).

9.1 Policy applicable to Directors

With reference to Directors (where they do not have a simultaneous subordinated employment relation with the Company), the following is applicable.

In terms of duration of any agreements and notice period, Directors operate under the relevant three-year corporate mandate, and generally do not have any contract or agreement with the Company, nor does any notice period apply to them, consistently with the nature of their work relationship.

In terms of the criteria to determine any remuneration for the termination of relationship:

- in case of non-renewal at the natural expiry date of the Director office, no amount will be paid;
- in case of early revocation of office before the natural expiry date without cause, an amount up to the maximum of the fixed remuneration due for the remainder of the term of office can be paid as indemnity in accordance with legal provisions and if the relevant conditions are met;
- on the other hand, no amount is paid in the event of resignation from office, or revocation of the office for cause, in the event that employment ends following a takeover bid as well as in case of forfeiture (for any cause, including loss of the requirements of professionalism, honour, and independence, or for situations of impediments or incompatibility) and, in any case, for any other event and/or cause beyond the Company's control;
- in the event of the early termination of the office on mutual consent before the relevant expiry date, the amount to be paid to the Director will be defined based on the circumstances and grounds for termination (with specific reference to **performance** achieved, risks undertaken, and the actual Company Operating Results, so that, in particular, no amount shall be paid in the event of gross negligence and wilful misconduct), in any case up to the maximum cap provided in the event of early termination of office without cause.

As for the components considered in the calculation of any remunerations paid pursuant to the above, these are calculated based on the remuneration provided for the Directors, which does not include any variable component.

There are no non-competition agreements with Directors, and the maintenance of benefits or consultancy agreements after the termination of the relative office is usually not provided.

9.2 Policy applicable to the Managing Director/Group CEO

In terms of the **duration** of the contract, the Managing Director/Group CEO operates in favour of the Company both under the corporate office as Director (lasting three years, except for any renewals from time to time approved by the Shareholders' Meeting) and an open-ended subordinate employment relationship as Executive ("dirigente"), governed by the

Collective Agreement for Executives of Insurance Companies, and which is therefore subject, in accordance with the law, to a **notice** period in case of termination, the length of which is set by the aforementioned collective agreement[42].

The individual contract with the Managing Director/Group CEO - as amended following his renewal as Director (in May 2019) provides for specific terms applying in case of termination of the relationship.

Specifically (and as already illustrated in the previous Reports of 2019 and 2020), the individual contract provides - in cases of dismissal without cause or resignation for cause, the latter including the cases of termination of the Director mandate (without cause), failure to renew the mandate and substantial reduction of powers (in the absence of cause) or attribution to other individuals of powers which are substantially equivalent or in any event apt at undermining his top management position - the payment, in addition to the mandatory notice period due in accordance with the law and the collective agreement[43], of a severance payment equal to **24 months of recurring remuneration** (which includes, as components of the calculation, the fixed remuneration and the average annual variable remuneration of the last three years, also including the remuneration received as Director), 40% of which is to be paid upon termination of the employment and the remaining 60% is paid in deferred instalments over a period of five years (subject to the application of the malus and clawback clauses provided for in the Remuneration Policy).

The current amount of the severance, being calculated based on the recurring remuneration - which, as illustrated, includes the average of the annual variable remuneration of the last three years - depends on the average performance achieved by the Managing Director Group/CEO in the period preceding the termination of employment. Moreover, as noted, severance is subject to the malus clauses provided for by the Remuneration Policy (so that the instalments not yet disbursed are subject to reduction or zeroing in the event of a significant deterioration in the Company's financial situation).

The contract also provides for a non-competition agreement lasting 6 months following termination, in exchange for a payment equal to the fixed remuneration provided for the corresponding reference period and liquidated damages in case of breach equal to double this amount.

With reference to the effects of the termination of the employment on Incentive Plans, as illustrated in the relevant chapters of this Report:

- as for the annual variable component (STI Plans), the relevant payment, unless otherwise determined by the Board of Directors, is subject to the fact that the employment has not terminated before the payment date;
- as for the deferred variable component (LTI Plans), based on the individual contract with the Managing Director/Group CEO, (i) in the event of termination of the office of Director as a good leaver[44] during the three-year mandate, the latter retains the rights acquired under the outstanding plans pro rata temporis while (ii) in case of termination of the office of Director as a bad leaver[45] during the three-year mandate, the latter loses all the rights connected to the outstanding Plans and related to the period of such mandate;
- likewise, as for the additional co-investment share plan linked to the Director mandate, the loss of all rights is provided in the event of voluntary resignation or revocation for cause before the end of the current Board's mandate (while in the other cases the rights accrued pro rata temporis are retained).

The current contract **does not** provide for the execution of consultancy contracts or the maintenance of benefits for a period following the termination of employment[46] (without prejudice to general provisions regarding also the remaining relevant staff).

9.3 Policy applicable to the other relevant personnel

With reference to the category of the remaining relevant personnel (which also includes the Managers with Strategic Responsibilities), there are normally no agreements that govern ex ante the termination of employment (except as specified below with reference to non-competition agreements).

Any payments made in case of termination of employment are therefore determined based on the general rules illustrated below.

In terms of duration of contracts, managers belonging to the so-called relevant personnel usually operate under an open-ended executive employment contract[47], governed by the mandatory legal provisions.

Specifically and by way of example, as concerns Managers hired by Assicurazioni Generali and for Managers of Insurance Companies in Italy, according to the relevant collective agreement (CCNL) provisions:

- any termination of employment at the Company's initiative must necessarily be communicated[48] in compliance with a notice[49] period, which, according to the aforementioned CCNL, is equal to 9 or 12 months, depending on the length of service in the Company;
- in case of a so-called "unjustifiable" termination by the Company, the manager is also entitled, based on the mentioned CCNL, to the so-called "supplementary" indemnity, the amount of which is set by the CCNL within a range between a minimum and maximum (based on age and length of service).

42 Based on the seniority of the Managing Director/Group CEO, the relevant notice period is currently 9 months.
43 Or to the payment of the indemnity in lieu thereof, calculated according to the law and collective agreement.
44 That is to say different cases than those of bad leavers pursuant to the following note.
45 This means cases of voluntary resignation from Office or its revocation without cause.
46 This is with the exception of some payments - such as health care - which by virtue of the provisions of the applicable collective bargaining continue to be applied for a certain period following the termination of employment.
47 Currently at Assicurazioni Generali there are no Managers with Strategic Responsibilities and a fixed-term contract.
48 Except for in the case of termination for "cause" pursuant to art. 2119 of the Italian Civil Code.
49 A different rule may be applied for members of the relevant staff employed by foreign affiliates, as provided for by local legislation (which in turn may prescribe a notice period or other similar instruments or provisions).

That said, in terms of the criteria to determine any remuneration for the termination of employment:

- in case of dismissal, the aforementioned mandatory provisions under the law and applicable contract shall necessarily apply - until any future amendments are made to the regulatory framework;
- in case of mutual termination, in addition to the mandatory notice period (or to the payment of the indemnity in lieu thereof), the interested party may be granted a defined amount based on the circumstances and reasons for the termination of employment (with special regard, among other things, to the performance achieved, the risks taken and the actual operating results of the Company, so that, in particular, no amount can be paid in the presence of wilful misconduct or grossly negligent conduct), within a maximum amount calculated based on the Predefined Formula illustrated below (the "severance"), without prejudice to the overall maximum cap of 24 months of recurring remuneration referred to below (which includes, as components of calculation, the fixed remuneration and the average of the annual variable remuneration of the last three years), also including the consideration for any non-competition agreements.

With particular reference to severance, this is usually quantified using the following predefined formula:

[Base Amount] +/- [Pre-defined Factors]

The Base Amount is calculated in terms of months of recurring remuneration (which includes, as components of the calculation basis, the fixed remuneration and the average of the annual variable remuneration actually paid to the person in the last three years, or shorter duration of employment), based on the length of service of the manager concerned, according to the following diagram:

Seniority	Up to 3 years	More than 3 years and up to 6 years	More than 6 years and up to 10 years	More than 10 years and up to 15 years	More than 15 years
Number of months	6	8	10	12	15

The Base Amount, quantified as above, can then vary, decreasing or increasing, based on certain predefined factors (the "Predefined Factors"), which take into account objective and subjective elements such as:

- age and actual achievement of pension requirements;
- strategic nature of the role/position held;
- risk of litigation/losing in court in the event of unilateral withdrawal;
- relevant individual performance in the period prior to terminating employment;
- solvency levels;
- actual existence of compliance breach.

Following the possible application of the Predefined Factors, the Base Amount may vary downwards to zero and/or up to a maximum of + 60% (without prejudice to the maximum cap of 24 months of recurring remuneration, including any non-competition agreements).

The specific Predefined Factors and the percentage range of impact of each are defined annually by the Board of Directors (following the approval of the Remuneration Policy) and cannot be changed during the financial year.

Non-competition, non-solicitation or confidentiality agreements for a period of time following the termination of employment can be stipulated with the members of relevant personnel - both during the recruitment stage and during the employment or at its termination. The consideration for such covenants, in any event of limited duration, is determined based on the time frame and territorial range of the covenant and the prejudice that the Company and/or the Group could incur if the interested party should carry out any activities competing with those of the Company and/or the Group or disclose information that could also harm the Company and/or the Group, also considering the role and responsibilities previously held by the interested party.

In particular, non-competition agreements are currently in place with members of the Group Management Committee (GMC) - and with the Managing Director/Group CEO - for six months following the termination of employment, against a consideration equal to the fixed remuneration for the corresponding reference period and liquidated damages in case of breach equal to twice this amount.

The total amount actually paid in case of mutual termination of employment (in addition to notice, so-called "TFR" and other ordinary severance payments due for by law[50]), including:

- the actual severance
- the payment of any non-competition agreements

may not under any circumstances exceed the maximum cap equal to **24 months of recurring remuneration** (which includes, as components of the calculation, the fixed remuneration and the average annual variable remuneration of the last three years).

Any payments agreed upon mutual termination are paid in the context of agreements that provide for a general waiver of the interested party to any right in any case connected, directly and/or indirectly, to the employment with Assicurazioni Generali S.p.A. or with one of the subsidiaries and its termination, as well as to any right, claim and/or action against the other companies of the Group for any reason directly or indirectly connected with

50 That is, other institutions or payments of a similar nature provided for by the legislation applicable to the employment relationship.

the employment relationship itself and with its final accepted termination. The waiver extends to the rights of a compensatory nature pursuant to art. 2043, 2059, 2087 and 2116 Italian Civil Code as well as the rights of an economic nature connected to the employment relationship and its termination.
Without prejudice to the limits and conditions defined above, any severance is paid according to the timing, procedures and terms defined, in accordance with the requirements of IVASS Regulation 38/2018.

In the case of Executive Directors who are at the same time employed Executives, the Company may - instead of applying the two separate severance rules applicable to respectively directorship and subordinate employment relationships – proceed with the application solely of the severance rule illustrated above for the employment relationship, in this case by calculating - for the purposes of defining the amount that may be paid to the interested party - also the amount received by the individual as an annual fixed and annual variable remuneration (still based on the average of the last three years) for the office (and notwithstanding the right to apply to the entire severance thus determined the payment terms provided for Directors).

With reference to the effects of the termination of employment on Incentive Plans, as illustrated in the relevant chapters of this Report:

- as for the annual variable component (STI Plans), the relevant payment, unless otherwise determined by the Board of Directors, is subject to the fact that the employment has not terminated before the payment date;
- in terms of the deferred variable component (LTI Plans), the termination of the relationship before the end of the relevant three-year performance period entails the loss of rights under the outstanding plans (unless otherwise decided by the Board of Directors, and except for specific cases of good leaver[51] prescribed by the detailed rules of the Plans, as indicated in the relevant information documents).

There are currently no consultancy contracts - and normally they are not stipulated - with members of relevant personnel for a period following termination of the employment relationship. However, this possibility is allowed, where this meets proven needs to continue to use, in the interest of the Company, for a limited period of time after the termination of employment, the skills and contribution of the manager to perform specific and predetermined activities (with a remuneration appropriately in line with the object and purpose of the requested activity).

Nor are there any current agreements - and these are not normally stipulated - providing for the assignment or maintenance of benefits[52] for the period following the termination of employment (except for the possibility of retaining the use of assets such as cars or accommodation or specific services[53] for a limited period of time following termination, and without prejudice to the overall maximum cap indicated above, the compliance with which is verified by also calculating the value of maintaining these benefits).

51 Including cases of death, disablement, pension, etc.
52 This is with the exception of some payments - such as health care - which by virtue of the provisions of the applicable collective bargaining continue to be applied for a certain period following the termination of employment.
53 Such as, for example, the case of managers with an “expatriate” contract, tax assistance linked to staying abroad.

CHAPTER 10
RIGOUR AND TRANSPARENCY FOR THE PROTECTION OF ALL STAKEHOLDERS

GOVERNANCE AND COMPLIANCE

10.1 Governance System

The Generali Group has set up a governance process that involves both the **corporate bodies** and part of the **Company management**, with the aim of defining, regulating, implementing and managing remuneration policies.

Rigour, independence and accountability are the founding elements of the governance system that ensure both adequate control of remuneration practices and the protection of stakeholders' interests.
Regulatory compliance, alignment with the business strategy and Group values, on the other hand, guide the criteria where the specific skills of the corporate bodies are defined, as well as the processes and roles to define, approve and implement the Remuneration Policy.

Finally, the Generali governance model provides for the Board of Directors to have discretion over the provisions of the Remuneration Policy in exceptional circumstances. This takes place within the Group's strict governance processes, with prior application, where necessary, of the transaction procedure with Related Parties, as required by law, and without prejudice to the compliance with the solvency requirements.

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

Generally, in addition to what is specified in detail for each body below, the proposals related to defining the policies aimed at corporate bodies and "relevant personnel" (as previously defined under "Recipients of the Policy" pursuant to art. 2, paragraph 1, letter m) of IVASS Regulation No. 38/2018) are prepared with the support of the Group HR & Organization function, involving, depending on the skills required, the Group's Internal Audit and Compliance and Risk Management functions. The Group HR & Organization function also uses the contribution of other Group functions and structures, such as Corporate Affairs, Group Legal Affairs, Group Strategic Planning & Control, collecting and coordinating the related contributions.

The proposals are then submitted to the Managing Director/Group CEO who validates their content and formulation and, after requesting any additions and amendments, sends them to the Board of Directors, which decides on the merits - subject to the opinion of the Appointments and Remuneration Committee (or the Risk and Control Committee, with reference to the relevant personnel of Key Functions) - which expresses its opinions on the matter and submits them in turn for decision by the Board of Directors.

As for the Remuneration Policy regarding the Managing Director/Group CEO, the proposal is formulated by the Appointments and Remuneration Committee, with the support of the Group HR & Organization function, and presented to the Board of Directors for the relative decisions.

Once approved by the Board of Directors, the Policy is then subject to the approval of the Company's Shareholders' Meeting.

The roles of the various parties involved in the definition, approval, implementation phases and subsequent verification of the Remuneration Policy are illustrated below.

10.1.1 SHAREHOLDERS' MEETING

Pursuant to the applicable law and to the Company's Articles of Association, the Shareholders' Meeting:
- approves the Remuneration Policy, in favour of the members of the corporate bodies and of the "relevant personnel", in addition to remuneration plans based on financial instruments (art. 19.1, lett. d);
- determines the annual gross remuneration due to members of the Board of Directors and Statutory Auditors (art. 19.1, lett. f and e).

Moreover, pursuant to art. 123-Ter, paragraph 6, "TUF", Consolidated Law on Financial Intermediation, the Shareholders' Meeting expresses an advisory vote with reference to information on remuneration paid pursuant to Section II of the Remuneration Report.

10.1.2 BOARD OF DIRECTORS

The Board of Directors defines and periodically reviews, according to a transparent procedure and having assessed the opinion of the Appointments and Remuneration Committee, the Remuneration Policy for the members of the corporate bodies and relevant personnel, including remuneration plans based on financial instruments, so that they can pursue sustainable success and take into account the need to organise, retain and motivate people with the competence and professionalism required by the role covered in the Company: the Board of Directors monitors the actual application, to ensure that the remuneration actually paid is consistent with the principles and criteria defined in the first section of this Report.

Furthermore, the Board of Directors is responsible for their correct application, as well as for the (a) overall consistency of the Group's remuneration policies and practices, verifying their consistent implementation, (b) compliance of the remuneration of Group companies with legal provisions and in case of foreign companies, the absence of any conflict with the regulatory framework of the foreign state and with sector regulations and (c) adequate management of significant risks at Group level related to the remuneration of Group companies.

Based on that, the Board of Directors decides on the remuneration policies in favour of relevant personnel, and following revisions, to gain the approval of the Company's Shareholders' Meeting, thereby guaranteeing, on an ongoing basis, their updating, consistency with the principles of sound and prudent management, as well as alignment with the interests of stakeholders. To this end, it periodically uses benchmarks prepared both by the competent corporate functions and by external consultancy companies, especially concerning verification of the remuneration positioning in terms of the markets considered. It can also use external advisers to modify or prepare the Remuneration Policy.

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

For some categories of recipients this is performed directly when determining the relative remuneration; in this sense, the Board of Directors, in compliance with the defined remuneration policies and after hearing the opinion of the Appointments and Remuneration Committee, the Risk and Control Committee, and the Board of Statutory Auditors, as necessary:

- determines, based on the proposal of the Appointments and Remuneration Committee and having heard the Board of Statutory Auditors, the remuneration of the Managing Director/Group CEO, of any other Directors with special offices, of the General Manager as well as, in case the Shareholders' Meeting has not provided for it, the subdivision of the overall compensation owed to members of the Board;
- determines, following a proposal from the Appointments and Remuneration Committee and having consulted with the Board of Statutory Auditors, the remuneration of the Executives and of the other Directors who hold special offices, including the chairs of the Committees and the Lead Independent Director;
- decides, following the proposal from the Appointments and Remuneration Committee, on setting the performance goals, including the ESG Goals, related to the variable component of the remuneration of the Executive Directors, of the other Directors who hold special offices;
- determines, following a proposal from the Managing Director/Group CEO and after consulting the Appointments and Remuneration Committee (which expresses an opinion on this point) - except as prescribed for Key Functions, where the Risk and Control Committee is heard and whose opinion is binding in the case of the Head of the Internal Audit function - the remuneration and the goals related to the variable component (including the ESG Goals) of the remuneration of the General Manager and members of the Group Management Committee (GMC);
- following a proposal from the Managing Director/Group CEO and having consulted with the Appointments and Remuneration Committee, examines and approves the guidelines of the incentive system for the members of the Global Leadership Group (GLG);
- after the termination of office and/or dissolution of employment with an Executive Director or with the General Manager (where this office is provided), sends a press release to the market after the outcome of the internal processes that lead to the assignment or recognition of any indemnity and/or other benefits, with detailed information on:
  - the assignment or recognition of indemnities and/or other benefits, the case that justifies their accrual (for example, due to expiry of the office, revocation from the same or settlement agreement) and the decision-making procedures followed for this purpose within the Company;
  - the total amount of the indemnity and/or other benefits, the related components (including non-monetary benefits, the maintenance of rights connected to incentive plans, the remuneration for non-competition agreements or any other compensation granted for any reason and in any form) and the timing of their disbursement (distinguishing the part paid immediately from that subject to deferral mechanisms);
  - the application of any clawback or withholding (malus) clauses of part of the sum;
  - the compliance of the elements indicated in the previous points, compared to what is indicated in the Remuneration Policy, with a clear indication of the reasons and the decision-making processes followed in the event of even partial discrepancies from the Policy itself;
  - information on the procedures that were or will be followed for the replacement of the Executive Director or General Manager terminated;
- annually provides the Shareholders' Meeting with suitable information, accompanied by quantitative information, on how remuneration policies are applied.

Especially to ensure the correct and consistent implementation of the remuneration policies approved at the Shareholders' Meeting by all Group companies, including those based abroad, ensuring the adequate calibration of the policies themselves in terms of the characteristics of each Company, within the limits set by the local regulatory framework, as well as compliance with regulatory obligations, the Company's Board of Directors also adopts the Group Remuneration Internal Policy, containing the guidelines on the application of the remuneration policies within the Group.

The Board of Directors in turn sends an Annual Report to the Shareholders' Meeting, accompanied by quantitative information, on the application of remuneration policies. Within this context, it should be noted that Assicurazioni Generali used the consultancy firms Mercer and PwC to prepare the Remuneration Policy and did not use the remuneration policies of other companies as a reference.

10.1.3 APPOINTMENTS AND REMUNERATION COMMITTEE

The Appointments and Remuneration Committee holds advisory, propositional and investigative functions towards the Board of Directors on remuneration matters. The Appointments and Remuneration Committee also expresses its opinion on transactions with Related Parties concerning the remuneration of Managers with Strategic Responsibilities, in compliance with provisions on the procedures for transactions with Related Parties approved by the Board of Directors.

More specifically, the duties of the Appointments and Remuneration Committee are to:

- assist the Board in carrying out the tasks assigned to it by the Law and the Corporate Governance Code;
- express opinions and proposals to the Board of Directors on determining the remuneration payable to Directors;
- express opinions and proposals related to the Remuneration Policy provided for by art. 123-ter TUF, as well as the remuneration plans based on financial instruments, verifying their correct application;
- perform advisory, propositional and preliminary functions also through opinions to be provided to the Board on the amount of the remuneration to be granted to Executive Directors and to Directors who hold other special offices or have offices in accordance with the Articles of Association, and on setting performance goals, including the ESG Goals, related to the variable component of this remuneration and verify the actual achievement of the performance goals: the assessments carried out regarding the Executive Directors are expressed on the basis of a discretionary assessment, conducted taking into account, among other things, the following parameters:
  - relevance of responsibilities in the corporate organizational structure;
  - impact on Company results;
  - economic results achieved;
  - achievement of specific goals, including the ESG Goals, previously indicated by the Board;
- express non-binding opinions and proposals regarding the determination of the amount of remuneration payable to the General Manager (where this office is provided) and to members of the Group Management Committee (GMC), subject to the proposal of the Managing Director/Group CEO, according to a discretionary assessment based on compliance with the following criteria:
  - the level of responsibility and risks associated with the functions performed;
  - the results achieved in relation to the assigned goals;
  - the services performed for extraordinary commitments;
- periodically assess the criteria adopted for the remuneration of Directors and relevant personnel, using the information provided by the Managing Director/Group CEO and providing general recommendations on the matter to the Board;
- verify the adequacy of the overall remuneration scheme and the proportionality of the remuneration of the Executive Directors, possibly also between them, and with respect to relevant personnel;
- express an opinion on the proposal of the Managing Director/Group CEO related to the incentive system for members of the Global Leadership Group (GLG);
- express an opinion on the proposals made by the Managing Director/Group CEO related to the remuneration of the Chairs, Executive Directors and General Managers (or members of the Top Management who hold equivalent roles) of the Subsidiaries holding strategic importance, as well as of Non-executive Directors, identified among figures outside the Company and the Group;
- verify the consistency of the remuneration and incentive systems with the Risk Appetite Framework;
- monitor that the decisions adopted by the Board based on the proposals presented are applied, providing the same information on the effective functioning of the remuneration policies;
- periodically verify the remuneration policies in order to ensure their adequacy even if there are changes to the operations of the Company or the Group or the market framework in which they operate;
- verify that there are conditions for the payment of incentives to relevant personnel;
- identify potential conflicts of interest and the measures taken to manage them.

The Chair of the Committee or another member can report to the Annual Shareholders' Meeting on procedures to exercise the functions delegated to the Committee.

While carrying out its functions, this Committee has the right to access the information and Company functions required to perform the tasks it has been entrusted with. The statutory auditors are invited to participate in the meetings of the Committee where remuneration issues are discussed.

The Committee regularly carries out its own proposal and consulting activities, draws up the relative minutes and reports required to perform the Company's business.

The Committee in office when this Report was drafted was appointed by the Board of Directors which met on 7 May 2019 and will remain in office until the Shareholders' Meeting which will approve the financial statements at 31 December 2021 and is composed as follows:

Name Surname	Role	Member of the Committee for matters of remuneration	Member of the Committee for matters of appointments
Diva Moriani	**Chair** Non-executive and independent director	✓	✓
Alberta Figari	**Member of the Committee** Non-executive and independent director	✓	✓
Lorenzo Pellicioli	**Member of the Committee** Non-executive and non-independent director	✓	✓
Romolo Bardin	**Member of the Committee** Non-executive and independent director		✓
Sabrina Pucci	**Member of the Committee** Non-executive and independent director		✓
Francesco Gaetano Caltagirone	**Member of the Committee** Non-executive and non-independent director		✓
Clemente Rebecchini	**Member of the Committee** Non-executive and non-independent director		✓

The Board of Directors has established that the Committee is made up of Non-executive Directors, mostly independent. It should be noted that all members of the Committee have adequate knowledge of remuneration policies.

If one or more members of the Appointments and Remuneration Committee find any correlation in terms of a transaction it has been asked to examine, the Committee is integrated, insofar as examining such transaction only, by the other independent Directors of the Board of Directors starting from the oldest. In the absence of at least two independent Directors who form the Appointments and Remuneration Committee, the opinion or proposal is made by an independent expert appointed by the Board of Directors.

Since its inception, Giuseppe Catalano has served as secretary of the Committee.

If the Chair deems it appropriate, the members of the Group Management Committee (GMC), the Head of Group HR & Organization and the managers and officers of the Company who are competent in regard to the minutes that, from time to time are submitted to the Committee for approval, can participate in the meetings after being invited by the Chair.

Moreover, again in order to avoid conflict of interest, no Director or manager participates or anyhow is present at the meetings of the Committee where the related remuneration is discussed.

The notice of meeting is sent to the Board of Statutory Auditors, in order to allow the Surveillance Body to participate in the meetings.

Members of the Appointments and Remuneration Committee currently in office receive a gross annual remuneration (€ 40,000 for the Chair, € 30,000 for the members and € 20,000 for the members of the Committee only for matters of appointments), a presence fee for a gross amount equal to € 2,000 per meeting and the reimbursement of expenses incurred to attend the meetings.

At the meeting of the Committee held on February 12, 2021, the same set its spending budget for the year 2021 at € 200,000, which was subsequently approved by the Board of Directors at the meeting of February 18, 2021.

In 2020, **10 meetings** of the Appointments and Remuneration Committee were held in the composition responsible for remuneration. In addition, 3 meetings of the Committee were held in the competent composition for appointments.

The participation of all the members in all the meetings of the Committee was recorded.

Minutes of the meetings have always been drawn up by the Chair and the Secretary and approved in following meetings.

The number of meetings in 2020 is in line with 2019, with a significant increase in the average duration, including the discussion of both subjects, which in 2020 was **2 hours and 34 minutes** (compared to approximately 1 hour and 41 minutes in 2019).

In the year 2021, 7 **meetings** on remuneration and 3 meetings on appointments have been held so far, with a very significant increase compared to the same period of 2020 (4 meetings on remuneration and 1 meeting on appointments in the first quarter).

Finally, between September 2020 and February 2021, **the Chairwoman of the Appointments and Remuneration Committee** actively took part in **28 meetings with investors and proxy advisors** in order to investigate the issues related to the analysis of the outcomes of the 2020 shareholders' vote and recommendations received and to illustrate the direction of the 2021 Remuneration Policy and related rationale.

10.1.4 MANAGING DIRECTOR/GROUP CEO

Based on the powers assigned to him by the Board of Directors on human resource management and organisation, the Managing Director/Group CEO makes proposals regarding the guidelines on the remuneration policies of the Company and the Group.

Moreover, the Managing Director/Group CEO makes proposals regarding the remuneration policies for Managers with Strategic Responsibilities, Chairs, Executive Directors and General Managers (or Executives who hold equivalent roles) of Subsidiaries having strategic relevance as each time defined by the Board of Directors, their Non-executive Directors, if identified among persons outside the Company and the Group and members of their Boards of Statutory Auditors (and, in any case, of similar corporate bodies), and has especially the competence to make the proposals regarding the remuneration of members of the Group Management Committee (GMC), notwithstanding the opinion of the Risk and Control Committee with reference to the Group Chief Risk Officer.

In terms of the other direct reports of the Managing Director/Group CEO who are not members of the Group Management Committee (GMC), the remuneration is determined by the Managing Director/Group CEO in line with the policies defined by the Board of Directors for these parties.

He is also responsible for defining the remuneration of personnel at all Company and Group levels, notwithstanding the powers of the Board of Directors.

10.1.5 BOARD OF STATUTORY AUDITORS AND RISK AND CONTROL COMMITTEE

The Board of Statutory Auditors is responsible, pursuant to art. 36.1 of the Articles of Association, for expressing its opinions on the remuneration of Directors vested with particular offices.

Moreover, it expresses its opinion on the remuneration of the Head of the Internal Audit function.

In terms of the Risk and Control Committee, this body expresses its opinion on determining the remuneration respectively of the Head of the Internal Audit function, in this case binding, and of the other Heads of the Key Functions, to be submitted to the Board of Directors.

10.1.6 KEY FUNCTIONS

The internal functions that are involved and collaborate in various capacities to define and/or subsequently verify the correct implementation of the remuneration policies are:

- the **Compliance** function, which verifies that the remuneration policies follow the goals to respect current legislation on remuneration, including the provisions set forth by the regulatory authorities and by the Articles of Association, the Corporate Governance Code for listed companies and the Code of Conduct, in order to prevent any risks of incurring judicial or administrative sanctions, financial losses and reputation damage. The function reports to the bodies in charge on the results of the checks carried out, also indicating any corrective measures;
- the **Internal Audit** function, which verifies the correct application of remuneration policies based on the guidelines defined by the Board of Directors and aims at achieving efficiency and to safeguard the Company's assets. The function reports to the bodies in charge on the results of the checks carried out, also indicating any corrective measures;
- the **Risk Management** function, which ensures the consistency of the remuneration policies with the risk appetite by verifying the consistency of the criteria and related indicators used to evaluate performance in terms of the risk management strategies established by the Board of Directors; also reports to the bodies responsible for adopting any corrective measures.

Group Strategic Planning and other functions headed by the Company's Chief Financial Officer are involved in defining the Remuneration Policy to identify and finalise the quantitative parameters related to the strategic goals to be linked to the variable component.

The competent bodies assess the relevance of the information received from the aforesaid Key Functions in order to promptly inform IVASS.

10.1.7 GROUP HR & ORGANISATION FUNCTION

The Group HR & Organisation function guarantees technical assistance - also in terms of reporting - and prepares the preparatory support material to define the remuneration policies. In particular, the functions involved are:

- Group Reward & Institutional HR Governance, for implementation of remuneration systems, analysis of remuneration levels and comparison with the selected markets and for monitoring remuneration dynamics;
- Group Organisation & Workforce Planning, for the mapping and evaluation of roles;
- Group Leadership Development & Academy, to support performance management, calibration and succession planning processes.

In addition to the above, with special reference to the remuneration of the Heads and First Reporting Managers belonging to the Key Functions, the Group HR & Organization function is involved in the definition process. These are in fact proposed by the owner of each function, examined by the Group HR & Organisation function, informing the Risk and Control Committee so that it can assess the presence of balance and remuneration consistency within the respective function. The Group HR & Organisation function is responsible for preparing the reports presented to the Board of Directors in order to verify the correct implementation of the remuneration policies defined for these parties.

10.2 Remuneration policy for corporate bodies

10.2.1 REMUNERATION POLICY FOR DIRECTORS WHO DO NOT HAVE EXECUTIVE POWERS

The current Remuneration Policy for all Directors without executive powers (independent and non-independent), provides that the remuneration is composed of a fixed annual fee and the payment of an attendance fee for each meeting of the Board of Directors where they participate, as well as reimbursement of expenses incurred for attending the meetings.

Directors who are also members of Board Committees are paid additional fees in terms of what they have already received as members of the Board of Directors (with the exception of those who are also managers of the Generali Group), according to the skills assigned to these Committees and the commitment required for participation in the work of the latter in terms of the number of meetings and preparatory activities for them. This remuneration is established by the Board of Directors, pursuant to art. 2389, paragraph 3, of the Italian Civil Code.

Furthermore, in line with regulatory legislation and best international market practices, no variable remuneration is expected.

The Remuneration Policy for the Chair provides for the payment of fees as member of the Board of Directors, as above, and a fixed annual remuneration determined based on comparative analyses with similar national and international figures. In terms of the variable remuneration, the Chair - like all Directors without executive powers - does not participate in the short and medium-long term Incentive Plans. The policy for this figure also provides for the allocation of some benefits, such as, for example, insurance coverage for death and total permanent disability from injury or illness, as well as health care and the availability of a Company car with driver for both private and business use.
Finally, please refer to the specific sections for policies related to the D&O insurance policy and for remuneration in the event of termination of employment (severance provisions).

10.2.2 REMUNERATION POLICY IN FAVOUR OF MEMBERS OF THE BOARD OF STATUTORY AUDITORS

The Policy for these parties provides for the payment of a fixed gross annual remuneration for the entire duration of the mandate, with an increase of the amount (within 50%) for the Chair of the Board of Statutory Auditors considering the related coordination activities. There are no variable remuneration components.

The remuneration levels of the members of the Control Body are defined taking into account, among other things, the reference benchmark and the size/complexity of the Company.

The members of the Body are also responsible for the reimbursement of expenses incurred while exercising their functions and ultimately benefit from the D&O insurance policy as illustrated below.

10.2.3 D&O INSURANCE POLICY (DIRECTORS' AND OFFICERS' LIABILITY INSURANCE)

The current terms of the insurance policy covering the civil liability of the Directors and Statutory Auditors of the Company (Directors' and Officers' Liability Insurance - D&O), as well as the Manager in charge of preparing the Company's corporate accounting documents, are as follows:

- effective date: from 1 May 2020 and until 30 April 2021;
- duration: 12 months, renewable from year to year, until the authorisation is revoked by the Annual Shareholders' Meeting;
- ceiling: € 275 million per claim, in annual aggregate and per coverage period; of these, € 100 million are reserved for the Directors and Statutory Auditors of Assicurazioni Generali S.p.A., as well as the Manager in charge of preparing the Company's corporate accounting documents, € 10 million are reserved for the Directors and Statutory Auditors of Banca Generali Spa, while the others refer to members of the corporate bodies and to all managers of the insurance companies of the Generali Group;
- exclusion of insurance coverage for cases of wilful misconduct.

D&O coverage includes all companies, insurance and non-insurance companies in Group consolidated financial statements (subsidiaries) as well as all their managers. The Group has adopted a single Policy at a worldwide level which takes into account the legal and economic peculiarities of each territory. In line with the experience of the main competitors (worldwide insurance groups), the goal to achieve uniform coverage conditions for the Group's managers and overall cost reduction through central management of the policy and any claims, was therefore met.

Different bodies and/or functions are responsible for approving, implementing and verifying remuneration policies and requires the involvement and contribution of different parties based on the recipients the policy aims to reach.

SECTION II
REPORT ON PAYMENTS

#WEREALLABOUTYOU

SECTION II

INTRODUCTION

REPORT ON PAYMENTS

Even in the current market environment characterised by rapid worldwide changes and unprecedented challenges, the Group has pursued the execution of the "Generali 2021" Strategy making great progress. The 2019-2021 strategic plan is proving to be fully effective and the forecasts confirm the full achievement of the goals set. Generali today faces the most serious world crisis since the war and does so by harnessing its strengths: the disciplined execution of the strategy, the focus on technical excellence, a strong distribution network, and a diversified business model. All this is possible thanks to an international management who is up to the challenges the market will pose in the coming years and thanks to qualified, motivated employees, fully engaged in the implementation of the strategic plan.

The Report on Payments comes at the end of a long, constant and fruitful dialogue with Shareholders and proxy advisors which led, together with the analysis of the 2020 Shareholders' Meeting vote, to an evolution of the remuneration systems characterised, among other things, also by greater disclosure of some key elements for investors.

In this context and in compliance with the regulatory provisions, disclosure is provided in relation to the following recipients of the Remuneration Policy:

- the Chair and other members of the Board of Directors;
- the Chair and other members of the Board of Statutory Auditors;
- the Managing Director/Group CEO;
- the Managers with Strategic Responsibilities[54] ;
- the Heads and First Reporting Managers of the Key Functions.

Despite the pandemic crisis, the Group reached very solid results in 2020.

The performances confirmed the greater resilience of Generali compared to other players in the sector, both from a business and market viewpoint and from a purely technical capital solidity perspective, as evidenced by a Regulatory Solvency Ratio level of 224%, which benefits from a record capital generation equal to 4 billion Euro.

For the second consecutive year, the Group recorded the best Operating Result in its long history, in excess of 5 billion Euro, thanks in particular to the positive contribution of the Non-Life, Asset Management, Holding and other business segments.

The Group maintained significant levels of profitability with a **Normalized Net Profit** of over € 2 billion while **Net Holding Cash Flows** grew to a record level of around € 3.7 billion, benefiting from solid cash remittances from companies, the effective implementation of capital management initiatives, the lower incidence of interest expense and some favourable tax impacts.

Through the disciplined execution of the strategy, Generali has also strengthened its leadership in Europe, seized **growth opportunities** and accelerated its **digital transformation**, to guarantee a distribution model that increasingly combines physical and digital dimensions to be ever closer to our customers with an innovative approach.

Given the global uncertainty, the Group has been able to protect its employees, in remote working since the beginning of the pandemic, and to strengthen its Social Responsibility activities by establishing an Extraordinary International Fund of 100 million Euro for the Covid-19 emergency, in addition to the voluntary decision of the Top Management to reduce their fixed remuneration by 20%, from April 2020 till the end of the year, alongside similar initiatives on the part of members of the Board of Directors.

In a context of strong discontinuity in 2020, the results achieved are reflected in the Group incentive systems, which recognise excellence, merit and sustainable value creation in a targeted and selective way. This is even more extraordinary this year given the difficult performance conditions.

In overall terms, the performance levels of the Group incentive systems provided for an **average reduction of around 30%** in 2020 compared to 2019, due in particular to the Group Net Profit performance in the current context. This further confirms that the systems adopted in the remuneration policies are effective and can adapt to market variables, **clearly aligning remuneration with actual results versus predefined targets**.

Even in an extraordinary scenario such as 2020, Generali confirmed the level of the goals as they had been predefined in line with the significant ambitions of the three-year strategic plan, without considering any restatement or variation.

This reaffirms the **rigorous governance approach of the Group in terms of Remuneration Policy**, aimed at rewarding - even significantly - actual over-performance, but consistent in reducing the incentives in the presence of annual Group profitability results which, although very significant in the current context, sustainable and in line with the

54 Identified in these roles (in addition to the Managing Director/Group CEO): General Manager; Group Chief Financial Officer; Group Chief Risk Officer; Group Chief Marketing & Customer Officer; Group Chief Investment Officer and CEO Asset & Wealth Management; Country Manager Italy & Global Business Lines; CEO International; Country Manager Germany; Country Manager France & Europ Assistance; Austria CEE & Russia Officer; Group General Counsel; Group Strategy & Business Accelerator Director; Group Communications & Public Affairs Director; Group Head of Mergers & Acquisitions; Head of Corporate Affairs & Company Secretary; Head of Group Audit; Group Head of Actuarial Function; Group Compliance Officer; Group Chief HR & Organization Officer.

achievement of the three-year goals defined, do not fully confirm in 2020 the overall performance target indicators set as part of the planning processes prior to the pandemic, however exceeding the high standards of capital solidity, cash generation and solvency.

Detailed information is illustrated in this section of the Report, divided into two parts:

- a **first part** that provides a descriptive summary of the payments of the recipients of the Remuneration Policy;
- a **second part** which reports in the form of Tables both the remuneration payments and the shareholdings held by the parties in question, concerning the reference year.

Finally, information is provided on the Group's **Long Term Incentive** 2018-2020 Share Plan. At the end of the reference performance period, the Board of Directors, having verified the level of achievement of the three-year goals set at the time, approved the allocation - after a specific capital increase, within the terms authorised by the Shareholders' Meeting to service the plan - of n. 5,017,194 total shares (against a maximum number of 11,500,000 shares potentially assignable). More details are provided in Table 3 A of the second part of this Section. The shares granted will be subject to the constraints of the so-called lock-up expressed in the operating procedures of the Plan.

As illustrated hereinafter in the document (and especially in the First Part of this Section), the remuneration paid (and accrued as a variable) is consistent with the Remuneration Policy of the reference year (2020), also and especially in terms of consistency between accrued variable remuneration and the degree of achievement of the goals set. This is further confirmed by the ex post analyses carried out by the Internal Audit function (which is accounted for in Section III).

With reference to 2020, no temporary derogation has been applied (pursuant to Article 123-ter, TUF) with respect to the Remuneration Policy related to the same financial year nor has any correction mechanism ex post (malus or clawback) been applied - especially related to Directors or Managers with Strategic Responsibilities.

PART I

1.1 Remuneration of Non-executive Directors

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

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

It should be further noted that there are no agreements in place with Non-executive Directors related to payments in the event of termination (severance provisions).

The members of the Board Committees and the Surveillance Body, in office at the drafting of this Report, are granted pursuant to art. 2389 of the Italian Civil Code the following remuneration:

Role	Annual Gross Remuneration (EUR)	Attendance Fee for each Meeting (EUR)
Members of the Risk and Control Committee	40,000	2,000
Chair of the Risk and Control Committee	60,000	2,000
Members of the Corporate Governance, Social and Environmental Sustainability Committee	20,000	2,000
Chair of the Corporate Governance, Social and Environmental Sustainability Committee	30,000	2,000
Members of the Investments Committee	30,000	2,000
Chair of the Investments Committee and of the Strategic Operations Committee*	No remuneration	No remuneration
Members of the Strategic Operations Committee	10,000	2,000
Members of the Appointments and Remuneration Committee**	30,000/20,000	2,000
Chair of the Appointments and Remuneration Committee	40,000	2,000
Members of the Related Party Transactions Committee	20,000	2,000
Chair of the Related Party Transactions Committee	25,000	2,000
Members of the Surveillance Body***	25,000	0
Chair of the Surveillance Body	35,000	0

* The position of Chair of the Investments Committee and of the Strategic Operations Committee is held by the Managing Director/Group CEO and does not provide for the payment of remuneration.

** The different remuneration refers respectively to the members involved in matters of appointments and remuneration or those who are involved in matters of appointments.

*** The remuneration of the member who is also an Executive of Generali is absorbed in the emoluments already provided in his favour because of the aforementioned role.

With regard to the remuneration for the **Chair of the Board of Directors**, appointed as of May 7 2019, the Board of Directors resolved, in line with the previous mandate, to grant him, in addition to the remuneration due to the other non-executive directors, a 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.

In addition to the above, the following benefits have been approved:

- insurance coverage related to occupational accidents, illnesses, in the event of death and total and permanent disability;
- supplementary insurance coverage for health care expenses, with the same characteristics as those provided for Company managers;
- availability of the Company car with driver for both personal and business use.

Finally, the Chair received remuneration and attendance fees associated with the office of Chair of the Corporate Governance and Social and Environmental Sustainability Committee and as member of the Investments Committee.

There is no specific agreement in place with the Chair in terms of payments in case of termination (severance provisions), where therefore, notwithstanding law provisions, the Remuneration Policy in force for the reference year would be applicable in case of office termination.

The details of the remuneration relating to the 2020 financial year of the Chair and the Directors are shown in Table 1. The representation takes into account also the voluntary reduction of remuneration for solidarity initiatives tied to the Covid-19 emergency.

Table 4 shows the shares held by the parties considered.

1.2 Remuneration of the members of the Board of Statutory Auditors

The Shareholders' Meeting of 30 April 2020 approved the remuneration to be paid to the Board of Statutory Auditors, deciding for the remuneration payable to the Statutory Auditors at € 130,000 gross per year, for each of the financial years 2020, 2021 and 2022 and € 180,000 gross per year for the Chair of the Board of Statutory Auditors considering the related coordination activities.

The details of the remuneration related to the 2020 financial year are shown in Table 1, while Table 4 shows the shares held by the parties considered.

1.3 Remuneration of the Managing Director/Group CEO

In line with the 2020 Remuneration Policy, the Managing Director/Group CEO received the following remuneration in the reference year.

1.3.1 FIXED REMUNERATION

The fixed remuneration of the Managing Director/Group CEO includes the gross annual remuneration as Executive of € 1,350,000 and the gross annual remuneration as Managing Director of € 350,000, including the remuneration and attendance fees provided for the members of the Board of Directors and of those as member of internal Board Committees.

During 2020, at the onset of the Covid-19 pandemic, the Managing Director/Group CEO decided, on a voluntary basis, to reduce by 20% his fixed remuneration from April to the end of the year, sharing and appreciating the support of the Generali Group to specific initiatives for the benefit of the community, aimed at dealing with the emergency. The value of the fixed remuneration actually received during 2020 is therefore equal to **€ 1,435,357** gross.

1.3.2 ANNUAL CASH COMPONENT OF THE VARIABLE REMUNERATION - SHORT-TERM INCENTIVE PLAN (STI)

The remuneration package of the Managing Director/Group CEO provides for an annual cash component of the variable remuneration (STI) linked to the achievement of annual goals, which at the target level is € 1,700,000 gross - equal to 100% of fixed remuneration – with a maximum cap of 200% of fixed remuneration in the event of over-performance. The amount of the STI for the year 2020 is **€ 1,459,318** gross, equal to ca. **85.84%** of fixed remuneration (as reference, in the previous year the amount was equal to ca. 157.14%).

This amount for the 2020 financial year was determined based on the **degree of achievement of the goals** defined by the Board of Directors in the individual Balanced Scorecard for 2020:

	Weight	Goal	Payout level 0%	60%	100%	150%	200%	Result	Weighted payout
Financial goals	25%	Group Net Profit Adjusted (mln/€)	< 2,153	2,153	2,533	2,786	≥3,039.6	2,153.06	15%
				85%					
	20%	Total Remittance from subsidiaries (mln/€)	<3,474	3,474	4,078	4,486	≥4,905.6	4,109	20.76%
					100.76%				
	15%	Group RORC (Return on Risk Capital)	<10.3%	10.3%	12.20%	13.42%	≥14.52%	10.70%	10.08%
				87.70%					
			<85%	85%	100%	110%	120%		
			Measurement vs. Budget						
Non financial goals	20%	Implementation of the pillars of Generali's strategy *- Profitable Growth* *- Capital Management and Financial Optimization* *- Innovation and Digital Transformation*	Not achieved	Partially achieved	Achieved	Exceeded	Far Exceeded	Achieved	20%
	20%	Generali 2021 Enablers *- People Value* *- Brand & Lifetime Partner* *- Sustainability Committment*	Not achieved	Partially achieved	Achieved	Exceeded	Far Exceeded	Achieved	20%
			Measurement vs. specific strategic KPIs						
Total	100%								85,84%

The payout level[55] of the annual cash component of the variable remuneration for the Managing Director/Group CEO reflects the 2020 performance in terms of financial and non-financial results, assessed by the Board of Directors in line with the expectations of the strategic plan. More in particular:

- **Financial results and implementation of the pillars of the Generali strategy**
  - **Profitable Growth**: in an unprecedented context since the post-war period and despite the volatility of the markets, the Operating Result is in line with 2019 and exceeds € 5 billion; the Net Profit, adjusted by excluding extraordinary items not predictable (in line with the criteria provided by the reference Remuneration Policy), exceeds € 2 billion in absolute terms, thanks especially to the solid performance in terms of Net Life Inflows, to an improvement compared to 2019 of technical excellence in the Non-Life segment, and to the significant increase in the contribution to profitability of the Asset Management division. The Total Remittance target in terms of Net Cash Flow for the Holding was also achieved despite the strong discontinuity of 2020;
  - **Capital Management and Financial Optimisation**: consolidation of the capital position at Group level, despite the persistence of low interest rates, with the achievement of the debt reduction target announced in the Generali 2021 strategic plan;
  - **Innovation and Digital Transformation**: constant progress of innovation and digital transformation initiatives, as a key driver for guaranteeing business continuity during the stages of the pandemic, with an increase in particular of digital policies, the gradual growth of policies sold remotely, the increase in transactions and the extension of Mobile & Web Hub programs;
- **Generali 2021 Enablers**
  - **People Value**: extension of remote working to 100% of the Group companies from the early stages of the pandemic; continuous development of D&I initiatives with the achievement of the targets defined on each perspective monitored through the Group D&I Index; strong investment in the development of Talents, with targeted internal growth programs on strategic positions;
  - **Brand & Lifetime Partner**: continued improvement of the Relationship NPS and implementation of the Lifetime Partner model with activation of the Customer & Distributor Hallmarks and the launch of the first worldwide brand campaign in the history of Generali;
  - **Sustainability Commitment**: strong growth in new green and sustainability investments, green and social products, and initiatives in support of the Recovery Fund and Green Deal plans at European level; continued development of the Human Safety Net at international

55 The table shows the reference data for calculating the annual cash component of the variable remuneration for the Managing Director/Group CEO (weight, goals, measurement vs budget, result, weighted payout). The payout level of each goal calculated with respect to the actual result (before weighting with respect to the assigned weight) is equal to: 60% for Group Net Profit Adjusted; 103.80% for Total Remittance from subsidiaries; 67.21% for Group RORC; 100% for the implementation of the pillars of Generali strategy; 100% for Generali 2021 Enablers. The overall weighted payout is **85.84224%**.

level and management of the € 100 million Extraordinary Fund for initiatives related to the pandemic in support of customers, agents, employees, and the main communities where the Group operates.

1.3.3 DEFERRED COMPONENT IN SHARES OF THE VARIABLE REMUNERATION - LONG TERM INCENTIVE (LTI)

The remuneration package of the Managing Director/Group CEO provides for a deferred part in shares of the variable component of the remuneration where, after the achievement of the assigned goals, he can be granted a maximum total amount equal to 200% of the fixed remuneration, from the 2019-2021 LTI Plan.

At the end of the performance period of the 2018-2020 LTI Plan, the Managing Director/Group CEO was granted **n. 167,325 shares**, including the additional shares allocated according to the dividend equivalent mechanism, against a performance level of **162%** compared to a maximum of 250%[56] (as reference, in the previous period the performance level was equal to 199%). The shares granted are subject to the lock-up periods provided for in the Plan.

1.3.4 CO-INVESTMENT SHARE PLAN RELATED TO THE MANDATE

The remuneration of the Managing Director/Group CEO includes the participation in the co-investment share plan related to the mandate which provides for the allocation of a first tranche of shares in 2022, subject to the maintenance in the portfolio by the Managing Director/Group CEO of a personal co-investment in 550,000 shares and depending on the level of achievement of the performance goals set out in the Plan. No allocation of shares was made in 2020.

1.3.5 BENEFITS

Benefits of the Managing Director/Group CEO include:

- supplementary pension: as per the national collective bargaining agreement and individual contract, with a contribution paid by the Company equal to 16.5% of the fixed remuneration and an annual gross supplement by the Company equal to € 107,452.22;
- supplementary health care;
- guarantees in case of death and permanent partial and total disability due to illness or professional or extra-professional injury;

56 Starting from the 2019-2021 Plan, the maximum value of the assignment has been reduced and is equal to 200% of the fixed remuneration.

- additional benefits defined in line with the provisions of the Remuneration Policy (e.g. Company car, accommodation, expenses related to travel and national and international mobility).

The detail of the fees received by the Managing Director/Group CEO for the year 2020 is shown in Table 1; Tables 3.A and 3.B refer to the Incentive Plans while Table 4 shows the shares held.

In terms of the detailed information related to the long-term variable component, please also refer to the information documents prepared pursuant to art. 114 bis of the TUF on the Company's website in the "Governance, Remuneration" section.

1.3.6 FURTHER CONTRACTUAL PROVISIONS

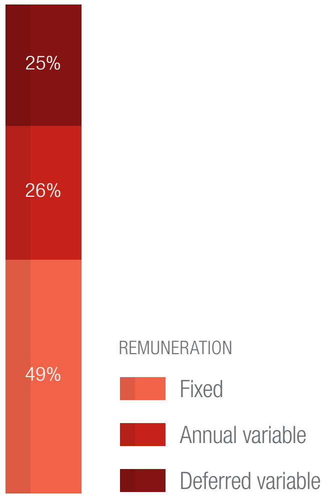
- Non-competition agreement: the contract also provides for a non-competition agreement lasting 6 months following termination with a payment equal to the fixed remuneration provided for the corresponding reference period and a penalty equal to double such amount;
- Severance: in line with what is defined by the guidelines and the limits set by the Group Policy[57].

The more detailed contents of the individual agreement of the Managing Director/Group CEO in relation to severance and the non-competition agreement are illustrated in the dedicated chapter in Section I.

1.3.7 ACTUAL PAY-MIX 2020 OF THE MANAGING DIRECTOR/GROUP CEO

The Table shows the composition of the actual remuneration package of the Managing Director/Group CEO, considering the remuneration actually received in 2020:

	EURO	%
Fixed remuneration	1,435,357	25%
Annual cash component of variable remuneration (2020 STI)	1,459,318	26%
Deferred component in shares of variable remuneration (LTI 2018-2020)	2,780,942	49%
Total	5,675,617	100%



The amount reported for the deferred share component (LTI 2018-2020) represents the value of the no. 167,325 shares granted at the end of the Plan performance period at the price per share of € 16.62 at the time of the assignment resolution by the Board of Directors on 10 March 2021 (as reported in Table 3A).

With reference to the co-investment share plan related to the mandate, during 2020 no allocation of shares was made in favour of the Managing Director/Group CEO.

In fact, unlike the "rolling" LTI Plans the Managing Director/Group CEO is the recipient of - which provide for grants on an annual basis - the co-investment share plan related to the mandate provides for a single grant valid for the entire three-year term of the mandate. Any actual allocation of free shares can only take place starting from 2022, depending on the level of achievement of the goals and the other conditions of the Plan.

1.3.8 VARIATION IN THE REMUNERATION OF THE MANAGING DIRECTOR/GROUP CEO, EMPLOYEES AND COMPANY PERFORMANCE

The Table shows the variation in the total remuneration of the Managing Director/Group CEO, the average total remuneration of employees and the main performance indicators of the Group in the two-year period 2019-2020.

57 In particular, severance including the indemnity in lieu of notice as per applicable contract provisions plus 24 months of recurring remuneration (also calculated on the Director remuneration based on the criteria illustrated in Section I).
The payment is due in cases of dismissal without cause or resignation for cause, the latter including the cases of termination of the office (without cause), failure to renew the office and substantial reduction of powers (without cause) or assignment to other individuals of powers which are substantially equivalent or in any event apt at undermining his or her senior position.
As regards the effects of the termination on the rights assigned under the share incentive plans, the contractual agreements in place provide that, in the event of termination of the employment relationship with the Managing Director/Group CEO at the initiative of the company (also as a result of non-renewal) without cause, he maintains the right acquired under the outstanding plans (subject to the achievement of the relative performance goals and all other terms and conditions referred to in the relative regulations).
Starting from the 2019 LTI Plan, the contractual arrangements with the Managing Director/Group CEO provide that, in the event of termination of the office during the three-year mandate as a good leaver, he will retain the rights acquired under the outstanding plans pro rata temporis (subject achieving the goals and subject to the additional terms and conditions of the relative regulations).
Conversely, in so-called "bad leavers", he will lose all the rights deriving from outstanding plans and related to the period of such mandate. "Bad leaver" includes cases of voluntary resignation from the office during the three-year mandate or revocation of the same for cause. "Good leaver" includes all other cases of termination.

The ratio between the total remuneration of the Managing Director/Group CEO and the average total remuneration of employees is also indicated.

Employees	
Total average remuneration variation 2019-2020	***+1.7%***
Philippe DONNET, Managing Director/Group CEO	
Total remuneration variation 2019-2020	***-28.6%***
Generali Performance (Group)	
Normalised Net Profit 2019-2020	***-12.7%***
Operating Result 2019-2020	***+0.3%***

Legend
The total remuneration includes the fixed and variable annual cash components and the fair value of the share-based incentive plans (for the part reported in the financial statements for the relevant year based on international accounting standards). The total remuneration takes into account the voluntary reduction of remuneration in the context of solidarity initiatives linked to the Covid-19 emergency.
The perimeter of "employees" considered corresponds to the employees of the Issuer (Assicurazioni Generali S.p.A.) with the exception of the Managing Director/Group CEO.

Moreover, the ratio between the total 2020 remuneration of the Managing Director/Group CEO compared to the average remuneration of employees (so-called **pay ratio**) is equal to **44:1**.

The total remuneration includes the fixed and variable annual cash component and the fair value of the share-based incentive plans (for the part reported in the financial statements for the relevant year based on international accounting standards). The total remuneration takes into account the voluntary reduction of remuneration in the context of solidarity initiatives linked to the Covid-19 emergency.

The perimeter of "employees" considered corresponds to the employees of the Issuer (Assicurazioni Generali S.p.A.) with the exception of the Managing Director/Group CEO.

From the **analysis of the reference peers** who provided disclosure in 2020, it appears that the average figure for the ratio between CEO remuneration and employee remuneration was **approximately 60:1**, within a range between 33:1 and 92:1. The calculation and analysis methods used by the various peers are not uniform in terms of employee perimeter and remuneration elements considered.

As for the variation in the remuneration of all the other people for whom the disclosure on remuneration is nominative (Directors, Auditors), the data are shown in the appropriate Chart at the bottom of Table 1 of Part II of Section II.

1.4. Remuneration of the Managers with Strategic Responsibilities (not belonging to the Key Functions)

During 2020, as part of the composition of management, there was an overall presence of 16 subjects in the category of the Managers with Strategic Responsibilities (not belonging to the Key Functions).

In line with the 2020 remuneration policies, the Managers with Strategic Responsibilities received the following remuneration in the reference year.

1.4.1 FIXED REMUNERATION

The overall fixed remuneration was € **7,420,929** gross. In particular, a salary adjustment for 1 person was provided in 2020, taking into account market benchmark evidence and according to the defined governance.
During 2020, at the onset of the Covid-19 pandemic, the Managers with Strategic Responsibilities decided, on a voluntary basis, to reduce by 20% their fixed remuneration from April to the end of the year, sharing and appreciating the support of the Generali Group to specific initiatives for the benefit of the community, aimed at dealing with the emergency.

1.4.2 ANNUAL CASH COMPONENT OF THE VARIABLE - SHORT-TERM INCENTIVE PLAN (STI)

The remuneration package for the Managers with Strategic Responsibilities provides for an annual cash component of the variable remuneration (STI) linked to the achievement of annual goals, which can reach an average maximum level of 170% of the fixed remuneration in the event of over-performance (cap). The total amount of the annual part of the variable component for the year 2020 is **€ 5,772,965** gross, on average equal to **ca. 70%** of the fixed remuneration of the parties in question (as reference, in the previous year the average amount was equal to ca. 124%).

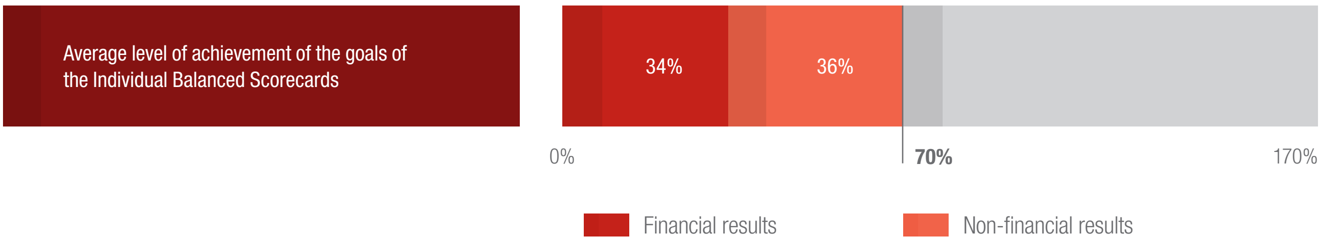
This amount was determined based on:

- **the overall Group Funding Pool** for the Managers with Strategic Responsibilities and other staff belonging to the Global Leadership Group (GLG) - excluding Key Functions - equal to **83.6%** in 2020 based on the levels of Group Net Profit Adjusted and Group Operating Result (as shown below). The Funding Pool mechanism guarantees the complete alignment of the performance and individual incentives with the Group overall results (as reference, the Funding Pool in the previous year was equal to 122.1%).

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

* Group Net Profit reported 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 upon the recommendation of the Appointments and Remuneration Committee in accordance with these guidelines.

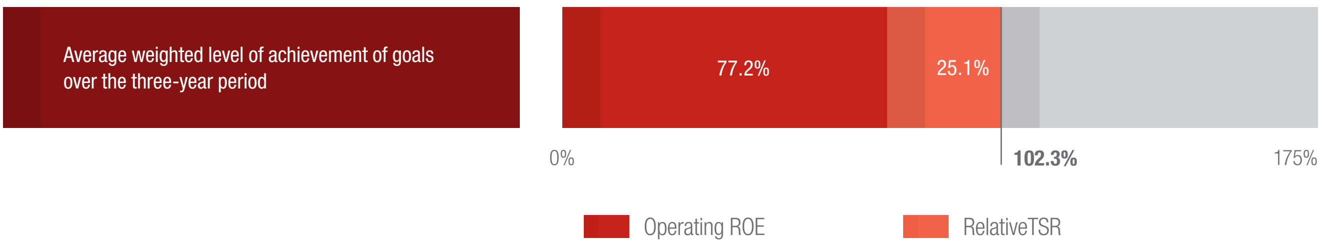
- **the payout level connected to the degree of achievement of the financial and non-financial goals,** as calibrated by the Board of Directors based on the predefined individual Balanced Scorecards, on average equal to **ca. 70%** of the fixed remuneration in 2020 compared to a maximum average level of 170%.



1.4.3 DEFERRED COMPONENT IN SHARES OF THE VARIABLE REMUNERATION - LONG TERM INCENTIVE (LTI)

The remuneration package for the Managers with Strategic Responsibilities provides for a deferred part in shares of the variable component of the remuneration where, after the achievement of the assigned goals, they can be granted a total amount up to a maximum of 175% of the fixed remuneration (and, starting from the LTI Plan 2019-2021, equal to 200% of fixed remuneration for the members of the Group Management Committee).

At the end of the performance period of the 2018-2020 LTI Plan, the Managers with Strategic Responsibilities were granted **n. 625,863 shares**, including the additional shares allocated according to the dividend equivalent mechanism, against a performance level of **102.3%** compared to a maximum of 175% (as reference, in the previous period the performance level was equal to 124.4%). The shares granted are subject to the lock-up periods provided for in the Plan.



The payments in the event of termination for the Managers with Strategic Responsibilities in force are defined on the occasion of the termination of the relationship, in accordance with the relevant Policy for the year of reference, according to which an amount of maximum 24 months of recurring remuneration can be granted (gross annual salary increased by the average of the amounts received as a short-term remuneration in the last three years) in addition to the notice period due by law and collective agreement. There are currently no agreements with the Managers with Strategic Responsibilities that predetermine ex ante the payments due in the event of future termination of employment.

During the 2020 financial year, no terminations of employment for Managers with Strategic Responsibilities were defined.

Details of the payments received by Managers with Strategic Responsibilities for the year 2020 are shown in Table 1; Tables 3.A and 3.B refer to the incentive plans while Table 4 shows the shares held.

In terms of the detailed information related to the long-term variable component, please also refer to the information documents prepared pursuant to art. 114 bis of the TUF at the Company's website in the "Governance, Remuneration" section.

1.5 Remuneration of higher-level personnel of the Key Functions

During 2020, the managerial turnover for the financial year in question resulted in the overall presence, during the year or part thereof, of 26 persons in the category of higher-level personnel of the Key Functions (comprising the Heads of the Key Functions included among the Managers with Strategic Responsibilities).

As already stated in last year's Remuneration Report, starting from 2014, a dedicated remuneration scheme is provided for these roles, in line with specific regulatory requirements. Starting from the 2015 financial year, this system was also extended to the highest level personnel of the Actuarial function.

For the year in question, the Heads and First Reporting Managers of the Key Functions were paid the following remuneration, in line with the previous financial year.

	Remuneration (in Euro)						
	Fixed remuneration (1)	Bonus and other incentives			Non monetary benefits		Severance indemnity for end of office or termination of employment
		Bonus of the year		Bonus of the previous years			
		Upfront	Deferred (2)	Deferred (3)		Total	
Higher-level personnel of the Key Functions	4,944,776.71	1,407,526.70	931,817.78	713,361.58	229,535.82	8,227,018.58	620,000.00

(1) It should be noted that the remuneration packages of 5 incumbents in the category of higher-level personnel of the Key Functions have been adjusted in the light of the evidence emerging from benchmark studies carried out by external consultants and in light of specific regulatory requirements for the correct balance between fixed and variable remuneration (as described above) subject to assessment by the Risk and Control Committee.

(2) Deferral in accordance with the provisions of the regulations subject to and proportional to the verification of the continuity and sustainability of the 2020 performance.

(3) The amount refers to the 2019 performance bonus' deferred portion envisaged by the incentive system for Key Functions.

The detail of the payments received by Managers with Strategic Responsibilities belonging to the Key Functions for the year 2020 is included in Table 1; Table 3.B reports on the Incentive Plans.

During the 2020 financial year, no terminations of employment for the Managers with Strategic Responsibilities of the Key Functions were defined.

PART II

2.1 Tables

Table 1 – Payments to members of the Administrative and Control Bodies, to General Managers and to other Managers with Strategic Responsibilities.

			Emoluments (in Euro)								
			Emoluments for the office held		Non-equity variable remuneration						
Person Name and Surname / Office held	Period for which office was held	Office expiry	Fixed emoluments[1]	Attendance fees	Bonus and other incentives	Profit sharing	Non monetary benefits	Other remuneration	Total	Fair value equity	Severance indemnity for end of office or termination of employment
(I) Emoluments within the company that prepares the financial statement											
Gabriele GALATERI DI GENOLA		**Total**	**960,000.00**	**92,000.00**	**--**	**--**	**9,592.68**	**--**	**1,061,592.68**	**--**	**--**
Chair of the Board of Directors	1.1-12.31.2020	Approved f.s. 2021	850,000.00	64,000.00			9,592.68		**923,592.68**		
Member of the Board of Directors	1.1-12.31.2020	Approved f.s. 2021	50,000.00						**50,000.00**		
Chair of the Corporate Governance, Social and Environmental Sustainability Committee	1.1-12.31.2020	Approved f.s. 2021	30,000.00	12,000.00					**42,000.00**		
Member of Investments Committee	1.1-12.31.2020	Approved f.s. 2021	30,000.00	16,000.00					**46,000.00**		
Francesco Gaetano CALTAGIRONE		**Total**	**180,000.00**	**108,000.00**	**--**	**--**	**--**	**--**	**288,000.00**	**--**	**--**
Member of the Board of Directors	1.1-12.31.2020	Approved f.s. 2021	100,000.00	60,000.00					**160,000.00**		
Member of the Appointments and Remuneration Committee	1.1-12.31.2020	Approved f.s. 2021	20,000.00	6,000.00					**26,000.00**		
Member of the Corporate Governance, Social and Environmental Sustainability Committee	1.1-12.31.2020	Approved f.s. 2021	20,000.00	10,000.00					**30,000.00**		
Member of Investments Committee	1.1-12.31.2020	Approved f.s. 2021	30,000.00	14,000.00					**44,000.00**		
Member of the Strategic Operations Committee	1.1-12.31.2020	Approved f.s. 2021	10,000.00	18,000.00					**28,000.00**		
Philippe DONNET		**Total**	**1,435,357.13**	**--**	**1,459,318.00**	**--**	**234,965.09**	**--**	**3,129,640.22**	**2,380,350.23**	**--**
Managing Director / Group CEO (2)	1.1-12.31.2020	Approved f.s. 2021	1,435,357.13		1,459,318.00		234,965.09		**3,129,640.22**	2,380,350.23(**)	
Member of the Board of Directors	1.1-12.31.2020	Approved f.s. 2021							**--**		
Chair of Investments Committee	1.1-12.31.2020	Approved f.s. 2021							**--**		
Chair of the Strategic Operations Committee	1.1-12.31.2020	Approved f.s. 2021							**--**		
Lorenzo PELLICIOLI		**Total**	**70,000.00**	**110,000.00**	**--**	**--**	**--**	**--**	**180,000.00**	**--**	**--**
Member of the Board of Directors	1.1-12.31.2020	Approved f.s. 2021		56,000.00					**56,000.00**		
Member of the Appointments and Remuneration Committee	1.1-12.31.2020	Approved f.s. 2021	30,000.00	22,000.00					**52,000.00**		
Member of Investments Committee	1.1-12.31.2020	Approved f.s. 2021	30,000.00	14,000.00					**44,000.00**		
Member of the Strategic Operations Committee	1.1-12.31.2020	Approved f.s. 2021	10,000.00	18,000.00					**28,000.00**		
Clemente REBECCHINI		**Total**	**170,000.00**	**156,000.00**	**--**	**--**	**--**	**--**	**326,000.00**(3)	**--**	**--**
Member of the Board of Directors	1.1-12.31.2020	Approved f.s. 2021	50,000.00	64,000.00					**114,000.00**		
Member of the Appointments and Remuneration Committee	1.1-12.31.2020	Approved f.s. 2021	20,000.00	6,000.00					**26,000.00**		
Member of the Corporate Governance, Social and Environmental Sustainability Committee	1.1-12.31.2020	Approved f.s. 2021	20,000.00	12,000.00					**32,000.00**		
Member of Investments Committee	1.1-12.31.2020	Approved f.s. 2021	30,000.00	16,000.00					**46,000.00**		
Member of the Strategic Operations Committee	1.1-12.31.2020	Approved f.s. 2021	10,000.00	20,000.00					**30,000.00**		
Member of the Risk and Control Committee	1.1-12.31.2020	Approved f.s. 2021	40,000.00	38,000.00					**78,000.00**		

Person Name and Surname / Office held	Period for which office was held	Office expiry	Emoluments (in Euro): Emoluments for the office held – Fixed emoluments[1]	Attendance fees	Non-equity variable remuneration – Bonus and other incentives	Profit sharing	Non monetary benefits	Other remuneration	Total	Fair value equity	Severance indemnity for end of office or termination of employment
Alberta FIGARI		**Total**	**190,000.00**	**124,000.00**	--	--	--	--	**314,000.00**	--	--
Member of the Board of Directors	1.1-12.31.2020	Approved f.s. 2021	100,000.00	64,000.00					**164,000.00**		
Chair of the Risk and Control Committee	1.1-12.31.2020	Approved f.s. 2021	60,000.00	38,000.00					**98,000.00**		
Member of the Appointments and Remuneration Committee	1.1-12.31.2020	Approved f.s. 2021	30,000.00	22,000.00					**52,000.00**		
Sabrina PUCCI		**Total**	**140,000.00**	**108,000.00**	--	--	--	--	**248,000.00**	--	--
Member of the Board of Directors	1.1-12.31.2020	Approved f.s. 2021	80,000.00	64,000.00					**144,000.00**		
Member of the Risk and Control Committee	1.1-12.31.2020	Approved f.s. 2021	40,000.00	38,000.00					**78,000.00**		
Member of the Appointments and Remuneration Committee	1.1-12.31.2020	Approved f.s. 2021	20,000.00	6,000.00					**26,000.00**		
Romolo BARDIN		**Total**	**165,000.00**	**106,000.00**	--	--	--	--	**271,000.00**	--	--
Member of the Board of Directors	1.1-12.31.2020	Approved f.s. 2021	85,000.00	60,000.00					**145,000.00**		
Member of the Related party transactions Committee	1.1-12.31.2020	Approved f.s. 2021	20,000.00	6,000.00					**26,000.00**		
Member of the Appointments and Remuneration Committee	1.1-12.31.2020	Approved f.s. 2021	20,000.00	6,000.00					**26,000.00**		
Member of Investments Committee	1.1-12.31.2020	Approved f.s. 2021	30,000.00	14,000.00					**44,000.00**		
Member of the Strategic Operations Committee	1.1-12.31.2020	Approved f.s. 2021	10,000.00	20,000.00					**30,000.00**		
Diva MORIANI		**Total**	**130,000.00**	**88,000.00**	--	--	--	--	**218,000.00**	--	--
Member of the Board of Directors	1.1-12.31.2020	Approved f.s. 2021	70,000.00	60,000.00					**130,000.00**		
Member of the Related party transactions Committee	1.1-12.31.2020	Approved f.s. 2021	20,000.00	6,000.00					**26,000.00**		
Chair of the Appointments and Remuneration Committee	1.1-12.31.2020	Approved f.s. 2021	40,000.00	22,000.00					**62,000.00**		
Paolo DI BENEDETTO		**Total**	**145,000.00**	**82,000.00**	--	--	--	--	**227,000.00**	--	--
Member of the Board of Directors	1.1-12.31.2020	Approved f.s. 2021	100,000.00	64,000.00					**164,000.00**		
Chair of the Related party transactions Committee	1.1-12.31.2020	Approved f.s. 2021	25,000.00	6,000.00					**31,000.00**		
Member of the Corporate Governance, Social and Environmental Sustainability Committee	1.1-12.31.2020	Approved f.s. 2021	20,000.00	12,000.00					**32,000.00**		
Roberto PEROTTI		**Total**	**170,000.00**	**116,000.00**	--	--	--	--	**286,000.00**	--	--
Member of the Board of Directors	1.1-12.31.2020	Approved f.s. 2021	100,000.00	64,000.00					**164,000.00**		
Member of the Risk and Control Committee	1.1-12.31.2020	Approved f.s. 2021	40,000.00	36,000.00					**76,000.00**		
Member of Investments Committee	1.1-12.31.2020	Approved f.s. 2021	30,000.00	16,000.00					**46,000.00**		
Ines MAZZILLI		**Total**	**140,000.00**	**106,000.00**	--	--	--	--	**246,000.00**	--	--
Member of the Board of Directors	1.1-12.31.2020	Approved f.s. 2021	80,000.00	64,000.00					**144,000.00**		
Member of the Risk and Control Committee	1.1-12.31.2020	Approved f.s. 2021	40,000.00	36,000.00					**76,000.00**		
Member of the Related party transactions Committee	1.1-12.31.2020	Approved f.s. 2021	20,000.00	6,000.00					**26,000.00**		
Antonella MEI-POCHTLER		**Total**	**140,000.00**	**82,000.00**	--	--	--	--	**222,000.00**	--	--
Member of the Board of Directors	1.1-12.31.2020	Approved f.s. 2021	100,000.00	64,000.00					**164,000.00**		
Member of the Corporate Governance, Social and Environmental Sustainability Committee	1.1-12.31.2020	Approved f.s. 2021	20,000.00	12,000.00					**32,000.00**		
Member of the Related party transactions Committee	1.1-12.31.2020	Approved f.s. 2021	20,000.00	6,000.00					**26,000.00**		
Carolyn DITTMEIER		**Total**	**170,000.00**	--	--	--	--	--	**170,000.00**	--	--
Chair of the Statutory Auditors	1.1-12.31.2020	Approved f.s. 2022	170,000.00						**170,000.00**		

Person Name and Surname / Office held	Period for which office was held	Office expiry	Emoluments (in Euro): Emoluments for the office held: Fixed emoluments[(1)]	Attendance fees	Non-equity variable remuneration: Bonus and other incentives	Profit sharing	Non monetary benefits	Other remuneration	Total	Fair value equity	Severance indemnity for end of office or termination of employment
Lorenzo POZZA		Total	120,000.00	--	--	--	--	--	120,000.00	--	--
Statutory Auditor	1.1-12.31.2020	Approved f.s. 2022	120,000.00						120,000.00		
Antonia DI BELLA		Total	120,000.00	--	--	--	--	--	120,000.00	--	--
Statutory Auditor	1.1-12.31.2020	Approved f.s. 2022	120,000.00						120,000.00		
Other Managers with Strategic Responsibilities[(4)]		Total	8,657,416.72	--	6,696,662.75	--	1,033,485.66	--	16,387,565.13	6,947,234.64 (*)	--
TOTAL (**)			13,102,773.85	1,278,000.00	8,155,980.75	--	1,278,043.43	--	23,814,798.03	9,327,584.87	--

(1) The total remuneration takes into account the voluntary reduction of emoluments in the context of solidarity initiatives linked to the context of the Covid-19 emergency.
(2) For the incidence of the components of Director and Employee, refer to what is described in Part I of Section 2 with reference to the remuneration of the Managing Director / Group CEO.
(3) The remuneration is paid directly to Mediobanca.
(4) During the 2020 financial year, there were 20 Managers with Strategic Responsibilities (including the Heads of Key Functions). The amounts shown in the table consider the total remuneration paid to all Managers with Strategic Responsibilities (including the Heads of Key Functions).
(*) Sum of the fair value relating to the shares attributable and potentially attributable in the future (as part of the Long-term Incentive Plans subject to the achievement of the objectives and compliance to the terms and conditions set out in the respective Plans) for the part recognized in the financial statements 2020 on an accrual basis according to international accounting standards.
(**) The data include the compensation from subsidiaries and associates.

The Table represents the variations over the two-year period 2019-2020 to the remuneration of the parties for whom the disclosure on remuneration is nominative, to the performance of the Company, and to the remuneration of employees:

Gabriele GALATERI di GENOLA *Remuneration [1] 2019-2020*	*-1.4%*
Francesco Gaetano CALTAGIRONE *Remuneration [1] 2019-2020*	*+12.5%*
Philippe DONNET *Remuneration 2019-2020*	*-28.6%*
Lorenzo PELLICIOLI *Remuneration [1] 2019-2020*	*-30.0%*
Clemente REBECCHINI *Remuneration [1] 2019-2020*	*-2.8%*
Alberta FIGARI *Remuneration [1] 2019-2020*	*+10.8%*
Sabrina PUCCI *Remuneration [1] 2019-2020*	*-0.3%*
Romolo BARDIN *Remuneration [1] 2019-2020*	*+2.0%*
Diva MORIANI *Remuneration [1] 2019-2020*	*-8.1%*
Paolo DI BENEDETTO *Remuneration [1] 2019-2020*	*+6.4%*
Roberto PEROTTI *Remuneration[1] 2019-2020*	*+7.9%*
Ines MAZZILLI *Remuneration [1] 2019-2020*	*+47.5% [2]*
Antonella MEI-POCHTLER *Remuneration [1] 2019-2020*	*+58.9% [2]*
Carolyn DITTMEIER *Remuneration [1] 2019-2020*	*+13.3%*
Lorenzo POZZA *Remuneration [1] 2019-2020*	*+20.0%*
Antonia DI BELLA *Remuneration [1] 2019-2020*	*+20.0%*
Dipendenti *Remuneration 2019-2020*	*+1.7%*
Performance Generali (Gruppo) *Utile Netto di bilancio normalizzato 2019-2020*	*-12.7%*
Operating Result 2019-2020	*+0.3%*

Legend
The total remuneration includes the fixed and variable annual cash components and the fair value of the share-based incentive plans (for the part reported in the financial statements for the relevant year based on international accounting standards). The total remuneration takes into account the voluntary reduction of remuneration in the context of solidarity initiatives linked to the Covid-19 emergency.
The perimeter of "employees" considered corresponds to the employees of the Issuer (Assicurazioni Generali S.p.A.) with the exception of the Managing Director/Group CEO.

1 Fixed emoluments and attendance fees
2 Change affected by the tenure in office for a period of less than one year during 2019 (7 May - 31 December)

Table 2 – Stock options granted to the members of the Board of Directors, General Managers and other Managers with Strategic Responsibilities.

			Options held at the start of the financial year							Options assigned during the financial year				Options exercised during the financial year		Options expired during the financial year	Options held at the end of the financial year	Options related to the financial year
A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) = 2+5-11-14	(16)
Name and Surname	Office	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, in favour of the members of the Board of Directors, General Managers and other Managers with Strategic Responsibilities.

			Financial instruments assigned during previous years and not vested during the year		Financial instruments assigned during the year					Financial instruments vested during the year and not assigned	Attributable financial instruments vested during the year		Financial instruments relevant to the year
A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Name and surname	Office	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value on assignment date	Vesting period	Assignment date	Market price upon assignment	Number and type of financial instruments	Number and type of financial instruments	Value on maturity date	Fair value
(I) Emoluments in the company that prepares the financial statement													
Philippe DONNET	Managing Director / Group CEO	LTI 2018-2020 (resolution of the Shareholders' Meeting April 19, 2018) [a]								49,916 shares not granted [b]	167,325 shares to be granted	€ 2,780,942	€ 719,035
		LTI 2019-2021 (resolution of the Shareholders' Meeting May 7, 2019) [c]	224,332 shares potentially granted	2019-2021									€ 540,881
		LTI 2020-2022 (resolution of the Shareholders' Meeting April 30, 2020) [d]			192,025 shares potentially granted	€ 2,499,205	2020-2022	April 30, 2020	€ 13.015				€ 296,074
		Co-investment share plan linked to the mandate (Shareholders' Meeting April 30, 2020) [e]			550,000 shares potentially granted	€ 7,158,250	2019-2022	April 30, 2020	€ 13.015				€ 824,360
Other Managers with Strategic Responsibilities		LTI 2018-2020 (resolution of the Shareholders' Meeting April 19, 2018) [a]								215,450 shares not granted [b]	625.863 shares to be granted	€ 10,401,843	€ 2,910,634
		LTI 2019-2021 (resolution of the Shareholders' Meeting May 7, 2019) [c]	899,555 shares potentially granted	2019-2021									€ 2,119,067
		LTI 2020-2022 (resolution of the Shareholders' Meeting April 30, 2020) [d]			817,449 shares potentially granted	€ 10,639,099	2020-2022	April 30, 2020	€ 13.015				€ 1,917,533
(III) Total (*)			**1,123,887**		**1,559,474**					**265,366**	**793,188**	**€ 13,182,785**	**€ 9,327,585**

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

(a) Number of shares to be granted on April 2021 as per Assicurazioni Generali's Board of Directors' resolution after the conclusion of the performance period and based on the achievement of the objectives set for the three-year period 2018-2020, including the additional number of shares based on the overall amount of dividends distributed in the three-year reference period (so-called dividend equivalent).
The amount on maturity date has been determined considering the official closing price of the share on March 10, 2021, date on which the Assicurazioni Generali Board of Directors held its Meeting, verified the achievement of three-year objectives and approved the resolution on free capital increase.

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

(c) Maximum number of shares potentially granted at the end of the vesting period (2019 - 2021) subject to the achievement of the objectives at the end of the three-year period and compliance to the terms and conditions set out in the Plan. Moreover, as stated in the LTI Plan's rules and as described in last year's 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 the vesting period (2020 – 2022) subject to the achievement of the objectives and compliance to the terms and conditions of the Plan. Moreover, as stated in the LTI Plan's rules and as described in last year's Remuneration Report, beneficiaries could receive an additional number of shares based on the overall amount of 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 the vesting period (2019 - 2022) subject to the achievement of the objectives and compliance to the terms and conditions of the Plan. Moreover, as stated in the LTI Plan's rules and as described in last year's Remuneration Report, beneficiaries could receive an additional number of shares based on the overall amount of dividends distributed in the three-year reference period (so-called dividend equivalent).

Tabella 3B – Cash Incentive Plans in favour of 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 2020 (resolution of the Board of Directors - March 12, 2020)	1,459,318						
Other Managers with Strategic Responsibilities (a)		STI 2020 (resolution of the Board of Directors - March 12, 2020)	6,397,305	416,227	2023				
		STI 2019 (b) (resolution of the Board of Directors - March 13, 2019)					299,358		
		Other bonuses							-
(III) Total (*)			**7,856,623**	**416,227**			**299,358**		**0**

(*) The data include the compensation from subsidiaries and associates.
(a) During the 2020 financial year, there were 20 Managers with Strategic Responsibilities (including the Heads of Key Functions). The amounts shown in the table consider the total remuneration paid to all Managers with Strategic Responsibilities (including the Heads of Key Functions).
(b) The amount represented refers to the 2019 performance bonus' deferred portion as foreseen by the incentive system for Key Functions.

Table 4 – Shareholdings of members of the Administrative and Control Bodies, of 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 *Chair of the Board of Directors*	Generali	26,800	7,900		34,700
Francesco Gaetano CALTAGIRONE *Member of the Board of Directors*	Generali	78,500,000 (1)	7,900,000 (2)	1,900,000 (2)	84,500,000 (3)
Philippe DONNET *Managing Director/Group CEO*	Generali	687,950	228,872 (4)		916,822
Romolo BARDIN *Member of the Board of Directors*	Generali	3,000			3,000
Other Managers with Strategic Responsibilities (5)	Generali	786,848	743,676 (6)	143,650	1,386,874

(1) Of which 78,385,000 shares held through an intermediate legal person.
(2) Through an intermediate legal person.
(3) Of which 84,385,000 shares held through an intermediate legal person.
(4) Shares granted under 2017-2019 LTI Plan.
(5) During the 2020 financial year, there were 20 Managers with Strategic Responsibilities (including the Heads of Key Functions), 16 of whom were holders of Generali shares at 31 December 2020.
(6) Shares granted under 2017-2019 LTI Plan.

SECTION III KEY FUNCTIONS VERIFICATIONS

CHAPTER 1

KEY FUNCTIONS VERIFICATIONS

1.1 Verification of the Compliance and Risk Management functions

1.1.1 INTRODUCTION

The IVASS Regulation no. 38/2018 provides that the definition and implementation of the remuneration policies adopted by the Company are subject, at least annually, to a review by the Key Functions, according to their respective areas of competence.

The Compliance Function, in particular, pursuant to art. 58 of the aforementioned IVASS Regulation no. 38/2018, has the task of verifying that the aforementioned policies comply with the rules on the Remuneration and Incentive Policy referred to in Part II, Chapter VII of IVASS Regulation no. 38/2018, the Articles of Association, any codes of ethics or other standards of conduct as well as indications provided by the Italian and European Supervisory Bodies applicable to the Company, in order to prevent and contain legal and reputation risks.

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

1.1.2 VERIFICATION OF THE REMUNERATION POLICY

With specific reference to the Remuneration Policy, the Compliance Function and the Risk Management Function have examined ex ante, for the aspects of their respective competence, the text that will be submitted, after review by the Board of Directors, for approval by the next Annual Shareholders' Meeting.

In particular, the following aspects were assessed:

- the alignment of the recipients of the Policy with the organisational changes occurred as well as the identification of the staff in the scope of Group's remuneration policies;
- the use - in terms of size characteristics, geographical presence and business model - of the reference peer panel for the 2021 remuneration benchmarking, to confirm the consistency of ratio between fixed and variable remuneration applied by the Generali Group towards the reference insurance market;
- the link between remuneration and risk, with the confirmation of the Regulatory Solvency Ratio and the Return on Risk Capital (RORC) as key indicators of the Group's incentive system. In addition, the definition of the structure of the incentive plans with the provision of access thresholds related to the Company's financial situation and risk management, as well as risk indicators and malus and clawback mechanisms;
- the balance between fixed and variable remuneration as well as the provision of maximum limits for variable remuneration. Especially:
  - the fixed remuneration is determined and adjusted over time considering the role held and the responsibilities assigned, also taking into account the experience and skills of each recipient. The weight of the fixed remuneration is such as to remunerate adequately to attract and retain key staff and sufficient to remunerate the role correctly, even if the variable remuneration is not paid following the failure to achieve the individual, Company or Group goals so as to avoid behaviours that are not proportionate to the Company's degree of risk appetite;
  - the variable remuneration consists of an annual cash component (STI) and a deferred component in shares (LTI). The annual cash component is paid upon achievement of goals defined in the individual balanced scorecards where up to a maximum of 8 goals are set at Group, Business Unit, Country, function or individual level and set in terms of value creation, risk adjusted profitability, implementation of new strategic projects, sustainability and people value while the goals of the deferred component in shares are closely linked to the strategy and business priorities of the Group;
  - there is also a limit to the amount of individual bonuses. In particular:
    - with reference to the annual cash component of the variable remuneration, the bonus linked to the achievement of the annual goals can reach up to 200% of the fixed remuneration for the Managing Director/Group CEO and on average up to 170% of the fixed remuneration for the Managers with Strategic Responsibilities;
    - with reference to the deferred component in shares of the variable remuneration, the maximum potential bonus to be paid in shares corresponds to 200% of the gross annual remuneration of participants in the plan for the Managing Director/Group CEO and members of the Group Management Committee (GMC), to 175% of the gross annual remuneration of participants for the other relevant personnel and other members of the Global Leadership Group (GLG) and 87.5% of the gross annual remuneration for the other beneficiaries Talents and other key roles;
- the composition and deferral period of the variable remuneration of the remuneration packages. In detail:
  - with reference to the annual cash component of the variable remuneration (STI):
    - its composition consists of cash bonuses;
    - payment is expected at the end of an assessment process of the achieved results and subsequent determination of the bonuses;
  - with reference to the deferred component in shares of the variable remuneration (LTI):

- it is made of shares;
- the deferral period is differentiated in terms of overall duration for two different categories of beneficiaries:
  a. for the Managing Director/Group CEO and members of the GMC, an allocation system is provided through an overall timeframe of 7 calendar years;
  b. for the remaining relevant staff, the other members of the GLG, the Talents and other key roles of the Group, an allocation system is provided through an overall timeframe of 6 calendar years;
- the definition of the results to be achieved in order to obtain recognition of the variable component. In detail:
  - with reference to the annual cash component of the variable remuneration (STI):
    - there is a reference threshold to which the funding pool of the STI plan is subordinated, identified in a specific minimum level of Regulatory Solvency Ratio (RSR) equal to 130%;
    - a process is provided to define the conditions and assign the annual cash component of the variable remuneration, with a detailed description of the various steps where this process runs (funding pool; individual performance; calibration and payout);
    - the minimum and maximum values of the funding pool are determined in relation to the degree of achievement of the Group's performance levels;
    - the maximum number of goals of the balanced scorecard, based on 3 perspectives:
      a. the first perspective (risk-adjusted economic and financial performance) has not undergone substantial changes and continues to weigh for 50+%;
      b. the second perspective "Specific Country/BU goals and Group strategic projects" has not been changed and has as indicators "Specific Country/BU KPIs linked to Business strategies and local projects and KPIs linked to Group strategic projects for all Relevant GLGs/leaders of strategic projects". The percentage was confirmed at 15-35%;
      c. the third perspective "Generali 2021 Enablers", was confirmed with a weight of 20-30% and its goal is an assessment based on specific performance indicators (KPI) related to:
         I. "People Value", with priority on the quality and solidity of the succession plan, D&I index, Reskilling Program Execution and Group Engagement Index;
         II. "Brand & Lifetime Partner", with priority on "Relationship Net Promoter Score (NPS)", Customer Retention and Brand Preference;
         III. "Sustainability Commitment", with priority on Group/local initiatives with a focus on increasing green & social products, green & sustainable investments, THSN development and Climate Strategy Implementation;
  - with reference to the annual cash component of the variable remuneration for the Managing Director/Group CEO, the individual balanced scorecard includes risk-adjusted financial performance goals (e.g. Group Net Profit Adjusted and Group Return on Risk Capital – RORC) and non-financial performance indicators defined by the Board of Directors (key projects linked to the Group's strategy and Generali 2021 Enablers), in line with the goals of the strategic plan;
  - with reference to the deferred component in shares of the variable remuneration (LTI):
    - the annual and three-year access threshold was confirmed;
    - clusters of potential beneficiaries were confirmed;
    - the following performance indicators have been defined:
      a. Total Shareholder Return (TSR), with vesting and payment from the median; in fact, payment of % of potential shares corresponding to the relative Total Shareholder Return (rTSR) indicator is provided if this is equal to or greater than the market median;
      b. Net Holding Cash Flow (NHCF), as a measure of cash generation;
      c. the ESG ratings/sustainability indices MSCI ESG Rating (MSCI) and S&P Global Corporate Sustainability Assessment Percentile (S&P) with multiplier/reducer function in a range from x0.8 to x1.2;
    - the maximum number of shares that can be granted to the recipients was defined as 12,100,000;
- the link between remuneration and sustainability risk as required by EU Regulation 2088/2019 obtained through the provision of specific ESG indicators in the annual cash and deferred share components of variable remuneration, as well as in the provisions related to the remuneration of intermediaries and service providers;
- the suitability of the remuneration systems to ensure compliance with legal, regulatory and statutory provisions, obtained through:
  - the consistency of the variable remuneration to reach full compliance with the internal and external regulatory provisions of the Group;
  - specific ex ante (malus) and ex post (clawback) adjustment mechanisms that allow to reduce/set to zero or request the return of all or part of the variable remuneration in the event of (i) failure to achieve the results (ii) significant deterioration of the patrimonial or financial situation of the Company (iii) results that have proved to be non-lasting or effective as a result of wilful or grossly negligent conduct or in the event of violation of the Code of Conduct and in the event of non-compliance with the internal and external regulatory provisions applicable to managed activities;
- the provision of special agreements - included in the contractual documents governing the incentive plans - aimed at prohibiting the use of personal or insurance hedging strategies (so-called hedging) that could alter or invalidate the risk alignment effects part of the variable remuneration mechanisms;
- the composition of the remuneration of directors without executive powers and of the control bodies. In both cases, the assignment of variable components is not provided;
- the structure of the remuneration for the relevant personnel of Key Functions, provides for remuneration payment mechanisms in line with the assigned tasks, independent of the results achieved by the operating units subject to control and linked to the achievement of goals related to the effectiveness and quality of the control activity. The variable remuneration is also structured in such a way as to provide for a deferred cash payment over three years;

- the presence of conditions and procedures where it is possible to temporarily derogate from specific elements of the Policy in the event of the exceptional circumstances referred to in art. 123-ter of the T.U.F.;
- the payments in the event of termination, with specific provisions aimed at defining the related economic terms based on the circumstances and reasons for the termination, with special reference to the performance achieved, the risks taken and the actual operating results of the Company. Especially:
  - the introduction of a predefined formula for calculating severance that combines predetermined and objective criteria, in addition to seniority;
  - the definition of a cap of 24 months of recurring remuneration including any non-competition agreements;
- the consistent application of the principles of the Policy within the Group is confirmed through the preparation of a Group Remuneration Internal Policy as a tool to ensure the overall consistency and application of the remuneration policies by all Group companies, in compliance with the characteristics of each Company and in compliance with the limits set by the local and/or sector regulatory framework.

Within this context, the Risk Management Function verified the consistency of the identified criteria and the relative indicators used for performance assessment with respect to the risk management strategies established by the Board of Directors, with special reference to the Risk Appetite Framework and the Recovery Plan.

1.1.3 FINAL REMARKS

Following the evaluations:

- the Compliance Function believes that the remuneration system described in the Remuneration Policy complies with the provisions of the Delegated Acts issued to implement the Solvency II Directive, with those issued by IVASS in Regulation n. 38/2018, as well as with the provisions of Consolidated Finance Act regarding Report on the Remuneration Policy and Payments, with the provisions of EU Regulation 2088/2019 related to the disclosure on sustainability in the financial services sector, with the provisions of the Articles of Association, and of the Corporate Governance Code of listed companies and of the Group Code of Conduct as well as the indications provided by the Italian and European Supervisory Authorities. The remuneration system provided by the Policy is therefore consistent with sound and prudent management and in line with the strategic goals, profitability and balance of the Company in the long term;
- the Risk Management Function, with special reference to the criteria and parameters adopted for determining the variable remuneration, believes that the new remuneration system is consistent with the Group's risk management strategies.

1.2 Ex post verifications by the Internal Audit Function

Pursuant to art. 58 and 93 of the IVASS Regulation n. 38/2018, the Internal Audit function verified the correct application of the Remuneration Policies based on the guidelines established by the Board of Directors for the sake of efficiency and safeguarding of Company and Group assets. These activities integrate the assessments carried out by other control functions (Compliance and Risk Management).

The function verified, for recipients of the Remuneration Policies, both the correct settlement and payment of the fixed and variable components attributed based on the 2019 Policy, which were paid in 2020, and the correct implementation of the 2020 Policy. Both types of checks were subsequent and consequent to the various resolutions taken on the subject by the Shareholders' Meeting on April 30th 2020.

The results of these checks, based on data analysis and a sample of transactions, did not reveal any notable exceptions such as to be mentioned in this report.

INFORMATION NOTE PURSUANT TO ARTICLE 84-BIS, PARAGRAPH 5, OF THE CONSOB REGULATION

Remuneration plans based on financial instruments - assignment of shares/rights under the Long Term Incentive 2020-2022 and previous plans

With reference to the 2018-2020 Long Term Incentive Plan approved by the Shareholders' Meeting on 19 April 2018, the Board of Directors of Assicurazioni Generali SpA, on March 10th 2021, upon proposal of the Appointments and Remuneration Committee, verified the achievement of the performance conditions provided by the Plan, granted to n. 454 total beneficiaries n. 5,017,194 Generali shares, already including the number of additional shares determined based on the total amount of dividends distributed over the three-year period of reference (so-called dividend equivalent).

With reference to the 2020-2022 Long Term Incentive Plan approved by the Shareholders' Meeting on April 30th 2020, the Board of Directors of Assicurazioni Generali SpA, on June 24th 2020, after proposal by the Appointments and Remuneration Committee, decided to implement this plan. Approximately n. 530 beneficiaries, who have been granted, with effect from 2020, the right to receive a total of up to n. 9,500,000 Generali shares, which may be granted at the end of a three-year vesting period, subject to the conditions set out in the plan, have been identified.

Furthermore, as required by the plan regulations and stated in last year's Report, the beneficiaries may be paid a number of additional shares determined based on the total amount of dividends distributed in the three-year reference period (so-called dividend equivalent).

For more details on the 2018-2020 Long Term Incentive Plan and the other Long Term Incentive Plans, please refer to the information documents available on the issuer's website www.generali.com.

Table 1, Section 1 – Instruments relating to plans, which are valid, approved based on previous board decisions

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	Assignment date	Instrument purchase price (if applicable)	Market price upon assignment	Vesting period
Philippe DONNET	Managing Director/ Group CEO (*)	LTI 2018-2020 (resolution of the Shareholders' Meeting April 19, 2018) [a]	Assicurazioni Generali ordinary shares	167,325 shares to be granted	April 19, 2018		€ 16.545	2018-2020
		LTI 2019-2021 (resolution of the Shareholders' Meeting May 7, 2019) [b]	Assicurazioni Generali ordinary shares	224,332 shares potentially granted	May 7, 2019		€ 17.127	2019-2021
Other Managers with Strategic Responsibilities (*)		LTI 2018-2020 (resolution of the Shareholders' Meeting April 19, 2018) [a]	Assicurazioni Generali ordinary shares	625,863 shares to be granted	April 19, 2018		€ 16.545	2018-2020
		LTI 2019-2021 (resolution of the Shareholders' Meeting May 7, 2019) [b]	Assicurazioni Generali ordinary shares	899,555 shares potentially granted	May 7, 2019		€ 17.127	2019-2021
Other Managers (*)		LTI 2018-2020 (resolution of the Shareholders' Meeting April 19, 2018) [a]	Assicurazioni Generali ordinary shares	4,224,006 shares to be granted	April 19, 2018		€ 16.545	2018-2020
		LTI 2019-2021 (resolution of the Shareholders' Meeting May 7, 2019) [b]	Assicurazioni Generali ordinary shares	7,374,629 shares potentially granted	May 7, 2019		€ 17.127	2019-2021

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

(a) Number of shares to be granted in April 2021 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 period (2018-2020), including the number of additional shares based on the overall amount of dividends distributed in the three-year period (so-called dividend equivalent).

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

Table 1, Section 2 – New allocation instruments, based on the decision:

- of the Board of Directors proposal for the Meeting
- of the competent body to implement the decisions of the Board

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	Assignment date	Instrument purchase price (if applicable)	Market price upon assignment	Vesting period
Philippe DONNET	Managing Director / Group CEO (*)	LTI 2020-2022 (resolution of the Shareholders' Meeting April 30, 2020) [a]	Assicurazioni Generali ordinary shares	192,025 shares potentially granted	30.04.2020		€ 13.015	2020-2022
		Co-investment share plan linked to the mandate (resolution of the Shareholders' Meeting April 30, 2020) [b] [c]	Assicurazioni Generali ordinary shares	550,000 shares potentially granted	30.04.2020	€ 16.560	€ 13.015	2019-2022
Other Managers with Strategic Responsibilities (*)		LTI 2020-2022 (resolution of the Shareholders' Meeting April 30, 2020) [a]	Assicurazioni Generali ordinary shares	817,449 shares potentially granted	30.04.2020		€ 13.015	2020-2022
Other Managers (*)		LTI 2020-2022 (resolution of the Shareholders' Meeting April 30, 2020) [a]	Assicurazioni Generali ordinary shares	6,537,268 shares potentially granted	30.04.2020		€ 13.015	2020-2022

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

(a) Maximum number of shares to be potentially granted at the end of the vesting period (2020 – 2022) subject to the achievement of the objectives and compliance to the terms and conditions of the Plan. Moreover, as stated in the LTI plan's rules and as described in last year's Remuneration Report, beneficiaries could receive an additional number of shares based on the overall amount of dividends distributed in the three-year reference period (so-called dividend equivalent).

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

(c) Reference price (i.e. average price of the three months preceding the approval of the Plan by the Board of Directors) of the 550,000 shares already held by the Managing Director / Group CEO at the beginning of the Plan (due to purchases and previous assignments) and which he undertook to maintain for the entire duration of the Plan.

GLOSSARY

Accessibility gap to variable remuneration between females and males
Percentage difference between the access rate to variable remuneration between females and males within the entire organisation.

Appointments and Remuneration Committee (ARC)
Company Appointments and Remuneration Committee, set up in line with the CG Code (articles 5 and 6).

Articles of Association
The Company's Articles of Association.

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

Board or Board of Directors
Company Board of Directors.

Board of Statutory Auditors
Company Board of Statutory Auditors.

Chair
The person who holds the office of Chairperson of the Board of Directors of the Company.

Company (also Assicurazioni Generali, Generali and Company)
Assicurazioni Generali S.p.A.

CONSOB
"Commissione Nazionale per le Società e la Borsa", National Committee for Italian Companies and the Stock Exchange.

Consolidated Law on Finance (TUF – Testo Unico Finanza)
The Legislative Decree no. 58 of February 24, 1998, "Consolidated Law of the provisions on financial intermediation, pursuant to articles 8 and 21 of Law no. 52 of February 6, 1996", in the formulation in force at the date of this Report.

Corporate Governance, Social and Environmental Sustainability Committee (GSC)
Company Committee for Corporate Governance and Social and Environmental Sustainability.

Corporate Governance Code (CG)
The Corporate Governance Code for listed companies, approved in January 2020 by the Corporate Governance Committee, promoted by Borsa Italiana S.p.A., ABI, ANIA, Assogestioni, Assonime and Confindustria, published on the website www.borsaitaliana.it. The Company has implemented it with a resolution of the Board of Directors.

Director (or Directors)
Members of the Company's Board of Directors.

Equal Pay Gap
Difference between females' and males' median base salary for comparable roles, comparing females and males belonging to the same job function and organizational level. It is calculated applying a Group common methodology as a percentage of the difference between females' salary minus males' salary for comparable roles, divided by the males' salary. If the result is positive, the gap shows that the gender female is the most compensated; vice-versa, if the result is negative, the gap shows that the gender male is the most compensated.

Gender Pay Gap
Difference between females' and males' median base salary across the entire organization regardless of the roles. It is calculated applying a Group common methodology as a percentage of the difference between females' salary minus males' salary, divided by the males' salary. If the result is positive, the gap shows that the gender female is the most compensated; vice-versa, if the result is negative, the gap shows that the gender male is the most compensated.

Global Leadership Group (GLG)
The team of Company and Group Top Managers who cover the roles with the highest organisational weight and impact on strategy implementation, process, including, among others, the CEOs of subsidiaries, Branch Managers, strategic positions within countries, business lines and Group Head Office positions with a global impact on the Group's results.

Group
The Company and the subsidiaries under Italian and foreign law subject to its control, pursuant to Article 93 of the Consolidated Law on Finance.

Group Management Committee (GMC)
The team of Company and Group Top Managers supporting the Managing Director/Group CEO, who meet to discuss essential decisions for the Group, verify proposals to be submitted to the Board, assess the main risks, investments and financial and industrial results.

Group Net Profit Adjusted
Group Net Profit reported 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 upon the recommendation of the Appointments and Remuneration Committee in accordance with these guidelines.

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

Investment Committee
The Company's Investment Committee

Investment and Strategic Operations Committee (IC)
Committee for Investments and Strategic Operations.

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

IVASS
The Italian Institute for Insurance Surveillance. Body that supervises the Italian insurance market, to guarantee its stability and adequate protection of insured consumers.

IVASS Regulation n° 38/2018
IVASS Regulation n° 38 of 3 July 2018 (IVASS Regulation on disposals in the field of Corporate Governance).

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 (TUF).

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

MSCI ESG Rating (MSCI)
Outcome of the 2023 ESG assessment provided by MSCI (Morgan Stanley Capital International) in the multi-line insurance & brokerage sector.

Net Holding Cash Flow
Net cash flows available at the Parent Company level over a given period, after holding expenses and interest costs. Its main components, considered from a cash point of view, are: remittances from subsidiaries; the result of centralised reinsurance; interest on financial debt, expenses and taxes paid or reimbursed at the Parent Company level.

Operating Result
The Operating Result corresponds to the profit for the period before tax, gross of interest expense related to financial debt, some net financial income and non-recurring costs and revenues.

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

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

Related Party Transactions Committee (RPTC)
The Company's Committee for Related Party transactions.

Relative Total Shareholder Return (rTSR)
Total return on investment to the shareholder calculated as a change in the market price of the shares, including distributions or dividends reinvested in shares against a selected list of peers.

Relevant Personnel
The General Managers, Managers with strategic tasks, the Managers and senior personnel of the Key Functions and the other categories of personnel whose activities may have a significant impact on the Company's risk profile as provided by IVASS Regulation n. 38/2018, art. 2, paragraph 1, letter m.

Report
This "Report on the Remuneration Policy and Payments" adopted by the Board of Directors on March 10, 2021, drafted in compliance with the provisions of art. 123-ter of the Consolidated Law on Finance (TUF), and with art. 41 of IVASS Regulation no. 38/2018.

Return on Risk Capital (RORC)
Return on Risk Capital (RORC) is a risk-adjusted performance indicator that is the ratio between business profitability and the risk generated. RORC is calculated as the ratio between the Group Net Result and average Solvency Capital Requirement (SCR).

Risk and Control Committee (RCC)
Company Risk and Control Committee, set up in compliance with the CG Code (Article 7).

S&P Global Corporate Sustainability Assessment Percentile (S&P)
Three-year average ranking of the score provided by Standard & Poor's Global Corporate Sustainability Assessment in the insurance sector.

Shareholders
The Company Shareholders.

Shareholders' Meeting
The Meeting of the Company's Shareholders.

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

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

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

Subsidiary (or Subsidiaries)
Company/companies controlled by Assicurazioni Generali S.p.A., including indirect subsidiaries, pursuant to current applicable laws.

Surveillance Body (SB)
Company's Surveillance Body, pursuant to the Decree 231/01.

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

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