



CORPORATE GOVERNANCE AND SHARE OWNERSHIP REPORT

Berlin - Germany



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Introduction

Since 1999, our company, Assicurazioni Generali (hereinafter called “the **Company**” or “**Generali**”) has adopted the principles expressed in the various versions of the Self-regulatory Code¹ (“the **Code**”). Compliance with those principles formed the subject of the editions of the Annual Report on the Corporate Governance System and Share Ownership (“the **Report**”) published for the financial years 2001 to 2012². The full text of the Code is available in electronic format on the Borsa Italiana website and in the Corporate Governance section of the Generali website.

This Report takes account of the *Corporate Governance and Share Ownership Report Format* (4th edition, January 2013) published by Borsa Italiana, and the suggestions made by Borsa Italiana S.p.A. and Assonime.

This Report illustrates the corporate governance structure initially established by the Board of Directors elected by the General Meeting on 24 April 2010, and reports on subsequent amendments, particularly those made in the second half of 2012.

Generali’s Board of Directors was elected on the basis of lists: one submitted by shareholder Mediobanca, which received the largest number of votes, and one by some institutional investors under the aegis of Assogestioni which, being the minority list, was able to appoint three directors out of the total of 19. The current Board of Directors has 15 members. The number of 19 originally established has gradually fallen during the last two financial years, for reasons including the resignations of Leonardo Del Vecchio on 21 February 2011 and Ana Patricia Botin on 4 April 2011, and the agreed resignation of Cesare Geronzi on 6 April 2011.

In 2012, Alberto Nicola Nagel and Francesco Saverio Vinci resigned on 24 April, Diego Della Valle on 5 June, Giovanni Perissinotto on 20 July, and Sergio Balbinot on 8 November.

The General Meeting held on 30 April 2012 confirmed the appointment of Gabriele Galateri as director, and the subsequent Board meeting confirmed his appointment as Chairman.

The details of the current composition of the Board of Directors are contained in the second section, in the paragraph entitled “Directors in Office”.

On 1 August 2012, the Board of Directors appointed Mario Greco as Group CEO, replacing Giovanni Perissinotto, who had resigned.

During the 2012 financial year, the Board of Directors established a new governance structure by initiating a process of reorganisation of the Head Office structures, with a view to making the Company’s governance even more efficient and effective.

In particular, it instituted the Group Management Committee, through which a managerial team approach to the management of international business was introduced, with the aim of implementing greater alignment of strategic priorities between the Group’s business units and a more effective, shared decision-making process.

In addition to Group CEO Mario Greco and Chief Insurance Officer Sergio Balbinot, his Deputy, the GMC consists of the Managers of the three main markets, the global business lines and the main Head Office policy units.

Details of the initiatives undertaken will be found in the “Head Office” chapter.

The Articles of Association were amended by the General Meeting on 28 April 2012. In particular, a mechanism for appointing members of the Board of Directors and Board of Statutory Auditors which guarantees compliance with the gender balance criterion was introduced into the Articles of Association when Statute no. 120 of 12 July 2011 came into force. A further proposed amendment related to making the appointment of a General Council by the Board of Directors purely optional, and finally, an age limit for holding directorships and the positions of Chairman and Managing Director was introduced.

As usual, this Report contains updated information about the Company’s largest shareholders, attendance by the Directors and Statutory Auditors at meetings of the Company’s governing bodies, and anything else which may have changed. Unless otherwise expressly stated, all data are updated to 31 December 2012.

¹ I.e. the Self-regulatory Code approved by the Corporate Governance Committee in October 1999, as amended in July 2002, and the Self-regulatory Code approved by the Corporate Governance Committee in March 2006, which was amended as regards art. 7 (Directors’ Fees) on 24 March 2010, and recently revised in December 2011.

² The reports are available in the “Governance/Corporate Governance Report” section of the company’s website at www.generali.com.

First Part - Company Introduction

Objectives

Before defining the functioning of the Company's Corporate Governance and its ownership, we deem it appropriate to explain certain principles which constitute a regular element of the Company's daily actions aimed at achieving its corporate objects.

As illustrated in greater detail in other corporate documents regularly published by our Company, notably the Generali Group Sustainability Report (published annually by the end of May) and the European Social Charter³, the Company has for some time pursued the objective of setting corporate activities into a more general framework, one of the key elements of which is social solidarity. Generali has been traditionally characterised by social commitment, which is considered a real investment for all business sectors. Generali believes that economic competitiveness is inextricably linked to ethical aspects, awareness and promotion of social commitment. In particular, the awareness of being the focus of various kinds of interests and expectations held by various categories of parties able to influence the business and success of the company (personnel shareholders and investors, customers and consumers in general, suppliers, institutions and communities) has led the Group to set as its objective the creation of value not just for shareholders, but for all its stakeholders.

In this context, we would also like to stress that the Group considers the environment as a basic asset. That is why the Group's business choices have been aimed at ensuring consistency between business initiatives and environmental needs, in compliance with the existing legislation and always with an eye to the development of scientific research and best experiences in this field.

The measures that demonstrate the Group's growing commitment to Social Solidarity have included, since 2007, the Sustainability Committee, a decision-making body with the task of defining socio-environmental strategies. The members of the Committee include representatives from all

the countries in which the Group operates, who are directly involved in the processes of implementing the Company's Social Solidarity policies and drafting the Sustainability Report. The Company is also a signatory of Global Compact Italia, an international initiative promoted by the United Nations to uphold ten universal principles relating to human rights, working conditions, the environment and the campaign against corruption.

On 14 December last the Board of Directors approved the new Group Code of Conduct, drawn up in English by an international team, which replaces the Code of Ethics published for the first time in 2004.

The rules contained in the Code of Conduct relate to the workplace, promotion of diversity, personal data protection, customer relations and management of conflicts of interest. These Group rules apply to some areas governed by stricter external regulatory provisions.

The Code promotes diversity. In particular, the rules contained in the Code and its implementing procedures were drafted in liaison with the Human Resources Department, and led to the identification in the Group of the position of a Chief Diversity and Inclusion Officer, who will be the reference figure responsible for promoting increasing attention to diversity within the Group.

The new Code of Conduct allows any conduct in breach of legislation, the Code or its implementing provisions, or any other internal regulations, to be reported.

In 2011 the Board of Directors approved the Code of Ethics for Suppliers of the Generali Group, which is designed to involve the Group's contractual partners in the fundamental principles by which the Group is inspired in its relations with stakeholders. In particular, it aims to create a network of approved suppliers which are asked to comply with the Group's policies, guaranteeing their application in the various supply chains.

³ The above-mentioned documents are available on Generali's website www.generali.com, in the "Sustainability" and "Career" sections respectively.

Share ownership information

Structure of share capital

Generali's subscribed and paid-up capital amounts to Euro 1,556,873,283.00. This is divided into 1,556,873,283 registered shares, all of which are ordinary shares, each with a par value of Euro 1.00.

	NO. OF SHARES	% IN RESPECT TO SHARE CAPITAL	LISTED / UNLISTED	RIGHTS AND OBLIGATIONS ^(*)
Ordinary share	1,556,873,283	100.00	FTSE MIB	See the note
Restricted voting shares ^(*)	-	-	-	-
Non-voting shares ^(*)	-	-	-	-

(*) There are no restricted voting shares nor non-voting shares.

(**) Each ordinary share holder has rights and obligations in terms of equity and administration. Equity claims include the right to the dividend, the right of option on shares issued on increase for capital payment or reconstitution, proportionately to the number of hitherto owned shares, the right of free allocation of new shares in case of free capital increase, proportionately to the number of hitherto owned shares as well as the right to settlement share after company liquidation. Administrative rights include, inter alia, the right to participate in corporate plenary meetings and vote, the right to withdraw from the company in specific circumstances and the right to information. Finally, as to obligations, each Shareholder is bound to execute subscriptions as necessary elements for the implementation of the objects of the company.

Significant shareholdings

According to the Register of Shareholders, the notices received pursuant to s. 120 of Legislative Decree no. 58 of 24 February 1998, and other information available to the Company, the parties listed in the table overleaf own shareholdings amounting to over 2% of the Company's share capital either directly or indirectly, through intermediaries, trustees or subsidiaries.

DECLARANT	DIRECT SHAREHOLDER	% SHARE OF ORDINARY CAPITAL ^(*)
MEDIOBANCA Group	Mediobanca	13.149
	Spafid	0.089
	Total	13.238
BANCA D'ITALIA	Banca d'Italia	4.482
	Società per la bonifica dei terreni ferraresi e per le imprese agricole S.p.A.	0.007
	Total	4.489
LEONARDO DEL VECCHIO	Delfin Sarl	2.997
	Total	2.997
B&D HOLDING Group	Dea Partecipazioni S.p.A.	2.260
	B&D Finance S.A.	0.174
	Total	2.434

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CALTAGIRONE Group	CALTAGIRONE EDITORE	0.215	
	Echelto Srl	0.019	
	FGC	0.052	
	FINANZIARIA ITALIA 2005	0.170	
	Finced	0.151	
	Gamma S.r.l.	0.409	
	Immobiliare Caltagirone - Ical	0.013	
	Mantegna 87	0.058	
	Pantheon 2000	0.231	
	Porto Torre	0.090	
	Quarta Iberica	0.106	
	So.co.ge.im	0.006	
	Unione Generali Immobiliare	0.100	
	Vianini Industria	0.116	
	Viapar	0.071	
	VM 2006	0.418	
	Francesco Gaetano Caltagirone	0.007	
	Total	2.232	
	EFFETI S.p.A.	Effeti S.p.A.	2.151
		Total	2.151

(*) The ordinary share capital coincides with the voting capital.

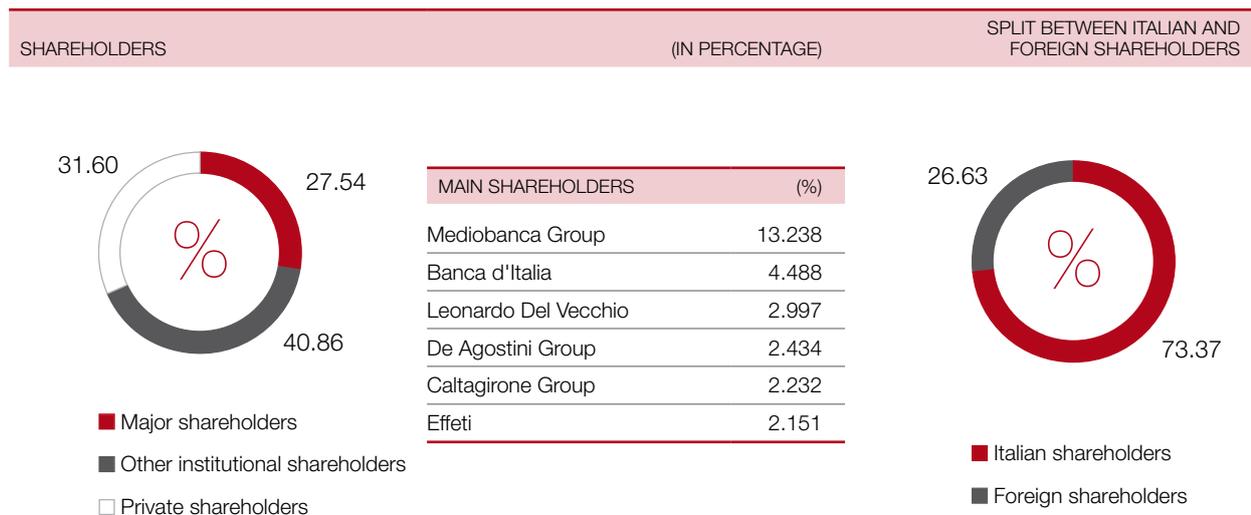
In relation to the terms of s. 123-bis.1.h of the CFBA, the Company and its subsidiaries, in the pursuance of its strategic policies, have entered into contractual agreements containing clauses based on the factor of change in the Company's control.

These clauses are not applicable at present, as no legal or natural person directly and/or indirectly, individual or jointly, currently holds enough shares to obtain a controlling interest in the Company. No other significant facts relating to control, required to be reported by s. 93 of the CFBA, relate to any other parties.

As required by current legislation, it is hereby declared that Generali is not subject to management and coordination by any company or organisation in Italy or abroad.

However, the Company itself performs management and coordination activities over all the companies belonging to the Group. Finally, the Annual Report on management performance which accompanies the financial statements contains detailed information about the relations between Generali and the said companies.

SHAREHOLDER STRUCTURE



Updated as at 17 January 2013.

The registration procedures relating to shareholders who received dividends in 2012 are almost complete; according to the Register of Shareholders and other evidence, the number of shareholders is currently 280,000. Shares corresponding to 99.99% of the share capital are recorded in the central dematerialised securities system at Monte Titoli S.p.A. in Milan.

With regard to the additional information which s. 123-*bis* of the CFBA requires to be given in this report, there are no:

- restrictions on the transfer of the shares issued by the Company;
- securities which give special rights of control;
- restrictions on the voting rights carried by the shares issued by the Company.

As required by the said s. 123-*bis*.1.i), it is hereby declared that no specific agreements for the payment of severance pay exist between the Issuer and the Directors. In this context, the Company's policy states that:

- in the event of natural expiry of the term of office, no sum shall be payable;
- in the event of early termination of a directorship, compensation may be paid to the director concerned if the statutory pre-requisites apply, provided that it shall not exceed the fee payable for the remainder of the said director's term of office. No amount shall be payable to a director in the event of resignation, revocation of the appointment for just cause, termination of the appointment due to a takeover bid, forfeiture (on any ground, including loss of the requirements of professionalism, respectability and independence, or if any impediment or incompatibility should arise), or any other fact and/or cause not attributable to the fault of the Company.

If the Director also holds the office of General Manager of the Company, the following terms shall apply. In particular, in the event of early termination of the contract of employment of a General Manager or key management personnel, the sum payable to the said person, in accordance with the applicable legislative and contractual provisions, shall be that specified in lieu of notice in the legislation and/or the applicable national collective bargaining agreement, plus an amount equal to twenty-four months recurrent salary, namely the gross annual remuneration plus the average sum actually received by way of short-term component of the variable remuneration in the last three-year period.

By accepting the said amount, the employee waives, in general, all rights connected in any way, directly and/or indirectly, with his/her contract of employment with Assicurazioni Generali S.p.A. and the termination thereof, and all rights, claims and/or actions against the other companies belonging to the Group on any ground, which are directly or indirectly connected with the contract of employment and with the final accepted cessation thereof.

The waiver shall extend to the right to damages pursuant to ss. 2043, 2059, 2087 and 2116 of the Civil Code, and to economic rights connected with the contract of employment and the cessation thereof.

For the purpose of calculating the amount that may be payable to the director, account will be taken of the total amount payable by way of gross annual remuneration, directors' fees, and the average sum actually received on the basis of the short-term component of the variable remuneration in the last three-year period for each office.

A system of stock options for employees also exists, which provides that voting rights must always be exercised directly by them⁴.

Finally, the information required by s. 123-bis.1.l of the CFBA is illustrated in the paragraph of the Report devoted to the Board of Directors.

Shareholders' Agreements

On 19 December 2012 a shareholders' agreement was entered into between the Bank of Italy, the Deposits and Loans Fund and Fondo Strategico Italiano for exercise of voting rights at general meetings of Assicurazioni Generali. The contents of the Agreement are published on the Company's website in the Investor Relations/Shareholders' Structure & Agreements section.

* * *

The following pages present Generali's Corporate Governance system, with special focus on the powers and responsibilities of its various bodies, their relations with one another, the ways in which their members are appointed, their terms of office, and rules for reappointment.

The main objective of this Report is to provide only significant information for stakeholders. However, as the Report is also aimed at foreign investors and analysts, we had to bear in mind that the basic operating rules governing Italian companies might not be completely familiar to them. Some readers may consequently find the amount of detail excessive, in which case we apologise for the inconvenience.

Corporate Organisation

Corporate Governance represents the sum of the methods, models and planning, management and control systems that are required for the operation of the Company's Governing Bodies.

A correct system of Corporate Governance is based on a number of cornerstones, such as the central role played by the Board of Directors, the correct management of situations that present conflicts of interest, transparency in disclosing decisions regarding the management of the Company, and the effectiveness of the internal control and risk management system.

Being a joint-stock company governed by Italian law and compliant with the Self-regulatory Code of Conduct for listed companies first published on 30 October 1999, Assicurazioni Generali is characterised by a Corporate Governance that is strongly committed to the Code and is mirrored by the activity of the following main governing bodies:

- General Meeting
- Board of Directors
- Chairman and Vice-Chairmen of the Board of Directors
- Group CEO
- Executive Committee
- Risk and Control Committee
- Remuneration Committee
- Appointments and Corporate Governance Committee
- Investment Committee
- Committee for Evaluation of Related Party Transactions
- Social and Environmental Sustainability Committee
- Board of Statutory Auditors
- Supervision and Control Committee

Further governing bodies of the Company include the company management and, according to the Company's Articles of Association, company officers acting as authorised representatives.

The validly constituted General Meeting ("**General Meeting**") is the governing body whose resolutions express the will of

⁴ The General Meeting held on 29 April 2006 approved a stock grant plan aimed at all employees of Assicurazioni Generali SpA and some of its subsidiaries expressly indicated in the corresponding Regulations. The plan in question implements the terms of the Generali Group's Private Pension Scheme entered into on 3 March 2006, which (*inter alia*) provided that a free allocation of shares should be made pursuant to s. 2349 of the Civil Code in favour of employees of the company and some other Italian companies in the Group, by means of specific resolutions passed by the competent company bodies. In accordance with the terms of the said Trade Union Agreement, the Board of Directors, at the meeting held on 10 May 2006, on the basis of the delegated power granted by the said General Meeting, increased the company's share capital for the purpose of the said stock grant plan, and granted the Chairman of the Board of Directors and the Managing Directors the necessary powers to implement the said resolution. By resolution of 23 June 2006, the company's Managing Directors implemented the said resolution. A certain number of new ordinary shares with a par value of € 1.00 each, having the same characteristics as those already in circulation, was allocated to employees of the company and the subsidiary companies expressly identified in the Regulation, as from 10 May 2006, in accordance with the terms and procedures governed by the said Regulation.

The General Meeting held on 28 April 2007 to mark the 175th anniversary of the foundation of the Company, in order to acknowledge the contribution made by the Group's employees to its results, approved a stock grant plan, to be finalised by 31 December 2007 by means of a bonus issue pursuant to s. 2349 of the Civil Code, to all employees who, on were employed by a company belonging to the Generali Group on a permanent contract 31 December 2006, and were still working for their respective companies on the date of allocation of the said stocks. In particular, the said Meeting increased the Company's share capital in support of the stock grant plan in question, and granted the Managing Director responsible for human resources the necessary powers to implement the said resolution, including through special attorneys. The Company's Managing Director implemented the said resolution by resolution deed of 13 December 2007. 2,168,559 new ordinary shares with a par value of € 1 each, having the same characteristics as those already in circulation, were therefore allocated to employees of the company and the subsidiaries expressly identified in the Regulation as from 13 December 2007, on the terms and conditions set out in the Regulation.

the shareholders. Resolutions passed in compliance with the legislation and the Articles of Association are binding on all shareholders, including absent and dissenting shareholders.

The Board of Directors ("**Board**") is vested with the broadest management powers for the furtherance of corporate objectives. It is appointed on a three-yearly basis by the General Meeting and appoints a **Chairman**, and (unless appointed by the General Meeting) may appoint one or more **Vice-Chairmen**, holding statutory powers, and an **Executive Committee**. The Board may furthermore appoint one or more **Managing Directors**. The Board determines the powers and remuneration of all these bodies.

The Group CEO is the person mainly responsible for the Company's management. In that capacity, the Group CEO has the power of leadership and operational management of the Company and the Group, in Italy and abroad, with all powers of ordinary administration, in accordance with the general planning and strategic policies established by the Board of Directors and within the value limits established, without prejudice to the powers granted by legislation or the Articles of Association exclusively to other Company bodies or otherwise delegated by the Board of Directors.

The Executive Committee, the Remuneration Committee, the Risk and Control Committee, the Appointments and Corporate Governance Committee, the Investment Committee, the Committee for the Evaluation of Related Party Transactions and the Social and Environmental Sustainability Committee are bodies established by and composed of members of the Board. However, the Executive Committee is entrusted with important management functions for the Company and the Group, whereas the other Committees have mainly consultative, recommendatory and preparatory functions.

It is the task of the **Remuneration Committee** to express its opinion and make non-binding proposals to the Board of Directors on (*inter alia*) remuneration policies and the determination of the remuneration payable to the Chairman of the Board of Directors, Managing Directors and General Manager.

The **Risk and Control Committee** has the task of assisting the Board of Directors in performing the obligations connected with the internal control and risk management system under the Code. The Committee is also called upon to assess the adequacy of the internal control system and express its opinion on the "Internal Audit Plan" and the "Report on Internal Audit".

The **Appointments and Corporate Governance Committee** performs consultative, recommendatory and preparatory activities for the Board of Directors on subjects relating to the size and composition of the Board of Directors and the Corporate Governance rules of the Company and the Group.

The members of the **Investment Committee**, instituted in 2010, comprise 4 directors and the CFO. The Board

of Directors has given it responsibility for conducting a periodic analysis of the Group's investment policies, the main operational guidelines and the corresponding results, and prior analysis of some major investment and divestment operations.

The members of the **Committee for the Evaluation of Related Party Transactions**, instituted by Board resolution in 2010, comprise 5 independent directors. The Board of Directors has given it responsibility for stating its opinion of related party transactions submitted for its attention by the Board of Directors or bodies holding delegated powers, in accordance with the Related Party Transaction Procedures, provided that in the case of operations relating to the remuneration of Directors, Permanent Statutory Auditors and Senior Executives of the Company with a grade at least equal to Central Director, the Committee's functions are to be performed by the Remuneration Committee, all of whose members are Independent Directors.

The **Social and Environmental Sustainability Committee**, instituted by Board resolution in 2011, is responsible for performing consultative, recommendatory and preparatory activities for the Board on environmental and social matters involving the Company and the Group. It is composed of three directors. CFO Alberto Minali takes part systematically.

The **Board of Statutory Auditors'** tasks include ensuring that the Articles of Association are complied with and supervising management activities. The Board has no statutory auditing functions; these are ascribed to a chartered **Auditing Firm**, an auditing body external to the Company. The Auditing Firm is responsible for verifying that the Company properly records its financial statements during the year and appropriately reports its operations in its accounting record. The Auditing Firm is also responsible for checking that the company and consolidated financial statements comply with the results recorded in the books and with the audits they carry out, and that the bookkeeping documents comply with the relevant regulations.

The **Supervision and Control Committee** is a collective body that reports to the Board of Directors, to which tasks and powers relating to the drafting, development and promotion of constant updates to the Organisation and Management Model are attributed.

The powers and operating procedures of the Company's governing bodies are governed by legislation, the Articles of Association, the Regulation of the Board of Directors and its Sub-committees, and the resolutions passed by the competent bodies. In particular, the Articles of Association are available at Company offices or can be downloaded in Italian, English, French, German and Spanish from the "Governance" section of the Company's website (www.generali.com).

Finally, neither the Company nor any of its subsidiaries of strategic importance is subject to non-Italian legislation which would affect the Company's corporate governance structure.

Sustainability development bodies

Some specific bodies and dedicated departments have been set up at the Group's Head Office to ensure systematic consideration not only of the financial aspects, but also of the social and environmental aspects, connected with the Company's business.

Responsibility for sustainability at Group level is attributed to the Group Chief Executive Officer, who is responsible for implementing the strategies and policies established by the Board of Directors of the parent company, which is also responsible for establishing the objectives and commitments of the Group and evaluating the related risks, opportunities and improvement areas. For this purpose the Board of Directors has set up a **Social and Environmental Sustainability Committee** with consultative functions.

The **Sustainability Committee** is the implementing body with responsibilities for achieving the sustainability objectives at Group level and analysing the information relating to social matters found by monitoring. It consists

of the representatives at Group level of the Company's departments most involved in implementing its socio-environmental policies, and the Country and Area CSR Officers.

In order to improve the organisation and coordination of socio-environmental activities, operational governing bodies called **CSR Committees** are active at national level. Those Committees interface firstly with the Sustainability Committee, to coordinate initiatives and promote the transfer of local best practices to international level, and secondly with the local companies in the Group, to implement the decisions taken at Head Office level. The CSR Committees are chaired by a member of the local top management, and their members are the CSR Officer and the heads of the company departments most involved in implementing the Group's socio-environmental policies.

All sustainability activities, within the Group and on the market, are coordinated by the Corporate Social Responsibility unit, which reports directly to the Group Chief Executive Officer.

Second Part - Corporate governance structure

BOARD OF DIRECTORS

Role

The Board is vested with the broadest management powers for the furtherance of the company's objects. The Board is the corporate body designated specifically to ensure that resolutions passed by the General Meetings are correctly and promptly executed.

Among its powers are the statutory powers reserved exclusively to it are concerned with the approval of the Company's strategic, business and financial plans, as well as transactions having a significant impact on the Company's profitability, assets and liabilities or financial position, and significant transactions involving related parties. According to the Company's Articles of Association, it also submits proposals for the allocation of profits.

These powers, which cannot be delegated, also include (pursuant to the Articles of Association):

- distributing interim dividends to shareholders during the current financial year;
- formulating proposals for the distribution of the profits;
- establishing or terminating Head Offices and business establishments outside Italy;
- passing resolutions relating to mergers, in the cases allowed by law, opening or closing of secondary premises, and amendments to the terms of the Articles of Association and General Meeting Regulation if they become incompatible with new mandatory legislative provisions;
- establishing or terminating operations of individual Departments;
- appointing one or more General Managers, establishing their powers and duties, and revoking their appointment;
- taking decisions regarding determination of the criteria for coordination and management of the companies in the insurance group and implementation of the instructions issued by IVASS;
- resolving on other matters that cannot be delegated by law⁵.

With reference to accounting documents, pursuant to the law, the Board is also empowered to draw up:

- the annual financial report, plus a report on Company management performance;
- the half-year financial report dated 30 June of each year;
- the intermediate management performance reports dated 31 March and 30 September of each year.

In addition to the powers reserved for the Board of Directors by the applicable legislation and regulatory provisions and the Articles of Association, the following powers are always reserved solely for the Board of Directors:

- a) to examine and approve the budget, the strategic, industrial and financial plans of the Company and the Group, periodically monitoring their implementation, and the corporate governance system of the Company and the structure of the Group;
- b) to evaluate the adequacy of the organisational, administrative and general accounting system of the Company and its subsidiaries with strategic importance prepared by the Group CEO, with special reference to the internal control and risk management system;
- c) to pass resolutions on internal control and risk management, as governed by art. 14 of the Regulation;
- d) to grant and revoke delegated powers to the Executive Committee and the Managing Directors, establishing their limits and methods of exercise in compliance with the legislation and the Articles of Association; further to establish the intervals, at least quarterly, at which the Executive Bodies must report to the Board on the activities performed in the exercise of the powers delegated to them; the Board of Directors issues a code of conduct with which the Executive Bodies must comply in the exercise of their duties;
- e) on the proposal of the Group CEO, and having consulted the Appointments and Corporate Governance Committee except in the cases referred to in para. m) below and art. 14.4 of the Regulation of the Board of Directors and its Sub-committees:
 - i) to institute the Group Management Committee, a leadership team formed by executives belonging to the Group, which is responsible for supporting the Group CEO and discusses essential decisions for the Group, examines proposals to be submitted to the Executive Committee or the Board of Directors, and conveys the decisions and policies adopted to the interior of the Group through its members;
 - ii) to establish the internal roles in the Group relevant to the composition of the Group Management Committee;
 - iii) to appoint and revoke the appointment of the parties called on to hold internal roles in the Group which carry membership thereof;
- f) on the proposal of the Group CEO and having consulted the Remuneration Committee except in the cases referred to in paragraph m) below and art. 14.4 of the Regulation of the Board of Directors and its Sub-committees, to determine the remuneration of

⁵ These are the subjects regulated by articles 2420-ter (*Delegation of powers to managing directors*), 2423 (*Drawing up of financial statements*), 2443 (*Delegation of powers to managing directors*), 2446 (*Reduction of capital for losses*), 2447 (*Reduction of paid-up capital below the legal limit*), 2501-ter (*Merger project*) and 2506-bis (*Division project*) of the Italian Civil Code.

- the parties called on to hold internal roles in the Group which carry membership of the Group Management Committee;
- g) to examine and approve in advance the operations of the Company and its subsidiaries, if the said operations have significant strategic, economic, capital or financial importance for the Company. The following operations, including those entered into through subsidiaries, shall be deemed to have significant strategic, economic, capital or financial importance:
- i) the issue of financial instruments with a value exceeding € 500 million;
 - ii) the grant of loans and guarantees for amounts exceeding € 500 million;
 - iii) operations relating to the performance of work and services, and collaboration agreements for the exercise and development of the Company's business, for amounts exceeding € 500 million;
 - iv) costs, even if specified in the budget, of amounts exceeding € 200 million;
 - v) merger or demerger operations in relation to which the value of the total assets of the company taken over (merged) or the assets demerged is equal to or greater than 3% of the Company's total assets, as shown in the latest consolidated financial statements;
 - vi) investment and disinvestment operations (including those relating to real estate), sale and purchase of shareholdings, companies or company divisions, and assets of all kinds, if the price of the company (or business division or assets) bought (or sold) is equal to or greater than 2% of the average capitalisation of the Generali shares in the last six months;
- h) to establish the remuneration policies as governed by art.15 of the Regulation of the Board of Directors and its Sub-committees;
- i) to evaluate the general business trend, taking account, in particular, of the information received from the Executive Bodies, and periodically comparing the results achieved with the planned results;
 - j) at least once a year, to assess the functioning, size and composition and of the Board and its Committees, taking account of factors such as the professional characteristics, experience, including managerial experience, and gender of its members, and their seniority in office, possibly providing guidance on the professional figures whose presence on the Board is deemed advisable;
 - k) to adopt a succession plan for the Executive Directors, if considered appropriate;
 - l) to appoint an Internal Control and Risk Management Director;
 - m) to appoint, revoke the appointment of and determine the remuneration of the heads of the Risk Management and Compliance Departments, on the proposal of the Group CEO and after consulting the Risk and Control Committee;
- n) to provide information, in the corporate governance report, about the methods of application of the Self-regulatory Code;
- o) to express its view on the maximum number of offices as director or statutory auditor held in other companies listed on regulated markets (whether in Italy or abroad), in finance, banking or insurance companies or companies of significant size, which are deemed compatible with the effective performance of the office of Director of the Company, taking account of Directors' participation in the Board's Sub-committees;
- p) to adopt, on the proposal of the Group CEO or the Chairman, a procedure for the internal management and external communication of documents and information relating to the Company, with special reference to privileged information;
- q) to evaluate, having consulted the Board of Statutory Auditors and the Risk and Control Committee, the results set out by the External Auditors in any letter of suggestion and in the report on the fundamental issues emerging at the time of the statutory audit.

The Board, having heard the binding opinion of the Risk and Control Committee and the opinion of the Board of Statutory Auditors, appoints and revokes the appointment of the Internal Audit Manager and establishes his/her remuneration in compliance with the applicable legislation and in accordance with the Company's policies.

The heads of the Internal Audit, Independent Risk Control and Compliance departments report functionally to the Board of Directors, either directly or through the Risk and Control Committee.

After assessing the recommendations of the Remuneration Committee and consulting the Board of Statutory Auditors, the Board shall determine the remuneration of Directors with delegated powers, those holding particular offices, the General Managers and, if the General Meeting has not done so, the distribution of the global remuneration payable to Board members.

In 2012 the Board of Directors, when evaluating the adequacy of the organisational, administration and general accounting structure of the Company and its subsidiaries with strategic importance, after consulting the Risk and Control Committee, identified the subsidiaries with these characteristics on the basis not only of quantitative criteria based on the parameters set out in article 151 of the Issuers' Regulation⁶, but also of other qualitative parameters such as companies which, though of small size, make an essential contribution to the Group in view of the activities they perform within it⁷.

⁶ That article establishes that Italian or foreign subsidiaries whose assets amount to under 2% of the consolidated assets and whose revenues are under 5% of the consolidated revenues do not have strategic significance, even if they are included in the consolidated accounts, provided that the sum of the assets and revenues of the said companies does not exceed 10% and 15% of the consolidated assets and revenues respectively. The same article states that the Italian or foreign subsidiaries which are liable to significantly influence the income, assets and financial situation of the group to which they belong in view of the type of business performed or the type of contracts, guarantees, commitments and risks entered into are classed as significant.

⁷ Such as the supply of essential services to the Group and the coordination and/or development of *core business* activities which cause it to play a leading part in the Group's future growth prospects.

Using those categories of criteria, the following companies were identified:

AREA	QUANTITATIVE CRITERIA	QUALITATIVE CRITERIA
ITALY	Alleanza Toro S.p.A.	Generali Business Solutions S.C.p.A.
	Ina Assitalia S.p.A	Generali Real Estate S.p.A.
	Genertellife S.p.A.	Generali Investments S.p.A.
		Generali Investments Europe S.p.A. SGR
		Banca Generali S.p.A.
		Generali Properties S.p.A.
ABROAD	Generali Deutschland Holding AG	Generali Deutschland Informatik Services GmbH
	AM Lebensversicherugn AG	Generali Deutschland Schadenmanagement GmbH
	Central Krankenversicherung AG	Generali Deutschland Services GmbH
	Generali Lebensversicherugn AG	Generali Beteiligungs-GmbH
	Cosmos Lebensversicherugn AG	Generali Invest. Deutschland Kapital mbH
	Generali Versicherung AG	AM Versicherung AG
	Generali France Assurance S.A.	Deutsche Bausparkasse Badenia
	Generali Vie S.A.	Generali Holding Vienna AG
	Generali España – S.A. de Seguros y Reaseguros	Generali VIS Informatik GmbH
	Generali Personenversicherugn AG	Generali IARD S.A.
	BSI S.A.	Generali China Life Insurance Co. Ltd.
		Generali Schweiz Holding AG
		Gruppo Generali España A.I.E.
		Generali España Holding de Entidades de Seguros S.A.
		Generali PPF Holding B.V.
	Generali PPF Asset Management A.S.	
	Ceska Pojistovna a.s.	
	Participatie Maatschappij Graafschap Holland N.V.	
	Generali Finance B.V.	
	Flandria Participations Fin.	

Furthermore, the Board has recently introduced its own Operating Regulation (governing the operation of the Board of Directors and its Sub-committees), which complies not only with the provisions of the Code, but also with the relevant international best practices.

The Generali Board meets at regular intervals, at least once every three months, in compliance with legal requirements, according to a calendar which is approved on a yearly basis⁸. The Board adopts an organisation and a modus operandi enabling it to guarantee effective and

efficient performance of its functions. The Board met on nine occasions during 2010, twelve in 2011 and eleven in 2012. The average attendance of members at meetings was 83% in 2010, 90.2% in 2011 and 89.2% in 2012. In the last financial year the average duration of each meeting was approximately 2½ hours. Minutes of each meeting are taken.

Table 2 attached to this Report shows individual attendance information for each Director; in the case of absence, this was duly justified

⁸ The calendar is usually approved during the last Board meeting of the year. Starting from 2003, the calendar including the most important corporate events is disseminated by the issuers of securities listed on the Italian Stock Exchange (which then publishes it) within 30 days of the end of the financial year. In the current year, one meeting was held on 13 March 2013 – Board of Directors Meeting (approval of 2012 draft financial statements and approval of 2012 consolidated financial statements). Further meetings are scheduled for 30 April 2013 – General Meeting (approval of 2012 financial statements); 9 May 2013 - Board of Directors Meeting - (approval of the quarterly report as at 31 March 2013); 1 August 2012 - Board of Directors Meeting (approval of half-yearly report as at 30 June 2013) and 9 November 2012 - Board of Directors Meeting (approval of quarterly report as at 30 September 2013).

Number of Directors, appointment and term of office

In conformity with its Articles of Association, the Company is managed by a Board consisting of not less than 11 and not more than 21 members appointed by the General Meeting after deciding upon the number of members.

With the introduction of list voting into the Company's governance, the majority list is entitled to appoint the entire Board of Directors except for one, two or three directors taken from the list which obtains the second-highest number of votes, depending on whether the number of members of the Board of Directors determined by the General Meeting is established at 11, between 12 and 15 or over 15 members respectively⁹.

Elected directors who meet the independence requirement (known as Independent Directors), namely the requirement defined in the current legislation applicable to Statutory Auditors, shall be at least one-third of the total members of the Board of Directors; the positions of independent director and minority director may obviously be held by the same person.

Shareholders who, either alone or jointly with others, represent at least the minimum percentage of the Company's share capital specified by current legislation (0.5%) are entitled to submit lists. All those entitled to vote, companies directly or indirectly controlled by them, and companies directly or indirectly subject to joint control, may submit only one list.

A new provision of the Articles of Association in force since 2012 also establishes that the composition of the Board of Directors shall reflect the gender balance criteria imposed by the applicable legislation, and that no-one over 77 years old shall be elected director.

Directors are elected in accordance with the terms of art. 28 of the current Articles of Association. All the Directors to be elected are drawn from the list that obtained the highest number of votes cast by shareholders on the basis of the sequential number with which the candidates are listed in the list, with the exception of those to be drawn from the second list. If the number of Directors of the less represented gender drawn from that list is less than the statutory number, the elected candidate who has the highest sequential number and belongs to the more represented gender is excluded. The excluded candidate is replaced by the next candidate belonging to the less represented gender, drawn from the same list as the excluded candidate. If it is impossible to draw the necessary number of Directors of the less represented gender from the list that obtained the highest number of votes, the missing directors are appointed by the General Meeting by majority vote.

The lists must be filed with the Company not later than the twenty-fifth day before the date of the first or only convocation of the General Meeting. The following documents shall be filed with the lists:

- the curriculum vitae of each candidate, containing detailed information about the candidate's personal and professional characteristics and the skills acquired by him/her in the insurance, financial and/or banking field;
- statements in which the candidates accept the nomination, undertake to accept the office if appointed, and further declare, under their own responsibility, that no grounds for incompatibility or disqualification exist, and that they meet the requirements of respectability, professionalism and independence required by current legislation.

The members of the Board of Directors shall hold office for three financial years; their term of office shall expire on the date of the General Meeting that approves the accounts for the last financial year of their term of office, and they may be re-elected. In the event of appointments during the three-year period, the appointments of the newly-elected directors shall expire at the same times as the appointments of those already holding office.

If a director drawn from the minority list should cease to hold office, the Board of Directors shall replace that Director by appointing as Director the first of the unelected candidates in the list to which the outgoing director belonged, provided that the said candidate is still eligible and willing to accept the appointment; the General Meeting shall replace the outgoing Director by majority vote, selecting his/her replacement if possible from among the candidates on the same list who previously accepted the replacement.

In all other cases in which a Director ceases to hold office during the three-year period, that Director shall be replaced in accordance with current legislative provisions. If an Independent Director ceases to hold office, his/her replacement, co-opted, on the proposal of the Appointments and Corporate Governance Committee, by the Board of Directors or appointed by the General Meeting, shall meet the independence requirements laid down by law for holding the office of Statutory Auditor.

In view of the recommendations contained in criterion 5.C.2. of the Self-regulatory Code, the company has adopted, on the proposal of the Corporate Governance Committee, a policy governing the succession plans for the Managing Directors and the General Manager at the Central Head Office.

The Board of Directors subsequently resolved, at the meeting held on 24 February 2012, after examination by the Corporate Governance Committee, to introduce into the Plan already approved a temporary replacement mechanism to be used in the event of urgency regarding

⁹ The Articles of Association state that the members of the Board of Directors shall meet the requirements of professionalism, honourableness and independence laid down by current legislation. At least one-third of the Directors shall meet the independence requirements laid down by law for Statutory Auditors. If the number of members of the Board of Directors established by the General Meeting is not a multiple of three, the number of Independent Directors called on to compose it shall be rounded down to the nearest whole number.

the parties to which the policy applies. The Plan was further reviewed by the Board of Directors at the meetings held on 27 September and 8 November 2012, to take account of the Company's new organisational structure. The succession plan policy currently relates only to the position of the Group CEO.

The Appointments and Corporate Governance Committee annually examines proposals to amend the Plan, and submits them to the Board of Directors.

The Succession Plan was applied during 2012, when the Board of Directors, at the meeting held on 2 June, resolved to revoke the powers granted to Giovanni Perissinotto as the Company's Managing Director and Group CEO. In that case, in accordance with the terms of the Plan, his delegated powers were immediately taken over by Chairman Gabriele Galateri, who held them until 1 August, when the new Group CEO, Mario Greco, was co-opted to the Board of Directors.

The Board appoints a Secretary. The Secretary need not be a Board member.

Requisites for office

The Directors of Generali, as directors of an Italian insurance company, must be selected in accordance with professional and competence criteria from among candidates who have a total of at least three years' experience in the exercise of qualifying professional activities¹⁰. Directors must also meet specific requirements of "honourableness"¹¹ and independence¹². Lack of the professional, honour or independence requisites results in forfeiture of office¹³. Persons who are over 77 years old at the time of nomination may not be elected Directors.

The task of Director of the Company must be performed effectively. Acceptance of office requires a prior evaluation as to whether the candidate will be able to devote the necessary time to diligent performance of the tasks of a

10 Decree no. 220 of the Ministry of Economic Development dated 11 November 2011 states, for the purpose of fulfilling the requirement of professionalism, that at least one of the following qualifying professional activities must be exercised:

- administration, management or control of companies and organisations in the insurance, credit or financial sector;
- administration, management and control of companies and organisations in the insurance, financial or credit sector, public agencies or public authorities associated with the said sectors or in different sectors involving the management of economic and financial resources;
- administration, management and control of public and private companies, having dimensions adequate to the those of the insurance or reinsurance company at which the office will be held.

The Decree also lays down some disqualifying situations: the functions of Director, Statutory Auditor, General Manager or claims adjuster of insurance or reinsurance companies cannot be held by persons who:

- within the preceding three years have been key members of companies subjected to receivership, bankruptcy, compulsory liquidation or similar proceedings. The prohibition remains in force for three years, starting on the date on which the order is made;
- have been deleted from the single national register of stockbrokers, or are stockbrokers excluded from trading on a regulated market.

The new legislation expressly attributes to the Board of Directors power to make such evaluations as it thinks fit, on the basis of evidence and according to criteria of reasonableness and proportionality, as to whether or not disqualifying situations exist.

11 The Minister of Economic Development's Decree no. 220 of 11 November 2011 states that the requisite of honourableness is deemed to apply provided that the prospective candidate does not belong to any of the following categories:

- statutory disqualification or temporary disqualification from holding directorships in legal persons and companies, and all the other situations specified in s. 2382 of the Civil Code;
- being subject to preventive measures ordered by the courts pursuant to Statute no. 1423 of 27 December 1956 or Statute no. 575 of 31 May 1965 (anti-mafia provisions), and Statute no. 646 of 13 September 1982 (financial prevention provisions), as amended, subject to the effects of rehabilitation;
- unappealable conviction, subject to the effects of rehabilitation:
 - a) a sentence of imprisonment for one of the offences specified in the legislation governing the insurance, financial, credit and securities sectors; and by Legislative Decree no. 231 of 21 November 2007 (money-laundering legislation), as amended;
 - b) imprisonment for one of the offences specified in Title XI, Book V of the Civil Code and Royal Decree no. 267 of 16 March 1942 (Bankruptcy Act);
 - c) imprisonment for a period of not less than one year for offences against the public authorities, offences against public trust, property offences, public order offences, offences against the public economy or tax offences;
 - d) imprisonment for a period of not less than two years for any wilfully committed offence.
- unappealable conviction, following a plea bargain, of one of the offences referred to paragraph 3 above, save in the case of extinction of the offence and, in the case of the offences referred to in paras. 3 a) and b) above, provided that the sentence is longer than a year.

12 The said Decree no. 220 of the Ministry of Economic Development dated 11/11/2011 introduced into Italian legislation, for the first time in the insurance industry, independence requirements for Directors, Statutory Auditors and General Managers of insurance and reinsurance companies whose registered office is located in Italy.

The Decree imposes:

- the obligation for parties in situations which may adversely affect the requirement of independence to report the matter to the Board of Directors;
- a corresponding obligation for the Board of Directors to perform such evaluations as it thinks fit in relation to the contents of the said reports.

The function of administration, management and control of an insurance company is not compatible with the performance of a similar function, the existence of contracts of employment, quasi-freelance agreements, remunerated agreements for the supply of services, or other financial transactions with insurance or reinsurance companies, their subsidiaries or controlling companies, which may prejudice their independence.

If a party holds positions or contracts as specified above in companies not belonging to the same insurance group, they shall not be deemed liable to prejudice the said party's independence.

13 In the case of parties who perform administration, management and control duties in insurance and reinsurance companies with registered office in Italy, absence of the requirements of professionalism, respectability and independence, and the presence of disqualifications, entails forfeiture of the office, to be declared by resolution of the Board of Directors within 30 days of the date of the appointment or the date when absence of the requirement came to their knowledge.

If the Board of Directors fails to take action with regard to the requirements of professionalism, respectability and independence, the forfeiture will be ordered by IVASS pursuant to art. 76.2 of the Private Insurance Code.

Director, taking account of the number of directorships or appointments as statutory auditor held in other Italian or foreign companies listed on regulated markets, or in finance, banking or insurance companies or other large companies, and of the other professional activities performed by the person concerned.

Large companies are deemed to be those with a net equity exceeding € 10 billion. The Board of Directors records the appointments as Directors and/or Statutory Auditors held by the Directors within the said Companies. The list of such positions is drawn up on a yearly basis on the basis of information received from the Directors, and is included in the Report on Corporate Governance and Share Ownership.

A maximum of two executive directorships or five non-executive directorships is usually deemed to be compatible with the effective performance of a directorship of the Company. The Board of Directors can evaluate case by case the importance of the offices held by a Director in companies belonging to the same Group. Multiple offices held in companies in the same group are deemed to constitute a single office.

Moreover, s. 36 of Statute no. 214 of 22/12/2011, converting the "Italy Rescue Decree", states that in order to protect competition and the independence of members of the top management of companies operating on the credit and financial markets:

- persons holding offices in management, supervision and control bodies and top management executives of companies or groups of companies operating on the credit, insurance and financial markets are prohibited from accepting or exercising similar functions in competing companies or groups of companies;
- for the purpose of the prohibition contained in paragraph 1, "competitors" shall mean companies or groups of companies between which there is no controlling relationship as defined in s. 7 of Statute no. 287 of 10 October 1990, and which operate on the same geographical and product markets;
- the holders of incompatible functions as defined in the said Decree may, within ninety days of the date of appointment, choose which of the offices to which they were appointed by the competent company body they will continue to perform. If no such option is exercised by that date, both functions shall be forfeited, and the forfeiture shall be declared by the competent governing bodies of the organisations concerned within thirty days after the period expires or the breach of the prohibition comes to their knowledge. If no action is taken, the forfeiture shall be declared by the Regulator of the appropriate industry.

In that legislative context, Alberto Nicola Nagel and Francesco Saverio Vinci resigned their directorships of the Company on 24 April 2012, as they considered that those directorships were incompatible with their directorships of Mediobanca. As regards the positions of the other Directors and Statutory Auditors, no other situations of incompatibility emerged.

Directors in office

The Board of Directors currently in office was appointed on 24 April 2010, and will remain in office until the approval of the financial statements for the year ending on 31 December 2012.

In accordance with the list voting system adopted by the Company, after the number of its members had been established at 19 (now 15), 16 members of the Board of Directors (later reduced to 12) were drawn from the majority list submitted by shareholder Mediobanca S.p.A., namely: Cesare Geronzi (who resigned on 6 April 2011), Vincent Bolloré, Alberto Nicola Nagel (who resigned on 24 April last), Giovanni Perissinotto (who resigned on 20 July last), Sergio Balbinot (who resigned on 8 November last), Francesco Gaetano Caltagirone, Ana Patricia Botin (who resigned on 4 April 2011), Diego Della Valle (who resigned on 5 June last), Leonardo Del Vecchio (who resigned on 21 February 2011), Petr Kellner, Angelo Miglietta, Alessandro Pedersoli, Lorenzo Pelliccioli, Reinfried Pohl jr, Paolo Scaroni and Francesco Saverio Vinci (who resigned on 24 April last). Three directors drawn from the minority list submitted by Assogestioni were then elected, namely Cesare Calari, Carlo Carraro and Paola Sapienza.

As the Board of Directors had decided that seventeen directors is an adequate number for the needs of good operation of the Board, including through its sub-committees, the General Meeting agreed on 30 April 2011 that it was adequate in practice, having regard to the best practice relating to the composition of the Boards of listed companies.

After Cesare Geronzi's resignation, Gabriele Galateri di Genola was appointed Director and elected Chairman on 8 April 2011. The General Meeting held on 30 April 2012 confirmed the appointment of Gabriele Galateri as director, and the subsequent Board meeting confirmed his appointment as Chairman.

On 24 April 2012, Alberto Nicola Nagel and Francesco Saverio Vinci resigned their directorships of the Company, considering that they were incompatible with their directorships of Mediobanca, as defined in s. 36 of Statute no. 214 of 22 December 2011.

On 11 May 2012 the Board of Directors therefore co-opted Claudio De Conto and Clemente Rebecchini to the Board.

Diego Della Valle resigned his directorship on 5 June. Giovanni Perissinotto also resigned on 20 July, having retained his directorship of the Company after the Board of Directors revoked his powers as Group CEO on 2 June. Mario Greco was co-opted to the role of Group CEO by the Board of Directors on 1 August, after a favourable opinion had been obtained from the Appointments and Corporate Governance Committee. Finally, Sergio Balbinot resigned as Director and Managing Director on 8 November 2012.

The current Board of Directors therefore has fifteen members, and is composed as follows:

BOARD OF DIRECTORS

OFFICE ^(*)	FIRST NAME, LAST NAME
<ul style="list-style-type: none"> • Chairman • Non-executive director • Chairman of Executive Committee • Chairman of Appointments and Corporate Governance Committee • Chairman of Social and Environmental Sustainability Committee 	Gabriele Galateri
<ul style="list-style-type: none"> • Vice-chairman • Non-executive director • Member of Executive Committee 	Vincent Bolloré
<ul style="list-style-type: none"> • Vice-chairman • Independent director^(*) • Non-executive director • Member of Executive Committee • Member of Investment Committee 	Francesco Gaetano Caltagirone
<ul style="list-style-type: none"> • Executive director • Chairman of Investment Committee • Member of Executive Committee • General Manager 	Mario Greco
<ul style="list-style-type: none"> • Non-executive director • Independent director^(*) • Member of Risk and Control Committee • Member of Committee for Evaluation of Related-party Transactions • Minority director 	Cesare Calari
<ul style="list-style-type: none"> • Non-executive director • Independent director^(*) • Member of Risk and Control Committee • Member of Committee for Evaluation of Related-party Transactions • Member of Social and Environmental Sustainability Committee • Minority director 	Carlo Carraro
<ul style="list-style-type: none"> • Non-executive director • Independent director^(*) • Member of Investment Committee • Member of Remuneration Committee 	Claudio De Conto
<ul style="list-style-type: none"> • Non-executive director • Member of Investment Committee 	Petr Kellner
<ul style="list-style-type: none"> • Non-executive director • Independent director^(*) • Member of Executive Committee • Member of Risk and Control Committee 	Angelo Miglietta
<ul style="list-style-type: none"> • Non-executive director • Independent director^(*) • Chairman of Risk and Control Committee • Chairman of Committee for Evaluation of Related-party Transactions • Member of Appointments and Corporate Governance Committee 	Alessandro Pedersoli
<ul style="list-style-type: none"> • Non-executive director • Independent director^(*) • Member of Executive Committee • Member of Appointments and Corporate Governance Committee • Member of Remuneration Committee 	Lorenzo Pellicioi
<ul style="list-style-type: none"> • Non-executive director 	Reinfried Helmut Pohl
<ul style="list-style-type: none"> • Non-executive director • Member of Executive Committee • Member of Appointments and Corporate Governance Committee 	Clemente Rebecchini
<ul style="list-style-type: none"> • Non-executive director • Independent director^(*) • Member of Risk and Control Committee • Member of Committee for Evaluation of Related-party Transactions • Minority director 	Paola Sapienza
<ul style="list-style-type: none"> • Non-executive director • Independent director^(*) • Chairman of Remuneration Committee • Member of Appointments and Corporate Governance Committee • Member of Social and Environmental Sustainability Committee • Member of Committee for Evaluation of Related-party Transactions 	Paolo Scaroni

(*) Independent as defined in the Self-regulatory Code.

As previously stated, the Code states the obligation for Directors to accept their appointment, taking account of the number of positions they hold on the Board of Directors or Board of Statutory Auditors of other companies listed on regulated markets, including foreign markets, finance companies, banks, insurance companies and large companies.

In compliance with the provisions set out in the Code, and article 144-*decies* of the Issuers' Regulation a complete list of the positions held by the Company's Directors in such companies – along with a brief profile of each of them – is provided.

Gabriele GALATERI di GENOLA was born in Rome on 11 January 1947. After obtaining his law degree, he was awarded a Master of Business Administration degree by Columbia University. He was appointed Managing Director of IFIL in 1986 and Managing Director and General Manager of IFI in 1993, and elected Managing Director of Fiat in 2002. In 2003 he was appointed Chairman of the Board of Directors of Mediobanca, which position he held until June 2007. From 2003 to 2010 he was Vice-Chairman and member of the Board of Directors of Generali. He is the Chairman of TIM Brasil Serviços and Participações S.A., a member of the Board of Directors of Telecom Italia (Chairman from 2007 to 2011) and a non-executive member of the Board of Directors of TIM Participações S.A, Italmobiliare S.p.A., Azimut-Benetti S.p.A., SAIPEM S.p.A., Lavazza S.p.A., the Giorgio Cini charitable foundation, and Edenred S.A. He is Chairman of the Executive Board of the Italian Institute of Technology and a member of the Columbia Business School Board of Overseers. He was awarded the title of Cavaliere del Lavoro in May 1999, and is a member of the Légion d'Honneur. He has been Chairman of Assicurazioni Generali since 8 April 2011.

Vincent BOLLORÉ was born in Boulogne-Billancourt (France) on 1 April 1952. After obtaining his law degree, he worked in banking for ten years and then joined his father's company, where he was appointed Chairman and Managing Director. He is now Chairman and Managing Director of various companies in the Bolloré Group. He is also Chairman of the Board of Directors of Havas and a member of the Boards of Directors of Vivendi and various companies in the Socfinal Group. He has been Vice-Chairman of Assicurazioni Generali since April 2010.

Francesco Gaetano CALTAGIRONE was born in Rome on 2 March 1943. After studying engineering he relaunched the family construction business, then extended its activities to the fields of cement and the media, giving rise to one of the largest Italian business groups, which now has five listed companies, major strategic holdings and a growing international presence. He has been a director of Generali since April 2007. He is Chairman of Caltagirone S.p.A., Caltagirone Editore S.p.A., Il Messaggero S.p.A., Il Gazzettino S.p.A. and Eurostazioni S.p.A., Vice-Chairman of Auditorium Musica per Roma and Director of LUISS. He was awarded the title of Cavaliere del Lavoro in 2006.

Mario Greco was born in Naples on 16 June 1959. He graduated in Economics at the University of Rome in 1983 and obtained a Master's degree in International Economics and Monetary Theory at Rochester University, N.Y., USA, in 1986. He began his career in 1986 at McKinsey & Company. He was with McKinsey & Company until 1994. In 1992 he became a Partner, mainly focusing on financial consulting for banks and insurance companies. In 1995, he joined RAS as Head of Claims Division. In 1996, he became General Manager and in 1998 he was appointed Managing Director. In 2000, he became the company's Chief Executive Officer and held this position until 2005, achieving major results and awards; in 2004, he was appointed Insurance CEO of the year. In 2004, he joined Allianz AG Vorstand. In 2005, he became CEO at EurizonVita in the Sanpaolo IMI Group and CEO of Eurizon Financial Group. In 2007, he joined Zurich Financial Services as Deputy CEO of Global Life. In 2008, he became CEO and member of the executive committee. In 2010, he was appointed CEO of General Insurance in Zurich Insurance Group, and he held this position until 4 June 2012. He is currently a member of the Board of Directors of Indesit (his office will expire with the approval of the balance sheet as of 31/12/2012). On 1 August 2012, he was appointed Group CEO of Assicurazioni Generali.

Cesare CALARI was born in Bologna on 10 May 1954. After obtaining his law degree at Bologna University he continued his studies in the USA, where he graduated at Johns Hopkins University and attended managerial development courses at Harvard and Stanford. He held managerial positions at the World Bank Group's International Finance Corporation, and was later appointed as World Bank Deputy Chairman for the financial sector. He was also a member of the Financial Stability Forum (now Board) and Chairman of CGAP, a worldwide consortium for microfinance development. Having gained wide experience in private equity and financial, banking and insurance services in the developing countries, he is now Managing Director of Wolfensohn Fund Management LP, specialising in the management of private equity investments in emerging markets. He is also an assistant lecturer in International Finance at Johns Hopkins University, Washington, and a member of the Bretton Woods Committee, also based in Washington. He has been a member of Assicurazioni Generali Board of Directors since April 2010.

Carlo CARRARO was born in Camposampiero (PD) on 17 May 1957. After graduating in Economics and Business Studies from the Ca' Foscari University in Venice, he obtained a doctorate from Princeton University, USA. During his academic career he has worked in both Italian and foreign universities, until taking up his present post as Rector of Ca' Foscari University, where he is also Full Professor of Econometrics. He is the author of numerous studies and publications on economic subjects. He has held various prestigious appointments, including that of Vice-Chairman of WG III and member of the Bureau of the Intergovernmental Panel on Climate Change (IPCC) in Geneva, whose work was awarded the Nobel prize

in 2007. He is also a member of the governing bodies and scientific committees of various international and national organisations, including Harvard, CESifo in Munich and the Australian National University, which are active in the field of long-term economic trends and environmental sustainability. He holds administrative posts in various agencies, including the Cini Foundation and the Further Studies Foundation in Venice. He has been a member of the Board of Directors of Assicurazioni Generali since April 2010.

Claudio DE CONTO was born in Milan in 1964 and has a degree in corporate business. He has held major positions in the Pirelli Group, was Director in RCS MediaGroup SpA and member of the management board of Banca Popolare di Milano Scarl. He is senior advisor in McKinsey and director in Artsana S.p.A., Sesto Immobiliare S.p.A., Prysmian S.p.A. and chairman of the board of directors of Star Capital SGR S.p.A. He has been a Director of Generali since May 2012.

Petr KELLNER was born in Ceska Lipa (Czech Republic) on 20 May 1964. He graduated in Industrial Economics from Prague University in 1986. He is the major shareholder in Dutch holding company PPF Group N.V. which controls the PPF Group, founded by him in 1991. The PPF Group is one of the largest investment and finance groups in Central and Eastern Europe; it has interests in banking and consumer finance, insurance, retail, real estate, energy, mining, agriculture and biotechnologies. Petr Kellner has been a Director of Generali since April 2007 and Director of Generali PPF Holding B.V. (joint venture between Generali and PPF) since January 2008. He was Chairman of the Board of Directors of PPF a.s. from 1998 until March 2007, and a member of the Supervisory Board of Česká pojišťovna a.s. from 2000 to 2006.

Angelo MIGLIETTA was born in Casale Monferrato (Alessandria) on 21 October 1961. After obtaining an honours degree in Business Administration at Bocconi University, he completed his studies in marketing and strategies at Stanford University. He is a chartered accountant and auditor, and Full Professor of Economics and Business Administration at IULM university, Milan. He sits on the Board of Directors of Effeti S.p.A. and Banca Generali S.p.A., holds the post of Chairman of Sirti S.p.A. and is a Director in other listed and non-listed companies. He is also the Chairman of the Board of Statutory Auditors in some companies of the E.ON and Cogetech groups. He is the author of numerous studies and publications on economics, management and finance. He has been a member of the Assicurazioni Generali Board of Directors since April 2010.

Alessandro PEDERSOLI was born in Naples on 24 April 1929. He graduated in Law and practises as a civil lawyer specialising in business and company law in Milan. He was appointed a Member of the Board of Directors of Generali in 2003. Currently, he is also a Director of Effe 2005 Gruppo Feltrinelli S.p.A.

Lorenzo PELLICOLI was born in Alzano Lombardo (BG) on 29 July 1951. He began his career in the field of journalism and television, and in 1984 joined the

Mondadori Espresso Group, where he was soon appointed to top management positions. He then moved to the Costa Crociere Group, where from 1990 to 1997 he was Chairman and CEO of Costa Cruise Lines and PDG and Directeur Général Compagnie Française de Croisières, and Worldwide General Manager of Costa Crociere S.p.A. After holding the position of Managing Director of SEAT Pagine Gialle S.p.A., he has been Managing Director of De Agostini S.p.A. since 2005: in that Group he is now also Chairman of Lottomatica S.p.A., member of the Board of Directors of De Agostini Editore, member of the Board of Directors of Atlas, Vice-Chairman of the Supervisory Board of Général de Santé and Chairman of the Board of Directors of DeA Capital S.p.A.. He is also Chairman of the Board of Directors of Zodiak Media and a member of the Board of Directors of B&D Holding di Marco Drago e C. S.A.P.A. In the past he has also been a director of ENEL, INA and Toro Assicurazioni and a member of the Advisory Board of Lehman Brothers Merchant Banking. He has been a Director of Generali since April 2007.

Reinfried Helmut POHL was born in Marburg (Germany) on 2 November 1959. After completing his studies in humanities and economics, he embarked on a business career in 1984 in his father's company, Deutsche Vermögensberatung AG, of which he is general power of attorney holder. He is a director of several companies operating in the banking and insurance fields (including subsidiaries Deutsche Bausparkasse Badenia, Generali Holding Vienna AG and AM Lebensversicherung AG) and Advocard Rechtsschutzversicherung AG. He has been a member of the Board of Directors of Assicurazioni Generali since April 2010.

Clemente Rebecchini was born in Rome in 1964; he has a degree in economics (1988) and he is a chartered accountant. He has been working in Mediobanca since 1989 and currently he is central manager in charge of the Principal Investing Department. He is also director of Gemina SpA, Aeroporti di Roma Spa, Italmobiliare SpA and chairman of the board of directors of Telco S.p.A. He was co-opted to Generali's Board of Directors on 11 May 2012.

Paola SAPIENZA was born in Catania on 19 March 1965. After graduating in Political Economics at Bocconi University, Milan, she continued her studies at Harvard University where she obtained a master's degree and a PhD in Economics. She worked at the Bank of Italy Research Department and then started her academic career in the USA; she now has the Merrill Lynch's post as Full Professor of Finance at the Kellogg School of Management at Northwestern University. She is specialised in different fields including corporate governance, business finance and banking economics and has written numerous publications. She is a Research Associate at the National Bureau of Economic Research and Director of the American Finance Association since 2011.

She has been a member of Assicurazioni Generali Board of Directors since April 2010.

Paolo SCARONI was born in Vicenza on 28 November 1946. He graduated in Economics and Business from the Bocconi University in Milan, and obtained a Master's Degree

in Business Administration from Columbia University in New York. He began his career with business consultants McKinsey, and then joined the Saint Gobain Group, where he held various managerial positions in Italy and abroad. He was Vice-Chairman and Managing Director of Techint until 1996, and the same year was appointed Managing Director of Pilkington, which position he held until 2002. He was Managing Director and General Manager of ENEL from 2002 to 2005, and is now Managing Director of ENI S.p.A., Director of the Teatro alla Scala Foundation, and a member of the Board of Overseers of the Columbia Business School in New York. He is also a non executive Vice Chairman of the Board of Directors of the London Stock Exchange Group and member of the Board of Directors of Veolia Environnement. He has been a Director of Generali since April 2007. In 2003 he was awarded the title of *Cavaliere del Lavoro* and in November 2007 he was awarded the title of Officer of the Legion of Honour.

Antonio Cangeri has been the Secretary of the Board of Directors since November 2012.

In compliance with the provisions of the Code, Directors act and decide independently, having full knowledge of the issues for which they are responsible, and pursue the objective of creating value for shareholders.

Directors are required to know the duties and responsibilities associated with their function. The Chairman and the executive directors shall take steps to keep the Board informed of the main statutory and regulatory innovations concerning the company and the governing bodies and events on the international economic scene which may have significant repercussions on the Group's business. To this end, they shall avail themselves of the collaboration of other Directors and of the Secretary to the Board of Directors.

The Directors' knowledge of corporate and group dynamics and situations is promoted by invitations to attend meetings of the governing bodies of the Company and the Group, which provide detailed information about the items on the agenda. The management intends to further develop this practice, which has already been in use for some time. Workshops for members of the Board of Directors on specific subjects, such as the new Solvency II Directive and the related parties legislation, were organised during the 3-year period, with the support of the Company's executives working in that field, to provide a more complete picture of the new legislative scenarios. An off-site meeting of the Board of Directors was held in 2012, at which the Group strategy was presented to Directors; the presentation and discussion occupied a whole day. The Statutory Auditors also attended these events.

On 24 February 2012, after receiving the favourable opinion of the Corporate Governance Committee, the Board of Directors resolved to adopt the Regulation of the Board of Directors and its Sub-committees in order to collate and simplify the provisions governing the activities of those bodies. The said Regulation will formally specify (*inter alia*) the rights, duties, powers and responsibilities

of the Company's directors acting in the capacity of members of its collective governing bodies.

The Regulation is designed to collate and simplify, in a single document, the provisions governing the activities of the Board of Directors and its Sub-committees, which were previously fragmented between a number of regulations.

It has also been decided to regulate the operation of the Executive Committee and its Sub-committees, which previously lacked a regulation that formalises the current practices.

The Board of Directors has officially launched its self-assessment process.

In the last three years in particular, the self-assessment process was conducted by different procedures from those used in earlier years. As in 2010 and 2011 the Board of Directors resolved, after consulting the Appointments and Corporate Governance Committee, to instruct a leading firm of consultants (Egon Zehnder International) to assess the size, composition and functioning of the Board and its Committees with regard to its activities in 2012.

The evaluation process consisted of three stages: an individual discussion with each Director on the basis of a questionnaire, analysis with the Chairman of the Board of Directors of the main indications and the comments made, and finally, support for the Chairman of the Board of Directors in drawing up a final Report to the Board, including the main results and a proposed action plan.

The results of the Board Evaluation, which also related to the Chairman of the Board of Statutory Auditors, were approved by the Board of Directors at the meeting held on 22 February 2013.

The picture emerging from the self-assessment of the structure, functioning and efficiency of the Board of Directors was favourable on the whole.

Once again this year, the interviews highlighted some strengths and some points requiring further consideration. It emerged that the majority of directors consider that the Board of Directors consists of members who possess the skills needed to guide the Group, even at times of discontinuity, and are particularly satisfied with the internal dynamics on the Board which lead to direct, open debate, with their own contributions to the Board, and with the work performed as a whole. A degree of satisfaction also emerged with the contribution made by the minority and independent Directors in general, the quality of the information received before Board meetings, and the clarity and efficacy of the presentations to the Board.

The interviews demonstrated full satisfaction with the amount of time devoted to discussion of strategies, which led to better comprehension and approval. Full appreciation was also expressed for the new electronic documentation transmission method.

As regards possible areas requiring improvement, although the training initiatives offered were appreciated, the Board considered that informal meetings with technical and business contents should be intensified. It also considered the advisability of evaluating a further reduction in the number of Board members in future, while guaranteeing the necessary level of their skills on the subjects of Insurance, Finance, Audit and Control, Risk, and Human Resources and Organisation. In particular, a reduction in the number of Board members could mean that there is no need for an Executive Committee.

The majority of Directors consider that the number of Committees should be reduced, and their responsibilities merged. Finally, a qualified minority consider that the mission of the Risk and Control Committee should be further reviewed to verify whether it is fully effective.

On the basis of the results of the self-assessment, the Board of Directors gave shareholders, prior to the renewal of the Board, some advice on the professional figures whose presence on the Board is deemed appropriate.

Non-executive and independent directors

The Board is currently made up of one director who, according to the terms of the Code, is to be considered an executive director, and fourteen non-executive directors, nine of whom are independent as defined by the Self-Regulatory Code¹⁴.

At the meeting held on 11 May 2011, the Company made the usual annual assessment of the independence of the

Members of the Board of Directors, also applying all the criteria laid down by the Code in this case.

Members of the Executive Committee are not classed as “executive directors” because, in view of the frequency of their meetings and the subject of their resolutions, they are not systematically involved in the current management of the Company.

The number of non-executive and independent directors is therefore sufficient to ensure that their judgement has a decisive influence on the Board’s decision-making.

Non-executive directors bring their specific expertise to the Company’s activities and to Board debates, providing their institutionally-required contribution to the drafting and passing of resolutions in line with the Company’s interests.

The presence of non-executive and independent directors, according to the application criteria laid down in the Self-Regulatory Code, is considered crucial on the Board’s sub-committees, whose members must consist of directors with no delegated operational powers.

The Code, which states that the status of “Independent Director” must be evaluated periodically by the Board, taking account of the information provided by individual directors, requires the Board of Directors to assess whether that requirement is met, “having regard more to substance than to form”.

¹⁴ The following are classed as **executive directors** according to Application Criterion 2.C.1:

- the managing directors of the issuer or a subsidiary with strategic importance, including their Chairmen if individual powers of management are granted to them or they play a specific role in the design of company strategies;
- directors who hold managerial positions in the issuer or in a subsidiary with strategic importance, or in the controlling company if the position also relates to the issuer;
- directors who are members of the issuer’s Executive Committee if no Managing Director has been appointed or attendance at meetings of the Executive Committee, in view of the frequency of its meetings and the subject of its resolutions, in practice entails systematic involvement of its members in the issuer’s day-to-day management.

The grant of emergency powers only to directors not holding managerial powers does not in itself make them executive directors, unless those powers are used very often in practice.

The Code recommends that an appropriate number of “non-executive” Directors should be “independent”, so that they can better guarantee an autonomous judgement and free appraisal of the management’s activities, especially in connection with the most delicate issues and situations potentially leading to conflict of interests, with a view to securing the best possible protection of all shareholders.

According to criterion 3.C.1. of the Code of Conduct, a director is not usually classed as independent in the following cases, to be considered merely as an example:

- a) if he/she controls the issuer, directly or indirectly, including through subsidiaries, trustees or a third party, or is able to exercise dominant influence over the issuer, or participates in a shareholders’ agreement through which one or more persons may exercise control or considerable influence over the issuer;
- b) if he/she is, or has been in the preceding three financial years, a leading representative of the issuer, of a subsidiary having strategic importance or of a company or entity controlling the issuer or able to exercise considerable influence over it, including jointly with others through a shareholders’ agreement;
- c) if he/she has, or had in the preceding financial year, directly or indirectly (e.g. through subsidiaries or companies of which he/she is a leading representative, or in the capacity of partner in a professional firm or a consulting company) a significant commercial, financial or professional relationship:
 - with the issuer, one of its subsidiaries, or any of its leading representatives;
 - with a party who controls the issuer, jointly with others through a shareholders’ agreement or, in case of a company or an entity, with any of the leading representatives;
 or is, or has been in the preceding three financial years, an employee of the above-mentioned parties;
- d) if he/she receives, or has received in the preceding three financial years, from the issuer or a subsidiary or holding company of the issuer, significant additional remuneration compared with the “fixed” remuneration as non-executive director of the issuer, including participation in incentive plans linked to the company’s performance, such as stock option plans;
- e) if he/she was a director of the issuer for more than nine of the last twelve years;
- f) if he/she is vested with the office of executive director in another company in which an executive director of the issuer holds the office of director;
- g) if he/she is a shareholder or director of a legal entity belonging to the same network as the company appointed to audit the accounts of the issuer;
- h) if he/she is a close relative of a person who is in any of the positions listed in the above paragraphs.

A further concept of independent director¹⁵ is included in the applicable legislation. The absence of this requisite entails forfeiture of the office. A check was made on the basis of this concept to establish that the independence requirement was met. Nearly all directors met the definitions of independence contained in both s. 147-ter of the CFBA and the Self-Regulatory Code. The only exceptions are Gabriele Galateri, Vincent Bolloré and Clemente Rebecchini, who are classed as independent according to the CFBA definition but as non-independent according to the parameters of the Self-Regulatory Code, and Angelo Miglietta, who is in the opposite position, being classed as non-independent according to s. 147-ter of the CFBA but independent on the basis of the Self-Regulatory Code. Angelo Miglietta is a member of the Board of Directors of subsidiary Banca Generali.

The Board of Statutory Auditors must assess the correct application of the criteria adopted by the Board of Directors and of the control procedures used by the said Board to assess the Directors' independence.

On the occasion of the annual assessment of whether the independence requirement is met, the Board of Statutory Auditors verified the correct application of the criteria and procedures adopted by the Board of Directors to assess its members' independence.

The Independent Directors met twice in 2012.

The average attendance of Independent Directors at meetings of the Board was 77% in 2010, 91% in 2011 and 95% in 2012. For more details, see Table 2 containing individual attendance information for each Director.

Remuneration of Directors and executives with strategic responsibilities

Pursuant to s. 123-ter of the CFBA and ISVAP Regulation no. 39/2011, and in view of the principles and application criteria laid down in art. 6 of the Self-regulatory Code, the general policy for the remuneration of Directors and key management personnel is illustrated in a specific Report approved by the Board of Directors after consulting the Remuneration Committee, which will be submitted to shareholders at the General Meeting held on 30 April 2013. The Report will be published on the Company's website

(www.generali.com), in the *Investor Relations – 2013 General Meeting* section.

D&O insurance policy to cover the third-party liability of members of the Company's governing bodies

In line with the best practice on the most progressive financial markets, and having regard to the characteristic features of the business of the Company and the Group, the General Meeting held on 24 April 2010 resolved:

- 1) that the Company should pay any compensation deriving from liability towards third parties for prejudicial acts performed by the Directors and Statutory Auditors and the CFO (in view of his position as Chief Financial Officer and Manager in charge of Preparation of the Company's Financial Reports) in the exercise of their functions, excluding cases of fraud and wilful misconduct, up to the maximum cover limit of € 100 million;
- 2) to authorise the Board of Directors to take out an insurance policy to cover the third-party liability of the Company's Directors and Statutory auditors (Directors' and Officers' Liability Insurance - D&O), broadly on the following terms:
 - a) duration: 12 months, renewable from year to year until revoked by the General Meeting;
 - b) maximum cover: € 100 million per claim, by way of annual aggregate, and per period of cover;
 - c) exclusion of insurance cover for cases of fraud or wilful misconduct;
 - d) annual premium: € 843,525.

The widest powers were granted to the Group CEO to implement the resolution passed by the General Meeting, including power to renew the said policy on the best market terms on its expiry, provided that the annual premium should not exceed 30% of the last annual premium paid, after the usual revaluations and the necessary updating of the cover.

Handling of confidential and inside information

To implement the legislation on market abuse, the Company has passed a regulation on keeping the Register of Persons who have access to inside information, in line with the obligations laid down in the CFBA.

¹⁵ Pursuant to s. 147-ter.4 of the CFBA, at least one member of the Board of Directors, or two if the governing body has more than seven members, shall meet the independence requirements established for Statutory Auditors by s. 148.3 of the CFBA and, if the Articles of Association so provide, the further requirements laid down in the Codes of Conduct drawn up by the management companies of regulated markets or by trade associations. S. 148.3 of the CFBA states that the following parties may not be elected as Statutory Auditors and, if elected, shall be debarred from holding office:

- a) those in the conditions specified in s. 2382 of the Italian Civil Code;
- b) the spouse, relations and in-laws up to the fourth degree of kinship of the company's directors, and the directors, spouse, relations and in-laws up to the fourth degree of kinship of the companies controlled by it, its controlling companies and companies subject to joint control;
- c) those who are linked to the company or its subsidiaries or controlling companies or companies subject to joint control or to directors of the company and the parties specified in paragraph b) by a relationship of employment or self-employment or other monetary or professional relationship which undermines their independence.

An independent director who loses the independence requirements after appointment shall immediately notify the Board of Directors, and shall in any event be debarred from holding office.

The characteristic features of the Regulation on the handling of confidential and inside information, a summary of which can be found in the Governance section of the website www.generali.com, are:

- definition of the concepts of confidential¹⁶ and inside¹⁷ information;
- identification of personnel obliged to comply with these regulations;
- definition of procedures for handling confidential and inside information.

The corporate representatives, i.e. directors, Statutory Auditors and employees of the Company and its subsidiary companies as well as those on whom Generali, the Subsidiary Companies or even third parties have conferred professional, service or equivalent responsibilities that have led them to acquire inside information on the Company, shall maintain maximum discretion on the confidential information they acquire in the performance of their corporate or professional duties.

The said parties having access on a regular or occasional basis to inside information are entered in an appropriate register, set up and kept according to the legislation and regulations in force. In order to ensure proper keeping of the register and the information it contains, the Company has adopted internal procedures which, according to specific criteria, are aimed at ensuring efficient, effective management of the information and data contained in the register¹⁸.

The Regulation in question is aimed at safeguarding the effectiveness of the principle of equal treatment of inside information towards the market and ensuring that its disclosure outside the Company and/or subsidiary companies is handled promptly, completely and adequately, without causing information asymmetries among the public.

To this end, Generali has established its policies on circulating and monitoring inside information¹⁹.

When handling confidential information, corporate representatives are required to use any type of precaution that allows such information to be disclosed within the Company, the subsidiary companies and/or in the relationships between the latter, without prejudice to its own specific nature.

Management of institutional communications is dealt with by the Group CEO. Relations with financial analysts and institutional investors are coordinated by the Group CEO, through the Chief Financial Officer, and conducted through the Investor Relations Department.

Transactions having a significant impact on the Company's profitability, assets and liabilities or financial position, atypical or unusual transactions.

The Guidelines adopted by the Board of Directors in this respect ensure compliance by the Company with the principle of substantive and procedural correctness in the performance, by the Company and its subsidiaries, of transactions having a significant impact on the Company's profitability, assets and liabilities or financial position, including atypical or unusual transactions.

In this context, attention focused on establishing the terms and procedures for management of information flows to the Company's governing bodies (which are necessary to perform the activities falling within their jurisdiction) and to the public (to provide it with a prompt, complete picture of the Company's business trends).

"Transactions having a significant impact on the Company's profitability, assets and liabilities or financial position"

16 Confidential information means accurate information directly or indirectly concerning the Company or the Subsidiary Companies, which is not in the public domain, and whose dissemination was not allowed by the appropriate administrative body or by the heads of company departments involved in its handling.

17 Inside information means accurate information, which has not been made public, directly concerning the Company or the Subsidiary Companies, and which, if made public, might considerably affect the prices of the financial instruments issued by the Company.

Information is regarded as accurate if:

- It refers to a mix of circumstances which exist or which may reasonably and foreseeably come into existence or to an event which has occurred or which may reasonably and foreseeably occur;
- It is sufficiently specific to allow conclusions to be drawn on the possible impact of that mix of circumstances or of the said event on the prices of the financial instruments issued by the Company.

Information which, if made public, might considerably affect the prices of the financial instruments means information which a sensible investor would presumably use as one of the elements on which his/her investment decisions are based.

18 In the case of gradually developing company operations (or of other situations, events or circumstances with similar pre-requisites), although the information on them does not yet meet the legal requirements for inside information but may do so in the future, the persons having access to it are promptly entered in the register, so that there is conclusive evidence that such registration was performed before the conditions for becoming inside information applied.

19 In this area, it has also been established that:

- Inside information can only be accessed by corporate representatives who are obliged to access it in the pursuance of their management or work duties, or in the pursuance of their profession, function or office;
- during their normal working and/or professional activities or their functions or tasks, corporate representatives having inside information and, at any rate, persons acting in the name and on behalf of the Company and/or of subsidiary companies shall adopt appropriate behaviour to safeguard the confidentiality of the information handled by them, according to the procedures laid down by the Company;
- in particular, corporate representatives must not disclose such inside information to other parties who are not, in turn, obliged to comply with the privacy obligation applicable to those who have access to inside information, according to the legislation, regulations, Articles of Association or contractual sources;
- corporate representatives having access to inside information must be fully informed of the ethical and legal obligations binding upon them as well as the criminal, administrative, civil and disciplinary sanctions provided for in case of abuse or unauthorised disclosure of information.

include the management operations reserved for the Board of Directors in compliance with the law, the Company's Articles of Association or other resolutions passed by the Board, as well as the further transactions listed hereunder, even if they are carried out through subsidiary companies:

- the issue of financial instruments amounting to a total sum higher than € 500 million;
- the grant of loans and guarantees, also amounting to a total sum higher than € 500 million;
- transactions regarding the provision of activities or services, cooperation agreements for the exercise and development of corporate activities, amounting to a total sum higher than Euro 500 million;
- costs, even if included in the budget, amounting to over € 200 million;
- mergers or demergers whereby the total assets of the incorporated (merged) company or the divided assets amount to or exceed 3% of the total assets recorded by Generali in its latest consolidated financial statement;
- investment and disinvestment transactions, including those regarding real property, operations of purchase and sale of shareholdings, companies or Company branches, or assets of any kind, on the occasion of which the price of the Company (or company branch or assets) bought (or sold) amounts to or exceeds 2% of the average capitalisation recorded over the past six months by Generali shares.

Mergers and takeovers between listed companies, mergers between a listed company and an unlisted company, and takeovers of a listed Company by an unlisted company have also been included in the category of transactions having a significant impact on the Company's profitability, assets and liabilities or financial position.

Transactions having a significant impact on the Company's profitability, assets and liabilities or financial position can bypass the examination of the Board of Directors if they present the following features, even though their subject and value correspond to one of the categories described above:

- they are carried out under market conditions, i.e. under the same conditions as applied to parties other than related parties;
- they are typical or usual, i.e. on the basis of their subject, nature, degree of risk and time of performance are among the ordinary operations of the Company;

In any event, the said transactions must be brought to the notice of the Board of Directors at the meeting immediately following their completion.

"Atypical or unusual transactions" (including those performed by subsidiaries) means operations which, in view of their subject and nature, are not included among the ordinary operations of the Company, and those presenting particular elements of criticality connected with their features and inherent risks, the nature of the other party, or the time when they are carried out.

This type of transaction normally falls under the sole jurisdiction of the Board of Directors, apart from those listed hereunder:

- transactions not exceeding a total of € 100 million;

- transactions that merely implement corporate initiatives already included among the resolutions previously passed by the Board;
- the purchase and/or sale of real estate rights involving the use of free assets amounting to under € 50 million.

With a view to allowing the Board of Directors and, under certain circumstances, the Risk and Control Committee, to obtain all the information required to make their respective decisions and assessments with an adequate degree of knowledge and responsibility, the Chairman of the Board of Directors undertakes to illustrate all transactions still awaiting approval and/or examination to Board members and, under certain circumstances, to the members of the Risk and Control Committee, through ad-hoc reports, which shall be available in advance to the said members and which will describe the following factors:

- the features, terms and conditions of the transaction;
- the strategic objectives of the transaction;
- the consistency of the objectives with corporate strategies;
- the methods, as well as the terms and conditions – including economic ones – of their implementation;
- the possible developments of the transactions; any connected risks shall be highlighted;
- the possible consequences and implications of the transaction for the activities of Generali Group.

Pursuant to article 150 of Legislative Decree 58, 24 February 1998 and article 32 of the Company's Articles of Association, the Board of Directors shall report promptly and at least every three months to the Board of Statutory Auditors on the activities carried out, in particular:

- on transactions having a significant impact on the Company's profitability, assets and liabilities or financial position;
- on transactions in which Directors have an interest, on their own account or on behalf of a third party.

The said disclosure to the Board of Statutory Auditors is made at the meetings of the Board of Directors or, when necessary, directly or at the meetings of the Executive Committee.

Those reports concern not only the executive activities and the developments of the transactions that have already been approved by the Board of Directors, but also the initiatives taken by the representative bodies – including through subsidiary companies – while exercising the powers assigned to them, together with the decisions taken and projects started.

Related Party Transaction Procedures

At its meeting held on 11 November 2010, the Board of Directors adopted the new Related Party Transaction Procedures to ensure that these transactions are performed in accordance with the principles of transparency and substantive and procedural correctness.

The procedures in question were prepared in compliance with the terms of s. 2391-*bis* of the Civil Code and Consob Regulation no. 17221 of 12 March 2010, which implements the statutory provisions.

The Procedures make a distinction between operations of minor and major importance, imposing stricter rules for the latter in terms of the decision-making process as well as transparency towards the market. For both types of operation, the Procedures state that a committee of Independent Directors (the **Committee for Evaluation of Related Party Transactions**) shall assess whether the Company has an interest in performing the operation, and evaluate the benefits and substantive correctness of its terms. The opinion given by the Independent Directors is binding for all operations of major importance, and those of minor importance which exceed given value thresholds.

Certain types of operations are specified for which the decision-making process accompanied by the opinion of the Independent Directors need not be activated. These are operations deemed unlikely to prejudice the interests protected by the regulations, which are specifically indicated.

The Procedures apply not only to Related Party Transactions performed directly by Assicurazioni Generali, but also to those performed by its subsidiaries.

The full, updated text of the Procedures can be viewed in the Governance section of the Company's website (www.generali.com).

Internal dealing regulations

In addition to and by way of completion of the legislation governing this subject, Generali has approved a Regulation on internal dealing, identifying the relevant subjects (or internal dealers) in the Company, relevant transactions and the Data Processor.

The internal dealer category includes the following subjects:

- Directors of the Company issuing listed securities;
- members of the Company's Board of Statutory Auditors;
- its General Managers and Deputy General Managers;
- its Assistant General Managers.

Relevant transactions are those performed by the internal dealers or by persons closely related to them²⁰, concerning the purchase, sale, subscription or exchange of relevant financial instruments, for an amount which may be added to that of other operations performed in the same calendar year and not previously communicated, which is equal to or greater than Euro 5,000.00.

The following are not relevant for the purpose of the Regulation:

- operations whose total amount is less than € 5,000.00 in the calendar year; after each communication, operations whose total amount is less than a further € 5,000.00 by the end of the calendar year are not reported;
- transactions between Relevant Parties and Persons Closely Associated with Relevant Parties;
- operations performed by the Company and its subsidiaries.

Relevant financial instruments are:

- shares issued by Assicurazioni Generali;
- shares of listed subsidiary companies;
- financial Instruments linked to Shares;
- financial Instruments linked to the Shares of listed subsidiary companies.

The Regulation identifies the Data Processor responsible for keeping the Register of persons with access to inside information as the Head of the Group Corporate Affairs Department, who is the head of the department which manages the receipt of communications by relevant Subjects and their prompt transmission to Consob and the market, with the cooperation of the Heads of the Group Communication Department and the Investor Relations Department.

The relevant subjects shall notify the Data Processor of relevant transactions performed by them by the third Stock Exchange trading day after the day on which the operation was performed, by sending the appropriate form prepared by CONSOB.

The Data Processor, together with the Head of the Group Communication Department, announces relevant transactions by means of a press release to Consob and the market, through the SDIR-NIS circuit (Relevant Information Communication System and Network Information System), and to news agencies, by the end of the trading day after the date on which they were received. This announcement is also made available to the public on the Company's website, which also contains the full text of the Regulation.

Furthermore, the Regulation provides for a series of blocking periods, during which internal dealers are expressly forbidden to carry out operations on relevant financial instruments; these periods are generally close to certain corporate events.

²⁰ They are as follows: spouse, unless legally separated, dependent children, including those of the spouse, and, if cohabiting for at least one year, parents, relatives and in-laws of the relevant Subjects, legal persons, partnerships and trusts in which a relevant Subject or one of the said persons closely related to him/her holds the management function, jointly or severally, legal persons directly or indirectly controlled by a relevant Subject or by one of the said persons closely related to him/her, partnerships whose economic interests basically coincide with those of a relevant Subject or one of the said persons closely related to him/her, and trusts set up for the benefit of a relevant Subject or one of the said persons closely related to him/her.

CHAIRMAN AND VICE-CHAIRMEN OF THE BOARD OF DIRECTORS

Chairman

The Board of Directors appoints a Chairman from among its members unless the General Meeting has appointed one. The Chairman is selected from candidates who meet the specific professional requirements required of the other Board members. The Chairman must not be older than 70 at the time of appointment²¹.

The Chairman acts as authorised representative of the Company, through joint signature with another authorised representative in the Company's name²².

In addition to the functions assigned to him by law, the Chairman chairs the General Meetings, in compliance with the provisions of the specific By-laws. Furthermore, the Chairman convenes and presides over the Board of Directors and the Executive Committee; sets the agenda, directs, coordinates and moderates the proceedings and announces the results of their resolutions.

Moreover, with the cooperation of the Secretary of the Board of Directors and in accordance with the Regulation of the Board of Directors and its Sub-committees, he ensures that adequate information about the items on the agenda of each meeting is given to all Directors with suitable notice. In particular, if the subjects under discussion relate to ordinary business, the corresponding documents, if available,

can be consulted by Directors on an electronic platform, normally within four working days. If that is impossible for exceptional reasons, the Chairman ensures that Directors are informed as quickly and comprehensively as possible of the contents of any proposals on the Agenda relating to particularly significant operations.

The current Chairman, Gabriele Galateri, does not hold an operational role, as no powers additional to those specified in the Articles of Association have been granted to him.

Vice-Chairmen

The Board of Directors elects one or more Vice-Chairmen from among its Members, who shall replace the Chairman in case of the latter being absent or prevented from performing his office. If there is more than one Vice-Chairman, the one who also holds the office of Managing Director shall act as Deputy Chairman; if none of them holds the office of Managing Director, the oldest one shall replace the Chairman.

Like the Chairman, the Vice-Chairman holds the office of Member of the Executive Committee by right, in accordance with the Articles of Association.

The Company has two Vice-Chairmen: Francesco Gaetano Caltagirone (who acts as Deputy Chairman pursuant to art. 30.2 of the Company's Articles of Association), and Vincent Bolloré.

21 After the entry into force of Ministry of Economic Development Decree no. 220 of 2011, the Chairman of an insurance company must have performed at least one of the following activities for at least a five-year period:

1. administration, management and control of companies and organisations in the insurance, credit or financial sector;
2. administration, management and control of public and private companies having dimensions similar to those of the insurance or reinsurance offices at which the office is to be held;
3. professional activity in subjects associated with the insurance, credit or financial sector or university lectureships in economic, legal or actuarial subjects relevant to the insurance industry.

22 The Chairman, Vice-Chairmen, Managing Directors, other members of the Board, General Managers and Deputy General Managers appointed to the Central Head Office act as authorised representatives of the Company for all the Company's business.

The General Manager and Deputy General Managers appointed to the Head Office for Italy act as authorised representatives of the Company for the business of the said Head Office.

Lastly, the other managers of the Company act as authorised representatives of the Company, within the province assigned to them.

The legal representation of the Company is expressed by appending the signature of two authorised representatives beneath the Company's name.

The Chairman, the Vice-Chairmen when replacing the Chairman who is absent or prevented from acting, the Managing Directors, the General Managers and the Deputy General Managers appointed to the Central Head Office may sign jointly among themselves or with another Member of the Board, or with the General Manager, or with the Deputy General Managers appointed to the Head Office for Italy, or with one of the other managers of the Company. In this case, the latter also act as authorised representatives of the Company for business not included in the province assigned to them. Managers may sign jointly among themselves, provided that at least one of them is acting within the province assigned to them. The other members of the Board may not sign jointly among themselves, nor with the General Manager and the Deputy General Managers appointed to the Head Office for Italy, nor with any of the other managers of the Company.

The competent governing body can further limit the subject and scope of the power to represent the Company assigned to the managers of the Company. The said body can also assign the power to represent the Company to other employees or third parties, by granting special or general powers of attorney for single actions or types of actions.

EXECUTIVE COMMITTEE

The Board may appoint from among its members an Executive Committee to which it delegates certain powers in accordance with regulations and the Articles of Association, within the limits of the law. At all events, the said delegations of powers shall never deprive the Board of Directors of its fundamental faculties.

The Executive Committee consists of not less than 5 and not more than 9 members, including the Chairman of the Board of Directors, who chairs it, the Vice-Chairmen and the Managing Directors, if appointed. The Executive Committee, with delegated powers, is currently made up as follows:

EXECUTIVE COMMITTEE

OFFICE	FIRST NAME, LAST NAME
• Chairman	Gabriele Galateri
• Vice-chairman	Francesco Gaetano Caltagirone
• Vice-chairman	Vincent Bolloré
• Group CEO	Mario Greco
• Independent director	Angelo Miglietta
• Independent director	Lorenzo Pellicoli
• Independent director	Clemente Rebecchini

After obtaining a favourable opinion from the Appointments and Corporate Governance Committee, the Board of Directors appointed Clemente Rebecchini as a member of the Executive Committee on 11 May 2012. This followed the resignation of Director Alberto Nicola Nagel in view of the supervening situation of incompatibility pursuant to s. 36 of Statute no. 214 of 22 December 2011 (converting the "Italy Rescue Decree").

The Secretary of the Board of Directors, Antonio Cangeri, also acts as Secretary of the Executive Committee.

The members of the Executive Committee shall be selected from among candidates meeting the same professional and competency requirements as established for the office of Chairman.

The members of the Executive Committee shall also remain in office for three years. The mandate of the present Executive Committee will thus last until the date of the meeting held to approve the financial statements for the financial year ending on 31 December 2012.

Notwithstanding the powers assigned exclusively to the Board of Directors and those which the Board has reserved for itself, as listed above, the serving Executive Committee is delegated the power to:

- to examine in advance, on the proposal of the Group CEO, the plans, budgets and strategic operations to be submitted for examination and approval by the Board;
- to monitor the performance of the plans, budget and strategic operations approved by the Board;
- to examine and approve, on the proposal of the Group CEO, the general organisation of the Company and the Group established by the Group CEO;
- to resolve, on the proposal of the Group CEO, on operations and deeds of disposal which exceed the limits of the powers granted to him, without prejudice to the powers reserved for the Board;

- to appoint, on the proposal of the Group CEO, the chairmen, executive directors and general managers (or members of the top management who hold equivalent positions) of subsidiaries with strategic importance, also formulating proposals relating to the revocation of their office and to their remuneration, provided that the designations and proposals relating to the revocation and remuneration of the executives included in the Group Management Committee shall be made by the Board of Directors, after consulting the Appointments and Corporate Governance Committee and the Remuneration Committee, on the matters for which they are responsible;
- to approve the signature of shareholders' agreements of particular strategic importance relating to holdings in the capital of listed Italian and/or foreign companies;
- to ratify the decisions taken by the Group CEO, on the ground of necessity or urgency, insofar as they exceed the limits of the powers delegated to him;
- to pass, on the proposal of the Group CEO, when there is an urgent need to protect the interests of the Company or the Group, any other resolution which would otherwise be the province of the Board, excluding those referred to in ss. 2420-ter (*Delegation to directors*), 2423 (*Drafting of financial statements*), 2443 (*Delegation to directors*), 2446 (*Reduction of share capital due to losses*), 2447 (*Reduction of share capital below the statutory limit*), 2501-ter (*Merger Plan*) and 2506-bis (*Demerger Plan*) of the Civil Code, in compliance with the provisions governing major economic, financial and capital operations with related, parties, atypical or unusual operations;
- to establish the succession plan for the other key positions in the Company and the Group, namely positions other than those indicated in art. 8.2.j) of the Regulation of the Board of Directors and its Sub-committees, whose Hay score exceeds the threshold of 1,000 points;
- to grant general and special authorisations for the performance of its resolutions.

Significant transactions performed to implement the delegated power shall be reported by the Executive Committee to the Board of Directors at its first meeting after the exercise of the delegated powers, without prejudice to the validity of the actions performed in any event.

Members of the Executive Committee receive an attendance fee of € 4,000.00 per meeting, a 50% increase on the gross annual salary for their directorship, and reimbursement of expenses incurred to attend meetings.

Average meeting attendance of Executive Committee members was 100% at the meetings held in 2010, 92.5% in 2011 and 96% in 2012. (See Table 2, containing attendance information for each member of the Executive Committee).

The average duration of the ten Committee meetings held in 2011 was 2½ hours. Twelve meetings were held in 2012, the average duration of which was about 1 hour 40 minutes.

GROUP CEO

Pursuant to the Articles of Association, the Board may appoint from among its members one or more Managing Directors, defining their powers. Managing Directors must be selected from candidates complying with the same criteria of professionalism and competence as required for the office of Chairman, who are not more than 65 years old at the time of appointment²³.

Managing Directors shall remain in office for three years. Their mandate will thus last until the date of the meeting held to approve the financial statements for the financial year ending on 31 December 2012.

The Managing Director in office is a Member of the Executive Committee by right.

On 1 August 2012, the Board of Directors appointed Mario Greco as Managing Director, General Manager and Company Strategy Officer. Having regard to the delegated powers granted to him, which make him the person principally responsible for the management of the Company and the Group, Mr Greco was also appointed Group Chief Executive Officer (Group CEO).

The same Board meeting also decided to grant to Mario Greco, in his capacity as Managing Director and Group CEO, power of guidance and operational management of the Company and the Group, in Italy and abroad, with all powers of ordinary administration, in accordance with the general planning and strategic policies established by the Board of Directors and within the value limits specified below, without prejudice to the powers granted by legislation or the Articles of Association exclusively to other governing bodies of the Company or otherwise delegated by the Board of Directors.

Mario Greco therefore has powers including but not limited to the following matters: operational management of insurance and reinsurance business and the activities relating thereto in Italy and abroad; responsibility for activities involving strategic planning, management control, enterprise risk management and asset liability management, mergers and acquisitions and management of relevant shareholdings, and activities performed by the Group in the banking, financial and real estate sectors; responsibility for administrative, tax, legal and corporate affairs; responsibility for human resources and the organisation of work, coordination of information technology activities, management and coordination of the companies in the Group, and management of communication regarding the external relations and institutional relations of the Company and the Group.

By way of example but not of limitation, the following powers are granted to Mr Greco for the purpose of performing the tasks allocated to him, provided that the quantitative and other limitations on the powers granted shall be considered as internal limits between the delegating body and the party to whom the powers are delegated:

- a) to propose to the Board of Directors and/or the Executive Committee the adoption of measures in the field for which he is responsible;
- b) to formulate proposals relating to the multi-annual plans and annual budgets of Assicurazioni Generali and the Group, to be submitted for examination and approval by the Board of Directors;
- c) to issue directives for the drafting of the Company's financial statements; to prepare proposals for submission to the Board of Directors on the draft annual financial statements and consolidated financial statements and on the budget estimates;
- d) to establish the general organisational system of Assicurazioni Generali and the Group, and submit it to the Executive Committee for examination and approval;
- e) to ensure that the resolutions passed by the General Meeting, the Board of Directors and the Executive Committee are implemented;
- f) as regards insurance and reinsurance business:
 - i. to manage insurance and reinsurance business in Italy and abroad, authorising the taking of insurance and reinsurance risks in the sectors in which the Company is authorised to operate and payment of the corresponding compensation, and to perform the activities relating thereto and take the appropriate decisions with respect thereto;
 - ii. to supervise and guide the management of the Group's technical and actuarial activities and manage its research and development activities;
 - iii. to draft and approve the statements of the Company's Separate Internal Management Accounts and Internal Insurance funds and establish the proportion of participation in the yield of the Separate Internal Management Accounts, without prejudice to any more favourable contractual terms

²³ For the office of General Manager or offices involving the exercise of equivalent functions, specific professional competence is required in the fields of insurance, credit or finance, consisting of experience in managerial positions of appropriate responsibility for a period of no less than five years.

- and/or clauses which provide for a minimum yield to be withheld by the Company;
- g) as regards human resource management and organisation:
- i. to establish the human resource development and management policies and the associated incentive system; to manage relations with trade unions and employers' associations, with power to sign agreements with them on the Company's behalf; to attempt conciliation, make settlements and sign the minutes relating to settlements;
 - ii. with the exception of the powers granted exclusively to the Board of Directors pursuant to art. 32.2 of the Company's Articles of Association, to hire, promote, establish the duties, delegated powers, tasks and economic position of personnel of all grades of the Company in Italy, with the exception of executives with a grade higher than Central Director. As regards the said personnel: to take the necessary measures, authorise the grant of financial subsidies and leave of absence, arrange transfers and secondments, and take all precautionary and disciplinary measures including dismissal and establishing severance pay;
 - iii. to formulate proposals to the Board of Directors relating to:
 1. the institution of the Group Management Committee;
 2. the definition of the internal roles in the Group relevant to the composition of the Group Management Committee;
 3. the appointment, revocation of the appointment and remuneration of the parties called on to hold internal roles in the Group carrying membership of the Group Management Committee;
 - iv. to determine, in accordance with the terms of arts. 39 and 40 of the Company's Articles of Association, the scope of the power of representation and company signature of executives with a grade not exceeding that of Central Director, and to grant the said power continuously to the Company's officers and revoke it;
 - v. to propose to the Executive Committee the appointment of the Chairmen, Managing Directors and General Managers (or members of the top management who hold equivalent positions) of the Company's subsidiaries with strategic importance, also formulating proposals relating to their remuneration; and to nominate the members of the Boards of Directors and Board of Statutory Auditors of subsidiaries without strategic importance;
 - vi. to propose to the Executive Committee the signature of shareholders' agreements of particular strategic importance relating to holdings in the capital of listed Italian and/or foreign companies;
 - vii. to formulate proposals to the Remuneration Committee relating to the guidelines of the remuneration policy of the Company and the Group;
 - viii. to ensure the application of the corporate governance rules of the Company and the Group;
- h) as regards relevant shareholdings, pursuant to s. 4 of Legislative Decree no. 173 of 26 May 1997:
- i. to acquire and/or increase shareholdings (directly or indirectly and by subscription of rights issues) up to the value of € 100 million, if the Company's free assets are used; to authorise the waiver or assignment of stock options relating to rights issues in invested companies and the waiver of rights of pre-emption;
 - ii. to approve rights issues by invested companies; to approve Company operations (such as mergers, demergers, contribution to capital of Company divisions, issue of bonds or subordinate loans, purchase of own shares, etc.) performed by controlled or invested companies with which shareholders' agreements relating to the matters in question have been entered into: all up to € 100 million, if the Company's free assets are used;
 - iii. to approve operations involving the total or partial acquisition, increase or assignment of shareholdings (including subscription of rights issues and waiver of stock options on rights issues or rights of pre-emption) proposed by subsidiaries up to the value of € 100 million;
 - iv. to approve amendments to the Articles of Association of invested companies;
 - v. to issue voting instructions for the General Meetings of controlled and invested companies;
- i) as regards other operations:
- i. to approve issues of financial instruments up to a total value of € 100 million;
 - ii. to approve the grant of loans and guarantees for amounts of up to € 100 million;
 - iii. to approve operations relating to the performance of work and services, and cooperation agreements for the exercise and development of the Company's business, for amounts of up to € 100 million if the Company's free assets are used;
 - iv. to approve merger or demerger operations in relation to which the total assets of the company taken over (merged) or the assets demerged do not exceed € 100 million;
 - v. to approve the acquisition and assignment of companies or company divisions and assets of all kinds for amounts of up to € 100 million, if the Company's free assets are used;
- j) as regards management of real estate:
- i. to authorise the purchase and assignment of rights relating to real estate and grant of licences to use the same;
 - ii. to grant servient easements on the Company's real estate, with no value limits;
 - iii. to consent to the cancellation, reduction and restriction of mortgages and/or liens of any kind (with express power to identify the property to be cancelled for Land Registry and mortgage purposes) and deeds of subordination or subrogation; to consent to the cancellation of transcriptions and annotations, exonerating the Land Registrar and registrars of other offices from the responsibility to establish that the extinction has taken place or a corresponding reduction made in the debt claimed and/or that an authorising resolution has been passed by the appropriate body of the Company;
 - iv. for the operations referred to in the earlier paragraphs, the use of the Company's free assets is allowed for amounts of up to € 50 million;

- k) as regards expenditure: with reference to the Company, to authorise compulsory expenditure with no limit on the amount, and other costs up to € 50 million per item;
- l) as regards legal matters:
 - i. to file suits and proceedings in courts and administrative tribunals, non-contentious proceedings and arbitration proceedings; to defend proceedings taken against the Company; to represent the Company in legal proceedings, both as Plaintiff and Defendant, before any authority, in any forum and at any level or stage of proceedings, and consequently in interlocutory, enforcement, appeal and cassation proceedings and arbitration proceedings, with all the corresponding powers, including power to conciliate and/or settle disputes, to sign arbitration agreements and compositions, to issue general and special powers of attorney *ad litem* and special powers of attorney pursuant to ss. 183 and 420 of the Civil Procedure Code to represent the Company in legal proceedings, including with power to conciliate or settle disputes, to waive and accept waivers of judicial documents, to issue declarations as garnishee, and to claim damages in criminal proceedings; to file and transfer complaints;
 - ii. to authorise payments of claims by third parties;
- m) as regards service activities: to sign and terminate service contracting and/or outsourcing agreements relating to the performance of services for other companies in the Group;
- n) Group management and coordination activities: to perform, within the guidelines established by the Board of Directors, management and coordination activities for the companies in the Group;
- o) power of subdelegation: to subdelegate to employees or third parties who are not employees one or more of the powers specified in the preceding paragraphs, with the obligation to predetermine any limitations thereon;
- p) emergency powers: to exercise any power held by the Board of Directors if, at his sole discretion, the urgency of the matter requires an immediate decision, excluding the powers referred to in ss. 2420-ter (Delegation to directors), 2423 (Drafting of financial statements), 2443 (Delegation to directors), 2446 (Reduction of

share capital due to losses), 2447 (Reduction of share capital below the statutory limit), 2501-ter (Merger Plan) and 2506-bis (Demerger Plan) of the Civil Code, with the value limit of € 100 million per operation, taking account, in any event, of the terms of the resolution passed by the Board of Directors regarding major economic, financial and capital operations with related parties, atypical or unusual operations. The value limit of € 100 million shall also apply to the case of multiple operations of the same type which, though individually falling below the said threshold, collectively fall into the same time, functional or planning scale. The exercise of emergency powers is conditional on a prior check by the Managing Director and Group CEO, by agreement with the Chairman, that it is impossible to hold a meeting of the Board of Directors or Executive Committee in sufficient time to pass a resolution on a matter falling within their jurisdiction, in compliance with the minimum period of two days specified in the Articles of Association for calls of meetings in the event of urgency.

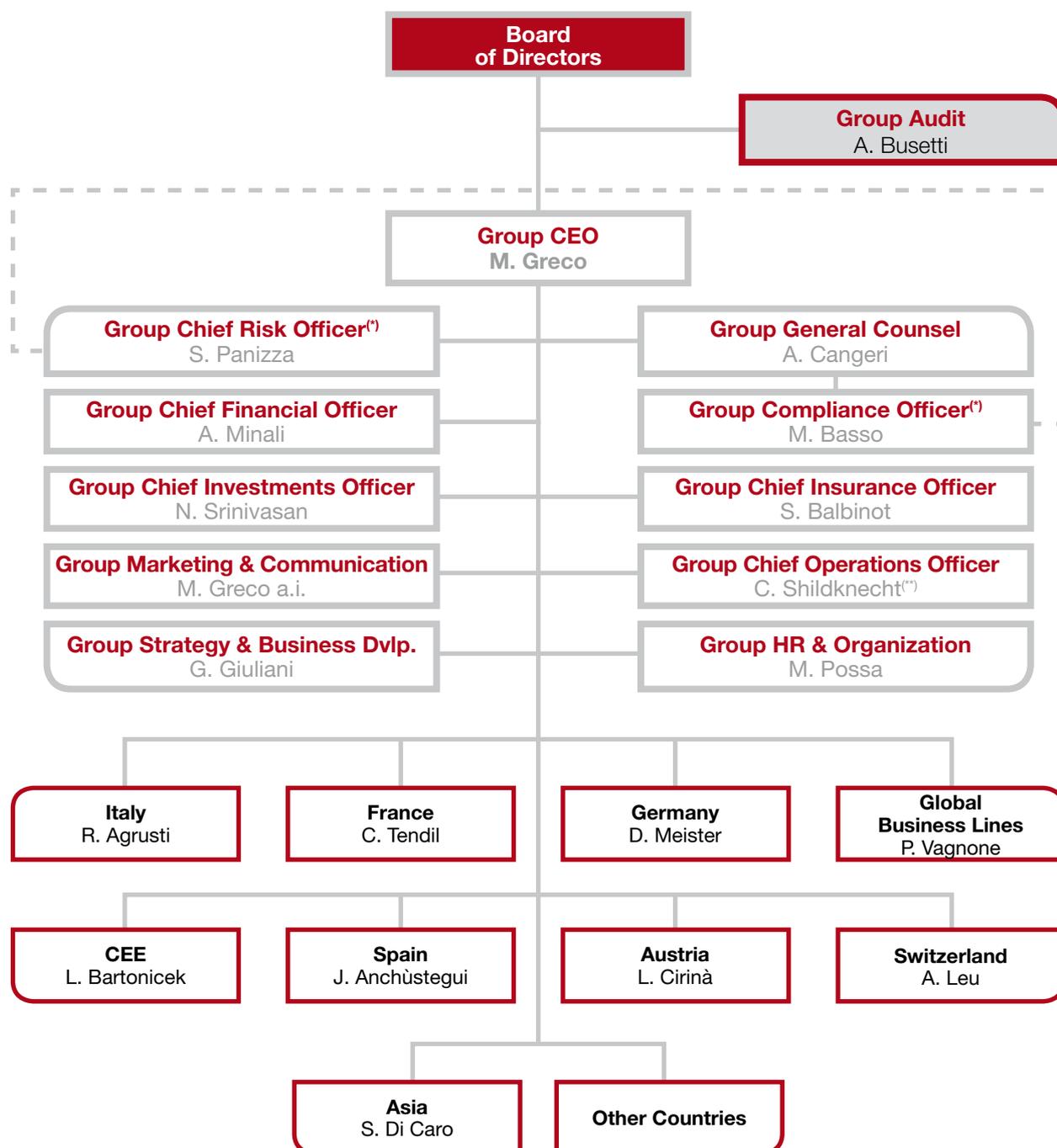
All significant transactions performed are required to be reported by the Group CEO to the Board of Directors at the first meeting held after the exercise of the delegated powers, provided that the actions performed shall be valid in any event.

Head Office and markets

In the second half of 2012 the Generali Group commenced a restructuring programme designed to implement an organisational model in line with the best international practice, which supports the growth and profitability objectives.

In this context, the Executive Committee meeting held on 19 October 2012 approved the new organisational structure designed to simplify the internal organisation of the Group, ensure more integrated management of the insurance business, and reinforce Head Office monitoring of capital, risk and investment management. The Generali Group currently has the structure shown in the Table.

HEAD OFFICE AND MARKETS



(*) The Group Chief Risk Officer and the Group Compliance Officer report functionally to the Board of Directors for the relevant issues.

(**) Effective April 1st, 2013.

In the context of this reorganisation, and in accordance with the principles of organisational simplification and clear attribution of responsibilities, the Head Office is divided into the following functions reporting to the Group CEO:

- *Group Chief Insurance Officer*, with the task of leadership of the Group's insurance business and supervising the development of technical excellence and the profitability of the life and non-life businesses at global level. For this purpose, the Chief Insurance Officer establishes the industrial objectives of the business units, monitors their performance and manages the Group's reinsurance business and the development of technical and commercial centres of excellence. In this context, the Chief Technical Officer supervises the technical life and non-life activities and ensures the guidance and monitoring of the Group's industrial activities through specific structures organised according to geographical approaches, called Business Performance Management Units;
- *Group Chief Financial Officer (CFO)*, with the task of monitoring the financial management of the Group, supervising activities relating to capital management, drafting of financial statements, tax activities, planning and control, debt management, treasury, M&A, investor relations and supervision of shareholdings. The Group CFO has also been appointed as Manager in Charge of Preparation of Assicurazioni Generali's Financial Reports, as regards both statutory and consolidated financial statements;
- *Group Chief Risk Officer (CRO)*, with a reinforcement of the preceding function, incorporating responsibilities for establishing the strategy and monitoring risk with the development of the capital model;
- *Group Chief Investments Officer (CIO)*, with the task of establishing the Group's investment strategies for all asset classes;
- *Group Chief Operations Officer (COO)*, a new role in the Group, instituted to improve the Group's efficiency and harmonise its operational procedures in non-insurance activities such as procurement and Information Technology;
- *Group HR & Organisation*, with the task of coordinating the management and development of human resources and supporting the organisational development of the Group in accordance with the business model;
- *Group General Counsel*, with the task of coordinating legal, corporate and compliance activities at Group level;
- *Group Marketing & Communication*, with the task of managing communication activities at Group level in an integrated way, promoting their values and culture and developing image policies at global level;
- *Group Strategy & Business Development*, with the task of supporting the development and promotion of the Group strategy.

The heads of the various country and business units report directly to the Group CEO, including Italy, France, Germany, EEC, Spain, Austria, Switzerland, Asia and the Global Business Lines structure, the latter having responsibilities for business with global characteristics (Corporate & Commercial, Employee Benefits and Europ Assistance).

The Group CEO is supported by the following committees:

- *Balance Sheet*, with decision-making responsibility for aspects of the financial statements at Group and Head Office level, and alignment of financial information;
- *Finance*, responsible for examining, evaluating and approving extraordinary investments and transactions;
- *Product & Underwriting*, which supervises the taking of extraordinary insurance risks on the basis of their industrial and financial impacts and the risk aspects.

Group Management Committee

With the aim of improving alignment with the Group's strategic priorities and increasing the efficacy and approval of the decision-making process, a Group Management Committee (GMC) has been instituted. The GMC introduces a team approach to the management of the business at international level. In addition to Group CEO Mario Greco and Chief Insurance Officer Sergio Balbinot, his Deputy, the Committee consists of the managers of the three main markets, the global business lines and the Head Office policy and control departments, namely:

- Alberto Minali, Group Chief Financial Officer (CFO);
- Sandro Panizza, Group Chief Risk Officer (CRO);
- Nikhil Srinivasan, Group Chief Investment Officer (CIO);
- Carsten Schildknecht, Group Chief Operations Officer (COO);
- Raffaele Agrusti, Italian market manager;
- Claude Tendil, French market manager;
- Dietmar Meister, German market manager;
- Paolo Vagnone, Global Business Lines manager.

Italy

As part of the restructuring programme already mentioned, on 14 December 2012 the Board of Directors approved the Italian insurance business reorganisation programme called "Generalitalia", which is designed to reinforce the Company's market positioning and simplify the operational model. This programme, which began operationally in January 2013 and has been submitted for approval by the competent authorities, will lead to the incorporation of Assicurazioni Generali Italia, which is expected to come into full operation in November 2013, after the transfer of the insurance business of the Italian Head Office of Assicurazioni Generali and the Toro, Fata and Ina Assitalia businesses. The newco Assicurazioni Generali Italia will be wholly controlled by the parent company, which will retain all reinsurance business at Group level.

Legal representation

The legal representation system of the Company, regulated by articles 39 and 40 of the said Company's Articles of Association, is endowed with a structure which guarantees the best possible operational flexibility and, at the same time, adequate monitoring of corporate documents.

To this end, the said representation is effected by appending beneath the Company's name the joint signatures of the Chairman, the Vice-Chairman of the Board of Directors, the Managing Directors, the General Managers and the

Deputy General Managers appointed to the Central Head Office. The said executives may also act jointly with another member of the Board of Directors, the General Manager or the Deputy General Managers at the Head Office for Italy, or with another of the Company's managers.

In the last case, the said managers also represent the Company for business not included in the sphere of jurisdiction assigned to them. If two of the above-mentioned managers act jointly as authorised representatives, at least one of them must be acting within his/her sphere of jurisdiction.

Under the resolution adopted by the Board of Directors, the Managing Director, by deed filed with the Trieste Companies Registry, shall determine the scope of the power to represent the Company and sign on its behalf granted to executives holding an office not ranking higher than "Assistant General Manager", and define their sphere of jurisdiction.

Moreover, the jurisdiction of each executive of the Company shall coincide with the jurisdiction assigned to the Deputy General Manager or the Assistant General Manager who, directly or indirectly, supervises him/her; in the absence of such a person, it coincides with the jurisdiction assigned to the executive with the highest ranking position reporting to the General Manager or to the competent Director.

Lastly, the competent governing body may also grant power to represent Generali to other employees or third parties, by granting special or general powers of attorney for single actions or types of actions. If power to represent the Company is continuously assigned to Company officers, the said officers shall represent it, solely within their sphere of jurisdiction, through joint signature with an executive holding the said jurisdiction.

OTHER SUB-COMMITTEES

The Code, from its outset, has recommended that listed companies should set up a number of committees with responsibility for specific issues with a view to improving the Board's efficiency and effectiveness. These committees should be made up of members of the Board.

These committees have the task of giving advice and making proposals to the Board of Directors.

In accordance with the recommendations of the Self-regulatory Code, Generali has instituted a Risk and Control Committee, a Remuneration Committee and an Appointments and Corporate Governance Committee.

The Board of Directors has also instituted the Investment Committee, the Committee for evaluation of Related Party Transactions and the Social and Environmental Sustainability Committee.

The basis for the institution of sub-committees has been identified as art. 34 of the Articles of Association, which empowers the Board to set up consultative committees,

which may be sub-committees of the Board, and to establish their powers.

Sub-Committee members are appointed by the Board of Directors and, unless otherwise decided by the Board, selected from among its members. The Sub-Committees' term of office shall expire at the same time as that of the Board. If one or more members should cease to hold office for any reason, the Board of Directors shall replace them with its own members who meet the requirements for holding office as a member of the Sub-Committee concerned.

The Board shall appoint the chairmen of the Sub-Committees, choosing them from among the members of each Sub-Committee.

If the Sub-Committee chairmen are absent or unable to act, they shall be replaced in all their powers by the oldest member of the Sub-Committee. The chairmen of the Sub-Committees shall chair the meetings; prepare the proceedings; direct, coordinate and moderate the discussion and represent the Sub-Committees at meetings of the Board and before the Executive Bodies, and may also sign reports and opinions to be submitted to the Board and the Executive Bodies on behalf of the Sub-Committee.

For the organisation of their proceedings, the Sub-Committees shall call on the support of a secretary appointed by the Board or by the said Sub-Committees, who need not be a member of the Sub-Committees, and on the support of the Group Corporate Affairs Department.

The Sub-Committees shall meet, at the request of the Chairman of the Sub-Committees or the person acting on his/her behalf, at the place specified by him/her in a notice sent to all its members. The Chairman of the Sub-Committees shall ensure that adequate information about the items on the agenda of each meeting is given to all members with suitable notice, and adopt the procedures required to maintain the confidentiality of the data and information supplied. The documentation is normally deemed to have been despatched promptly if it is sent by the last date allowed for the call of the meeting (four working days before the date of the meeting).

Minutes of each meeting shall be drawn up, and signed by the Sub-Committee Chairman and the Secretary.

The Sub-Committees shall normally meet on the basis of a calendar approved by the Board by the end of each financial year, and whenever the Chairman of each one thinks fit. They usually meet before Board meetings, allowing time to discuss the matters they are responsible for submitting to the Board. Parties who are not members of Sub-Committees may attend their meetings, including other members of the Board and the Company's structure, on the invitation of the Chairman of the Sub-Committee, in relation to individual items on the agenda.

The Sub-Committees, in the performance of their functions, shall be entitled to access the information and Company functions necessary for the performance of their duties, and to call on external consultants, on the terms established by the Board.

The Sub-committees specified by the Self-regulatory Code, on which the Board relies in the performance of its managerial functions, shall have an annual expenditure budget for the performance of the activities attributed to them by the Board. Sub-Committee members shall be entitled to reimbursement of expenses incurred for attending meetings, and the fee established by the Board, if any.

The Board has also reserved the right to approve, at least annually, an expenditure budget for the Sub-Committees it uses, the institution of which does not form the subject of an express recommendation in the Self-regulatory Code.

The said Committee is made up as follows:

RISK AND CONTROL COMMITTEE

OFFICE	FIRST NAME, LAST NAME
• Chairman	
• Non-executive and independent Director	Alessandro Pedersoli
• Member of the Committee	
• Non-executive and independent Director	Cesare Calari
• Member of the Committee	
• Non-executive and independent Director	Carlo Carraro
• Member of the Committee	
• Non-executive and independent Director	Angelo Miglietta
• Member of the Committee	
• Non-executive and independent Director	Paola Sapienza

Antonio Cangeri acts as Secretary of the Committee.

In compliance with the best practice incorporated in the Code, the Board of Directors, during its meeting held on 11 May 2012, verified the existence of the independence requirement for all members of the Committee. According to the provisions of article 7.P.4 of the Code, the Committee members must be independent, or alternatively non-executive and for the most part independent; in such case the Chairman of the Committee is chosen from among the Independent Directors.

Prof. Miglietta also meets the requirement laid down by art. 7.P.4 of the Listed Companies' Self-regulatory Code, as he possesses specific accounting and financial skills and experience.

In view of application Criteria no. 1.C.1.c and 7.C.2 of the Self-Regulatory Code and the terms of ISVAP Regulation no. 20 of 26 March 2008, the Committee assists the Board of Directors in determining the internal control system and risk management guidelines, assessing its adequacy and actual functioning on a regular basis, identifying and managing the main corporate risks.

The Committee also ensures that the assessments and decisions made by the Board of Directors pertaining to the

Risk and Control Committee

Taking into account the relevant provisions of the Voluntary Self-Regulatory Code, since its first edition, the Board of Directors has resolved to establish a Risk and Control Committee with advisory and recommendation functions, within the internal control field, consisting of members chosen from the Board.

The present Committee was appointed by the Board of Directors in April 2010, and will be in force until the General Meeting which approves the financial statements for the financial year ending on 31 December 2012.

internal control and risk management system, approval of the annual accounts and the half-year reports as well as the relations between the Company and the External Auditors are supported by an adequate preliminary stage.

In this context, the Committee holds the following powers and responsibilities:

- to express its binding opinion on the appointment, revocation and remuneration of the Internal Audit Manager;
- to express its opinion, on the proposal of the Group CEO, of the appointment, revocation and remuneration of the heads of the Risk Management and Compliance departments;
- to express its opinion of the draft Audit Plan and the Summary Report on Internal Audit activities prepared by the Internal Audit Manager, with a view to their submission to the Board;
- to express its opinion of the proposed Compliance Plan and the Report on the adequacy and efficacy of the measures taken by the Company to manage the non-compliance risk, prepared by the Compliance Manager, with a view to their presentation to the Board;
- to obtain information about the adequacy of the expenditure budget and the quantitative and qualitative profiles assigned to the control departments;

- to assess, together with the Manager responsible for drawing up the Company's accounting documents and having consulted the representatives of the external auditors and the Board of Statutory Auditors, the correct use of the accounting standards and their uniformity with a view to preparation of the consolidated accounts;
- to examine the substantiated proposal by the Board of Statutory Auditors regarding the appointment of the external auditors and formulates its comments thereon, reporting to the Board;
- to evaluate the results illustrated in the External Auditors' Report and their letter of suggestions, if any;
- to report to the Board on its activity and the adequacy of the internal control and risk management system when the draft annual and semi-annual accounts are approved; comments on matters relating to delegated powers;
- to express its opinion of the draft "Annual Report on the Internal Control and Risk Management System" to be submitted for evaluation by the Board;
- to express opinions concerning the identification of the main corporate risks and the planning, implementation and management of the internal controls and risk management system, upon request by the Board;
- to assist the Board in assessing its skills in maintaining the risk management system of the Company and the Group in terms of adequacy of the organisational and process structures relating to the identification and management of the Group's main risks, including quantitative analysis performed, at least once a year, by means of stress tests;
- to direct, with the support of the Internal Audit function, the process through which the Board assesses the adequacy of the organisational, administrative and accounting systems of the Company in line with the terms of the Self-Regulatory Code, and those of its subsidiaries with strategic relevance;
- to request the Internal Audit Department to perform audits on specific operational areas, possibly notifying the Chairman of the Board of Statutory Auditors;
- to monitor the independence, adequacy, efficacy and efficiency of the Internal Audit Department.

The activities performed by the Committee in 2012 related (*inter alia*) to the Report on the Committee's activities during the 2011 financial year, examination of the report on the activities performed in the 2011 financial year by the Internal Audit, Risk Management and Compliance Departments, the 2012 Audit Plan and the expenditure budget of the Internal Audit Department and the Risk and Control Committee for the 2012 financial year.

The Committee's activities also related to the progress of the matters for which the Manager in Charge of Preparation of the Company's Financial Reports is responsible, analysis of the Group Compliance Manager's report on complaints relating to the distribution of financial/insurance products, analysis of the Internal Audit Manager's quarterly reports on claims management, analysis of the information note on the reports by the External Auditors and the actuary appointed by them on the financial statements as at 31 December 2011, analysis of proposals relating to the remuneration of the internal audit manager, the opinion on

the remuneration of the heads of the Risk Management and Compliance Departments, and evaluation of the organisational, administrative and general accounting structure of the issuer and its key subsidiaries, on the basis of application criterion 1.C.1.c) of the Self-Regulatory Code.

The Committee then analysed the reports to be sent to IVASS pursuant to art. 28.2 of ISVAP Regulation no. 20 of 26 March 2008, the update to the risk management policy, the framework resolution on investment policy, the quarterly reports on operations in derivatives, and the presentation of the operational model of the Internal Audit department for verification of the correct application of the remuneration policies, as required by ISVAP Regulation no. 39 of 9 June 2011.

If the Chairman thinks fit, the meetings shall be attended, on the Chairman's invitation, by the members of the Top Management, the Heads of the Internal Control Departments, the Manager in charge of preparation of the Company's financial reports and the senior executives and officers of the Company responsible for the subjects submitted for the approval of the Risk and Control Committee from time to time. The notice of call shall be sent to the Board of Statutory Auditors, to enable it to attend meetings.

In relation to the subjects on the agenda in the last financial year, the presence at those meetings of non-members, especially the Company's and/or the Group's executives, and representatives of the External Auditors at regular intervals, was requested; some of them attended the whole meeting, and others were only present during the discussion of certain items on the agenda.

During the 2012 financial year, the Committee did not call on the assistance of advisors external to the Company.

At Committee meetings, the Internal Audit Manager reports on the operation of his/her Department to the Committee and the Board of Statutory Auditors present at its meetings. S/he has direct access to all information useful for the performance of his duties.

The operation of the Committee is guaranteed by the Regulation of the Board of Directors and its Sub-committees.

Members of the Risk and Control Committee receive an attendance fee of € 2,000.00 per meeting, a fixed fee (€ 50,000.00 for the Chairman and € 30,000.00 for the other members of the Committee) and reimbursement of expenses incurred to attend meetings.

The above-mentioned governing body has duly performed the recommendation and advisory activities for which it was established; it has kept minutes and produced the reports required by the performance of the Company's business.

Risk and Control Committee meetings are usually held at least four times a year, and in time to take decisions on the

issues on which the Committee must report to the Board of Directors.

Specifically, nine Committee meetings were held in 2012, with an average duration of 1 hour 40 minutes, eleven in 2011 with an average duration of two hours, and eight in 2010. All those meetings were attended by all members. Minutes of the meetings were always taken. Table 2 contains attendance information for each member of the Risk and Control Committee.

Seven meetings have been scheduled for 2013, and two have been held to date.

In the 2012 financial year, the financial resources provided to the Committee for activities falling within its remit amounted to a total of € 300,000.00.

On the occasion of the meeting held on 21 February 2013, the Committee passed its 2013 budget, confirmed at € 300,000.00, then approved by the Board of Directors at the meeting held on 22 February 2013.

Remuneration Committee

Generali had for a long time had a committee, consisting of members of the Board, in charge of determining the remuneration of Board members holding special positions.

The said Committee is made up as follows:

REMUNERATION COMMITTEE

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

The Board of Directors, in its meeting of 11 May 2012, designated, effective that date, Claudio De Conto as a member of the Remuneration Committee. He replaced Francesco Saverio Vinci, who had resigned on 24 April 2012.

The Board of Directors has established that the Committee consists of Non-executive Directors, a majority of whom are independent, and its Chairman, Paolo Scaroni, was chosen by the Independent Directors. The Board of Directors has also established that, in view of their prior experience, not only in companies in which they hold executive positions, but also due to the role they perform on similar consultative committees, both Lorenzo Pellicoli and Paolo Scaroni possess adequate knowledge in the

Members were elected when the concrete need emerged to establish the remuneration of these Directors.

Approaching this issue in the spirit of the Code, on 20 February 2001 the Board took note of the indisputable existence of the limitation laid down by Article 2389 of the Italian Civil Code, which attributes solely to the Board, upon indications provided by the Board of Statutory Auditors, the power to determine the remuneration of Directors appointed to particular positions as specified in the Articles of Association. Moreover, pursuant to the legislation, the Board of Directors must establish the Company's remuneration policies.

The Board later deemed it desirable to formally appoint its own body with delegated powers, known as the Remuneration Committee, which assists the Board of Directors on remuneration matters. The Committee also expresses its opinion of related party transactions regarding the remuneration of key management personnel, in accordance with the terms of the Related Party Transaction Procedures approved by the Board of Directors.

The Committee currently holding office was appointed by the Board of Directors on 24 April 2010, and will hold office until the General Meeting which approves the financial statements for the financial year ending on 31 December 2012.

field of remuneration policies. Paolo Scaroni also held the position of Chairman of that Committee in the preceding three-year period (2007/2010).

If one or more members of the Remuneration Committee should declare that they are a related party with regard to a transaction submitted for its examination, the Remuneration Committee shall be supplemented, solely for the examination of that transaction, by the other Independent Directors belonging to the Board, starting with the oldest. In the absence of at least two Independent Directors to form the Remuneration Committee, the opinion or proposal shall be provided by an independent expert appointed by the Board.

Antonio Cangeri acts as Secretary to the Committee.

The Remuneration Committee shall perform consultative, recommendatory and preparatory functions for the Board relating to the subject of remuneration.

In particular, the Remuneration Committee has the following tasks:

- a) to formulate non-binding opinions and proposals to the Board regarding the remuneration to which Directors are entitled. Opinions and proposals relating to the Managing Directors shall be expressed on the basis of a discretionary evaluation, which shall take account (*inter alia*) of the following parameters:
 - i) the importance of the responsibilities in the Company's organisational structure;
 - ii) the effect on the Company's results;
 - iii) the profits achieved;
 - iv) attainment of specific objectives specified in advance by the Board;
- b) to monitor the implementation of the decisions taken by the Board on the basis of the proposals put forward;
- c) to express proposals or opinions to the Board on the amount of the remuneration payable to Executive Directors and Directors holding other particular offices or positions in accordance with the Articles of Association, and on the setting of performance targets correlated with the variable component of the said remuneration, and to establish whether the performance targets are met;
- d) to express opinions and make non-binding proposals on the determination of the remuneration payable to the General Managers and the persons holding internal roles in the Group relevant for the purpose of membership of the Group Management Committee, on the proposal of the Group CEO, on the basis of a discretionary assessment adopting the following criteria:
 - i) the level of responsibility and the risks relating to the functions held;
 - ii) the results achieved with reference to the objectives set out;
 - iii) extra tasks carried out;
- e) to assess, at regular intervals, the criteria adopted for the remuneration of Directors and managers with strategic responsibilities, using the information gathered by the Group CEO for this purpose, and make relevant recommendations to the Board;
- f) to verify the proportionality of the Managing Directors' remuneration between them and compared with the Company's personnel;
- g) to formulate opinions and proposals for the definition of the remuneration policies.

The Committee Chairman or another Committee member shall attend the Annual General Meeting to report to the General Meeting on the methods of exercising the Committee's functions.

The main activities performed by the Committee in 2012 involved analysing the Remuneration Committee's expenditure budget for the financial year 2012, submitting the guidelines of the new Long-term Incentive Plan and analysing proposals relating to the Balanced Scorecard 2012 and the Long-Term Incentive Plan 2012-2014 as regards the Managing Directors and General Managers. The Committee also established guidelines for the Group

remuneration policy, to ensure that it complies with the terms of ISVAP regulation no. 39 of 9 June 2011, having analysed the proposals relating to definition of a Group severance pay (TFM) policy and early termination of office, and the adoption of performance indicators pursuant to arts. 12 and 13 of the ISVAP Regulation of 9 June 2011.

The Committee has also analysed the proposal relating to the remuneration of the Chairman of the Board of Directors and the Executive Bodies, with special reference to the remuneration package of the new Group CEO, Mario Greco, and that of Managing Director and General Manager Sergio Balbinot, and an analysis of the proposal regarding Giovanni Perissinotto's severance pay. The Committee has examined the proposed definition of the remuneration policies for the 2012 financial year and conducted evaluations of the application of the 2011 remuneration policies, and finally, has analysed the proposed approval of the Annual Report on remuneration policies.

If the Chairman thinks fit, meetings are attended, on the Chairman's invitation, by the members of the Top Management, the superintendent of the Group Human Resources and Organisation Area, and the senior executives and officers of the Company responsible for the subjects submitted for approval by the Committee from time to time. The notice of call is sent to the Board of Statutory Auditors, to enable it to attend meetings.

In the past financial year, meetings of the Committee were attended by non-members, on the Committee's invitation. Some attended the whole meeting, while others were only present during the discussion of certain items on the agenda. The Committee also called on assistance from external consultants.

Members of the Remuneration Committee receive an attendance fee of € 2,000.00 per meeting, a fixed fee (€ 20,000.00 for the Chairman and € 15,000.00 for the other members of the Committee) and reimbursement of expenses incurred to attend meetings.

The above-mentioned governing body has duly performed the recommendation and advisory activities for which it was established; it has kept minutes and produced the reports required by the performance of the Company's business.

The Remuneration Committee met eight times in 2010, five times in 2011 and eight times in 2012. All those meetings were attended by all members. The average duration of the meetings held in 2012 was approximately thirty minutes, and minutes of each meeting were drawn up. (See Table 2, containing attendance information for each member of the Remuneration Committee). The Chairman of the Remuneration Committee attends General Meetings and reports on the work performed by the Committee.

Three meetings have been scheduled for 2013 to date, two of which have already been held.

At the Committee meeting held on 21 February 2013, the Committee established its spending budget for the 2013 financial year at € 100,000.00. This budget was approved by the Board of Directors at its meeting on 22 February 2013.

Appointments and Corporate Governance Committee

In 2007 the Board of Directors created a consultative committee called the Corporate Governance Committee with the aim of establishing whether, and to what extent, the Company's rules of corporate governance matched the best practice. This was due to some important changes in the applicable legislation and the best practice, and to updating of the industrial and financial objectives specified in the Strategic Plan.

On 24 February 2012, in line with the recommendations of Principle 5.P.1. of the Self-regulatory Code, the Board of Directors created an Appointments Committee, the majority of whose members are Independent Directors.

After consulting the Corporate Governance Committee, the Board of Directors decided that the tasks and functions specified by the Code for the Appointments Committee should be performed by the Governance Committee which, from that date, was renamed the "Appointments and Corporate Governance Committee".

The Appointments and Corporate Governance Committee performs a consultative, recommendatory and preparatory role in favour of the Board. Its duties are:

- to formulate opinions and proposals on the decisions to be taken regarding the corporate governance of the Company and the Group which fall within the sphere of the Board's sole responsibilities;
- to provide opinions to the Board regarding its size and composition and to make recommendations regarding the professional figures whose presence on the Board is deemed advisable;
- to express its view to the Board on the maximum number of directorships or positions as statutory auditor held in other Italian or foreign companies listed on regulated

markets, in finance, banking or insurance companies or companies of significant size, which can be deemed compatible with the effective performance of the office of Director of the Company, taking account of Directors' participation in the Board's Sub-committees;

- to formulate opinions for the Board of Directors on individual matters of particular significance which, in the ambit of the general authorisations issued in advance by the General Meeting regarding exemptions to the prohibition on competition laid down in s. 2390 of the Civil Code, are particularly critical;
- to propose to the Board candidates for the position of Director in cases of co-opting, when Independent Directors need to be replaced;
- to prepare for the drafting of the succession plan for Executive Directors, if adopted by the Board;
- to formulate opinions regarding the institution of the Group Management Committee, the definition of the internal roles in the Group which are relevant to its composition, and the appointment and revocation of the appointment of those called on to hold internal roles in the Group which carry membership of the Group Management Committee, except in the case of the Risk Management, Compliance and Internal Audit managers.

Five members of the Board of Directors have been co-opted to the Committee. The presence of the Independent Directors makes a decisive contribution to its composition. Alberto Nicola Nagel, who resigned on 24 April 2012, was succeeded by Clemente Rebecchini (for the details of this succession, see explanation above).

Members of the Appointments and Corporate Governance Committee receive an attendance fee of € 2,000.00 per meeting, a fixed fee (€ 20,000.00 for the Chairman and € 15,000.00 for the other members of the Committee) and reimbursement of expenses incurred to attend meetings.

APPOINTMENTS AND CORPORATE GOVERNANCE COMMITTEE

OFFICE	FIRST NAME, LAST NAME
• Chairman	
• Non-executive director	Gabriele Galateri
• Member of the Committee	
• Non-executive and independent director	Alessandro Pedersoli
• Member of the Committee	
• Non-executive and independent director	Lorenzo Pellicoli
• Member of the Committee	
• Non-executive director	Clemente Rebecchini
• Member of the Committee	
• Non-executive and independent director	Paolo Scaroni

The Committee met six times in 2012, five times in 2011, and once in 2010. The average duration of the meetings held in 2012 was approximately half an hour. Minutes of each meeting were drawn up.

Three meetings have so far been scheduled in 2013, two of which have been held.

Antonio Cangeri is the Secretary of the Committee.

In 2012 the Committee supplemented the succession plan for executive directors and the General Manager at the Central Head Office with regulations governing their replacement in case of emergency, and amended the Plan by deleting the reference to the succession of the General Manager. It also evaluated the new requirements of professionalism, respectability and independence of insurance company officers (Ministerial Decree no. 220 of 11/11/2011), the prohibition on accepting offices in competing banking, insurance and finance companies (s. 36 of Statute no. 214 of 22/12/2011), and modifications to the Company's governance regarding legislative and self-regulatory changes, conducted evaluations of the appointment of the General Council and examined the Corporate Governance and Share Ownership Report. It also examined proposals for the appointment of members of the Board of Directors, pursuant to s. 2386 of the Civil Code, expressed opinions on the appointment of a Deputy General Manager designated as CFO and Manager in charge of preparation of the company's financial reports, and expressed an opinion on the replacement of a member of the Investment Committee and an opinion on the proposed attribution to the Group CEO of the role of Internal Control and Risk Management Director. Finally, it favourably evaluated the appointment of Egon Zehnder International as consultants in support of the self-assessment process of the Board and its sub-committees.

The Committee also analysed the activities performed for the review of the Listed Companies' Self-regulatory Code, and examined the proposals to be submitted to the Board

of Directors regarding the variation in the composition and responsibilities of the Risk and Control Committee.

Investment Committee

The Investment Committee, instituted in 2010, performs consultative, recommendatory and preparatory tasks for the Board, the Executive Committee and the Group CEO, within the limits of their powers, consistently with the corporate governance structure laid down by the applicable insurance supervision regulations. The Committee is required to conduct a periodic analysis of the investment policies, the main operational guidelines and their results, identifying proposals for analysis or actions to be submitted to the Board in accordance with the Group's risk appetite and risk tolerance; this periodic analysis also relates to the Group's asset allocation (by asset class), the main concentrations, strategic shareholdings and investment and divestment operations of particular significance performed during the preceding period.

The Committee also analyses in advance some major investment and divestment operations relating to specific assets which, due to their liquidity and riskiness, require complex evaluations of merit and advisability. Finally, it formulates analyses and proposals regarding plans to buy back the Company's own shares and issue bonds.

The Committee consists of four Directors and the CFO. The Group's Real Estate and Financial Operations Managers are systematically invited to attend meetings.

INVESTMENT COMMITTEE

OFFICE	FIRST NAME, LAST NAME
• Chairman	Mario Greco
• Member of the Committee	Francesco Gaetano Caltagirone
• Member of the Committee	Claudio De Conto
• Member of the Committee	Petr Kellner
• Member of the Committee	Alberto Minali

Antonio Cangeri is the Committee Secretary.

Members of the Investment Committee receive an attendance fee of € 2,000.00 per meeting, a fixed fee (€ 30,000.00 for all members of the Committee except the Chairman) and reimbursement of expenses incurred to attend meetings.

The Committee met five times in 2010, with 100% attendance at the first four meetings. Nine meetings were held in 2011, and the average attendance was 91.2%. Eight meetings were held in 2012 and the average attendance was 85%. The average duration of each meeting was approximately one hour forty-five minutes in 2011 and one hour fifteen minutes in 2012. Minutes of each meeting were drawn up.

Committee for the Evaluation of Related Party Transactions

The Company's Board of Directors instituted the Committee for the Evaluation of Related Party Transactions in 2010. The Committee consists of five

members appointed by the Board of Directors from among its non-executive members who meet the independence requirements laid down by the Listed Companies' Self-Regulatory Code. Its current members are Alessandro Pedersoli (Chairman), Cesare Calari, Carlo Carraro, Paola Sapienza and Paolo Scaroni.

COMMITTEE FOR THE EVALUATION OF RELATED PARTY TRANSACTIONS

OFFICE	FIRST NAME, LAST NAME
• Chairman	Alessandro Pedersoli
• Non-executive and independent Director	Cesare Calari
• Non-executive and independent Director	Carlo Carraro
• Non-executive and independent Director	Paola Sapienza
• Non-executive and independent Director	Paolo Scaroni

This Committee, met once in 2011 and seven times in 2012, and has met once to date in 2013.

It has the task of expressing its opinion of the related party transactions submitted for its attention by the Board of Directors or the bodies holding delegated powers, in accordance with the Related Party Transaction Procedures approved by the Board of Directors. The opinion relates to the Company's interest in performing the transaction, and the benefits and substantive fairness of its terms.

For the issue of its opinion, the Committee for Evaluation of Related Party Transactions can call on the assistance of one or more independent experts, preferably experts commissioned specifically for that purpose by the Board of Directors or the body holding delegated powers.

The Committee has no power to express its opinion of transactions relating to the remuneration of Directors, Permanent Statutory Auditors or Senior Executives of the Company with a grade at least equal to Central Director, which are the responsibility of the Remuneration Committee.

In 2012 the Committee supported the Board of Directors in expressing an opinion of the various related-party transactions. Minutes of each meeting are drawn up. The

duration of the only meeting held in 2011 was approximately thirty minutes. The average duration of the meetings held in 2012 was approximately forty minutes.

The Members of the Committee receive an attendance fee of € 5,000.00 per meeting, a fixed fee (€ 25,000.00 for the Chairman and € 20,000.00 for the other members of the Committee) and reimbursement of expenses incurred to attend meetings.

Antonio Cangeri is the Secretary of the Committee.

Social and Environmental Sustainability Committee

The Company's Board of Directors has instituted a **Social and Environmental Sustainability Committee**. The Committee consists of three directors (its current members being Gabriele Galateri, Carlo Carraro and Paolo Scaroni). CFO Alberto Minali is systematically invited to attend meetings of the Committee. The Committee is responsible for performing consultative, recommendatory and preparatory activities for the Board of Directors on environmental and social matters involving the Company and the Group.

OFFICE	FIRST NAME, LAST NAME
• Chairman	
• Non-executive director	Gabriele Galateri
• Member of the Committee	
• Non-executive and independent director	Carlo Carraro
• Member of the Committee	
• Non-executive and independent director	Paolo Scaroni

The Committee met twice (for about an hour) in 2012, and dealt (*inter alia*) with some matters regarding drafting guidelines for the Group Sustainability Report. It has so far met once in 2013. Minutes of each meeting are drawn up.

Antonio Cangeri is the Secretary of the Committee.

Committee members receive an attendance fee of € 2,000.00 per meeting.

Internal Control and Risk Management System

ISVAP Regulation no. 20 of 26 March 2008, as amended, contains the main regulatory provisions for insurance companies relating to internal controls and risk management.

The Company's Board of Directors has established the principles and basic characteristics of its Internal Control and Risk Management System, approving a document entitled *The Internal Control and Risk Management System*, which describes in detail its purposes, principles, structure, roles, responsibilities and main provisions, and arranging for it to be adopted by its subsidiaries, while having regard to the specific legislative provisions in force in each country in which the Group operates.

This system takes account of the "Solvency II" Directive on the taking-up and pursuit of the business of Insurance and Reinsurance (issued on 17 December 2009).

In particular, the Group has already introduced adaptations to the organisational structure of its Internal Control and Risk Management System ("the System"), designed to stimulate continual value creation, promoting its values and business culture.

The System attributes to the Board of Directors, in the ambit of its tasks and responsibilities, the ultimate responsibility for establishing internal control and risk management strategies and policies and guaranteeing their suitability and maintenance over time, in terms of completeness, functionality and efficacy, in accordance with the size and operational specificity of the Company and the Group and with the nature and intensity of its corporate risks, including with reference to outsourced company functions. The Top Management²⁴ is responsible at different levels for the implementation, maintenance and monitoring of the System.

The System also attributes to all the Company's departments an adequate position in a system with two organisational levels:

- the first level, namely the operational level, whose main organisational interface is the top management and which is supported by controls focusing on the functionality of specific risk management and control areas;
- the second level, namely the control level, which has a high degree of organisational independence, and is responsible for evaluating the soundness of the System in terms of controls.

These organisational levels are divided into three lines of defence for risk management purposes:

- operational departments;
- Risk Management Department and Compliance Department;
- Internal Audit Department.

In the ambit of the first line of defence, the heads of the operational departments (risk owners) have direct responsibility for undertaking and managing risks and implementing the necessary control activities. For this purpose, with the support of the Risk Management Department, they provide the top management with the information required for it to establish the management and control policies, methods and tools for the risks for which they are responsible at both Group and Company level, coordinate their implementation, and guarantee their adequacy over time. They also ensure compliance with the objectives and policies by the operational departments for which they are responsible, and identify and perform corrective measures within the limits of their independent responsibility; outside those limits they produce specific recommendations and suggestions for the top management.

The control activities are therefore deemed to be an integral part of each company process, and are the responsibility of the Manager of each organisational unit. According to a principle of "self-assessment" of processes, in terms of the risks and controls associated with them, each organisational unit is directly responsible for achieving (and therefore aware of having to achieve) the objectives of efficacy, efficiency and quality of the risk management and control mechanisms relating to their activities, which are defined by policies issued at Group level.

To guarantee continuous control of risks by implementing suitable controls, there are specific company departments which have no operational tasks and are consequently not responsible for decision-making regarding individual risks.

Moreover, to complete the activities performed by the operational structures and line control structures (such as management control, inspectorates, etc.), a specific role is performed by the risk management, compliance and internal audit departments, independent control departments that supplement the activities of the first line of defence. These functions are represented organisationally by the Group Risk Management, Group Compliance and Group Audit structures, whose managers report functionally to the Board of Directors, either directly or through the Risk and Control Committee (while the Group Audit structure reports organisationally to the Board of Directors).

The Group Risk management structure supports the Board of Directors and the top management in establishing risk management strategies and risk monitoring and measurement tools and, through a suitable reporting system, supplies the data required to evaluate the strength of the risk management system as a whole. For this purpose it constantly monitors the development of the risk profile of the Company and the Group and compliance with the management policies.

In order to guarantee a consistent, uniform approach within the Group, the management policies and risk measurement methods approved by the Board of Directors are adopted by all Companies in the Group, with any necessary

²⁴ Group CEO and his first reports at Head Office.

adaptations due to the legislative context or the specificity of local business.

The Group Risk Management structure constantly monitors the development of the risk profiles of the Company and the Group, and compliance with the management policies established.

In the ambit of the Group Risk Management structure, the Operational Risk Unit, among the activities for which it is responsible, supports the Manager in Charge of Preparation of the Company's Financial Reports as regards the activities for which he is responsible, as specified by s. 154-*bis* of the CFBA.

Also in the context of the second line of defence, the Group Compliance structure represents an additional control, being responsible for evaluating the suitability of the organisation and internal procedures of the insurance company to prevent the risk of incurring legal or administrative sanctions, pecuniary loss or damage to reputation, as a result of infringement of legislation, regulations or orders issued by the Regulators or the provisions of self-regulatory codes.

The manager of the structure reports at half-yearly intervals to the Board of Directors, either directly or through the Risk and Control Committee, and prepares a report on the non-compliance risk situation and the annual plan of planned activities. To allow supervision of the management of the compliance risk at Group level, a *Group Compliance Policy* has been approved, which establishes the principles and guidelines for the performance of the activities that each company in the Group is obliged to adopt, subject to the necessary adaptations due to specific local legislation and the size and nature of the company.

In addition to the tasks specified in the said ISVAP Regulation no. 20 of 26 March 2008, the structure is also responsible for supervising the correct management of Related-Party Transactions pursuant to Consob Regulation no. 17221 of 12 March 2010.

The Group Audit structure is responsible for providing an independent evaluation of the efficacy and efficiency of the internal control system and highlighting any need for updating, operating as a third line of defence.

The internal audit activities consist of direct actions at operational facilities, established in the ambit of an Audit Plan, approved by the Board of Directors, which is based

on a structured process of analysis and prioritising of the main actions

In order to ensure a uniform approach and rapid discovery of any critical factors present in the various subsidiaries, their internal audit officers report to the head of the Group Audit structure as established by a dedicated Group Policy, which also defines relations between the local internal audit structures and the Group Audit structure and precise methodological and organisational instructions.

To guarantee the independence of the control departments, the Board of Directors resolves on the appointment and dismissal of the heads of the said departments, and establishes their annual remuneration packages.

Main characteristics of the risk management and internal control system in relation to the financial reporting process

The risk management and internal control system in relation to the financial reporting process adopted by Assicurazioni Generali ("the System") is part of the more general internal control and risk management system.

That System, designed to guarantee the accuracy, reliability and promptness of financial reporting, deals with internal control and risk management issues in an integrated way with the aim of identifying, evaluating and controlling risks relating to the financial reporting process (the financial reporting risk)²⁵ to which the Company and the Group are exposed.

In the pursuance of this aim, the Company has established a "financial reporting risk model" consisting of a set of principles, rules and procedures which are designed to guarantee a suitable administrative and accounting system.

The figure of Manager in Charge of Preparing the Company's Financial Reports falls into this context.

The "financial reporting risk model" adopted by the Company and extended in the ambit of the Group to companies identified as relevant for those purposes (Perimeter Companies)²⁶ is based on a process in accordance with the following reference frameworks, generally recognized and accepted at international level:

- CoSO²⁷ Internal Control – Integrated Framework, issued in 1992, which establishes guidelines for the evaluation and development of an internal control system²⁸;

²⁵ Financial reporting risk is defined as the risk of incorrect recording of a company transaction which entails an untrue and incorrect representation of the situation of the assets, liabilities, profit or loss in the company's yearly and consolidated financial statements and in any other financial release.

²⁶ Perimeter companies are identified as those which, when the ratios between assets, income and profits of the individual companies and the corresponding consolidated totals are applied, exceed given thresholds consistent with the best market practice. In particular, in the 2012 financial year, Perimeter companies represented approximately 80% of the total consolidated assets.

²⁷ Committee of Sponsoring Organisation of the Treadway Commission.

²⁸ In the ambit of the CoSO Framework, the model refers to the component of the internal control system relating to the processes of obtaining, processing and publishing flows of economic and financial information (financial reporting).

- COBIT (Control Objective for IT and Related Technology)²⁹ which provides specific guidelines for the information systems area, supplemented by the ITIL³⁰ (a framework already adopted by the Group) and ISO/IEC³¹ 27001.

A “cascade” system of certificates (known as “Confirmation letters”) has been instituted, whereby the CEOs and/or the CFOs of all the consolidated subsidiaries guarantee the true and correct representation of the financial data communicated to the Company, and the adoption of a suitable internal control system governing the financial reporting risk.

In accordance with the chosen reference framework (CoSO framework) the financial reporting risk model is divided into the following stages:

- identification and assessment of financial reporting risks;
- identification and assessment of controls governing the risks identified.

In relation to the consolidated accounts, relevance is determined on the basis of the same criteria as generally used in auditing practice.

As regards processes, those which have a potential accounting impact on the consolidated accounts in question are considered relevant, as well as all processes relating to activities performed at the close of a given period.

Finally, the scope of the analysis is integrated, taking account of qualitative factors relating to risks profiles deriving from factors internal and external to the companies.

The scope of analysis is reviewed at least annually, depending on the changing conditions of the Group’s organization.

Each risk undergoes an assessment process to establish its level of significance, by means of a parameter called inherent risk (or gross risk), the level of which is independent of the mitigating effect of the control that can be associated with it.

Moreover, the risk assessment activities include the definition of control objectives in accordance with the best market practice. In particular, each control objective is associated with a specific relevant financial assertion (existence and occurrence, completeness, evaluation and measurement, presentation and report, rights and obligations).

The first-level controls of the *financial reporting risk model* include the following types:

- controls at company level;
- controls at process level;
- controls on information technology.

The analysis of the controls is broken down into stages involving the assessment of the design and confirmation they are operating effectively, according to specific methods for each type of control.

If deficiencies in governing the financial reporting risks are found during tests of adequacy and operating effectiveness, corrective measures/actions are identified and constantly monitored by the Manager in Charge of Preparing the Company’s Financial Reports.

The controls at company level are designed to check on the existence of an organized, formalized corporate context which reduces the risks of improper behaviour, due to factors such as suitable governance systems, behavioural standards based on ethics and integrity, effective organizational structures, clear allocation of delegated powers and responsibilities, suitable risk management policies, personnel disciplinary systems, effective codes of conduct and fraud prevention systems.

Process-level controls operate at a more specific level than company-level controls, and are designed to mitigate the financial reporting risk by means of control activities, included those performed in the company’s operational processes.

Information Technology controls focus on processes closely connected with the management and processing of information relating to the systems used to draft the financial statements.

Controls relating to software purchase and maintenance activities, management of safety and security, development and maintenance of applications, completeness and accuracy of the data in the systems, IT risk analysis and government of information systems, are analysed in particular.

Consistently with the internal control and risk management system adopted by the Company, the *financial reporting risk model* involves the company’s governing bodies and operational and control structures in an integrated management, in accordance with different levels of responsibility, which are designed to guarantee the adequacy of the model at all times.

Within the Perimeter companies, the activities involved in coordinating the financial reporting risk model are performed by the CEOs of each company through a delegate, usually the CFO, who reports to a permanent local monitoring unit responsible for the activities involved in management of the financial reporting risk; the local monitoring unit also has the task of guaranteeing an appropriate, complete report to the Operational Risk function on the activities performed and any critical factors found.

²⁹ The CobIT is connected by the IT Governance Institute to the CoSO Framework.

³⁰ Information Technology Infrastructure Library.

³¹ International Organization for Standardization/ Information Electrotechnical Commission.

The Manager in Charge of Preparing the Company's Financial Reports periodically reports to the Board of Directors, either directly or through the Control and Risks Committee, on the activities performed in the exercise of his/her functions.

The organisational and management model

The Company's Board of Directors, and the Boards of its Italian subsidiaries with strategic importance, have adopted an organisational and management model ("the **Model**") aimed at preventing the criminal offences described in the current legislation on the subject of administrative liability of companies for criminal offences perpetrated in the Company's interests or for its benefit, which can be found in the Governance section of the website www.generali.com.

In particular, a Model was formally adopted which, as well as complying with all formal requirements, fulfils all the main purposes of preventing offences under LD 231/01 (hereinafter called "the offences") that led to its adoption.

The adoption of a Model designed to prevent offences, and its effective implementation, are designed to protect the Company against conduct that may involve administrative liability pursuant to Legislative Decree no. 231/01, as expressly stated in the applicable legislation.

The approach taken is of a substantial nature, since the Model is made up of a set of principles, rules, provisions and organisational schemes relating to the management and control of corporate activities. The contents of the Model are illustrated in the Document illustrating the Organisation and Management Model and its schedules.

It is therefore structured as follows:

MEMBERS OF THE SUPERVISORY BODY

CORPORATE FUNCTION	FIRST NAME, LAST NAME
Chairman Chairman of the Control and Risk Committee	Alessandro Pedersoli
Member of the Committee Head of the Group Internal Audit	Alessandro Busetti
Member of the Committee Head of the Group Legal and Corporate Affairs	Stefania Bergamo

The Head of the Unit responsible for the Group Corporate Affairs Department, Michele Amendolagine, acts as Secretary of the Supervisory Body.

- This solution is considered suitable in that:
- it ensures the autonomy and independence required for the Supervisory Body;
 - it allows a direct connection with the top management, the Board of Statutory Auditors and, both directly and through the Risk and Control Committee, the Board of Directors.

The Supervisory Body cooperates with the internal audit unit, using its skills and professional know-how for supervision and control activities. This choice enables the Supervisory

The activity of identifying "sensitive" or "at-risk" areas, namely company processes and activities in which offences could theoretically be committed, has led to the passing of the "231/01 legislation", a series of general and special provisions governing various fields of activity with the main (but not sole) objective of preventing the commission of offences on the basis of the suggestions contained in the ANIA Guidelines for the insurance industry, and on the basis of the Operating Suggestions by which the said trade association has identified the procedures to be followed for the adoption of the Models and some of the possible methods of detecting and preventing crimes.

Generali assigned the functions of the Supervisory Body to a corporate body reporting to the Board of Directors.

The fundamental approach is to appoint as members of the said body independent persons who, within the corporate organisational structure, guarantee the necessary independence of the Supervisory Body and make the best possible contribution to performance of its functions and attainment of its objectives.

Statute no. 183 of 12 November 2011 (the "Stability Act"), which came into force on 1 January 2012, states that the Board of Statutory Auditors may act as Supervision and Control Committee pursuant to Legislative Decree 231/2001. However, the Company has decided not to use that power granted by the legislator, in order to guarantee adequate segregation of tasks and ensure, in view of the range of crimes covered by the Decree, that its own Supervision and Control Committee holds all the necessary powers to perform the supervisory tasks allocated to it by the Decree effectively.

Body to guarantee a high level of professionalism and continuous action.

- The Supervisory Body can also cooperate with other units of the Company or the Group on various specific tasks, such as:
- the legal affairs unit;
 - the corporate affairs unit;
 - the human resources unit (with regard to training and disciplinary measures, for example);
 - the administration unit (with regard to control over financial flows, for example);
 - the unit responsible for updating the Model.

The members of the Supervisory Body have performed, for a reasonable period of time, professional activities in fields relating to insurance, credit or finance, and meet the honourableness criteria set out in the current legislation applicable to the directors of insurance companies³².

If all the members of the Supervisory Body are dismissed, the Body automatically loses its effectiveness. In such event, the Board of Directors promptly forms a new one with the same criteria.

The Supervisory Body is assigned the following tasks and powers:

- monitoring the functioning of and compliance with the Model;
- verifying that the Model is actually suitable to prevent the performance of the criminal offences described in the Decree;
- analysing the persistence over time of the soundness and functionality of the Model;
- in cooperation with the units involved, devising, developing and promoting any activities required to ensure constant updating of the Model and the system of supervising its implementation, suggesting to the Board of Directors any due amendments and adjustments;
- maintaining regular contact with the External Auditors;
- maintaining relations with and ensuring a flow of information to the Board of Directors, the Risk and Control Committee and the Board of Statutory Auditors;
- asking for and obtaining information and documents of any type from any level or sector within Generali;
- carrying out checks and inspections with a view to ascertaining any breaches of the Model;
- devising a supervision programme within the framework of the various activity sectors, in accordance with the principles contained in the Model;
- guaranteeing that the supervision programme is implemented, partly by scheduling activities;
- guaranteeing that reports are drafted on the effects of the measures taken;
- guaranteeing that the identification, mapping and classification system of “risk” areas is constantly updated, for the supervision purposes falling within the jurisdiction of the Body;
- notwithstanding the terms of the document illustrating the Model, defining and promoting initiatives aimed at spreading knowledge and understanding of the Model, training personnel and raising their awareness of the need for compliance with the principles outlined in the Model;
- dispelling any doubts on the interpretation and implementation of the provisions enshrined in the Model;

- establishing an effective internal communication system to allow the transmission and collection of relevant news for the purpose of the applicable legislation, while ensuring the protection and privacy of informants;
- issuing quotes for the performance of its activities, and submitting them to the Board of Directors for approval; any extraordinary expenses not included in the quote shall also be submitted to the Board for approval before being incurred;
- activating disciplinary measures if necessary;
- monitoring compliance with the terms of Legislative Decree 231/07 within its sphere of jurisdiction;
- notifying the appropriate supervisory authorities, without delay, of all actions or facts that come to its knowledge in the exercise of its duties which may constitute a breach of the terms of s. 7.2 of Legislative Decree 231/07;
- notifying the owner of the business, its legally authorised representative or agent, without delay, of breaches of the terms of s. 41 of Legislative Decree 231/07 which come to its knowledge;
- notifying the Economy and Finance Ministry, within thirty days, of breaches of the terms of ss. 49.1, 49.5, 49.6, 49.7, 49.12, 49.13, 49.14 and s. 50 of Legislative Decree 231/07 which come to its knowledge;
- informing the appropriate supervisory authority, within thirty days, of breaches of the terms of s. 36 of Legislative Decree 231/07 which come to its knowledge.

The Board of Directors is called upon to update the Model and adapt it to any changes in the organisational structure, operational processes and the results of checks.

The Supervisory Body retains, in any event, the tasks and powers connected with devising, developing and promoting constant updating of the Model. To that end, it may present recommendations and proposals as to the organisation and the control system to relevant units or, in particularly significant cases, directly to the Board of Directors. The Supervisory Body also supervises the dissemination of the contents of the Model within the Company and outside it, when necessary.

In order to guarantee that the introduction of amendments to the Model is as prompt and streamlined as necessary, partly with a view to minimising misalignment between operational processes and the provisions enshrined in the Model and their dissemination, the Board of Directors has entrusted the Supervisory Body with the task of implementing changes to the Model on a regular basis.

In the report which must be produced by the Supervisory Body on a yearly basis, the latter may notify the Board of Directors of any amendments it plans to introduce into the Model, so that the Board can pass a relevant resolution within its field of sole jurisdiction.

³² The Board of Directors verifies that the requirements for membership of the Supervisory Body are met by the persons to be appointed, before the said persons take office within the company (thus becoming members of the Supervisory Body), and thereafter on a suitably regular basis.

Failure to comply with the requirements throughout the mandate results in withdrawal of the office. In this case, the Board of Directors must promptly appoint another member, in full compliance with the principle on which the choice is based, as previously indicated, after verifying that the professionalism and honourableness criteria are fulfilled. The same procedure is followed when assessing any incompatibility and/or lack of professionalism and honourableness before the appointment of a person to an office within the company, involving membership of the Supervisory Body.

In 2012, the main activities performed by the Supervision and Control Committee were:

- analysis of the periodic report on the implementation and supervision activities performed by the Company regarding the Model;
- description of the activities performed during the 2010 financial year;
- presentation of the 2011 activity plan and expenditure budget;
- examination of the progress of the supervisory activities performed during the period in question;
- evaluation of the variation in the organisational structure and grant of powers regarding the protection of health and safety in the workplace.

The Supervision and Control Committee has not so far discovered any conduct relevant for the purpose of Legislative Decree no. 231/01, and has already audited all the most significant company areas, with the assistance of the Internal Audit Department. In particular, the supervisory activities have led to continual improvements in the level of prevention of the offences in question, by formulating suggestions to the various Process Owners, who have always formally undertaken to implement the necessary corrective measures.

In 2012, in the context of a continuous improvement process, the Supervision and Control Committee began updating the Model to incorporate the legislative amendments and organisational changes which had been introduced, so that the contents and structure of the Model more closely match the actual operational situation.

This activity, coordinated by the relevant organisational structure, led to a review of the Document Illustrating the Model, which consists of a General Part and various Special Parts.

The General Part illustrates the rationale for and principles of the Decree, the Governance Model and the principles of the Internal Control System, and delineates the elements constituting the components of the Model, including the role of Supervision and Control Committee responsible for supervising the operation, and updating of the Model and compliance with it.

The Special Parts, which cover some classes of crime, provide a representation of the types of offence contemplated by the Decree. For this purpose, each Special Part contains a legislative analysis of the individual crimes included in the Decree, and the general principles of conduct by which behaviour in all the potentially “at risk” areas of each Special Part must be inspired. In each “at risk” area the company departments involved are identified, together with “sensitive activities”, the specific crimes theoretically possible, the methods by which they can be committed or conduct contributing to their commission, and the “preventive controls” and tasks of the Supervision and Control Committee in this respect.

The updated version of the “Document illustrating the Company’s organisation and management model” was approved by the Board of Directors at the meeting held on 22 February 2013. At the same time, the Board approved the expenditure budget of the Supervision and Control

Committee, proposed by the latter for the 2013 financial year, confirming it at € 308,000, as in the preceding year.

The newly-appointed Board of Directors will also appoint the new Supervision and Control Committee with a different composition, namely:

- a non-executive independent director;
- an interim Group Internal Audit Manager;
- an interim Group Compliance Manager;
- two authoritative external professionals with proven skills and experience in fields relating to the tasks assigned to the Supervision and Control Committee.

GENERAL MEETING

The Company has amended the text of the Articles of Association to incorporate the main innovations introduced by Legislative Decree no. 91 of 18 June 2012 (the “Corrective Decree”), and introduced some major innovations regarding the operation of General Meetings which are designed to strengthen the rights of shareholders and facilitate their participation in the corporate life of listed companies.

In particular the possibility of using telecommunication systems to speak at the General Meeting and electronic systems to cast the vote was introduced, and submitted to the Board of Directors, when drafting the notice of call.

The General Meeting is called by publishing a notice on the Company’s website at least 30 days prior to the date of the first or only convocation of the meeting. The said notice shall indicate the date, hour and place of the meeting and the items on the agenda, and the additional information required by the applicable legislation. The notice shall also be published in national newspapers. The said notice is publicised by publication in national newspapers, and by direct notice sent to the shareholders who attended recent meetings. In the case of the General Meeting called to elect the members of the Board of Directors and Board of Statutory Auditors, the deadline for publication of the notice of call has been brought forward to the 40th day before the date of the General Meeting, whereas for the General Meetings specified in ss. 2446 (*Reduction of share capital due to losses*), 2447 (*Reduction of share capital below statutory limit*) and 2487 (*Appointment and revocation of liquidators; criteria for conduct of liquidation*) of the Civil Code, the deadline is postponed to the 21st day before the date of the General Meeting.

The General Meeting is not entitled to make decisions upon items that are not on the agenda.

Shareholders jointly or severally representing at least one-fortieth of the share capital may apply, within ten days of the publication of the notice of call of the Meeting, for additional subjects proposed by them to be added to the agenda, or submit proposed resolutions relating to items already on the agenda.

The Ordinary General Meeting for the approval of the Financial Statements is called within 120 days of the end of the financial year; if the statutory conditions are fulfilled, the said period can be extended to 180 days. The meeting

is usually conducted in Trieste, although it may alternatively be held at other locations in Italy.

Annual General Meetings are one of the major opportunities for dialogue between shareholders and Company management. During the meeting, a presentation concerning management performance is traditionally followed by a question-and-answer session between shareholders and the management.

The General Meeting may be attended by shareholders who are entitled to vote, provided that they prove their entitlement in the statutory forms. Entitlement to attend the General Meeting and exercise voting rights is certified by a notice issued to the Company by the intermediary in accordance with its books of account, on the basis of evidence relating to the end of the accounting day on the seventh market trading day before the date set for the first or only call of the General Meeting. Debit and credit entries made after that date shall not be taken into account for the purpose of entitlement to vote at the General Meeting. The notice issued by the intermediary that keeps the accounts relating to the shares must be received by the Company by the end of the third market trading day prior to the date set for the first or only call of the Meeting, or within such different period as may be indicated in the notice convening the Meeting in compliance with the law, and in any event before the start of the proceedings at each call of the Meeting.

As regards Attendance at General Meetings by parties acting as proxies for other shareholders, according to the legislation, only one proxy can be appointed for each General Meeting, save for the power to indicate substitutes, and a different representative can be appointed for each of the accounts to which the intermediary's notice relates.

For each General Meeting the Company designates a party (the designated representative) which shareholders can appoint as proxy with voting instructions on some or all of the items on the agenda; the identity of the said party designated by the Company, and the procedures and time limits for shareholders to appoint a proxy, are indicated in the notice of call of the General Meeting. The proxy can be appointed in writing or in electronic form, in compliance with the current legislation and according to the procedures specified in the applicable regulations. The appointment of the proxy can be notified to the Company in a specific section of the Company's website or by certified e-mail, by the procedures indicated in the notice of call.

Members of the Board of Directors attend these meetings regularly³³.

The operating procedures of the General Meeting and the procedures for individual shareholders to speak during the discussion³⁴ are governed by a specific Regulation. The said Regulation is available at the Company's registered offices and in the section of the website (www.generali.com) containing, as well as the Regulation, the Articles of Association and information about the Company's governing bodies.

Assicurazioni Generali has had a General Meeting Regulation since 1972.

That document, which was the prototype by which many listed and unlisted Italian companies were inspired when drafting their own, was recently amended to comply with the provisions introduced by Legislative Decree no. 27 of 27 January 2010 entitled "Implementation of Directive 2007/36/EC on the exercise of certain rights of shareholders in listed companies", to define the scope of some provisions more clearly, and to regulate the stages in which the General Meeting is performed.

The Legislative Decree made substantial amendments to a number of matters relating to the operation of the general meetings of companies issuing listed shares, and some amendments consequently need to be made to coordinate the text of the Company's Articles of Association with the Regulation. In particular, the amendments to the General Meeting Regulation related to:

- revocation of the reference to production of the certificate issued by an intermediary as the pre-requisite for entitlement to speak at the General Meeting;
- introduction of electronic voting;
- introduction of the right to ask questions before General Meetings;
- adjustment of the maximum period for adjournment of the General Meeting to comply with the legislation if the conditions specified in section 2374 of the Italian Civil Code are fulfilled;
- the grant of power to the Board of Directors to resolve on amendments to terms of the Regulations which become incompatible with new, mandatory legislative provisions.

³³ The mathematical mean of attendance of Directors at the last three General Meetings, held in 2010, 2011 and 2012, was 79.5%.

³⁴ The Chairman governs the discussion and gives the floor to those requesting it. A request to speak shall be made in writing and indicate the item on the agenda to which it relates; requests may be made after the Chairman has read out the agenda, and until the closure of the discussion on the item to which it refers. The Chairman may authorise the submission of requests to speak by raising the hand. Members of the Board of Directors and Statutory Auditors may ask to speak in the discussion. To enable the Chairman and, on his invitation, those assisting him, to respond more exhaustively to the speeches by the authorised parties, they may submit written notes illustrating the subjects on which they wish to speak to the Board of Directors before the constitution of the Meeting. Each person authorised to speak at the General Meeting may speak for no more than 15 minutes on any item on the agenda, making statements and formulating proposals. The speeches shall be clear, concise, and strictly relevant to the subject discussed. The Chairman may establish a longer or shorter length of speeches at any time, according to the importance of the subject under discussion, the number of persons asking to speak and the other items on the agenda still to be discussed, but said length shall not be less than half the maximum length specified. The Chairman and, on his invitation, those assisting him, shall reply to the speakers after each speech, or after all speeches. Those who speak during the discussion may reply once, for not more than five minutes. The Chairman will ask speakers who fail to comply with the terms of this Regulation to conclude their speech quickly, after which he will withdraw the floor from them.

Majorities

With the exception of particular cases provided for by law, the Ordinary and Extraordinary General Meetings are validly constituted and pass resolutions with the majorities illustrated in the following table:

ORDINARY SESSION	FIRST CALL	SECOND CALL	THIRD CALL	ONE CALL
Constitutive quorum	Presence of as many shareholders as to represent at least a half of the share capital	Regardless of the share capital represented by the shareholders attending the meeting	Does not apply	Regardless of the share capital represented by the shareholders attending the meeting
Deliberative quorum	Absolute majority of the represented capital	Absolute majority of the represented capital	Does not apply	Absolute majority of the represented capital

EXTRAORDINARY SESSION	FIRST CALL	SECOND CALL	THIRD CALL	ONE CALL
Constitutive quorum	Presence of as many shareholders as to represent at least a half of the share capital	Presence of as many shareholders as to represent more than one third of the share capital	Presence of as many shareholders as to represent more than one fifth of the share capital	Presence of as many shareholders as to represent more than one fifth of the share capital
Deliberative quorum	Favourable vote cast by at least two thirds of the represented capital	Favourable vote cast by at least two thirds of the represented capital	Favourable vote cast by at least two thirds of the represented capital	Favourable vote cast by at least two thirds of the represented capital

Under no circumstances does the Company require majorities other than those established by law for passing resolutions. The majorities laid down for the Ordinary General Meetings are required to grant it power to:

- pass resolutions on Financial Statements;
- pass resolutions concerning the allocation of profits;
- appoint the Board of Directors, Permanent and Substitute Auditors and the Chairman of the Board of Statutory Auditors;
- approve remuneration policies for members of the governing bodies appointed by the General Meeting and the Company's key personnel in accordance with the applicable legislation in the sector, including remuneration plans based on financial instruments;
- establish the Statutory Auditors' fees;
- determine the fee payable to members of the Board of Directors; variable remuneration systems tied to the profits and/or other indicators of the business trend of the Company and/or the Group may be used for this purpose;
- appoint External Auditors to audit the accounts during the financial year, the financial statements and the consolidated financial statements; establish their fees;
- pass any other resolution required by law or submitted to the General Meeting by the Board of Directors.

The majorities established for extraordinary sessions of the General Meetings are required to resolve on amendments to the Company's Articles of Association, the appointment and powers of liquidators in the event of the Company's winding-up, and in other cases provided for by law.

Relations with Institutional Investors and other Shareholders

The Investor Relations Department is responsible for relations with institutional investors. To facilitate relations with this Department, the "Investor Relations" section of the website www.general.com includes its telephone numbers and e-mail addresses under "Contacts".

As far as day-to-day relations with retail shareholders are concerned (intensifying as General Meetings draw near), the Company has set up its own "Share Office", the activity of which falls within the "Group Corporate Affairs Department", which is also part of the Central Head Office in Trieste.

The Company encourages and promotes the widest possible attendance of shareholders at General Meetings. This year's General Meeting will be held on Tuesday 30 April.

BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors consists of three permanent and two substitute Auditors, who may be re-elected. Once elected, Statutory Auditors forfeit their office if situations of incompatibility arise as specified by law or they exceed the limits on simultaneous offices established by the applicable legislation.

All the permanent and substitute statutory auditors must meet the requirements laid down by law.

As regards the requisite of independence of the members of the Board of Statutory Auditors, without prejudice to the statutory provisions the Code states that the Statutory Auditors shall be chosen among people who can be classed as independent, partly on the basis of the criteria applicable to Directors. Furthermore, the Board of Statutory Auditors shall assess compliance with the said criteria after the appointment and subsequently on an annual basis, including the result of such assessment in the corporate governance report. The current Board of Statutory Auditors, appointed by the General Meeting on 30 April 2011 for the 2011, 2012 and 2013 financial years, ie. until the next General Meeting held to approve the financial statements for the 2013 financial year, duly established that its members met the independence requirements according to Application Criterion 10.C.2 of the Self-Assessment Code.

Amongst the provisions of the Code pertaining to the Board of Statutory Auditors, attention should be paid to the fact that an Statutory Auditor who holds an interest, either directly or on behalf of third parties, in a certain transaction of the issuer, must promptly and exhaustively inform the other Statutory Auditors and the Chairman of the Board about the nature, terms, origin and extent of his/her interest.

The Board of Statutory Auditors is now required to monitor the independence of the External Auditors (whose appointment it proposes), verifying their compliance with the provisions of the applicable legislation and regulations, and the nature and extent of services other than the accounting control provided to the issuer and its subsidiaries by the External Auditors and organisations belonging to its network. This activity was duly performed by the Board of Statutory Auditors in the last financial year.

Moreover, in compliance with the Code, the Statutory Auditors may exercise the aforementioned power to verify the proper application of the criteria and assessment procedures adopted by the Board of Directors to evaluate the independence of its own members.

Among all the various provisions, particular attention should be paid to the one laid down in article 149 of the CFBA which includes, among the other supervisory duties attributed to the Board of Statutory Auditors, checking on the methods of implementing the corporate governance rules laid down in codes of conduct drawn up by the management companies of regulated markets or by trade associations, which the company, in public disclosures, declares that it complies with.

According to current legislation, shareholders who, either alone or jointly with others, own a qualifying holding amounting to at least 0.5% of the share capital, shall be entitled to submit a list for the appointment of the Board of Statutory Auditors.

Lists submitted by shareholders, consisting of two sections, one for the appointment of the Regular Statutory Auditors and the other for the appointment of the Substitute Statutory auditors, shall be filed by the twenty-fifth day before the date of the first or only convocation of the General Meeting.

The lists, suitably composed to ensure a gender balance, shall be accompanied by information about the shareholders who submit them, with details of the total percentage of the share capital held by them. The following documents shall be filed together with the lists:

- the curriculum vitae of each candidate, containing detailed information about the candidate's personal and professional characteristics and the skills acquired by him/her in the insurance, financial and/or banking field;
- statements in which the candidates accept the nomination, undertake to accept the office if appointed, and further declare, under their own responsibility, that no grounds for incompatibility or disqualification exist, and that they meet the requirements of honourableness, professionalism and, if applicable, independence, required by current legislation;
- a copy of the certificates issued by intermediaries certifying the ownership of the percentage of share capital required for submission of lists.

If the said requirements are not met, the list shall be deemed not to have been submitted.

If only one list has been submitted by the said deadline, or only lists submitted by shareholders connected with one another, lists may be submitted until the third day after the said date. In such case, the thresholds for submission of lists of candidates shall be halved.

The parties entitled to vote, companies directly or indirectly controlled by them, companies directly or indirectly subject to joint control, and shareholders connected by one of the relationships specified in s. 109.1 of the CFBA, relating to the company, may jointly submit and shall only vote for one list; in the event of breach of this provision, no account shall be taken of support given to any of the lists.

The first two candidates in the list that obtained the largest number of votes (the "**Majority List**") and the first candidate in the list which, without taking account of the support given in any way, even indirectly, by shareholders connected with those who submitted or voted for the Majority List, obtained the second-largest number of votes (the "**Minority List**"), shall be elected Permanent Statutory Auditors. If the number of permanent statutory auditors of the less represented gender is less than the statutory number, the necessary replacements will be made from the statutory auditors' section of the Majority List, in order of presentation of the candidates.

The first candidate on the Majority List which obtained the largest number of votes and the first candidate on the Minority List shall be elected Substitute Statutory Auditors.

If the first two lists obtain the same number of votes, a new vote shall be held. In the event of a tie between two or more lists other than the one which obtained the largest number of votes, the youngest candidates shall be elected Statutory Auditors until all posts have been filled.

If only one list is submitted, all the Statutory Auditors to be elected shall be taken from that list.

The Permanent Statutory Auditor taken from the Minority List shall be appointed Chairman. If all the Statutory Auditors are taken from one list, the first candidate on that list shall be appointed Chairman.

In the event of the death, resignation or debarment of a Permanent Statutory Auditor taken from the Majority List or the only list, s/he shall be replaced by the substitute belonging to the same list or, if none, by the youngest substitute. The General Meeting shall appoint the members required to complete the Board of Statutory Auditors, passing resolutions by the statutory majority.

In the event of the death, resignation or debarment of the Permanent Statutory Auditor taken from the Minority List, s/he shall be replaced (including as Chairman) by the substitute belonging to the Minority List. If the replacement procedure for Statutory Auditors fails to produce a gender balance, the General Meeting shall make the necessary appointments, passing resolutions by the statutory majority.

The Board of Statutory Auditors is currently made up as follows:

BOARD OF STATUTORY AUDITORS

OFFICE	FIRST NAME, LAST NAME
• Chairman	Eugenio Colucci
• Permanent auditor	Gaetano Terrin
• Permanent auditor	Giuseppe Alessio Verni
• Substitute auditor	Maurizio Dattilo
• Substitute auditor	Francesco Fallacara

The following is a short presentation of its members:

Eugenio Colucci was born in Lucera (Foggia) on 9 January 1946. He graduated in Economics and Business Studies, and is enrolled in the Statutory Auditors' Register. He began his career in 1969 with auditing firm Arthur Andersen, where he rose to become a partner. He now provides financial and accountancy consultancy services for private clients. He has been a member of the Executive Committee and subsequently advisor to the Italian Accountancy Association. He is a permanent statutory auditor of Autogrill S.p.A. and Nuova Sidap S.r.l., and a member of the Audit Committee of Ferrero International S.A.

Giuseppe Alessio Verni, born in Trieste on 5 October 1964, has worked there as a chartered accountant since 1992. A Certified Auditor since 1995, he is registered as an Expert and Technical Consultant to the Courts of Trieste. He is Chairman of the Board of Statutory Auditors of subsidiaries Banca Generali S.p.A., Europ Assistance Italia S.p.A. and Genertellife S.p.A., among others. He is also a statutory auditor of Premuda S.p.A. and Chairman of the Supervision and Control Committee of Danieli & C. S.p.A.

Gaetano Terrin, born in Padua on 16 July 1960, has been a certified auditor since 1992. In addition to practising as a chartered accountant, he is also an Statutory Auditor of a number of companies operating in the insurance, financial and industrial sectors, including a number of Generali subsidiaries. Engaged as Substitute Statutory Auditor of the Company in 1999, in 2001 he was appointed

Permanent Statutory Auditor. Moreover, he holds the office of Permanent Statutory Auditor of Danieli & C. Officine Meccaniche S.p.A.

Maurizio Dattilo, born in Milan on 19 March 1963, is a chartered accountant and auditor. He practises as a chartered accountant as a partner in the Milan firm "Dattilo Commercialisti Associati". He is a Permanent Statutory Auditor of a number of industrial companies.

Francesco FALLACARA, born in Bari on 14 June 1964, graduated in Economics and Business, qualified as an accountant in 1990 and enrolled with the Accountants' and Bookkeepers' Roll in Rome in 1991. He currently provides tax and business consultancy services, and has written a number of tax publications.

The Board of Statutory Auditors has duly undertaken its auditing duties as laid down by law; it has kept minutes and produced the reports required by the performance of the Company's business.

Twenty-two meetings were held in 2010, with 100% attendance. 22 meetings were held in 2011 and 2012, almost all with 100% attendance. (See Table 3, containing attendance information for each member of the Board of Statutory Auditors).

The average attendance of Statutory Auditors at meetings of the Board of Directors was 100% in 2010, 94% in 2011 and 98% in 2012. The average attendance of Statutory

Auditors at Executive Committee meetings was 100% in 2010, 97% in 2011 and 100% in 2012.

The meetings of the Board of Statutory Auditors held in the last three years always saw full attendance.

EXTERNAL AUDITORS

The firm of external auditors, which must be registered in a roll kept by CONSOB, is called upon to verify, during the year, that corporate accounts are properly kept and that the financial position and results of the Company's operations are reported correctly. The External Auditors shall promptly inform the Board of Statutory Auditors and CONSOB of any facts which it may deem erroneous. The firm also verifies that the Financial Statements and the Consolidated Statements match the figures in the accounting records and the results of checks, and that those bookkeeping documents comply with the regulations to which they are subject.

The External Auditors are appointed by the General Meeting, on the substantiated proposal of the Board of Statutory Auditors. The General Meeting also decides on the fees of the External Auditors. The legislation has extended their term of office to nine years, and their appointment can be renewed when an interval of at least three years has elapsed since the termination of the last appointment.

If their appointment is renewed, the person in charge of the audits must be replaced after seven years, and cannot hold the same office again, even on behalf of another auditing firm, or with reference to the financial statements of subsidiaries, related companies, companies controlling the issuer or jointly controlled companies, unless an interval of at least three years has elapsed since the termination of the last appointment.

The above-mentioned mandate can be terminated before the due date upon the substantiated proposal of the Board of Statutory Auditors, on reasonable grounds. All resolutions passed by the General Meeting and concerning appointments and terminations are transmitted to CONSOB.

At the end of each financial year, the External Auditors examine the Financial Statements and draft a formal Report. The document is attached to the Financial Statements and deposited at the registered office of the Company for the fifteen days preceding the Meeting called to approve the Financial Statements, and until the statements are finally approved.

The firm of External Auditors, Reconta Ernst & Young S.p.A., was appointed on the proposal of the Board of Statutory Auditors by the General Meeting held on 30 April 2011, for the financial years 2011-2020.

WEBSITE

Legislative Decree no. 27 of 27 January 2010, which implements Shareholders' Rights Directive 2007/36/EEC, introduced some major innovations regarding the role played by the website of a listed company. The Company's website is the method used to disseminate information, including regulated information, as required by the applicable legislation.

The Company has kept its website (www.generali.com) regularly updated, in order to make clear, exhaustive information available to all users.

The website features a presentation of the Group and its history, its objectives, the markets where it operates, press releases describing major events in which the Group has played a part, and opportunities to work with the Company.

With an eye on information transparency, great importance is attached to the presentation of the share structure, financial and accounting data on the website. The data are carefully and promptly updated, so that among the documents users will find the latest approved financial statements and an easily accessible archive containing the accounts for several previous financial years.

In order to provide rapid, easy access to Company information, the telephone numbers and e-mail addresses of the Group Communications, Investor Relations, and Group Corporate Affairs departments are provided in the Press and Communications, Investor Relations and Governance sections.

In the Investor Relations section, the "General Meeting" subsection contains the notice convening the next General Meeting and the Reports on the Agenda, the minutes of meetings, and the speeches by the Chairman and Managing Directors for the last five financial years.

The Governance section makes all major documents available for consultation and downloading, such as the Articles of Association, the By-Laws of the General Meetings and this Report on Corporate Governance. At the same time, information is provided on internal dealing regulations, with details of the operations performed by internal dealers, related party transactions, and information about the legal representation system and the organisational and management model. A brief but comprehensive summary of the said documents is also available.

The site also features a subsection called "*Event Calendar*", providing information on the dates of the meetings of the governing bodies, such as the General Meeting and the Board of Directors' Meetings convened to approve the draft annual accounts, the consolidated financial statements, the half-year report and the quarterly reports, as well as events that are strictly financial in nature, such as press conferences and encounters with financial analysts.

The website also displays the ratings given to Generali's securities by rating firms. They are updated promptly, even before the said information is transmitted to Borsa Italiana.

All the material that can be consulted without a password

is available in both Italian and English. The Articles of Association can also be downloaded in French, German and Spanish versions.

The company King Worldwide Digital, which has rated Italian and European websites for several years, has evaluated the Corporate Governance section of Generali's website very

well again this year, giving it a score of 7.7 out of 12 for completeness of the information provided.

These results confirmed the decisions on contents and transparency that the Company has implemented in recent years.

Milan, 13 March 2013

BOARD OF DIRECTORS

Third part – Annexed tables

Table 1: Share ownership information

SHARE CAPITAL STRUCTURE

	NO.OF SHARES	% IN RESPECT TO SHARE CAPITAL	LISTED / UNLISTED	RIGHTS AND OBLIGATIONS ^(*)
Ordinary share	1,556,873,283	100.00	FTSE MIB	See the note
Restricted voting shares ^(*)	-	-	-	-
Restricted voting shares ^(*)	-	-	-	-

(*) There are no restricted voting shares nor non-voting shares.

(**) Each ordinary share holder has rights and obligations in terms of equity and administration. Equity claims include the right to the dividend, the right of option on shares issued on increase for capital payment or reconstitution, proportionately to the number of hitherto owned shares, the right of free allocation of new shares in case of free capital increase, proportionately to the number of hitherto owned shares as well as the right to settlement share after company liquidation. Administrative rights include, inter alia, the right to participate in corporate plenary meetings and vote, the right to withdraw from the company in specific circumstances and the right to information. Finally, as to obligations, each Shareholder is bound to execute subscriptions as necessary elements for the implementation of the objects of the company.

SIGNIFICANT SHAREHOLDINGS

DECLARANT	DIRECT SHAREHOLDER	% SHARE OF ORDINARY CAPITAL ^(*)
MEDIOBANCA Group	Mediobanca	13.149
	Spafid	0.089
	Total	13.238
BANCA D'ITALIA	Banca d'Italia	4.482
	Società per la bonifica dei terreni ferraresi e per le imprese agricole S.p.A.	0.007
	Total	4.489
Leonardo Del Vecchio	Delfin Sarl	2.997
	Total	2.997
B&D HOLDING Group	Dea Partecipazioni S.p.A.	2.260
	B&D Finance S.A.	0.174
	Total	2.434
CALTAGIRONE Group	CALTAGIRONE EDITORE	0.215
	Echelto Srl	0.019
	FGC	0.052
	FINANZIARIA ITALIA 2005	0.170
	Finced	0.151
	Gamma S.r.l	0.409
	Immobiliare Caltagirone - Ical	0.013
	Mantegna 87	0.058
	Pantheon 2000	0.231
	Porto Torre	0.090
	Quarta Iberica	0.106
	So.co.ge.im	0.006
	Unione Generali Immobiliare	0.100
	Vianini Industria	0.116
	Viapar	0.071
	VM 2006	0.418
	Francesco Gaetano Caltagirone	0.007
	Total	2.232
	EFFETI	Effeti S.p.A.
Total		2.151

(*) The ordinary share capital coincides with the voting capital.

Table 2: Structure of the Board of Directors and Committees

BOARD OF DIRECTORS		DIRECTORS				RISK AND CONTROL COMMITTEE		REMUNERATION COMMITTEE		EXECUTIVE COMMITTEE		APPOINTMENTS AND CG COMMITTEE		
OFFICE	MEMBERS	NON-EXECUTIVE	EXECUTIVE	INDEPENDENT	(***)	NO. OF OTHER OFFICES(*)	(**)	(***)	(**)	(***)	(**)	(***)	(**)	(***)
Chairman	Gabriele Galateri		X		100%	5				X	100%	X	100%	
Vice-chairman	Francesco Gaetano Caltagirone		X	X	91%	3				X	92%			
Vice-chairman	Vincent Bolloré		X		73%	3				X	92%			
Vice-chairman	Alberto Nicola Nagel <i>(until 24/04/2012)</i>		X		100%					X	100%	X	50%	
Group CEO	Mario Greco <i>(from 1/08/2012)</i>	X			100%	1				X	100%			
Managing Director	Giovanni Perissinotto <i>(until 20/07/2012)</i>	X			100%					X	100%			
Managing Director	Sergio Balbinot <i>(until 8/11/2012)</i>	X			100%					X	100%			
Director	Cesare Calari		X	X	100%	1	X	100%						
Director	Carlo Carraro		X	X	100%		X	100%						
Director	Claudio De Conto <i>(from 11/05/2012)</i>		X	X	100%	4			X	100%				
Director	Diego Della Valle <i>(until 5/06/2012)</i>		X	X	50%									
Director	Petr Kellner		X		55%									
Director	Angelo Miglietta		X	X	100%	4	X	100%		X	100%			
Director	Alessandro Pedersoli		X	X	100%	1	X	100%				X	84%	
Director	Lorenzo Pelliccioli		X	X	82%	1			X	100%	X	92%	X	84%
Director	Reinfried Helmut Pohl		X		55%	1								
Director	Clemente Rebecchini <i>(from 11/05/2012)</i>		X		100%	3				X	100%	X	100%	
Director	Paola Sapienza		X	X	100%		X	100%						
Director	Paolo Scaroni		X	X	82%	3			X	100%				
Director	Francesco Saverio Vinci <i>(until 24/04/2012)</i>		X		100%				X	100%				

Number of meetings held in the reference financial year
 BoD: 12 Risk and Control Committee: 9 Remuneration Committee: 8 Executive Committee: 12 Appointments and Corporate Governance Committee: 6

The quorum required for submission of lists for the last appointment of the Board of Directors was 0.5% of the share capital.

The period on which the valuation of the holdings is based is 1 January to 31 December 2012.

(*) This column indicates the number of directorships or statutory auditor offices.

The foregoing report expressly indicates such offices.

(**) "X" in this column indicates that the member of the Board belongs to the Committee.

(***) This column shows the percentage of meetings of the Board and of the Committees attended by Directors.

Table 3: Board of Statutory Auditors

OFFICE	MEMBERS	PERCENTAGE OF MEETINGS OF THE BOARD OF STATUTORY AUDITORS ATTENDED	NUMBER OF OTHER OFFICES ^(*)
Chairman	Eugenio Colucci	91%	1
Permanent auditor	Giuseppe Alessio Verni	100%	-
Permanent auditor	Gaetano Terrin	100%	1
Substitute auditor	Maurizio Dattilo	-	-
Substitute auditor	Francesco Fallacara	-	-
Number of further meetings attended during the financial year:		24 (1 General Meeting, 11 Board of Directors Meetings and 12 Executive Committee meetings)	

Quorum for the submission of lists by minorities for the election of one or more Permanent Auditors (pursuant to art. 148 of the CFA): 5/1000 of the share capital

(*) This column indicates the number of directorships or statutory auditor offices held by the person concerned in other companies listed on regulated Italian markets. The foregoing Report lists such offices in full.



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