Remuneration
Report

GENERALI

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Letter from the Chair of the Appointments and Remuneration Committee

Dear Shareholders,

For Assicurazioni Generali, 2018 represents the last year of the 2016-2018 Strategic Plan implementation, characterised by a clear focus on generating cash flow and creating value for shareholders sustainable over time.

In this context, remuneration is a key mechanism for supporting and recognising the actions needed to achieve the results defined in the plan and at the same time guiding Company behaviours and strengthening our values.

The Group's remuneration policy has so far been effective in directing the actions necessary to achieve the results defined in the strategic plan and for that it is still confirmed in order to maintain continuity with the previous year, in terms of both objectives and strategic levers.
Our performance and reward practices are designed to match the need to support the achievement of long-term objectives and to evaluate and monitor the achievement of objectives each year, incentivising balanced performance throughout the three-year cycle.

Therefore, in this last year of strategy implementation, we propose to maintain the key elements and the operating mechanisms of the incentive system structure, focusing on the alignment of objectives and performance indicators (KPIs) to the targets defined to achieve strategic results.
More specifically, in line with the best market practices and in compliance with the regulations of reference, the Group's 2018 remuneration policy essentially re-proposes the structure and contents of the previous year, strengthening and supplementing them, in particular through:

- substantial confirmation of the current incentive system characterised by a combination of STI (Short-Term Incentive) and LTI (Long-Term Incentive) plans, consistent with the Group's performance and shareholder return;
- link between remuneration and risk through key indicators in Group incentive systems, such as the Regulatory Solvency Ratio and Return on Risk Capital (RoRC);
- alignment of objectives and performance indicators (KPIs) with the targets defined to accelerate the Group's strategy focused on operating performance and long-term value creation, with an increase in the level of disclosure provided consistently with investors' recommendations.

The Appointments and Remuneration Committee is aware of the fundamental role that a strong, fair, and transparent remuneration policy has in achieving our objectives, ensuring the alignment, involvement, and empowerment of our people and the creation of value for our shareholders.

Ornella Barra

Chair of the Assicurazioni Generali Appointments and Remuneration Committee

Executive Summary

REMUNERATION POLICY

Our remuneration policy is designed to attract, motivate and retain the people who – due to their technical and managerial skills and their different profiles in terms of origin, gender and experience – are key to the success of the Group, as reflected in our corporate values.
The remuneration policy reflects and supports both our strategy and values: to be a global insurance Group with an approach that creates value and sustainable results, whilst valuing our people and maintaining our commitment to all stakeholders.

Continuity and strategic alignment

The Group's remuneration policy for 2018 is set in line with those of previous years: it essentially has the same structure and content further consolidated and integrated through:

- confirmation of the current overall incentives structure, with a combination of annual (Short-term Incentive - STI) and deferred (Long-Term Incentive - LTI) plans, consistent with the strategy, Group's performance trends and shareholders' return;
- link between risk and reward – in line with Solvency II and IVASS regulation and recommendations - through key indicators in our Group incentive systems, as the Regulatory Solvency Ratio and the Return on Risk Capital (RoRC);
- alignment of Key Performance Indicators (KPI) and goals with the targets set for the Group strategy acceleration, which is focused on operating performance and long term value creation and the increase in the level of disclosure provided in line with investors recommendations.

THE POLICY IN ACTION: TOP 10 KEY ASPECTS

1. Our principles

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

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

2. Target population

The remuneration policy applies to the members of the corporate bodies (Board of Directors, including the Managing Director/Group CEO and the Board of Statutory Auditors) and the personnel identified (based on the criteria detailed under Article 2, paragraph 1, point (f) of ISVAP Regulation No. 39/2011), which includes the members of the Group Management Committee (GMC), the other direct reports to the Managing Director/Group CEO with a significant impact on the Group's risk and strategic profile, the heads of the functions that directly report to the Company's Board of Directors and the others heads of control functions (Internal Audit, Risk Management, Compliance and Actuarial function) and their directly reporting line managers, for whom specific guidelines apply in compliance with the applicable regulatory provisions.

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

3. Remuneration package and pay mix

The remuneration package consists of a fixed remuneration, a variable remuneration, and fringe benefits, structured in a balanced way. The structure of each remuneration package is assessed to ensure all the components are fairly balanced and to encourage the individual's commitment to achieve sustainable results.

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

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

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

In terms of total compensation target, the Group intends to offer competitive remuneration packages between the median and the third quartile of the reference market, that are also closely linked to the individual's performance, potential and strategic impact, based on a segmented approach.

4. Variable remuneration

The variable remuneration is based upon a meritocratic approach and a multi-year framework, including a short-term (annual) and long-term (deferred) incentive connected to the achievement of Group, business unit and individual goals.

The goals set are specifically defined, measurable and linked to the economic, operating, financial and non-financial results, adjusted by risks. These goals are assessed not only on the basis of the achievement of quantitative goals, but also on the basis of the behaviour demonstrated in achieving the goals – particularly in terms of behaviour being consistent with Generali's values.

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

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

More specifically, for the annual incentive plan the maximum funding pool is equal to 150% of the sum of the individual baselines and the individual incentives are set at a maximum of 200% of the single baselines[1]. The deferred incentive plan provides for a cap set at 175% of the individual's fixed remuneration.

To comply with regulatory requirements and encourage the heads of the internal control functions (Internal Audit, Risk Management, Compliance and Actuarial function) and their direct reports to the best performance of their tasks, we have introduced a specific variable remuneration system which is based on the achievement of individual qualitative goals linked to the specific tasks and control activities assigned, paid in an up-front and a deferred instalment, with the exclusion of any form of incentive based on economic and share-based instruments.

5. Annual variable remuneration

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

- the Group's funding, linked to the Group's Operating Results and Net Profit Adjusted and subject to the verification of the achievement of a minimum threshold of the Regulatory Solvency Ratio; and
- the achievement of the goals set out in the individual balanced scorecards, in which five to seven goals are set at Group, region, country, business/function and individual level – as appropriate – relating to value creation, risk adjusted profitability, efficiency, business transformation & strategy acceleration and people empowerment.

6. Deferred variable remuneration

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

1 Baseline represents the amount of individual variable remuneration to be paid out in case of achievement of results at a target level.

- the plan is paid out over a total period of six calendar years, it is linked to specific Group performance goals (Return on Equity and relative Total Shareholder Return) and is subject to the verification of the achievement of a minimum threshold of the Regulatory Solvency Ratio; and
- the plan is based on a three-year performance period and additional lock-up periods on granted shares (i.e. minimum holding) of up to two years.

7. Fringe benefits

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

8. Malus, clawback and hedging

No incentive is paid in the event of wilful misconduct or gross negligence, or a significant deterioration of the Generali's capital and financial situation. Any amount disbursed will be subject to clawback if the performance on which the incentive was awarded is later found to be unsustainable or was achieved as a result of wilful misconduct or gross negligence.

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

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

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

9. Severance provisions in the event of termination

If a director/manager with strategic responsibilities is removed from office or dismissed, the Company must apply – under the current statutory framework – the legal and/or contractual provisions.

In case of termination on mutual consent of a manager with strategic responsibilities, the economic terms are set based on the circumstances and grounds of the termination, with particular reference to the individual's performance, the risks undertaken, and the effective Company's operating results. Consequently, no amount will be paid in the event of gross negligence or wilful misconduct. Under no circumstances may the mutual termination entail a payment that exceeds 24 months' recurring remuneration[2], in addition to the notice (as applicable).

10. Governance and Compliance

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

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

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

Section I – Remuneration Policy

INTRODUCTION

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

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

We believe in the founding values established in our remuneration policy, particularly those focused on:

- meritocratic alignment of the remuneration with sustainable long-term business results, in line with the corporate values that are the further pillars of remuneration and of prudent risk management systems; and
- alignment with the overall business strategy based, among other things, on an increasing international integration of the Group, so that the principles and policies are applied consistently to all the Group's key executives, thus enabling overall alignment with the Group's goals.

Consistently with these values, the Group's remuneration policy for 2018 is in line with that of previous years: it essentially has the same structure and content, further consolidated and integrated through:

- confirmation of the current overall incentives structure, with a combination of annual (Short-term Incentive - STI) and deferred (Long-Term Incentive - LTI) plans, consistent with the strategy, Group's performance trends and shareholders' return;
- link between risk and reward – in line with Solvency II and IVASS regulation and recommendations - through key indicators in our Group incentive systems, as the Regulatory Solvency Ratio and the Return on Risk Capital (RoRC);
- alignment of Key Performance Indicators (KPI) and goals with the targets set for the Group strategy acceleration, which is focused on operating performance and long term value creation and the increase in the level of disclosure provided in line with investors recommendations.

1. THE PRINCIPLES OF THE REMUNERATION POLICY

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

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

Equity and consistency

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

We are a global Group and consistency is therefore also important in relation to the unvaried approach that is adopted in different countries/regions/businesses/functions of our Group, so that all these fall in line with the Group's goals, whilst ensuring that they are always compliant and aligned with local rules and regulations.

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

Alignment with corporate strategy

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

Competitiveness

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

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

The peer comparison is essential both for assessing our performance in absolute and relative terms, and for assessing the competitiveness of remuneration packages for the remuneration policy's recipients, in terms of total remuneration and to attract the best talents in the market.

Independent external consultants (Mercer, PwC) provides corporate bodies structures and top management with relevant market information and analysis with specific reference to current practices among our peers at an international level in the insurance and financial sectors, set consistently with the panel of companies used for performance comparisons in incentive plans, as reported in Section 3.3.2.

Value merit and performance

Merit is a key factor in our remuneration policy. Our policy focuses on several elements to acknowledge merit:

- establishing incentive policies that create a direct link between remuneration and the results achieved;
- assessing results not only in relation to the achievement of financial and operating goals, but also in relation to whether the conduct demonstrated in achieving these goals is consistent with Generali's values;
- assessing performance not only annually, but also on different intermediate timeframes;
- sharing the annual assessment of all key executives in the Company in a calibration meeting that involves the Group's top management, so as to promote equity, consistency and transparency of the meritocratic systems; and
- managing feedback on performance trends, not only annually but also half-yearly, to promote the alignment with expected targets and, in case, the adoption of corrective measures.

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

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

Clear governance and compliance with the regulatory framework

The tasks of the corporate bodies regarding to remuneration matters are specifically determined, as described in Section I par. 10, and in accordance with the applicable law, regulatory requirements and the Company's governance structure.

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

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

2. TARGET POPULATION

The guidelines of the remuneration policy shown in this report refer to members of the corporate bodies (Board of Directors, including the Managing Director/Group CEO, and the Board of Statutory Auditors) and the "personnel" identified based on the criteria provided under Article 2, paragraph 1, point (f) of ISVAP Regulation No. 39/2011, i.e., "the general managers, managers with strategic tasks, the managers and senior staff of internal control functions and the other categories of personnel whose activities may have a significant impact on the Company's risk profile", and therefore, more specifically:

- the members of the Group Management Committee (GMC)[3], leadership team made up of Group managers, where essential decisions for the Group are discussed and proposals to be submitted to the Board of Directors are verified; the Board's decisions and directions are then conveyed within the Group;
- the heads of internal control functions and their direct reports, for whom specific and/or additional provisions are set out, in line with the regulatory requirements applicable to these resources; and
- the other direct reports to the Managing Director/Group CEO that have a significant impact on the Group's risk and strategic profile and the heads of the functions that directly report to the Company's Board of Directors[4].

In line with the implemented Group strategy to increase Generali's global presence and consolidate its international position, the principles of the Group's remuneration policy are consistent at global level, being understood the compliance with local/business laws, regulations and specificities.

Specifically, the Group pays particular attention to the governance processes relating to the members of the Global Leadership Group (GLG)[5], which represent the main approximately 200 Group roles with higher organisational weight and impact on the results and strategy implementation process, as well as, limited to the Group long-term incentive plan (LTI), the directors and key talents selectively identified (see paragraph 3.3.2).

3 Currently identified in the following roles: Group Chief Financial Officer; Group Chief Risk Officer; Group Chief Operations & Insurance Officer; Group Chief Marketing & Customer Officer; Group Chief Investment Officer and CEO Asset & Wealth Management; CEO Global Business Lines & International; Italy Country Manager; Germany Country Manager; France Country Manager; Austria, CEE & Russia Regional Officer; Group Chief HR & Organization Officer. Of these, the France Country Manager and the Austria, CEE & Russia Regional Officer are not employees of the Group in Italy and, therefore, the Group's remuneration policy and governance in this respect are subject to application in compliance with the respective governance and in line with local regulations.

4 Currently identified in the following roles: Group General Counsel; Group Strategy & Business Accelerator Director; Group Communications & Public Affairs Director; Group Mergers & Acquisitions Director; Head of Corporate Affairs; Head of Group Audit.

5 The Global Leadership Group (GLG) consists of approximately 200 Group roles, annually identified within positions with high organizational weight and impact on results and strategy implementation process, including CEOs of subsidiaries, Branch managers, strategic positions inside countries and business lines and positions at Head Office with a global impact on the Group's results, for which specific Short Term Incentives (STI) and Long Term Incentive (LTI) policies apply, as described in the Section I, paragraphs 3.3.1 and 3.3.2. of this report.

3. REMUNERATION POLICY FOR THE MANAGING DIRECTOR/GROUP CEO AND OTHER MANAGERS WITH STRATEGIC RESPONSIBILITIES[6]

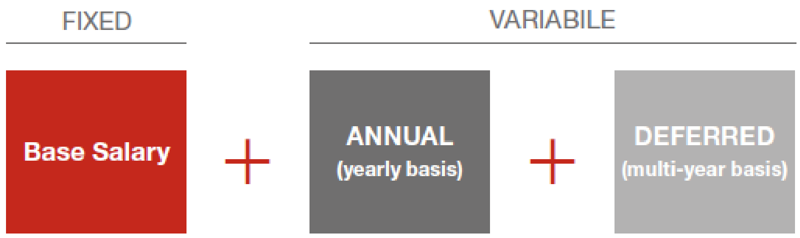
3.1 Total remuneration package in terms of level, structure and pay mix

The Managing Director/Group CEO and the other managers with strategic responsibilities (i.e. the GMC's members and other direct reports to the Managing Director/Group CEO who have a significant impact on the Company's risk and strategic profile and the heads of the functions that directly report to the Company's Board of Directors, as described above) receive a total remuneration package consisting of a fixed component, a variable component (annual and deferred) and fringe benefits.

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

- all components of the remuneration package are clearly determined to ensure a balance between fixed and variable remuneration, and encourage the achievement of results that are sustainable in the long term;
- the remuneration package is structured to ensure a balance between the need to adequately incentivise the achievement of the best results in the Group's interest and, at the same time, guarantee, through the adoption of several precautions and protections, a sound and prudent management in compliance with the regulatory framework;
- the performance expected is clearly determined through a structured and clear performance management system;
- the variable component is comprised of annual and deferred incentive plans based on individual and Group risk-adjusted performance indicators, which also incorporate the sustainability requirements in light of the risks undertaken;
- the incentive plans provide entry thresholds connected to the company's financial position and risk management. More specifically, the annual and deferred incentive plans include risk indicators and malus and clawback mechanisms; and
- the remuneration package "target" is defined with the purpose to maintain a competitive level between the median and the third quartile of the reference market, on the basis of the individual positioning connected to the assessment of the resource's performance and potential and strategic impact according to a segmented approach.

TOTAL TARGET REMUNERATION COMPONENTS



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

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

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

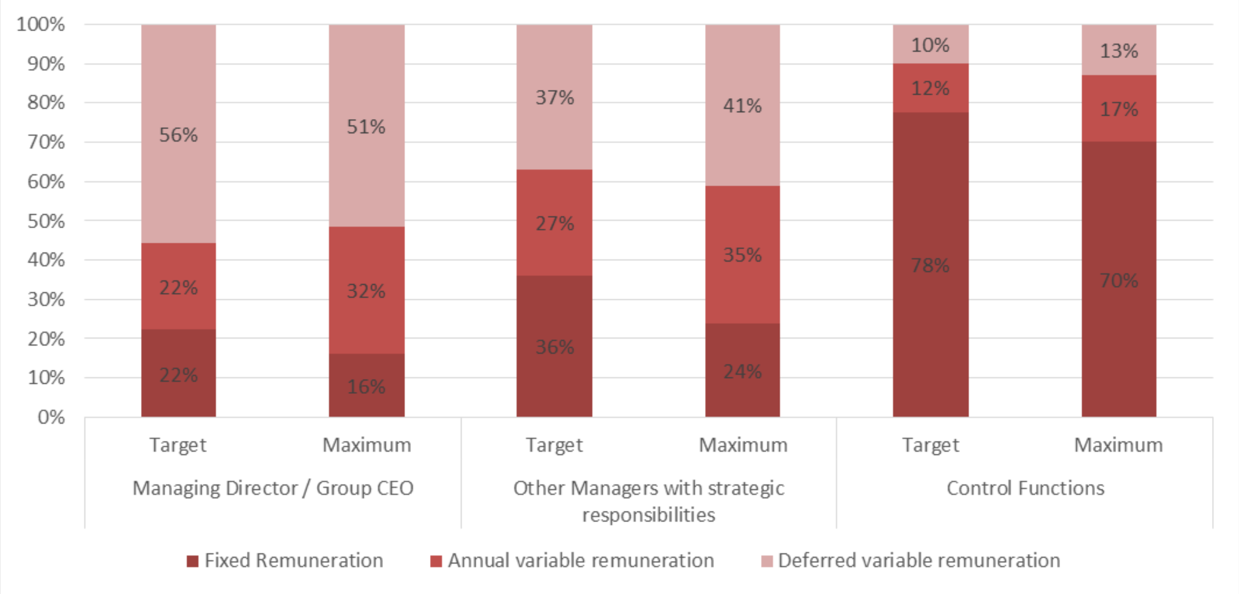
6 With the exclusion of the control function: for these roles, please see the specific remuneration policies and rules under paragraph 4 of this Section I.

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

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

TARGET AND MAXIMUM PAY MIX[7]

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



* "Other managers with strategic responsibilities": the members of the GMC and other first reporting roles to the Managing Director / Group CEO that have a significant impact on the Group's risk and strategic profile and the heads of the functions that directly report to the Company's Board of Directors. The role of Group CRO and Head of Group Audit are not included in this cluster, while are included amongst the control functions.

3.2 Fixed remuneration

The fixed component is determined and adjusted over time in light of the role held and the responsibilities assigned, and also taking into account each manager's experience and skills, over the quality of the contribution made in terms of achieving business results.

The weight of the fixed remuneration must be sufficient to attract and retain people and, at the same time, sufficiently remunerate the role, in the event the variable component is not disbursed due to a failure to achieve individual, Company or Group goals. This reduces the possibility of conduct that is not in line with the Company's risk appetite framework.

As to the other remuneration components, the level of the fixed remuneration is also assessed annually in light of the market trends.

3.3 Variable remuneration

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

The variable remuneration percentage of the total remuneration varies depending on the organisational level, the possibility to have a direct influence on the Group results and the impact of the individual role on the business. The time horizon for the variable remuneration

7 It represents average data that is taken into account when determining individual remuneration packages.

also differs depending on the role, with greater weighting being assigned to the deferred component for positions that are expected to play a key role in determining long-term sustainable performance.

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

Individual labour contracts contain specific details on the maximum amount of the variable remuneration and the proportions of the annual and deferred incentive plans.

The Group remuneration policy with respect to variable remuneration provides the adoption of both annual (see Section 3.3.1) and deferred incentive plans (see Section 3.3.2).

All the variable – whether annual or deferred – incentive plans include malus and clawback mechanisms. More specifically, the final assessment of results includes an individual assessment of conformity with compliance / audit / code of conduct and governance processes, to be carried out and used also within the calibration process and as malus/clawback mechanism as necessary.
Moreover, no incentive is be paid if Group's capital and financial situation worsens significantly and any amount disbursed is subject to clawback if the performance considered is later found to be non-sustainable or ineffective as a result of wilful misconduct or gross negligence.

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

The process of definition and consistent implementation of the remuneration policy for the Group's companies is managed within the Group governance framework also through the adoption of specific internal policies (see Section 10.8), taking into consideration also the local/business circumstances, with particular attention - in addition to local/business laws - to local practices in terms of contractual levels, pay-mix and eligibility for incentives plans with the objective of keeping our reward packages competitive with local markets and therefore attracting the best people.

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

In line with previous years, the annual variable component consists of a Short-Term Incentive plan (STI), based on a performance's assessment period of one year, that provides for the payment of a cash incentive to the Managing Director/Group CEO, the members of the Group Management Committee (GMC), the other managers with strategic responsibilities[8], and the other members of the Global Leadership Group[9], subject to the achievement of predefined goals.

The annual incentive plan for the members of the Group Management Committee (GMC), the other managers with strategic responsibilities , and the other members of the Global Leadership Group aims to link the incentive to the effective performance of both the individuals and the Group as a whole, through:

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

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

8 as defined in paragraph 2 of Section I

9 as defined in paragraph 2 of Section I

Annual variable remuneration for (GMC), other managers with strategic responsibilities, and other members of the Global Leadership Group

The overall evaluation that emerges from the annual incentive plan is a balanced one, connected with both Group and individual results and also reflects a fairness throughout the Group determined by the shared performance review during the calibration meeting.

Funding pool

The funding pool is the total amount made available at the start of each year for the payment of the Short Term incentive plan for the members of the Group Management Committee (GMC), the other managers with strategic responsibilities and the other members of the Global Leadership Group (GLG) on the basis of the Group's performance.
The maximum amount of the funding pool is 150% of the sum of the individual baselines, namely the amounts of the variable remuneration to be paid individually if target results are achieved.

According to the level of achievement of the Group Net Profit Adjusted[10] and the Group Operating Result, the amount of the funding pool will be determined using a linear interpolation methodology within the ranges established in the funding matrix (shown below) and it is, in any case, subject to of the achievement of a minimum threshold of the Regulatory Solvency Ratio, which is set at 120%[11] for 2018. This limit is fixed considering the "hard limit" level defined in the Group Risk Appetite Framework, approved by the Board of Directors on December 2017.

FUNDING MATRIX

% vs. budget		Group Net Profit Adjusted(10)			
		< 85%	85%	100%	≥ 125%
Group Operating Result	< 85%	0%	0%	0%	0%
	85%	0%	60%	75%	90%
	100%	0%	100%	115%	130%
	≥ 120%	0%	120%	135%	150%

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

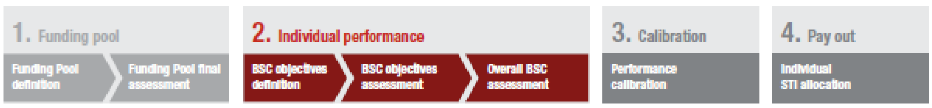
11 The threshold can be subject to review if exceptional changes occur to the macroeconomic conditions and the financial scenario worsens. In the event of extraordinary context discontinuity, the Board will re-assess the overall consistency and fairness of the incentive policies (known as "Market Adverse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

The actual funding available to pay-out the Short-Term Incentives (STI) is determined the following year, after having first verified the extent to which the targets of Group Net Profit Adjusted[10] and Group Operating Result set by the Board of Directors have been achieved. The Managing Director/Group CEO submits a proposal of the final funding pool to the Appointments and Remuneration Committee, which provides a recommendation to the Board of Directors for their approval.

If the minimum of 85% of the budget set for the Group's goals is not achieved, no funding is provided and, therefore, no bonus will be paid.

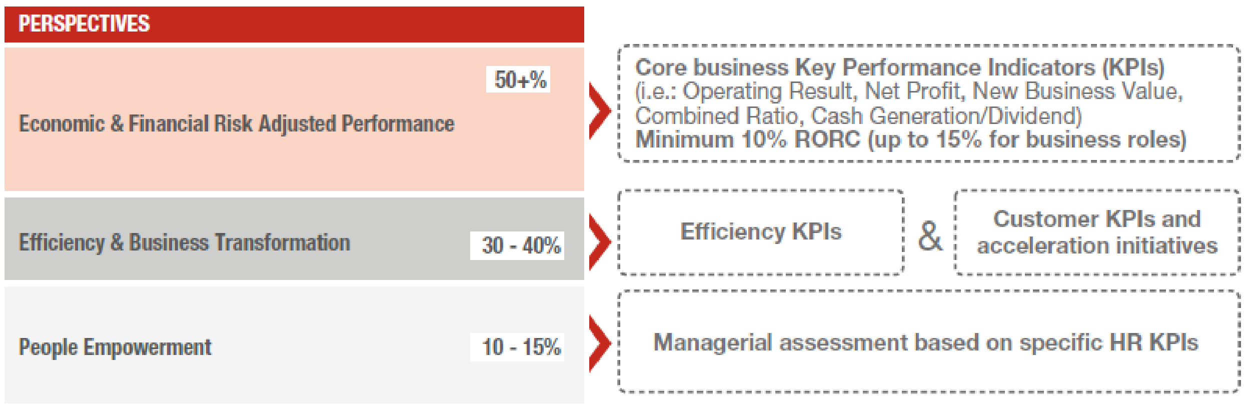
Following the proposal of the Managing Director/Group CEO, based on a prior opinion of the Appointments and Remuneration Committee, and provided that the Regulatory Solvency Ratio threshold is achieved, the Board of Directors may authorise: (a) an *ad hoc* funding pool, even if the Group results are below 85% of the Group goals determined by the Board of Directors for the reference year, or (b) an additional share of the funding pool – of up to 10% of the actual funding – to remunerate individuals who have performed exceptionally well. Indeed, based on the funding mechanism, there is a possibility that, depending on the level of achievement of the Group results, managers who reached or fully exceeded all the assigned goals will nonetheless receive a lower bonus than the target amount or no bonus at all, due to the zeroing or significant reduction of the available funding pool. The illustrated corrective mechanisms (which have not been used to date) have the purpose of correcting these extreme situations by allocating an additional amount to the funding pool. However, this mechanism can only be used as an outcome of the rigorous governance process mentioned above and if the thresholds have been reached, as a guarantee of the Group economic stability.

Individual performance



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

The balanced scorecard usually includes five-seven goals based on the following three perspectives:



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

The most-used financial goals are the Operating Result, Net Profit, Combined Ratio, Cash Generation/Dividends, New Business Value and Return On Risk Capital (RORC). Depending on the specific positions, these goals are set according to Group, country, business/function or individual level.

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

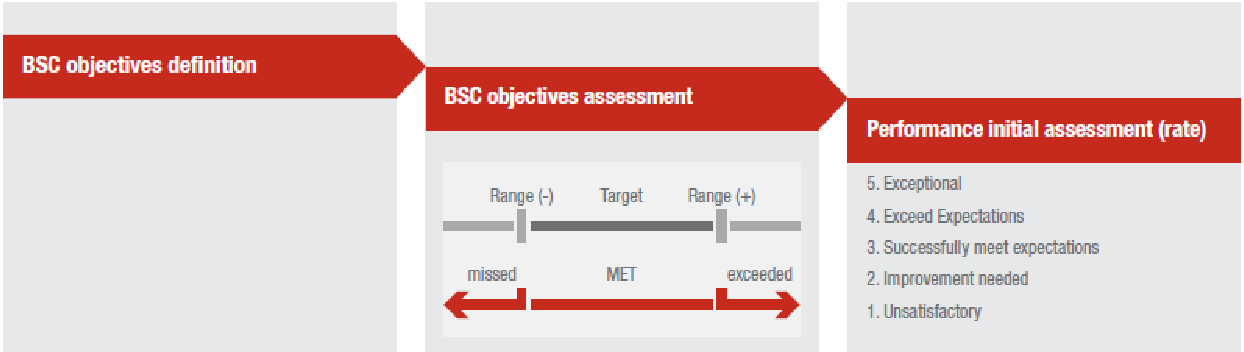
In line with the acceleration of the Group's strategy, focused on operating performance and long-term value creation, a quantitative goal in terms of efficiency of the operating model is provided for all individual performances ("Efficiency & Business Transformation"). At the same time, a focus remains on the "Customer & Brand" goals, based on goal results linked to the managerial assessment of specific plans and performance indicators (e.g. Customer retention ratio, Brand preference).

Furthermore, and again with a view of aligning the company's strategy with that of the Group and strengthening the leadership model, a focus remains on "People Empowerment" through the performance of a managerial assessment based on specific performance indicators (KPI), falling within HR's remit, with a minimum weight of 10% (e.g. percentage of Talent retention and balance, Internal growth and succession planning, People strategy implementation, Diversity & Inclusion).

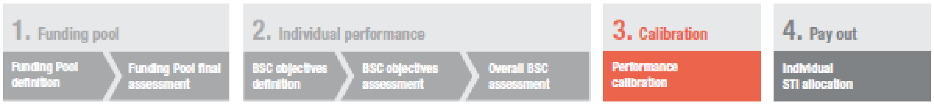
With particular reference to ESG (Environmental, Social and Governance) factors, Generali Group is going through an evolving path that aims at embedding all key drivers in Group Top Managers individual balanced scorecards. Investment and Insurance Top Managers Individual balanced scorecards will include additional Sustainability KPIs, respectively focused on updating the responsible investment strategy criteria with the more relevant topics (e.g. Fossil Fuels, Tobacco) and implementing a responsible underwriting policy.

For each goal the expected target and a range within which the goal is considered achieved are defined. If the level of achievement of the goals is above or below the range, the goal is regarded as exceeded or not achieved, respectively.

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



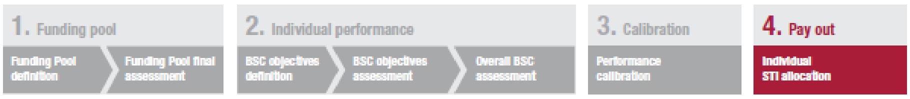
Calibration meeting



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

- assessment of the results in comparison with the other beneficiaries of the short-term incentive plan (STI) who have similar roles (known as "peers");
- market framework and conditions;
- "stretch" level of the individual balanced scorecard;
- individual assessment of conformity to Compliance, Audit and Code of Conduct.

Individual STI payout



For all the members of the GMC - except for the Managing Director/Group CEO - the Board of Directors verifies the results achieved and then determines the bonuses based on the proposal of the Managing Director/Group CEO, after having sought, in any case, the opinion of the Appointments and Remuneration Committee. For all other managers with strategic responsibilities and the other members of the Global Leadership Group (GLG), the results achieved are assessed by the Managing Director/Group CEO taking into consideration the guidelines of the plan and the relevant process described above.

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

The amount of the individual bonuses depends on the funding pool and the individual performance distribution level; in any case, it can only reach up to a maximum of 200% of the individual baseline.
This maximum amount is paid in limited cases when performance is well beyond expectations.

In the event of an extraordinary market discontinuity (for example, if material variations occur to the macroeconomic conditions or international monetary policies), the Board of Directors, within the governance process regarding remuneration, may reassess the overall consistency and fairness of the incentive plans (known as the “Market Adverse Change Clause”).

Annual variable remuneration for the Managing Director/Group CEO

With specific reference to the Managing Director/Group CEO, the individual balanced scorecard defined by the Board of Directors provides for economic, financial and operational goals, a risk indicator (i.e. Net Profit Adjusted[10], Dividends from subsidiaries[12], Group Operating Result and Group Return On Risk Capital) and non-financial goals (key projects linked to the Group Strategy and to People Empowerment), in line with the ambitions of the strategic plan for the reference year. An exemplification of the structure, the KPIs and the weights of the Managing Director/Group CEO balanced scorecard is represented below.

Perspective	KPI	Weight	Assessment
Economic and Financial Performance	Dividends from subsidiaries(12)	75%	Financial
	Group Net Profit adjusted(10)		
	Group Operating Result		
	Group RORC		
Efficiency & Business Transformation – Key Strategic Projects		25%	Non-financial based on specific KPIs evidence
People Empowerment			

The annual incentive of the Managing Director/Group CEO – that, as described in the previous paragraphs is not included in the total funding pool rules - is specifically set by the Board of Directors, based on the proposal of the Appointments and Remuneration Committee, by taking into account:

- a target amount of the STI bonus corresponding to 100% of the fixed remuneration, if the goals set by the Board of Directors in the individual scorecard are achieved;
- a maximum amount of the STI bonus corresponding to 200% of the fixed remuneration, if the goals set by the Board of Directors in the individual scorecard are exceeded; and
- the loss of any entitlement to receive the annual bonus (STI), if the Board of Directors ascertains that the minimum threshold of the Regulatory Solvency Ratio has not been achieved (which is set, as described above, at 120% for 2018[11]) and/or at least a weight of 40% of the overall goals included in the individual scorecard has not been achieved.

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

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

The deferred variable remuneration of Generali takes the form of multi-year plans (i.e. Long Term Incentive Plan – LTI), which are approved from time to time by the appropriate bodies and may be granted to the Managing Director/Group CEO, the managers with strategic responsibilities and other Generali employees.

From 2013, Generali started adopting plans based on a single three-year cycle, after which free shares can be granted, subject to specific holding/lock-up periods. More specifically, the LTIs for 2015, 2016 and 2017 are currently underway. The share allocation relating to the 2015 LTI plan, whose performance cycle ended at the end of 2017, will take place in April 2018 (see Section II of this Remuneration Report), whereas those relating to the 2016 and 2017 LTI plans will take place respectively in 2019 and 2020.
It is specified that 2017 represents the end of the multi-year plans cycle started in 2011 and 2012.

Upon Board of Directors proposal, in 2017 the Shareholders' Meeting approved a special share based plan for the Managing Director/Group CEO. Main terms and conditions have already been reported in last year Remuneration Report.
The aim of this special Plan is to strengthen the participation of the Group CEO in the long-term shareholders objectives, through the significant personal investment already made by the Group CEO – with the personal purchase of 200.000 shares – and by setting a single and highly challenging long term value creation target.
The Plan provides for the granting, on July 2019, of maximum n. 200.000 shares of Assicurazioni Generali free of charge, subject to, among others, the verification of specific performance conditions, the maintenance of both the role of Managing Director/Group CEO and the ownership of the 200.000 shares already acquired personally until the end of the current mandate.
For more details on the Plan see Section II of this Report and the information document approved by the Shareholders' Meeting published on the Group Generali website.

2018 LONG-TERM INCENTIVE PLAN

Principles

In line with last year, a new long-term incentive plan based on Assicurazioni Generali shares – the 2018 Group LTI – is being submitted for the approval of the Shareholders' Meeting.

In line with market practices and investor expectations, shares are assigned and made available to the participants over a total time frame of six calendar years, subject to the achievement of the Group's performance indicators (Return on Equity[13] – ROE – and relative Total Shareholder Return - rTSR) and of a minimum level of Regulatory Solvency Ratio, as a unique access threshold, as detailed below.

The plan is based on the following main features:

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

Beneficiaries

The long-term incentive plan beneficiaries currently comprise the Managing Director/Group CEO, the Group Management Committee and Global Leadership Group members (as described above) as well as other directors and talents of the Group (i.e. other managers not included in the previously mentioned clusters) selectively identified according to their role, performance and potential, taking into account specific attraction and retention needs[14].

13 Return on Equity (ROE): operating profit net of financial expense and tax, divided by the average adjusted capital, as defined in the "Note on the methods used for alternative performance indicators" in the Group's management report.

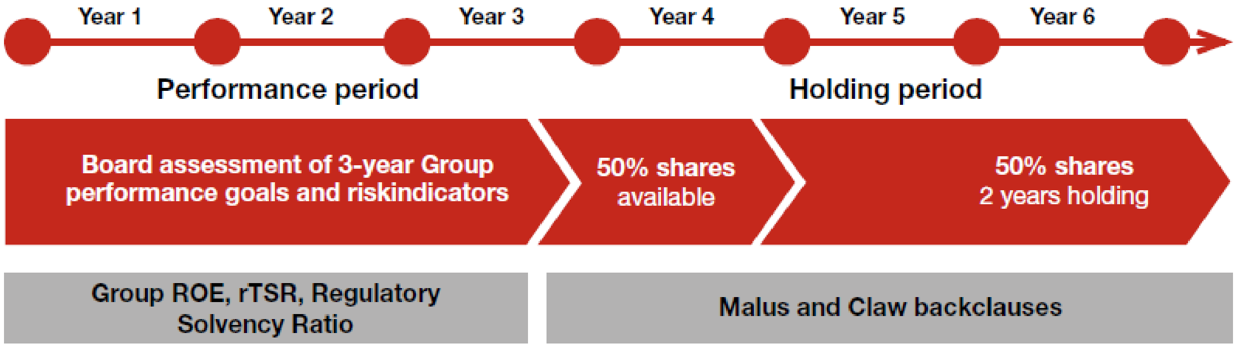
14 To the members of GMC and GLG and to the Group directors and talents belonging to Banca Generali Group – prior approval of the relevant corporate bodies of Banca Generali – a three-year LTI plan applies based on Banca Generali shares, with structural characteristics similar to those of LTI Plan of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

In line with market practice and with the process started in 2014, in order to foster managerial engagement and the empowerment of key talents for the execution of the new Group Strategy, the 2018 Long Term Incentive plan confirms the participation of the beneficiaries in line with the previous year; the beneficiaries amount to a total of approximately 600 beneficiaries selectively identified on the basis of common criteria defined at Group level and validated through the Talent Review process.

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

Plan structure and functioning

The plan is structured as follows:



During the vesting period, in each year of the plan and at the end of the three-year period, the Board of Directors assesses the level of achievement of the entry gate[15], established in terms of the Regulatory Solvency Ratio at 120%[11] or the different percentage fixed from time to time by the Board of Directors. This assessment consists in a malus mechanism based on which the Board of Directors may reduce or reset to zero the number of shares to be annually set aside or definitely granted if the value of the Regulatory Solvency Ratio is lower than the established threshold.

Once the threshold level of Regulatory Solvency Ratio has been achieved, an annual and a three-year verification is carried out of the achievement of the Group's financial goals, represented by the ROE and the relative TSR, compared with the companies that are part of the STOXX Euro Insurance index (peer group), currently composed of:

1. ALLIANZ
2. AXA
3. MUENCHENER RUECK
4. SAMPO
5. NN GROUP
6. AEGON
7. AGEAS
8. HANNOVER RUECK
9. SCOR
10. MAPFRE
11. POSTE ITALIANE
12. CNP ASSURANCES
13. DELTA LLOYD
14. UNIPOLSAI

The performance level is indicated as a percentage of the level of achievement of ROE and relative TSR, determined with reference to two independent baskets. The final results in each basket are calculated using a linear interpolation approach. With specific reference to relative TSR, the ranking always requires a positive result for any payment.
The maximum performance level is always 175% overall (i.e. 87.5% + 87.5%) for Group Management Committee (GMC) and Global Leadership Group (GLG) members, whereas it is 87.5% overall for other beneficiaries known as directors and key talents (for the Managing Director/Group CEO, this percentage is 250% overall).

15 With regard to the entry into force of Solvency II, the LTI 2015's entry gate (i.e., the Return on Risk Capital - RORC) has been updated to 8.6% for 2016 and 2017, in accordance with Solvency II's method and in line with the Remuneration Report and the Information Documents relating to LTI 2014 and 2015.

50% prospective shares		+	50% prospective shares	
% LTI vesting	ROE		% LTI vesting	rTSR
0%	≤ 11%	+	0%	Last ranking
37,5%	11,5%		37,5%	Median ranking
87,5%	≥ 13%		87,5%	First ranking

Note: Refernce values. Final calculation based on linear interpolation, in line with last year's method. TSR ranking requires a positive result for any payment.

These goals are determined and set at the start of the three-year cycle of the plan and maintained coherent over time, in compliance with the Group's long-term goals and strategies.

This assessment mechanism allows to combine, on the one hand, the need to foster the achievement of the long-term goals (by setting goals that are consistent with the three-year strategic plans, the three-year overall assessment period and the subsequent holding periods) and, on the other hand, the need to assess and monitor the annual achievement of the goals, to strengthen the focus on the strategic acceleration and to simultaneously incentivise a performance distributed in a balanced way throughout the entire three-year cycle.

Granting of the shares

The maximum number of attributable shares is determined at the beginning of the plan. The potential maximum bonus to be paid in shares corresponds to 175% of the gross yearly remuneration of the plan's participants for the Group Management Committee (GMC) and Global Leadership Group (GLG) members; it corresponds to 87,5% for the other beneficiaries i.e. Directors and key talents. This percentage is equal to 250% for the Managing Director/Group CEO.[16]
Therefore the maximum number of attributable shares is given by the ratio between the maximum amount of the bonus and the share value. The share value is calculated as a mean of the share price in the three months prior to the meeting of the Board of Directors called to approve the financial statements of the Holding Company and the consolidated financial statements relative to the financial year prior to that of the starting of the plan.

At the end of each cycle year, after a first measure of the achievement of each objective and the verification of the achievement of the Regulatory Solvency Ratio threshold level, a tranche of the maximum number of shares potentially attributable at the end of the three-year period is accrued. In particular, the first tranche is the 30% of the maximum number of attributable shares, the second tranche is equal to another 30% and the third tranche to the remaining 40%.

Each tranche is granted only at the end of the performance period (i.e. at the end of the three-year period), when there is the final evaluation of the achievement of the defined objectives (both on an annual and three-year basis) - on the condition that the relationship is still in force with the Company or another company of the Group at the end of the three-year period, without prejudice to specific rules of the plan or any other decision of the Board of Directors or a member appointed for the purpose.

More specifically, with regard to the Managing Director/Group CEO, if his relationship terminates on the Company's initiative (or due to non-renewal) without cause, the Managing Director/Group CEO will maintain the right to the share-based incentive provided for under the plan (subject to the achievement of the relevant performance goals and all the other terms and conditions provided by the related rules[17]).

With regard to the holding period, which applies after the three-year performance period, 50% of the allocated shares is immediately available on the granting date (to allow the participants to pay the tax charges connected with the granting), the remaining 50% is subject to a lock-up period of further two years, without prejudice to the obligation of directors participating in the plan to maintain a suitable number of shares assigned until the end of the directorship in course at the expiry of the lock-up. These restrictions also apply after the termination of the relationship with the participants, without prejudice to the power of the Board of Directors or one of its members delegated to redefine the terms and conditions of all restrictions specified above, potentially also taking into account the overall remuneration of the beneficiary or also with reference to shares assigned within different incentive plans.

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

17 This provision will be applied with reference to the 2016 LTI plan, 2017 LTI plan and 2018 LTI plan.

Furthermore, the Plan provides for – in continuity with what has been done in 2015, 2016 and 2017 – a dividend equivalent mechanism on the basis of the dividends distributed during the three-year performance period. More specifically, should the Shareholders' Meeting resolve on the distribution of dividends to the shareholders during the three-year reference period, at the expiry of this period an additional number of shares determined in relation to the overall dividends distributed during the period will be assigned to the beneficiaries. The additional number of shares determined will be assigned simultaneously and in relation to the other shares assigned to each beneficiary, subject to the same restrictions (holding period) mentioned above and determined by taking into account the shares' value at the awarding of the plan, to be calculated as the average price of the share in the three months before the Board of Directors' meeting called to resolve on the draft statutory financial statements of the Holding Company and the consolidated financial statements for year previous to the one in which the plan starts.

In order to implement the plan, the free shares granted to the plan's participants, in accordance with the above conditions, will fully or partly result in a specific free increase of the share capital achieved through the use of profits and/or profit reserves - in accordance with the first paragraph of Article 2349 of the Italian Civil Code - and/or own shares as may have been purchased by the Company based on a shareholders' meeting authorisation - in accordance with Articles 2357 and 2357-*ter* of the Italian Civil Code. A maximum of 11,500,000 shares can be granted, which account for 0.74% of the current share capital.

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

Moreover, in the event of an extraordinary market discontinuity (for example, if material variations in the macroeconomic conditions or in the international monetary policies occur), the Board, within the governance process regarding remuneration, may reassess the overall consistency and fairness of the incentive plans (known as Market Adverse Change Clause).

The Company also has the possibility to grant single beneficiaries of the Plan, instead of the – full or partial – allocation of shares, an amount in cash calculated based on the value of the shares in the month before the allocation, without prejudice to the other relevant applicable terms and conditions of the plan.

3.4 Fringe benefits

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

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

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

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

3.5 Extraordinary remuneration

As an extraordinary measure within the remuneration policy context, and in order to attract or retain key figures, specific remunerations may be granted at the time of hiring or during employment.

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

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

Any of these extraordinary payments will be determined within the framework of the governance processes for remuneration, as applicable to the different categories of beneficiaries, and will be appropriately disclosed, as required by current regulations, in Section II of the first Remuneration Report published after the extraordinary payment.

3.6 Additional remuneration

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

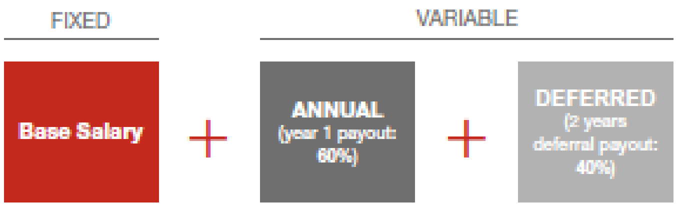
Lastly, please refer to the sections below for information on the D&O insurance policy and on severance provisions in the event of termination of appointment.

4. REMUNERATION POLICY FOR HEADS OF CONTROL FUNCTIONS AND THEIR DIRECT REPORTS

The remuneration package for the heads of control functions[18] and their first reporting line managers consists of a fixed and variable component and fringe benefits. The fixed component is established according to the level of the responsibilities and duties assigned, it is suited to guarantee the independence and autonomy required for these roles. The fixed remuneration on average amounts to 78% of the total remuneration. The variable component is linked to the participation in a specific deferred monetary incentive plan whose goals have a multi-year timeframe that relates exclusively to the effectiveness and quality of controls. It amounts on average to 22% of the total remuneration.

More specifically, starting already from 2014, Generali introduced significant changes in the remuneration policy applicable to these managerial groups, reducing the overall remuneration, reviewing the balance between fixed and variable components in favour of the fixed component (see table paragraph 3.1) and excluding any form of variable compensation linked to financial indicators and share-based instruments (including what is known as the funding mechanism). In place of the two plans applied to the other business managers (annual and deferred), one only variable plan has been introduced, within which managers may accrue a monetary amount (upon reaching the defined goals linked to specific activities of each of the control functions, with reference to goals based on the effectiveness and quality of controls, excluding shared-based performance indicators, which may instead give rise to conflicts of interest, as required by Article 20 of ISVAP Regulation No. 39/2011), disbursed in an upfront instalment and in a deferred instalment, the latter being subject to the continuity of service and to the verification of the results achieved, with regard to both their effectiveness and their long-lasting sustainability in the first year of each performance cycle.

TARGET TOTAL REMUNERATION COMPONENTS



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

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

5. REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS

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

Directors who are also members of board committees are paid an additional emolument to the one already received for their role as members of the Board of Directors (with the exception of those who are also executives of the Generali Group). This additional remuneration is set according to the duties assigned to the relevant committees and the effort and time required of them, in terms of

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

the number of meetings and preparation required. This remuneration is established by the Board of Directors in accordance with Article 2389, paragraph 3, of the Italian Civil Code.

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

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

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

6. REMUNERATION POLICY FOR MEMBERS OF THE SUPERVISORY BODY

The policy for these roles entails the payment of a fixed gross annual remuneration for the entire term of the appointment, increased by 50% for the Chair of the Board of Statutory Auditors. There are no variable components to the remuneration.

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

7. REMUNERATION POLICY FOR INSURANCE BROKERS AND SUPPLIERS OF OUTSOURCED SERVICES

The remuneration policy for insurance brokers is defined by the companies for which they work; it is based on the same principles as the Group’s remuneration policy, taking an approach that aims to ensure that remuneration is in line with the overall strategy for these figures as well, using goals and incentive plans that seek to compensate the contribution made towards achieving the Group's goals.

The compliance with the principles set by Article 4 of ISVAP Regulation No. 39/2011 in the event of outsourcing of essential or important activities, is granted by the Group Outsourcing Policy adopted by the Board of Directors of the company on 5 November 2014 and 17 March 2016.

8. D&O (DIRECTORS' AND OFFICERS') LIABILITY INSURANCE

The current terms of the insurance policy for the coverage of the civil liability of the Company's directors and auditors (Directors' and Officers' Liability Insurance – D&O), and that of the executive in charge of drafting the Company's accounting documents, are as follows:

- Validity: from 1 May 2017 to 30 April 2018.
- Term: 12 months, renewable annually, until revocation of authorisation by the Shareholders' Meeting.
- Maximum: € 300 million per claim, aggregated per year and per period of cover, of which € 100 million is reserved for the Company's directors and auditors of Assicurazioni Generali S.p.A. and for the executive in charge of drafting the Company's accounting documents, € 10 million is reserved for Banca Generali S.p.A.’s directors and auditors, and the remaining amount is reserved for members of corporate bodies and other managers of all the insurance companies of Generali Group.
- Cases of wilful misconduct are excluded from insurance cover.

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

9. SEVERANCE PROVISIONS IN THE EVENT OF TERMINATION

The following severance provisions apply in the event of termination (severance provisions) of directors who are not simultaneously under an employment contract:

- in the event of the natural expiry of the office, no amount will be due;

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

Severance provisions in the event of termination of the Managing Director/Group CEO and of other managers with strategic responsibilities, will be as follows:

- in the event of dismissal, the Company must apply – without prejudice to any changes that may be made to the legislative framework in the future – the mandatory provisions of applicable law and contractual agreements; and
- in the event of termination by mutual consent, the amount that may be paid to the individual concerned will be defined on a case-by-case basis, based on the relevant circumstances and grounds for the termination (with specific reference to performance achieved, risks undertaken and effective Company operating results, so that no amount can be paid in the event of gross negligence or wilful misconduct). The amount determined cannot exceed under any circumstance 24 months' "recurring remuneration", in addition to the legal and contractual notice[19] (where applicable).

"Recurring remuneration" means the gross annual remuneration increased by the average of the amount effectively received by the individual by way of the annual variable component in the last three years.
By accepting this amount, the individual waives all and any rights in any way directly and/or indirectly connected to the employment relationship with Assicurazioni Generali S.p.A., or with any of its subsidiaries, and termination of the relationship, and all rights, claims and/or action with regard to other companies of the Group, in any way directly or indirectly connected with the employment and with its definitive, accepted termination.
This waiver also includes the rights to compensation for damages under Articles 2043, 2059, 2087 and 2116 of the Italian Civil Code, and economic rights connected with the employment and its termination.

The above provisions also apply to executives directors who also work for the Company under an employment contract. In this case – in order to calculate the amount that may be paid to the individual – fixed and short-term variable components paid for the office as director (again on the basis of the average recorded for the last three years) will also be taken into account.

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

As to the effects of the termination on any rights that may have been assigned under the scope of share-based incentive plans, please see paragraph 3.3.2 on long-term incentives (LTI).

10. GOVERNANCE AND COMPLIANCE

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

The main parties involved are:

- Shareholders' Meeting;
- Board of Directors;

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

- Board of Statutory Auditors;
- Appointments and Remuneration Committee and Control and Risk Committee;
- Managing Director/Group CEO; and
- the Group HR & Organization function and the control functions.

In general, in addition to what is specified below in detail for each body, proposals relating to the definition of policies for corporate bodies and "personnel" (as defined in paragraph 2 above, "target personnel", in accordance with Article 2, paragraph 1, letter (f) of ISVAP Regulation no. 39/2011) are made with the support of the Group HR & Organization function, involving Internal Audit, Compliance and Group Risk Management, as relevant. The Group HR & Organization function also avails itself of the assistance of other Group structures and functions, such as Corporate Affairs, Group Legal Affairs and Group Strategic Planning & Control, collecting and coordinating the various contributions.

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

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

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

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

10.1 Shareholders' Meeting

In accordance with the Company's Articles of Association, the Shareholders' Meeting:

- approves the remuneration policies for members of corporate bodies and "personnel", in addition to financial- and instrument-based remuneration plans (Article 19.1, letter d); and

- determines the gross annual compensation due to the members of the Boards of Directors and Statutory Auditors (Article 19.1, letters f and e).

10.2 Board of Directors

The Board of Directors defines and regularly revises the remuneration policies for members of corporate bodies and "personnel" (as defined in paragraph 2 above ("target personnel") in accordance with Article 2, paragraph 1, letter (f) of ISVAP Regulation No. 39/2011) and checks that they are correctly applied.

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

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

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

- puts forward a proposal to the Shareholders' Meeting, following a proposal from the Appointments and Remuneration Committee, regarding the Board members' remuneration and, following the Appointments and Remuneration Committee's opinion, a proposal to the Shareholders' Meeting regarding the auditor's remuneration;

- determines the remuneration of the executive directors and other directors holding offices based on the proposal of the Appointments and Remuneration Committee, and having consulted with the Board of Statutory Auditors;

- determines the remuneration package of the Group Management Committee members based on the proposal of the Managing Director/Group CEO, and having consulted the Appointments and Remuneration Committee;

- determines the remuneration of the Head of Internal Audit, having first sought the binding advice of the Control and Risk Committee and consulted the Board of Statutory Auditors;

- determines the remuneration of the managers of the actuarial function and in charge of the Risk Management and Compliance departments, having first sought the opinion of the Control and Risk Committee;

- resolves, based on the proposal of the Managing Director/Group CEO and having consulted the Appointments and Remuneration Committee, on the appointment, revocation and remuneration of the chair, executive directors and general managers (or managers with equivalent roles) of subsidiaries of strategic importance (as defined from time to time by the Board of Directors), their non-executive directors (if they are individuals from outside the Company and the Group) and members of their Boards of Statutory Auditors (or, in any case, of similar corporate bodies with control functions); and

- examines and approves the guidelines of the incentive plan for managers belonging to the Global Leadership Group (as described above) on the proposal of the Managing Director/Group CEO and following the Appointments and Remuneration Committee's opinion.

Furthermore, in order to ensure the correct and coherent implementation in all Group companies of the remuneration policy approved by the Shareholders' Meeting - including those with registered offices outside Italy - the Board of Directors of the Company adopts the Group Remuneration Internal Policy, which contains the principles and guidelines on the application of the remuneration policies themselves (see par. 10.8). In this way, the correct calibration of remuneration policies with Company's specific features, local specific laws and regulatory requirements is guaranteed.

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

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

The Board of Directors prepares an annual report for the Shareholders' Meeting, complete with quantitative information, on the application of the remuneration policy. It is specified that in preparing the Group's remuneration policy, rather than using remuneration policies of other companies as a reference, Assicurazioni Generali instead sought the advice of the consulting firm Mercer.

10.3 Appointments and Remuneration Committee

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

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

- formulating non-binding opinions and proposals for the Board in terms of remuneration for directors;

- formulating opinions and proposals referring to the remuneration policies for members of corporate bodies and staff, including financial instrument-based remuneration plans and checking that these are correctly applied;

- providing the Board proposals and/or opinions regarding the remuneration of executive directors and directors holding other specific tasks or appointments in accordance with the Articles of Association, as well as defining performance goals related to the variable component of the remuneration and checking that performance goals are effectively achieved. The opinions and proposals relating to executive directors are based on a discretionary assessment made by taking into consideration, among other things, the following parameters:

i) the significance of the responsibilities within the corporate organisational structure;
ii) the impact on corporate results;
iii) the financial results achieved; and
iv) the achievement of specific goals set beforehand by the Board;

- providing non-binding opinions and proposals for the Board regarding remuneration for whoever holds an internal role within the Company and the Group that is significant in terms of membership of the Group Management Committee, based on a prior proposal by the Managing Director/Group CEO, and on a discretionary assessment according to the following criteria:
    i) the level of responsibility and risks associated with the tasks carried out;
    ii) the results achieved in relation to the assigned goals; and
    iii) the performance in relation to extraordinary commitments;

- making periodical assessments on the criteria adopted for the remuneration of directors and managers with strategic responsibilities, based on the information provided by the Managing Director/Group CEO, and issuing general recommendations on this matter to the Board;

- checking the proportionality of the executive directors' remunerations, in comparison with one another, and in relation to the Company's personnel;

- providing an opinion on the Managing Director/Group CEO's proposal relating to the incentive plan for managers belonging to the Global Leadership Group (as described above);

- providing on opinion on the Managing Director/Group CEO’s proposals relating to the remuneration of the chair, executive directors and general managers (or managers with equivalent roles) of subsidiaries of strategic importance, and of non-executive directors (if they are individuals from outside the Company and the Group) and members of their Boards of Statutory Auditors (or, in any case, of similar corporate bodies with control functions);

- verifying the consistency between the remuneration policies, incentive policies and the Risk Appetite Framework; and

- monitoring that the decisions made by the Board based on the proposals that were submitted are in fact applied.

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

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

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

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

The Committee presently in office has been appointed by the Board of Directors during the meeting of 28 April 2016 and will remain in office until the Shareholders' Meeting called for the approval of the Financial Statements as at 31 December 2018 and is currently composed as follows:

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

* Committee's member solely regarding appointment matters.

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

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

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

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

The notice of call is sent to the Board of Statutory Auditors so as to allow this body to participate in the meeting.

In 2017, non-members took part in the meetings of this Committee, on invitation from the Committee itself; some attended the entire meeting and others attended only with reference to single items on the agenda. The Committee also made use of external consultants.

The members of the Appointments and Remuneration Committee receive a fixed gross remuneration (€ 30,000 for the Chair, € 20,000 for other members and € 15,000 for the members involved solely in appointment matters), an attendance fee of € 2,000 per meeting, and the reimbursement of expenses incurred to participate in the meetings.

Following its appointment on 28 April 2016, in 2017 the Appointments and Remuneration Committee held 8 meetings regarding remuneration matters, with an average participation of 100%, and 7 meetings regarding appointment matters, with an average participation of 94%. The average length of the Committee meetings, taking into account both matters, was 1 hour and 40 minutes. Minutes were always prepared for each meeting by the Chair and the Secretary and approved by the Committee in the following meeting.

Three meetings have been held so far in 2018.

The Committee meeting held on 19 February 2018 set its budget for 2018 expenses at € 100,000, which was then approved by the Board of Directors at the meeting on 21 February 2018.

10.4 Managing Director/Group CEO

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

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

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

10.5 Statutory Auditors' Board and Control and Risks Committee

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

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

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

10.6 Control functions

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

— the **Compliance** function: this function checks that the remuneration policies are consistent with the goals of compliance with applicable regulations regarding remuneration, including the provisions of the Articles of Association, the governance code for listed companies and the code of conduct, with a view to preventing the risk of incurring judicial sanctions and fines, asset losses and damage to the Company's reputation. The function reports to the relevant bodies regarding the outcomes of the checks carried out and also proposes possible corrective measures.

— the **Internal Audit** function: this function checks that the remuneration policies are being correctly applied in accordance with the directions set by the Board of Directors with a view to ensuring efficiency and safeguarding the Company's assets. The function once again reports to the Board of Directors and the bodies responsible for adopting possible corrective measures based on the outcomes of the audits conducted.

— the **Risk Management** function: this function checks on the consistency of the criteria and relevant indicators used to asses performance. With regard to the risk management strategies set by the Board of Directors, it reports to the relevant functions responsible for adopting the relevant corrective measures.

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

10.7 Group HR & Organization function

The Group HR & Organization function provides technical support (including in the form of reports) and prepares the preliminary support material for defining policies. The specific functions involved are:

— Group Reward & Institutional HR Governance, for implementing the remuneration policies, for analysing the remuneration levels and drawing comparisons with selected markets, and for monitoring remuneration dynamics;

— Group Organization & Workforce Planning, for mapping and job grading; and

— Group Leadership Development & Academy, to support the performance management, calibration processes and succession planning.

10.8 Guidelines on remuneration compliant with national and international regulatory requirements

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

In order to ensure consistency in remuneration at Group level, the implementation of the remuneration policy and annual and deferred incentive plans in the Group's companies, the Company, as the Holding Company of the Group, issued a specific Group Remuneration Internal Policy, in accordance with international and national provisions.

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

In particular, the above mentioned Policy illustrates to all Group companies the principles and standards of the remuneration policy adopted by the Shareholders' Meeting. The policy explains how the principles have to be transposed and applied concretely, regulating the cases and the governance procedures through which the Group companies can require and obtain - if the prerequisites are met - the authorization from the Holding Company to adapt and eventually waive these principles and standards, should this be necessary to comply with both local laws, regulations, work collective agreements and their organizational structure and/or operative and business model.

Through these mechanisms, the definition of remuneration packages and systems – although taking place consistently with the Group remuneration policy principles – considers all the regulatory provisions of the countries and business sectors that are relevant to the individual's role. The definition of remuneration packages and systems is developed in compliance with the local regulatory requirements, coherently with the applicable laws and with the regulatory framework applicable to specific business sectors, such as banking and financial ones (e.g., CRD IV, AIFMD, UCITS).

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

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

Section II – Report on the implementation of the remuneration policy

INTRODUCTION

This section consists of:

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

In this context and in compliance with applicable regulations, disclosure is made regarding the following recipients of the remuneration policy:

- the Chair and other members of the Board of Directors;
- the Chair and other members of the Board of Statutory Auditors;
- the Managing Director/Group CEO;
- the managers with strategic responsibilities[20]; and
- the Heads of Control functions and their first reporting line managers included in last year's Remuneration Report.

The year 2017 was, in line with 2016, a year of further reinforcement of Generali's remuneration policy, as well as significant achievements in terms of alignment with business and organisation strategy and with the greater international integration of the Group.

Significant business results were also achieved in 2017, in line with the upward trend in growth already observed during the preceding financial period and in line with the expectations of the strategic plan.

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

All entry thresholds to the incentive plans set for 2017 were reached and the remuneration results are detailed in the tables provided in this section.

More specifically, the performance period of the 2015 Group long-term incentive share plan ended in 2017; the Board of Directors, after having verified the level of achievement of the three-year goals originally set, approved the allocation – following a specific capital increase authorised at that time by the Board for the plan – of an overall number of 3.357.102 shares (compared to a maximum of 8.000.000 shares to be potentially allocated (see details in the second part of this Section, Table 3A). The allocated shares will be subject to lock-up provided under the Plan.

The second performance cycle of the 2012 long-term incentive plan[21] also ended in 2017. Following the failure to achieve the minimum level of the three-year goals originally set, no share allocation will take place in execution of this plan.

20 Identified in the former Remuneration Policy's Section I, the following roles: Group Chief Financial Officer; Group Chief Investment Officer; CEO Global Business Lines & International; Group Chief Risk Officer; Group Chief Insurance Officer; Italy Country Manager; Germany Country Manager; France Country Manager; CEE Regional Officer; EMEA Regional Officer; Americas Regional Officer; Asia Regional Officer; Group General Counsel; Group Strategy & Business Accelerator Director; Group Communications & Public Affairs Director; Group Chief Marketing & Customer Officer; Group Chief Information & Digital Officer, Group Mergers & Acquisitions Director; Head of Corporate Affairs; Head of Group Audit; Group HR & Organization Director.

21 In this regard, please be reminded that the plan provided: (i) a first three-year cycle, after which a monetary bonus was paid, part of which was invested by the beneficiaries in the purchase of Generali shares; and (ii) a second three-year cycle, after which free allocation of shares based on the number of shares bought by the beneficiaries at the end of the first cycle could take place.

PART I

1. REMUNERATION OF NON-EXECUTIVE DIRECTORS

The Shareholders' Meeting of 28 April 2016 confirmed that, for the three-year period 2016 - 2018, each Board member is entitled to:

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

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

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

Role	Annual gross remuneration (EUR)	Attendance fee for each meeting (EUR)
Members of the Risk and Control Committee	30,000	2,000
Chair of the Risk and Control Committee	50,000	2,000
Members of the Corporate Governance, social and environmental Sustainability Committee	15,000	2,000
Chair of the Corporate Governance, social and environmental Sustainability Committee	20,000	2,000
Members of the Investments and Strategic Operations Committee *	30,000	2,000
Chair of the Investments and Strategic Operations Committee **	No remuneration	No remuneration
Members of the Appointments and Remuneration Committee ***	20,000/15,000	2,000
Chair of the Appointments and Remuneration Committee	30,000	2,000
Members of the Related-Party transactions Committee	20,000	2,000
Chair of the Related-Party transactions Committee	25,000	2,000
Members of the Supervisory Body ****	20,000	--
Chair of the Supervisory Body	30,000	--

* Members of the Investments and Strategic Operations Committee are Generali employees and are not entitled to this remuneration.
** The office of Chair of the Investments and Strategic Operations Committee is held by the Managing Director/Group CEO and no remuneration is envisaged.
*** The remuneration differs depending on whether the individuals are involved in remuneration matters or appointment matters .
**** Any member who has an employment relationship with Generali is required to pay back this remuneration to Generali.

With regard to the remuneration for the **Chair** of the Board of Directors, appointed as of 28 April 2016, the Board resolved, in line with the previous mandate, to pay the Chair, in addition to the remuneration due to the other non-executive directors, a gross annual emolument/gross annual remuneration for the powers conferred of € 850,000. This remuneration is in line with the emoluments/remuneration received by both Italian and foreign individuals that hold similar roles in companies comparable to Assicurazioni Generali in terms of size and characteristics.

The following fringe benefits were also resolved on:

- insurance cover in the event of death or permanent disability as a result of accident or illness;
- supplementary insurance cover for health expenses, with features similar to those provided for Group managers; and
- the use of a Company car with a driver.

The Chair also received remuneration and attendance fees for the offices of Chair of the Corporate Governance, social and environmental Sustainability Committee and member of the Investment and strategic Operations Committee.

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

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

2. REMUNERATION FOR MEMBERS OF THE BOARD OF STATUTORY AUDITORS

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

Details of the relevant remuneration relating to 2017 are set out in Table 1 below, whereas Table 4 contains the shareholdings of the individuals in question.

3. REMUNERATION OF THE MANAGING DIRECTOR/GROUP CEO AND OTHER MANAGERS WITH STRATEGIC RESPONSIBILITIES

The remuneration package of the Managing Director/Group CEO, as resolved on by the corporate body and in line with the Group Remuneration Policies, included in the reference year (2017) the following items:

Managing Director/Group CEO:

- an annual gross remuneration as Group CEO of € 1,100,000 and an annual gross remuneration as Managing Director of € 300,000, inclusive of the remuneration and attendance fees provided for members of the Board of Directors and of the board committees;
- an annual variable component: payment of a bonus connected to the annual goals (as described above), which is, at target level, equal to € 1,400,000 and can reach up to 200% of the fixed component in the event of over performance;
- a deferred variable component, according to which, the Group CEO may be granted an incentive that can reach up to 250% of the current fixed remuneration component in the event of over performance, subject to the achievement of the assigned goals (as described above);
- a special share plan, which provides for – in line with what has been outlined in Section I par. 3.3.2 - the granting, on July 2019, of maximum n. 200.000 shares of Assicurazioni Generali free of charge, subject to, among others, the verification of specific performance conditions, the maintenance of the role of Managing Director/Group CEO and of the ownership of the 200.000 shares already acquired personally until the end of the current mandate (as reported in last year Remuneration Report);
- a supplementary pension: as per the national collective bargaining agreement and supplementary individual agreement, with a contribution borne by the Company amounting to 16.5% of the fixed remuneration component and overall annual remuneration and an annual gross supplement by the Company of € 107,452.22;
- a non-competition agreement: this agreement will be in force for six months after termination, in exchange for the payment of an amount corresponding to the fixed remuneration that would have been received in that period and a penalty clause corresponding to twice the amount of the remuneration; and
- other fringe benefits and severance provisions: in line with the guidelines and the limits set in the Group policy[22].

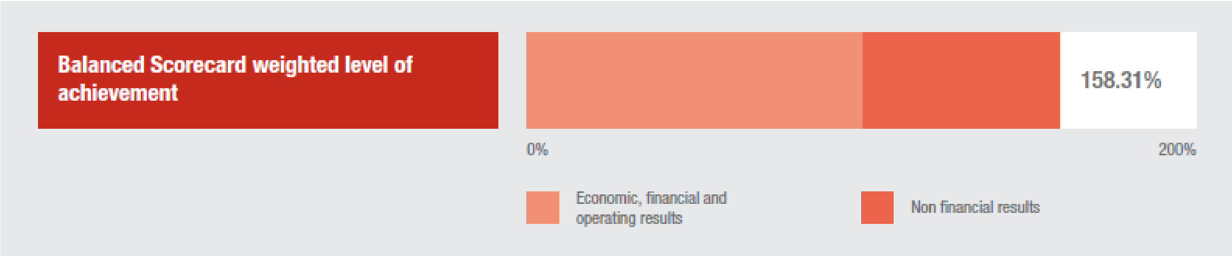
With specific reference to the variable components, in the reference year 2017, the Managing Director/Group CEO in office accrued the following remuneration:

- annual variable component: based on the results achieved, the short-term variable component amounted to € 2,216,367 gross (corresponding to the 158.31% against the maximum of 200% of the individual baseline as represented below). This amount was calculated based on the achievement of the goals set in the individual scorecard by the Board of Directors in

22 Specifically, severance (due in the same cases of termination provided for the previous Group CEO, as outlined in the remuneration reports of the past years) equal to legal and contractual notice plus 24 months of annual recurring remuneration (calculated also on the remuneration as director, based on the criteria outlined in Section I paragraph 9). As per the consequences of termination on incentive plans, see Section I paragraph 3.3.2.

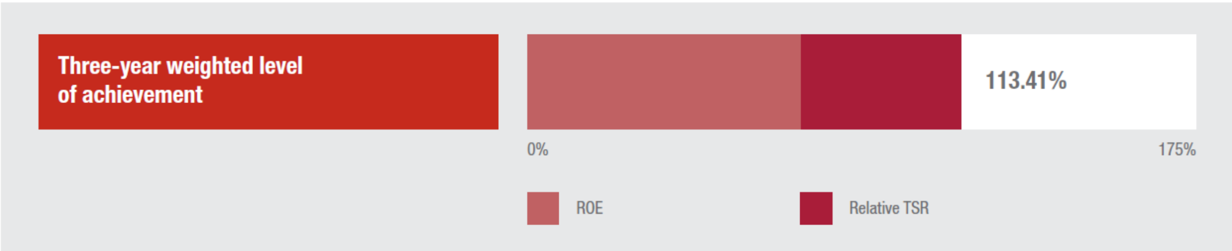
relation to the Group's economic, financial and operating results (i.e. Group Net Profit Adjusted[23], Dividends from subsidiaries[24], Group Operating Result, Group Return On Risk Capital) and to non-financial results (key Group strategic projects and People Management), assessed positively with respect to the expectations of the strategic plan for the relevant year;

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



- deferred variable component: on completion of the 2015 LTI performance period and on the basis of the level of achievement of related goals (as described before), the allocation to Group CEO was resolved on of n. 71,421 shares, corresponding to the 113.41% against a maximum of 175% of the individual baseline for 2015 LTI Plan and including the additional shares allocated for the dividend equivalent mechanism (as represented below). These shares are subject to the plan's lock-up period.

KPIs contribution to the level of achievement of the overall performance of the 2015 LTI plan



The payout level of the variable remuneration components for the Managing Director/Group CEO reflects the positive performance in all the economic and financial objectives with respect to the ambitions of the strategic plan, with significant results in particular with reference to Dividends from subsidiaries[24], Return on Risk Capital and Return on Equity.

With reference to the General Manager, Alberto Minali, in charge until 31 January 2017, see section II of last year Remuneration Report for all the details regarding severance amounts paid for the termination of his working relationship with the Group.

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

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

Remuneration of other managers with strategic responsibilities

In 2017, considering the managerial turnover, the category of managers with strategic responsibilities comprised (either throughout the whole year or a part thereof) a total 25 people.

Remuneration packages were set for 7 managers with strategic responsibilities appointed during the year. Salary adjustments were also provided for 6 managers with strategic responsibilities that were already in service at the beginning of the financial period in question. As stated in last year Remuneration Report, in the definition of remuneration packages the possibility to activate a non-competition agreement has been introduced and in 2017 there has been the introduction of the non-competition agreement for 8 managers. Fringe benefits were also given regarding relocation and accommodation needs, child education and a company car with fuel card.

In addition to the normal fixed component (see details in Table 1 below), the managers with strategic responsibilities, as the case may be: (i) accrued the annual variable remuneration (STI) subject to and based on the extent of achievement of the goals set for 2017 and, with reference to 1 individual, accrued the deferred instalments for the 2016 STI, which was deferred subject to and based on the assessment of the continuity and sustainability of the 2016 performance (see details in Table 3B below); (ii) accrued other cash-based bonuses pertaining to the financial year (see details in Table 3B below); (iii) accrued shares on the basis of the LTI Plan 2015 (see details in Table 3A below); and (iv) may accrue a certain number of free shares during the next financial years, as deferred remuneration, based on the different LTI plans currently in force and subject to achievement of the goals and the terms and conditions set out in the plans (see details in Table 3A below).

The economic arrangements in the event of termination of employment for managers with strategic responsibilities in force are defined in line with the relevant policy for the reference year, whereby a maximum amount corresponding to 24 months' recurring remuneration (gross annual salary plus the average of the amounts received as short-term remuneration in the last three years) can be granted, in addition to the legal and contractual notice (where applicable).

The termination of the employment relationships with 2 managers with strategic responsibilities was agreed in 2017. The terminations occurred with mutual consent and, in accordance with the applicable contractual provisions and in line with the remuneration policy in force, entailed the loss of rights relating to the incentive plans in place whose performance cycle had yet to be completed at the termination date. The Company paid a total of: (i) 4,604,000 as severance payments to two individuals; and (ii) 288.333 as remuneration for non-competition agreements which is paid in instalments throughout the duration of the covenant for two individuals. Moreover, the Company applied the clawback mechanism on the entry bonus previously paid to one individual, as this bonus was subject to specific conditions of continued employment.

The details regarding the remuneration received by the Managing Director/Group CEO, the General Manager and other managers with strategic responsibilities for the 2017 period are recorded in Table 1, whereas Tables 3.A and 3.B refer to the incentive plans, and Table 4 provides details on the shareholdings of the individuals in question.

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

4. REMUNERATION OF HEADS AND FIRST REPORTING MANAGERS OF CONTROL FUNCTIONS

In 2017, considering the managerial turnover, the category of managers of the control functions comprised (either throughout the whole year or a part thereof) a total of 23 people (excluding the Heads of Control Function belonging to the Managers with strategic responsibilities).

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

In the reference financial year, the heads of control functions and their first reporting line managers were paid a total gross amount of € 3,494,925 in terms of the fixed component. It is important to note that the remuneration packages for 7 managers of control functions were adjusted based on the outcomes of a benchmark analysis carried out by an external consultancy firm and, in light of the specific regulatory requirements, focused on achieving a correct balance between fixed and variable components (as described above), subject to the approval of the Risk and Control Committee.

The total of the short-term variable component and other bonuses was:

- € 1,126,292 gross, of which € 697,215 gross paid up-front and € 429,077 gross subject to one year deferral, to be paid out in 2019 subject to and based on the assessment of the continuity and sustainability of the 2017 performance;
- € 319,209 gross, pertaining to the 2016 financial year, was paid after one year's deferral.

The termination of the employment relationships with 1 manager was agreed in in 2017. The Company paid a total of € 950,000 as severance payment, occurred with mutual consent, in accordance with the applicable contractual provisions and in line with the remuneration policy in force.

In terms of overall benefits, based on tax criteria, these amounted to a total of € 231,577 gross.

PART II

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

Person Name and Surname Office held	Period for which office was held	Office expiry	Emoluments (in Euro) Emoluments for the office held Fixed emoluments	Variable emoluments	Attendance fees	Bonus and other incentives	Non monetary benefits	Other remuneration	Total	Fair value equity	Severance indemnity for end of office or termination of employment
(I) Emoluments in the company that prepares the financial statement											
Gabriele GALATERI DI GENOLA		Total	1.000.000,00	--	98.000,00	--	9.118,80	--	1.107.118,80	--	--
Chairman	1.1-31.12.2017	Approved f.s. 2018	850.000,00		56.000,00		9.118,80		915.118,80		
Member of the Board of Directors	1.1-31.12.2017	Approved f.s. 2018	100.000,00						100.000,00		
Chairman of the Corporate Governance, social and environmental Sustainability Committee	1.1-31.12.2017	Approved f.s. 2018	20.000,00		14.000,00				34.000,00		
Member of Investments and Strategic Operations Committee	25.1-31.12.2017	Approved f.s. 2018	30.000,00		28.000,00				58.000,00		
Francesco Gaetano CALTAGIRONE		Total	145.000,00	--	76.000,00	--	--	--	221.000,00	--	--
Member of the Board of Directors	1.1-31.12.2017	Approved f.s. 2018	100.000,00		48.000,00				148.000,00		
Member of the Investments and Strategic Operations Committee	1.1-31.12.2017	Approved f.s. 2018	30.000,00		20.000,00				50.000,00		
Member of the Appointments and Remuneration Committee	1.1-31.12.2017	Approved f.s. 2018	15.000,00		8.000,00				23.000,00		
Philippe DONNET		Total	1.400.000,00	--	--	2.216.367,00	204.216,24	--	3.820.583,24	2.365.834,00	--
Group CEO **(1)**	1.1-31.12.2017	Approved f.s. 2018	1.400.000,00			2.216.367,00	204.216,24		3.820.583,24	2.365.834,00	**(*)**
Member of the Board of Directors	1.1-31.12.2017	Approved f.s. 2018	--						--		
Chairman of the Investments and Strategic Operations Committee Committee	1.1-31.12.2017	Approved f.s. 2018	--						--		
Lorenzo PELLICIOLI		Total	150.000,00	--	78.000,00	--	--	--	228.000,00	--	--
Member of the Board of Directors	1.1-31.12.2017	Approved f.s. 2018	100.000,00		44.000,00				144.000,00		
Member of the Appointments and Remuneration Committee	1.1-31.12.2017	Approved f.s. 2018	20.000,00		14.000,00				34.000,00		
Member of the Investments and Strategic Operations Committee	25.1-31.12.2017	Approved f.s. 2018	30.000,00		20.000,00				50.000,00		
Clemente REBECCHINI		Total	160.000,00	--	108.000,00	--	--	--	268.000,00 **(2)**	--	--
Member of the Board of Directors	1.1-31.12.2017	Approved f.s. 2018	100.000,00		56.000,00				156.000,00		
Member of the Investments and Strategic Operations Committee	1.1-31.12.2017	Approved f.s. 2018	30.000,00		26.000,00				56.000,00		
Member of the Risk and Control Committee	1.1-31.12.2017	Approved f.s. 2018	30.000,00		26.000,00				56.000,00		

Person Name and Surname Office held	Period for which office was held	Office expiry	Fixed emoluments	Variable emoluments	Attendance fees	Bonus and other incentives	Non monetary benefits	Other remuneration	Total	Fair value equity	Severance indemnity for end of office or termination of employment
(I) Emoluments in the company that prepares the financial statement											
Paola SAPIENZA		Total	150.000,00	--	84.000,00	--	--	--	234.000,00	--	--
Member of the Board of Directors	1.1-31.12.2017	Approved f.s. 2018	100.000,00		56.000,00				156.000,00		
Member of the Investments and Strategic Operations Committee	1.1-31.12.2017	Approved f.s. 2018	30.000,00		22.000,00				52.000,00		
Member of the Related party transactions Committe	1.1-31.12.2017	Approved f.s. 2018	20.000,00		6.000,00				26.000,00		
Alberta FIGARI		Total	165.000,00	--	94.000,00	--	--	--	259.000,00	--	--
Member of the Board of Directors	1.1-31.12.2017	Approved f.s. 2018	100.000,00		56.000,00				156.000,00		
Chair of the Risk and Control Committee	1.1-31.12.2017	Approved f.s. 2018	50.000,00		24.000,00				74.000,00		
Member of the Corporate Governance, social and environmental Sustainability Committee	1.1-31.12.2017	Approved f.s. 2018	15.000,00		14.000,00				29.000,00		
Sabrina PUCCI		Total	145.000,00	--	94.000,00	--	--	--	239.000,00	--	--
Member of the Board of Directors	1.1-31.12.2017	Approved f.s. 2018	100.000,00		56.000,00				156.000,00		
Member of the Risk and Control Committee	1.1-31.12.2017	Approved f.s. 2018	30.000,00		24.000,00				54.000,00		
Member of the Appointments and Remuneration Committee	1.1-31.12.2017	Approved f.s. 2018	15.000,00		14.000,00				29.000,00		
Ornella BARRA		Total	130.000,00	--	60.000,00	--	--	--	190.000,00	--	--
Member of the Board of Directors	1.1-31.12.2017	Approved f.s. 2018	100.000,00		44.000,00				144.000,00		
Chair of the Appointments and Remuneration Committee	1.1-31.12.2017	Approved f.s. 2018	30.000,00		16.000,00				46.000,00		
Romolo BARDIN		Total	150.000,00	--	84.000,00	--	--	--	234.000,00	--	--
Member of the Board of Directors	1.1-31.12.2017	Approved f.s. 2018	100.000,00		56.000,00				156.000,00		
Member of the Risk and Control Committee	1.1-31.12.2017	Approved f.s. 2018	30.000,00		22.000,00				52.000,00		
Member of the Related party transactions Committe	1.1-31.12.2017	Approved f.s. 2018	20.000,00		6.000,00				26.000,00		
Diva MORIANI		Total	140.000,00	--	76.000,00	--	--	--	216.000,00	--	--
Member of the Board of Directors	1.1-31.12.2017	Approved f.s. 2018	100.000,00		56.000,00				156.000,00		
Member of the Related party transactions Committe	1.1-31.12.2017	Approved f.s. 2018	20.000,00		6.000,00				26.000,00		
Member of the Appointments and Remuneration Committee	1.1-31.12.2017	Approved f.s. 2018	20.000,00		14.000,00				34.000,00		

Person Name and Surname Office held	Period for which office was held	Office expiry	Emoluments (in Euro) – Emoluments for the office held: Fixed emoluments	Variable emoluments	Attendance fees	Bonus and other incentives	Non monetary benefits	Other remuneration	Total	Fair value equity	Severance indemnity for end of office or termination of employment
(I) Emoluments in the company that prepares the financial statement											
Paolo DI BENEDETTO		Total	140.000,00	--	76.000,00	--	--	--	216.000,00	--	--
Member of the Board of Directors	1.1-31.12.2017	Approved f.s. 2018	100.000,00		56.000,00				156.000,00		
Chair of the Related party transactions Committe	1.1-31.12.2017	Approved f.s. 2018	25.000,00		6.000,00				31.000,00		
Member of the Corporate Governance, social and environmental Sustainability Committee	1.1-31.12.2017	Approved f.s. 2018	15.000,00		14.000,00				29.000,00		
Roberto PEROTTI		Total	150.000,00	--	84.000,00	--	--	--	234.000,00	--	--
Member of the Board of Directors	1.1-31.12.2017	Approved f.s. 2018	100.000,00		56.000,00				156.000,00		
Member of the Risk and Control Committee	1.1-31.12.2017	Approved f.s. 2018	30.000,00		22.000,00				52.000,00		
Member of the Related party transactions Committe	1.1-31.12.2017	Approved f.s. 2018	20.000,00		6.000,00				26.000,00		
Carolyn DITTMEIER		Total	148.000,00	--	--	--	--	--	148.000,00	--	--
Chairman of the Statutory Auditors	1.1-31.12.2017	Approved f.s. 2019	148.000,00						148.000,00		
Lorenzo POZZA		Total	98.000,00	--	--	--	--	--	98.000,00	--	--
Statutory Auditor	1.1-31.12.2017	Approved f.s. 2019	98.000,00						98.000,00		
Antonia DI BELLA		Total	98.000,00	--	--	--	--	--	98.000,00	--	--
Statutory Auditor	1.1-31.12.2017	Approved f.s. 2019	98.000,00						98.000,00		
Alberto MINALI		Total	86.111,11	--	--	--	5.989,59	--	92.100,70	--	--
General Manager	1.1-31.1.2017		86.111,11				5.989,59		92.100,70		
Other managers with strategic responsibilities (3)		Total	10.034.027,42			11.260.813,83	1.407.884,79	--	22.702.726,04	8.386.712,00 (*)	4.892.333,00
TOTAL			**14.489.138,53**	**--**	**1.012.000,00**	**13.477.180,83**	**1.627.209,42**	**--**	**30.605.528,78**	**10.752.546,00**	**4.892.333,00**

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

(2) Emoluments from subsidiaries and associates

(2) The emolument is paid directly to Mediobanca

(3) During 2017 the other managers with strategic responsibilities were 25. Data include emoluments from subsidiaries and associates

(*) Sum of the fair value of the shares to be granted on April 2018 and to be potentially granted in the future (within the long-term incentive plans in place, subject to the achievement of the objectives and the terms and conditions of the respective plans) for the relevant portion accrued in the 2017 balance sheet based on international accounting standards.

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

Table 3A - Incentive plans based on financial instruments other than stock options for members of the Board of Directors, general managers and other managers with strategic responsibilities

			Financial instruments assigned during previous years and not vested during the year		Financial instruments assigned during the year					Financial instruments vested during the year and not assigned	Financial instruments vested during the year and able to be assigned		Financial instruments relevant to the year
A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Name and Surname	Office	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value on assignment date	Vesting period	Assignment date	Market price upon assignment	Number and type of financial instruments	Number and type of financial instruments	Value on maturity date	Fair value
(I) Emoluments in the company that prepares the financial statement													
Philippe DONNET	Managing Director/Group CEO*	LTI 2015-2017 (resolution of the Shareholders' meeting 30.04.2015) (a)								10.465 Shares not granted (b)	71.421 Shares to be granted	€ 1.098.098	€ 466.262
		LTI 2016-2018 (resolution of the Shareholders' meeting 28.04.2016) (c)	198.808 Shares potentially granted	2016-2018									€ 871.899
		LTI 2017-2019 (resolution of the Shareholders' meeting 27.04.2017) (d)			230.450 Shares potentially granted	€ 2.512.713	2017-2019	27.04.2017	14,58				€ 837.571
		Special Stock Plan (e)			200.000 Shares potentially granted	€ 557.142	2017-2019	27.04.2017	14,58				€ 190.102
Other managers with strategic responsibilities *		LTI 2012 (resolution of the Shareholders' meeting 30.04.2011) (f)								21.850 Shares not granted			€ 11.694,00
		LTI 2015-2017 (resolution of the Shareholders' meeting 30.04.2015) (a)								51.748 Shares not granted (b)	353.181 Shares to be granted	€ 5.430.158	€ 2.305.661
		LTI 2016-2018 (resolution of the Shareholders' meeting 28.04.2016) (c)	609.125 Shares potentially granted	2016-2018									€ 2.580.805
		LTI 2017-2019 (resolution of the Shareholders' meeting 27.04.2017) (d)			1.007.732 Shares potentially granted	€ 10.465.657	2017-2019	27.04.2017	14,58				€ 3.488.552
(III) Total			**807.933**		**1.438.182**	**13.535.512**						**6.528.256**	**10.752.546**

* including emoluments from subsidiaries

(a) Number of shares to be granted on April 2018 as per Assicurazioni Generali Board of Directors' resolution after the conclusion of performance period and based on the achievement of the objectives set for the three-year period 2015-2017, including the additional number of shares based on the overall amount of the dividends distributed in the three-year reference period (so-called dividend equivalent). The amount on maturity date has been determined considering the official price of the share on March 14, 2018, date on which the Assicurazioni Generali Board of Directors was held, verified the achievement of three-years objectives and approved the resolution on free capital increase.

(b) Number of shares not granted subject to the achievement of 2017 objectives

(c) Maximum number of shares to be potentially granted at the end of vesting period (2016 – 2018) subject to the achievement of the objectives and the terms and conditions of the plan, considering that, with regard to 2016 and 2017, the number of shares is calculated based on the level of performance achieved in the years. Moreover as stated in LTI plan's rules and as described in last year Remuneration Report, beneficiaries could receive an additional number of shares based on the overall amount of the dividends distributed in the three-year reference period (so-called dividend equivalent).

(f) At the end of plan second performance cycle (2015 - 2017), considering that three years objectives have not been met, no shares will be granted as part of execution of the plan.

(d) Maximum number of shares to be potentially granted at the end of vesting period (2017 – 2019) subject to the achievement of the objectives and the terms and conditions of the plan, considering that, with regard to 2016, the number of shares is calculated based on the level of performance achieved in the year. Moreover as stated in LTI plan's rules and as described in last year Remuneration Report, beneficiaries could receive an additional number of shares based on the overall amount of the dividends distributed in the three-year reference period (so-called dividend equivalent).

(e) Maximum number of shares to be potentially granted at the end of vesting period (2017 – 2019) subject to the achievement of the objectives and the terms and conditions of the plan. Moreover as stated in LTI plan's rules and as described in last year Remuneration Report, beneficiary could receive an additional number of shares based on the overall amount of the dividends distributed in the reference period (so-called dividend equivalent).

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

A	B	(1)	(2)			(3)			(4)
			Bonus of the year			Bonus of the previous years			Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
Name and surname	Office	Plan	Payable/ Paid	Deferred	Deferment period	No longer payable	Payable/ Paid	Still deferred	
(I) Emoluments in the company that prepares the financial statement (€)									
Philippe DONNET	Managing Director/Group CEO *	STI 2017	2.216.367						
Other managers with strategic responsibilities *		STI 2017	10.462.454	224.000	2019 (1 year)				
		STI 2016 (1)					210.000		
		Other bonuses							588.360
(III) Total			**12.678.821**	**224.000**			**210.000**		**588.360**

* including emoluments from subsidiaries and associates

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

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

Name and Surname	Investee Company	Number of shares held at the end of the previous year	Number of shares acquired	Number of shares sold	Number of shares held at the year-end
Gabriele GALATERI DI GENOLA *Chairman of the Board*	Generali	23.880	15.300	12.380	26.800
Francesco Gaetano CALTAGIRONE *Deputy Chairman of the Board*	Generali	54.500.000 (1)	3.500.000 (2)	2.500.000 (2)	55.500.000 (3)
Philippe DONNET *Managing Director/ Group CEO*	Generali	200.000	45.324 (4)		245.324
Paolo DI BENEDETTO *Board member*	Generali	10.000		10.000	0
Albero MINALI *General Manager until 30th January 2017*	Generali	428.561			428.561
Other managers with strategic responsibilities	Generali	254.183	220.997	45.291	429.889

(1) Of which 54.385.000 shares held through an intermediate legal person

(2) Through an intermediate legal person

(3) Of which 55.385.000 shares held through an intermediate legal person

(4) Shares granted under 2014 LTI Plan

Section III - Control functions verifications

VERIFICATIONS OF THE COMPLIANCE AND RISK MANAGEMENT FUNCTIONS

Introduction

ISVAP Regulation No. 39/2011 provides that the implementation of the remuneration policies adopted by the insurance undertakings is subject, at least on an annual basis, to the review by the internal control functions within the scope of their respective responsibility. More specifically, under Article 23 of the ISVAP Regulation mentioned above, the Compliance function is responsible for verifying that these policies comply with the provisions of the ISVAP Regulation, the Company's Articles of Association, and any codes of ethics or other standards of conduct applicable to the company, to prevent and control legal and reputational risks.

In this context, after the approval of the remuneration policy at the Shareholders' Meeting of 27 April 2017, the Compliance and the Risk Management functions have put in place, within the scope of their respective responsibility, the actions needed to ensure the compliance of corporate conducts with the relevant regulatory framework, including the compliance assessments of the actions/documents implementing the remuneration policy, also taking into consideration the Group's Code of Conduct and its implementing rules.

Verification of the remuneration policy

With specific regard to the remuneration policy, the Compliance and the Risk Management functions, within the scope of their respective responsibilities, completed an ex-ante assessment of the new text of the above remuneration policy, to be submitted to the Board of Directors and the to the Shareholders' Meeting called for 19 April 2018.

There is a substantial continuity between the new policy and the one approved in 2017.

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

- the provision of a specific threshold to which the funding pool for the Short-Term Incentive (STI) is subject to, identified as a minimum level of Regulatory Solvency Ratio (for 2018, set at 120%), replacing the minimum level of Economic Solvency Ratio for 2017 (at 130%). This threshold was set taking into account the "hard limit" level set in the Group Risk Appetite Framework, which was approved by the Board of Directors in December 2017. It is also the annual and three-year entry gate of the Long-Term Incentive plan (LTI). The connection between remuneration and risk was also maintained, as well as the Return on Risk Capital (RoRC) goals in the incentive plans;
- with regard to the category of persons included in the target population, two positions (with reference to the Group Chief Marketing and Customer Officer and the Group Chief HR & Organization Officer) were added to the number of persons belonging to the GMC and the number of "Other roles of first reporting to the CEO / Group CEO with a significant impact on the Group's risk and strategic profile and the heads of the functions reporting directly to the Company's Board of Directors" has been reduced, due to organizational changes occurring at Group level;
- the process of definition of the assumptions and allocation of the Short Term Incentive (STI) plan has been better specified, with a more detailed description of the different phases in which this process is structured (funding pool, individual performance, calibration and pay-out);
- the confirmation that the minimum and maximum values within which the funding pool is included are calculated based on the level of achievement of the Group results;
- the confirmation, with reference to the STI plan, of new objectives and key performance indicators (KPIs) in the balanced scorecards of the relevant personnel - in line with the goals set to speed up the Group's strategy - which is focused on operating performance and long-term value creation. More specifically, the indicators "Core business KPI" were maintained in the individual performance assessment known as "Economic and Financial Risk Adjusted Performance", with the minimum RoRC of 10% (which can be increased to 15% for business roles); the perspective "Efficiency & Business Transformation" has also been maintained and now includes the "Efficiency" KPI, the "Customer" KPI and acceleration initiatives that have respectively replaced the "Fit to Lead" and "Customer & Distributor and acceleration initiatives" KPIs. Finally, the third perspective was named "People Empowerment" has been maintained, which includes managerial assessment based on

specific HR KPIs, such as, specifically, Internal growth and succession planning, People strategy implementation and Diversity&Inclusion;

- an internal path of enhancement and focus on sustainability issues has been consolidated, allowing - starting from 2018 – the provision for key drivers of the "ESG" factors (Environmental, Social and Governance) in the Balanced Scorecards of the Group's Top Management. Specifically, in the Balanced Scorecards of the Top Managers belonging to the Investment and Insurance functions, specific sustainability indicators are envisaged, respectively focused on updating the sustainable investment strategy on the most relevant topics (eg Fuel, Tobacco) and on the implementation of a policy of sustainable underwriting;
- with reference to the Long Term Incentive plan (LTI), the maximum number of shares that can be assigned to recipients has been reduced from 12,500,000 to 11,500,000;
- the overall maximum coverage of the directors' and officers' liability insurance (D&O) has been confirmed at € 300 million per claim, aggregated per year and per cover period. The maximum coverage for the Company's directors and auditors and for the executive in charge of drafting the Company's accounting documents remains unchanged and amounts to € 100 million per claim, aggregated per year and per cover period. A similar maximum coverage of € 10 million has been confirmed specifically for Banca Generali's directors and auditors;
- a reference has been included regarding the design of a Group Remuneration Internal Policy as an instrument aimed at ensuring the overall consistency and application of the remuneration policies of Assicurazioni Generali S.p.A. to all Group companies, including those with registered offices abroad, developed respecting the features of each of these companies and in compliance with the limits set by the local and / or sector regulatory framework.

In this context, the Risk Management function has verified the consistency of the identified criteria and of the relevant indicators used to evaluate performance regarding the risk management strategies approved by the Board of Directors, with specific reference to Risk Appetite Framework and Recovery Plan, and considers them appropriate.

Conclusions

As a result of the above evaluations:

- the Risk Management function, with specific reference to the criteria and parameters adopted for determining the variable component, deems that the new remuneration policy is consistent with the Group's risk management strategies; and
- the Compliance function deems that the remuneration system described in the remuneration policy complies with the provisions set out under the Delegated Acts implementing the Solvency II Directive framework and the IVASS provisions - including the letters to the market ("*Lettere al Mercato*"), the Company's Articles of Association, the Corporate Governance Code for Listed Companies and the Group's Code of Conduct.

Both functions will in any case verify ensure that the implementation of the new remuneration policy will comply with the provisions of the policy and with ISVAP Regulation No. 39, the Company's Articles of Association, the Corporate Governance Code for Listed Companies and the Group's Code of Conduct and related implementing rules.

EX POST VERIFICATIONS OF THE INTERNAL AUDIT FUNCTION

This report has been prepared pursuant to art. 23 of ISVAP Regulation 39/2011 which provides that the Internal Audit Function verifies the correct application of the remuneration policies based on the guidelines established by the Board of Directors for the sake of efficiency and safeguarding of company assets. This audit integrates the assessments carried out by other control functions (Compliance and Risk Management).

This audit activity covered both the verification of the correct settlement and payment of the fixed and variable components attributed to the recipients based on remuneration policies for 2016, which were paid in 2017, and the verification of the correct implementation of the 2017 remuneration policy. Both types of checks were subsequent and consequent to the various resolutions taken by the Shareholders' Meeting on April 27, 2017 on remuneration and on the approval of the financial statements as of 31 December 2016. Such approval was indeed the fundamental prerequisite for the delivery of the 2016 variable part of the remuneration to the recipients of the policies.

The results of these checks, based in some cases on data analytics techniques and the analysis of a sample of transactions in case the target population was particularly extensive, did not reveal any notable exceptions.

ATTACHMENT

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

FINANCIAL INSTRUMENT-BASED REMUNERATION PLANS – GRANTING OF SHARES/RIGHTS UNDER THE 2016 LONG-TERM INCENTIVE PLAN AND PREVIOUS PLANS

With reference to the 2015 Long Term Incentive Plan approved by the Shareholders’ meeting on April 30th 2015, the Board of Directors of Assicurazioni Generali S.p.A, on 14 March 2018, upon proposal of the Appointment and Remuneration Committee, and having verified the achievement of the performance conditions provided for in the plan , assigned to No. 267 beneficiaries an overall number of Generali’ shares equal to No. 3,357,102, subject to the conditions set forth in the plan and including the additional number of shares based on the overall amount of the dividends distributed in the three-year reference period (so-called dividend equivalent).

With reference to the 2017 Long Term Incentive Plan, approved by the Shareholders’ Meeting on 27th April 2017, the Board of Directors of Assicurazioni Generali S.p.A, on 6th July 2017, upon proposal of the Appointment and Remuneration Committee, resolved to give execution to the plan. No. 460 beneficiaries have thus been identified, and as such have been granted, effective as of 2017, the right to receive an overall number of Generali shares up to No. 12,500,000, which may be allotted at the end of a three year vesting period, subject to the occurrence of the conditions set forth in the plan.

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

For more details on the 2015 Long Term Incentive Plan and on the other Long Term Incentive Plans, please refer to the respective information documents available on the issuer’s website
www.generali.com.

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

A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Name and surname or category	Office	Date of meeting resolution	Type of financial instrument	Number of financial instruments	Date assigned	Instrument purchase price (if applicable)	Market price at the time of assignment	Vesting period
Philippe DONNET	Group CEO/ Amm. Del.*	LTI 2015-2017 (resolution of the Shareholders' meeting 30.04.2015) (a)	Assicurazioni Generali ordinary Shares	71.421 Shares granted	30.04.2015		17,38	2015-2017
		LTI 2016-2018 (resolution of the Shareholders' Meeting 28.04.2016) (b)	Assicurazioni Generali ordinary Shares	198.808 Shares potentially granted	28.04.2016		13,56	2016 - 2018
Other Managers with strategic responsibilities *		LTI 2012 (resolution of the Shareholders' meeting 30.04.2011) (c)	Assicurazioni Generali ordinary Shares	21.850 Shares not granted	30.04.2012		10,42	2012-2017
		LTI 2015-2017 (resolution of the Shareholders' meeting 30.04.2015) (a)	Assicurazioni Generali ordinary Shares	353.181 Shares granted	30.04.2015		17,38	2015-2017
		LTI 2016-2018 (resolution of the Shareholders' Meeting 28.04.2016) (b)	Assicurazioni Generali ordinary Shares	609.125 Shares potentially granted	28.04.2016		13,56	2016 - 2018
Other Managers*		LTI 2012 (resolution of the Shareholders' meeting 30.04.2011) (c)	Assicurazioni Generali ordinary Shares	240.882 Shares not granted	30.04.2012		10,42	2012-2017
		LTI 2015-2017 (resolution of the Shareholders' meeting 30.04.2015) (a)	Assicurazioni Generali ordinary Shares	2.932.500 Shares granted	30.04.2015		17,38	2015-2017
		LTI 2016-2018 (resolution of the Shareholders' Meeting 28.04.2016) (b)	Assicurazioni Generali ordinary Shares	4.260.538 Shares potentially granted	28.04.2016		13,56	2016 - 2018

* including emoluments from subsidiaries

(a) Number of shares to be granted on April 2018 as per Assicurazioni Generali Board of Directors' resolution after the conclusion of performance period and based on the achievement of the objectives set for the three-year period 2015-2017, including the additional number of shares based on the overall amount of the dividends distributed in the three-year reference period (so-called dividend equivalent).

(b) Maximum number of shares to be potentially granted at the end of vesting period (2016 – 2018) subject to the achievement of the objectives and the terms and conditions of the plan, considering that, with regard to 2016 and 2017, the number of shares is calculated based on the level of performance achieved in the years. Moreover as stated in LTI plan's rules and as described in last year Remuneration Report, beneficiaries could receive an additional number of shares based on the overall amount of the dividends distributed in the three-year reference period (so-called dividend equivalent).

(c) At the end of plan second performance cycle (2015 - 2017), considering that three years objectives have not been met, no shares will be granted as part of execution of the plan

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

☐ the Board of Directors to propose to the shareholders' meeting

☒ the competent body for the implementation of the shareholders' meeting resolution

A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Name and surname or category	Office	Date of meeting resolution	Type of financial instrument	Number of financial instruments	Date assigned	Instrument purchase price (if applicable)	Market price at the time of assignment	Vesting period
Philippe DONNET	Group CEO/ Amm. Del. *	LTI 2017-2019 (resolution of the Shareholders' meeting 27.04.2017) (a)	Assicurazioni Generali ordinary Shares	230.450 Shares potentially granted	27.04.2017		14,58	2017 - 2019
		Special Plan (resolution of the Shareholders' meeting 27.04.2017) (b)	Assicurazioni Generali ordinary Shares	200.000 Shares potentially granted	27.04.2017		14,58	2017 - 2019
Other Managers with strategic responsibilities *		LTI 2017-2019 (resolution of the Shareholders' meeting 27.04.2017) (a)	Assicurazioni Generali ordinary Shares	1.007.732 Shares potentially granted	27.04.2017		14,58	2017 - 2019
Other Managers*		LTI 2017-2019 (resolution of the Shareholders' meeting 27.04.2017) (a)	Assicurazioni Generali ordinary Shares	6.297.933 Shares potentially granted	27.04.2017		14,58	2017 - 2019

(a) Maximum number of shares to be potentially granted at the end of vesting period (2017 – 2019) subject to the achievement of the objectives and the terms and conditions of the plan, considering that, with regard to 2017, the number of shares is calculated based on the level of performance achieved in the year. Moreover as stated in LTI plan's rules and as described in last year Remuneration Report, beneficiaries could receive an additional number of shares based on the overall amount of the dividends distributed in the three-year reference period (so-called dividend equivalent).

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

Glossary

Appointment and Corporate Governance Committee (ACGC)
The Appointment and Corporate Governance Committee of the Company, set up in line with the recommendations of the CG Code (article 5) whose competences have been assigned partly to the Appointment and Remuneration Committee and partly to the Corporate Governance, social and environmental Sustainability Committee starting from 28th April 2016.

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

Articles of Associations
The Articles of Associations of the Company.

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

Board Committees
From 28th April 2016, Board Committees are: RCC, RPTC, ARC, GSC and IC. On 25th January 2017, the Investment Committee changed its name into "Investments and Strategic Operations Committee".

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

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

Chairman
Chairman of the Board of Directors of the Company.

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

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

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

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

Corporate Governance Code (CG)
The corporate governance code of listed-companies, adopted in July 2015 by the Corporate Governance Committee, promoted by Borsa Italiana S.p.A., ABI, ANIA, Assogestioni, Assonime and Confindustria and published in the Web site www.borsaitaliana.it. The Company has implemented it with a resolution of the Board of Directors.

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

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

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

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

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

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

Investments and Strategic Operations Committee
The Investment and Strategic Operations Committee of the Company.

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

ISVAP Regulation no. 39/2011
ISVAP Regulation no. 39 of 9th June 2011 (Regulation on Remuneration policies in insurance undertakings)

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

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

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

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

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

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

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

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

Relative Total Shareholder Return (rTSR)
The total return on the shareholder investment calculated as a variation in the shares' market price, including distributions or dividends reinvested in the shares, as compared to the peer group represented by the STOXX Euro Insurance index.

Remuneration Committee (RemCom)
The Remuneration Committee of the Company, set up in line with the recommendations of the CG Code (article 6) whose competences have been assigned to the Appointment and Remuneration Committee starting from 28th April 2016.

Report
This "Remuneration Report" adopted by the Board of Directors on 14th March 2018, prepared in accordance with article 123-ter of Consolidated Law on Finance [T.U.F. Testo Unico Finanza], and with article 6 of ISVAP Regulation No. 39/2011.

Return on Equity (RoE)
Operating profit net of financial expense and tax, divided by the average adjusted capital, as defined in the "Note on the methods used for alternative performance indicators" in the Group's Management report.

Return on Risk Capital (RoRC)
The Return on Risk Capital (RoRC) is a risk adjusted performance indicator which captures the profitability of the business analysed in relation to the risk generated by the business itself.
The RoRC is the ratio between the Operating result net of nominal tax rate and the average Risk Capital.

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

Shareholders
The shareholders of the Company.

Shareholders Meeting
The meeting of the shareholders of the Company.

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

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

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