

Corporate Governance Committee

**CORPORATE GOVERNANCE
CODE**

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Main Principle and Temporary Regime

- I. Adoption of



Article 1 –



- Opening or closing offices, branches, and the like; and
- Such other acts considered significant to the business of the Company as to warrant approval or ratification by the



The Chairman of the Board of Directors shall endeavor to ensure that the necessary time is allowed for an effective discussion of the items on the agenda during the meetings, and shall promote contributions from the directors; furthermore, he/she shall ensure, also through the help of the Secretary of the Board, pre-meeting information is supplied in a timely and accurate manner, provided that all the measures for ensuring confidentiality of the information and data so supplied are adopted. If the documents supplied are voluminous and complex, they can be accompanied by a summary setting out the most significant areas in order to effectively resolve upon items on the agenda, provided that such a summary shall not be deemed to replace in any manner the complete documentation supplied to directors.

In order to ensure effective holding of Board meetings, the President shall ensure that executives in charge of the pertinent management areas related to the Board agenda are available to attend such meetings, upon request.



Article 2 – Composition of the Board of Directors

Principles

2.P.1. The Board of Directors shall be made up of executive and non-executive directors, who would be adequately competent and professional.

2.P.2. Non-executive directors shall bring their specific expertise to Board discussions and contribute to the adoption of fully informed decisions paying particular care to the areas where conflicts of interest may exist.

2.P.3. The number, competence, authority and time availability of non-executive directors shall be such as to ensure that their judgment may have a signi

2.P.4. It is appropriate to avoid the concentration of corporate offices in one single individual.

2.P.5. Where the Board of Directors has delegated management powers to the Chairman, it shall disclose adequate information in the Corporate Governance Report on the reasons for such organizational choice.

Criteria

2.C.1. The following are qualified executive directors:

- the managing director/President of the Company and other officers of the Company who are granted with individual management powers or who play significant roles in the definition of the business strategies;
- the directors vested with management duties within the Company;
- the directors who are members of the executive committee of the Company, when no President is appointed or holding the position, or even if the President is present, elected and qualified when the participation in the executive committee, taking into account the frequency of the meetings and the scope of the relevant resolutions, entails, as a matter of fact, the systematic involvement of its members in the day-to-day management of the Company.

The granting of deputy powers or powers in cases of urgency to directors, who are not provided with management powers is not enough, per se, to cause them to be identified as executive directors, provided however, that such powers are not actually exercised with considerable frequency.

2.C.2. The directors shall know the duties and responsibilities relating to their office. The Chairman of the Board of Directors shall use his best efforts for causing the directors and the statutory auditors, after the election and during their mandate, to participate in initiatives aimed at providing them with an adequate knowledge of the business sector in which the Company runs its activity, of the corporate dynamics and the relevant evolutions, as well as the relevant regulatory framework.

2.C.3. The lead independent director:

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The contribution of non-executive directors appears to be useful on such subject matters in which the interests of executive directors and those of the shareholders may not coincide, such as the remuneration of the executive directors and in relation to the internal control and risk management systems.

With particular reference to the efficiency of the committees set up within the Board of Directors, shareholders may consider the need to ensure management continuity through a diversification of the expiry of all or part of the Board members,

Within the Board of Directors, the figure of the Chairman works and to work in liaison with and between executive and non-executive directors, is of fundamental importance.

The international best practice recommends to avoid the concentration of offices in one single individual without adequate counterbalances; in particular, the separation is often recommended of the roles of Chairman and Chief Executive Officer, the latter meant as a director who, by virtue of the delegations of powers received and the concrete exercise of these, is the main responsible officer for the management of the Company issuer (CEO). The separation of the abovementioned roles may strengthen the characteristics of impartiality and balance that are required from the Chairman of the Board of Directors.



Article 3 – Independent Directors

Principles

3.P.1. An adequate number of non-executive directors shall be independent, in the sense that they do not maintain, directly or indirectly or on behalf of third parties, nor have recently maintained any business relationships with the Company or persons linked to it, of such a significance as to influence their autonomous judgment.

3.P.2. Board of Directors, after the appointment and, subsequently, on a yearly basis.

Criteria

3.C.1. The Board of Directors shall evaluate the independence of its non-executive members having regard more to the contents than to the form and keeping in mind that a director usually does not appear independent in the following events, to be considered merely as an example and not limited to:

- If he/she controls, directly or indirectly, the Company also through subsidiaries, trustees or third parties, or is able to exercise over the Company more persons can exercise a control or dominant influence over the Company;
- If he/she is, or has been in the preceding three fiscal years, a significant representative of the Company or of a company or entity controlling the Company or able to exercise over the same a considerable influence, also jointly with others through a shareholders agreement;
- If he/she has, or had in the preceding fiscal year, a significant (e.g. through subsidiaries or companies of which he is a significant representative, or in the capacity as partner of a professional firm or of a consulting company) a significant commercial, financial or professional relationship:

With the Company, one of its subsidiaries. If any, or any of its significant representatives;

Company, or in case of a company or an entity with the relevant significant representatives;

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Article 4 – Internal Committees of the Board of Directors

Principle

4.P.1. The Board of Directors may establish among its members one or more committees with proposing and consultative functions according to the terms stated below.

Criteria

4.C.1. The establishment and functioning of the committees governed by the Code shall meet the following criteria:

- a) Committees shall be made up of at least two chairman;
- b) The duties of individual committees are provided by the resolution by which they are established and may be supplemented or amended by a subsequent resolution of the Board of Directors;
- c) Minutes shall be drafted of the meetings of each committee;
- d) functions, according to the procedures established by the Board of Directors, as well as to avail themselves of external advisers. The Company shall make available to the committees adequate financial resources for the performance of their duties, within the limits of the budget approved by the Board;
- e) Persons who are not members of the committee, including other Board members, may participate in the meetings of each committee upon invitation of the same, with reference to individual items on the agenda;
- f) The Board of Directors shall provide adequate information, in the Corporate Governance Report, on the establishment and composition of committees, the contents of the mandate entrusted to them, as well as, on the basis of the indications provided for by each committee, the acti



Article 5 – Election of Directors

Principle

5.P.1. The Board of Directors shall establish



Article 6 – Remuneration of Directors

Principles

6.P.1. The remuneration of directors and key management personnel shall be established in a sufficient amount to attract, retain and motivate people with the professional skills necessary to successfully manage the Company.

6.P.2. The remuneration of executive directors and key management personnel shall be defined in such a way as to align their interests with pursuing the priority objectives







provided, however, that it is endowed with adequate professionalism, independence and organization. The adoption of such organ



Article 8 – Relations with the Shareholders

Principles

9.P.1. The Board of Directors shall take initiatives aimed at promoting the broadest participation possible of the shareholders in

9.P.2. The Board of Directors shall endeavor to develop a continuing dialogue with the shareholders based on the understanding of their reciprocal roles.

Criteria

9.C.1. All the directors usually s are also an opportunity for
disclosing to the shareholders information concerning the Company. In particular, the Board of Directors shall report in the
ity performed and planned and shall use its best efforts for ensuring that the shareholder receive
adequate information about the necessary elements for them to adopt in an informed manner, the resolutions they are
requested to make.

9.C.3. The Board of Directors should submit for approval of the shareholders the rules of procedure to be followed in order to
Company, emphasizing on the right of each
shareholder to express his or her opinion on the matters under discussion.

shareholders, the Board of Directors shall assess whether proposal
amend by-laws in respect of the majorities required for exercising actions and rights provided for the protection of minority
interests.

Comment

The Company should establish a continuing dialogue with the generality of the shareholders, and in particular, with institutional
investors.

directors.

Accordingly, the Board of Directors must exert its best efforts to avoid formalities and processes that make F60Kth