

## **Report of the Board of Directors to the General Shareholders' Meeting**

### **Appointment of the Board of Directors for the financial years ending 31 December 2012, 2013 and 2014, with prior determination of the number of directors to be appointed; relevant and ensuing resolutions**

Shareholders,

With the approval of the financial statements for the year ended 31 December 2011, the mandate of the Company's Directors, conferred by the General Shareholders' Meeting on 21 April 2009 for the three-year period 2009/2011 is terminated as the period of office has come to an end.

In expressing thanks and appreciation to the members of the aforesaid governing body for their assiduous efforts on behalf of the Company so far, it is worth pointing out that pursuant to Article 15 of the Articles of Association, the Board of Directors is made up of no less than seven (7) and no more than (12) members and that the Board of Directors is appointed on the basis of lists. Any and all shareholders who, on their own or together with others, hold a number of shares representing at least 2.00% of the overall share capital, are entitled to submit a list.

It must be borne in mind that the Company is subject to management and coordination by Assicurazioni Generali S.p.A., with the result that pursuant to Article 37, paragraph 1, subparagraph (d) and paragraph 1-*bis* of the Regulation adopted by CONSOB through resolution No. 16191 of 29 October 2007, the majority of the members of the Board of Directors must be independent directors.

In light of the above, you are called upon to pass a resolution, pursuant to Article 15 of the Articles of Association, appointing the new Board of Directors which will remain in office through to the date on which the General Shareholders' Meeting scheduled for the approval of the Financial Statements for the year ending 31 December 2014 is actually held.

The lists contain a number of candidates no higher than the number of members to be elected, listed by progressive number with a specific indication of the candidates who meet the statutory requirements of independence. Each candidate may appear on only one list, upon penalty of ineligibility.

Each shareholder, as well as (i) shareholders belonging to the same group, the latter term being defined to include the party, which need not necessarily be a corporation, exercising control within the meaning of Article 2359 of the Italian Civil Code, and each subsidiary controlled by, or under the common control of the said party or (ii) shareholders who have entered into the same shareholders' agreement within the meaning of Article 122 of Legislative Decree No. 58 of 24 February 1998, or (iii) shareholders who are otherwise associated with each other by virtue of associative relationships contemplated under the applicable statutory and/or regulatory framework may submit, either on their own or jointly with other shareholders, directly or through third-party intermediaries, or trust companies, a single list of candidates, under pain of disqualification of the list.

The lists, signed by shareholders with standing must be filed no later than the 25<sup>th</sup> day prior to the scheduled date of the first calling of the Shareholders' Meeting and must be accompanied by the information on the identity of shareholders who submitted the lists, with an indication of the percentage of share capital held collectively, as well as the following documentation:

- a) the curriculum vitae of each candidate, containing exhaustive information on the candidate's personal and professional features;
- b) a declaration by shareholders other than those who, even jointly, hold a controlling interest or relative majority stake, attesting the absence of associative relationships with the latter;
- c) the declarations filed by each candidate, in which each candidate accepts his/her nomination, commits to accept the office, in case he/she is elected, and also certifies, under his/her own responsibility, the inexistence of causes of incompatibility and of ineligibility, the possession of the requisites of integrity and professionalism which prevailing laws require for the office of director of the Company, as well as those of independence, if applicable, provided by the law and by the codes of conduct promoted by companies managing regulated markets or by trade categories to which the Company adheres.

The certifications from authorised brokers attesting to the collective ownership interest held as at the date of filing of the list must be delivered to the Company by 5:00pm of 3 April 2012.

In accordance with the provisions of the Order issued by the Bank of Italy on 11 January 2012, and pursuant to Article 2 of the Corporate Governance Code for listed companies, the Board of Directors has defined the optimal composition of the Board of Directors in

terms both the number and the qualifications and experience of its members; the related report is available on the Company's website at: [www.bancagenerali.com](http://www.bancagenerali.com).

The election of the Board of Directors will be carried out as provided for by Article 15, paragraphs 10, 11 and 12 of the Articles of Association. Should only one list be submitted, all the members of the Board of Directors shall be appointed from the said list. Should, on the other hand, two or more lists be submitted, the first candidates on the list obtaining the greatest number of votes, equal to eight ninths of the number of members of the Board of Directors determined by the Shareholders' Meeting — with rounding down in the case of split number — will be elected as Board members. The remaining directors will be taken from other lists, not linked in any way, not even indirectly, with the shareholders who submitted or voted for the list which gained the highest number of votes, and to this end the votes obtained by said lists will subsequently be divided by one, two, three and so on, according to the number of directors to be elected. The ratios obtained in this way will be progressively assigned to the candidates of each list, according to the respectively established order of said lists. The ratios thus attributed to the candidates of the various lists will be set out in a single decreasing list.

Lists submitted in disregard of the provisions set forth in Article 15 of the Articles of Association shall be considered as never having been submitted.

In inviting you to pass a resolution on the appointment of the members of the Board of Directors, after determining the number thereof, and electing the said members from one of the lists submitted by the persons and parties entitled to do so, in accordance with the above-mentioned provisions of the Articles of Association, it is pointed out that the text of the related shareholders' resolutions must reflect the outcome of the ballot, with the first candidate appearing on the list obtaining the highest number of votes being appointed Chairman.

Milan, 13 March 2012

THE BOARD OF DIRECTORS