Board of Auditors' Report

Report by the Board of Auditors to the Shareholders' Meeting of Assicurazioni Generali S.p.A., which was convened to approve the Financial Statements as at 31 December 2015 pursuant to articles 153 of Legislative Decree 58/1998 and 2429, par., 3 of the Civil Code

Dear Shareholders,

according to article 153 of L. D. no. 58 of 24 February 1998 (TUF, i.e. the Italian Consolidated Law on Financial Intermediation) and to the indications of Consob statement no. 1025564 of 6 April 2001, as amended, and considering the conduct principles recommended by the National Council of Certified Accountants, the Board of Auditors of Generali S.p.A. reports to you on the supervisory activity conducted in the financial year 2015.

1. Activities of the Board of Auditors During the Year Ended on 31 December 2015 *(item 10 of Consob Statement no. 1025564/01)*

The Board of Auditors conducted its activities holding, during financial year 2015, 34 meetings lasting approximately two hours and thirty minutes on average.
Furthermore, the Board:

- participated in the 13 meetings of the Board of Directors;
- participated in the 12 meetings of the Control and Risk Committee and in the 9 meetings of the Transactions with Related Parties Sub-Committee;
- participated, with its Chairman or another auditor, in the 6 meetings of the Remuneration Committee;
- participated, through its Chairman or another auditor, in the 7 meetings of the Investments Committee;

In addition to the above, within its own plan of activities, the Board of Auditors also:

- obtained information on the Appointments and Corporate Governance Committee's activities, which met 5 times during the financial year;
- held meetings with and obtained information from: the head of the Internal Audit Function, the head of the Compliance Function, the head of the Risk Management Function, the head of the Anti-Money Laundering Function, the Manager in charge of preparing corporate accounting records, the General Counsel, and the heads of the corporate functions involved, from time to time, in the Board's supervisory activities;
- met with the Supervisory Board set up pursuant to L. D. 231/2001 for useful information exchanges;
- pursuant to paragraphs 1 and 2 of art. 151 of TUF, held meetings and exchanged information with the supervisory bodies of the main subsidiary companies;
- within the relations between supervisory and auditing bodies envisaged by the law, held ad-hoc meetings on a regular basis with the firm in charge of statutory auditing – Reconta Ernst & Young S.p.A. – during which significant data and information for fulfilling their respective duties were exchanged.

2. Transactions Having a Significant Impact on the Economic, Financial and Assets Position. Other Significant Events *(item 1 of Consob Statement no. 1025564/01)*

The Board monitored the Company's compliance with the law and with the articles of association and its adherence to the principles of sound management, with particular reference to significant transactions under the economic, financial and assets profile by constantly participating in the meetings of the Board of Directors and by studying the documentation provided.
In this regard, the Board received information from the Managing Director and from the Board of Directors on the activities conducted and on the transactions having a significant impact on the economic, financial and assets position conducted by the Company, also through its direct or indirect subsidiaries.
Based on the information available, the Board reasonably concluded that those transactions are to be regarded as complying with the law, with the articles of association and with the principles of sound management, and that they do not appear patently imprudent, rash or in conflict with the resolutions taken by the Meeting, or capable of undermining the corporate equity.
In particular, the Board was informed about transactions in which directors stated their interest, on their behalf or on behalf of third parties, and has no comments to make about the compliance of the respective resolutions with laws and regulations.

The main significant events involving the Company and the Group during 2015 and that are also described in the Management Report and in the Integrated Annual Report are listed below:

- Effective as of 1 January 2015, the assets and liabilities of the Portuguese offices of Assicurazioni Generali S.p.A. were transferred to the new Company incorporated under the laws of Portugal, Companhia de Seguros SA. In view of that transfer, Assicurazioni Generali S.p.A. entered a € 29.3 million stake in its books.

- Since January 2015 the Generali Group has held 100% of Generali PPF Holding B.V. (GPH), having acquired the remaining 24% of shares held by the PPF Group, in line with the agreements signed on 8 January 2013. The purchase of the remaining shares of GPH was completed in line with the terms previously announced to the markets, for a final price of € 1,245.5 million for the stake.
- In March 2015 Assicurazioni Generali S.p.A announced that a Non-Prosecution Agreement (NPA) was concluded between its subsidiary company BSI S.A. (BSI) and the U.S. Department of Justice regarding the outstanding issues related to the private banking business conducted in the past with U.S. clients. The amount owed by BSI to the U.S. Department of Justice – USD 211 million – is consistent with the reserve already earmarked in its 2014 financial statements by the Generali Group.
- In the month of May 2015 Assicurazioni Generali renewed the revolving lines of credit opened in May 2013 for an overall amount of € 2 billion which the Group will be allowed to use in 3 to 5 years, according to the specific credit lines.
- In June 2015, Mediobanca S.p.A., Intesa San Paolo S.p.A., and Assicurazioni Generali S.p.A. exercised their right to apply for the non-proportional demerger of Telco S.p.A., to be implemented by assigning 4 newly established beneficiary companies – which are wholly owned by each shareholder – the respective prorated value of Telco's assets and liabilities. That demerger yielded € 44 million for Assicurazioni Generali, which was reflected in the assets as the difference between the value of Telco S.p.A. on 31 December 2014 (€ 12.7 million) and the value of the new stake in Telco AG (€ 56.7 million). After that operation, Assicurazioni Generali purchased from Telco AG the shares of Telecom Italia S.p.A. held by it (580,255,302 shares) for € 670.2 million. Almost all Telecom Italia S.p.A.'s shares were subsequently transferred by executing the forward sales agreements entered into by the company between late 2014 and early 2015. That operation generated a € 161.3 million capital loss, which was partially offset by the € 7.9 million loss already recorded in the previous financial year and regarding the negative evaluation of derivative contracts. The remaining part of the investment in Telecom Italia S.p.A. was floated on the market in early July 2015.
- In July 2015 Generali acquired full control of MyDrive Solutions Ltd, an English start-up company founded in 2010 by leading experts in the use of data analytics tools to profile driving styles.
- On 15 September 2015, the Group completed the transfer of BSI and of its subsidiaries to Banco BTG Pactual. According to the terms of the agreement signed on 14 July 2014, the final consideration for the transfer amounts to some CHF 1,248 million and consists in about CHF 1 billion cash and the rest in financial instruments (BTG units are listed on the São Paulo stock exchange – BM&FBOVESPA).
- On 20 October 2015 Generali placed a subordinated bond issue for an overall € 1.25 billion which was aimed at institutional investors.
- On 3 November 2015 the Financial Stability Board published the updated list of global systemically important insurers (GSIIs) based on the companies' data at the end of 2014, striking off Assicurazioni Generali from the list.
- Within the reorganisation of our activities in Austria, we set up the newco Generali Beteiligungs- und Verwaltung-AG by splitting up the Generali Rückversicherung AG subsidiary company. The latter was subsequently transferred to Generali Holding Vienna AG for € 300.3 million, generating a capital gain of € 249.5 million. The operation was settled by partially offsetting a borrowing arrangement with the Austrian company (amounting to € 802.9 million, currently € 502.6 million). After the operation, Assicurazioni Generali holds 100% of the stake in Generali Beteiligungs- und Verwaltung-AG.
- In December 95.7% of Europ Assistance Holding SA was acquired from Generali France SA and Generali Vie SA for € 406.6 million. The remaining amount of the stake is still held by Participatie Maatschappij Graafschap Holland NV.

Some of the most significant transactions conducted after the end of the financial year include:

- In January the Fitch credit rating agency confirmed its IFS (Insurer Financial Strength) A- rating of Generali and of its companies. Based on the Fitch Factor-Based Model (FBM), the capital position of Generali is close to the Very strong level, thanks to the improved capitalisation of the Group.
- On 26 January 2016 the Group CEO, Mr. Mario Greco, informed the Company's Chairman, Mr. Gabriele Galateri di Genola, that he was not available for a further mandate as Managing Director after his term expired on the same day of the meeting approving the financial statements for the FY ended on 31 December 2015. On 9 February the Board of Directors of As-

sicurazioni Generali approved the forthwith termination, by mutual consent, of the existing relationship between the Company and Mr. Mario Greco, in line with the Group remuneration policies. The Board resolved to temporarily grant the Company's Chairman the powers previously wielded by Mr. Mario Greco, in compliance with the succession plan. On 17 March 2016, the Board of Directors of Assicurazioni Generali co-opted Mr. Philippe Donnet, the managing director of Generali Italia S.p.A., granting him executive powers and appointing him as Group CEO. The same Board also appointed Mr. Alberto Minali, Group CFO, as the General Manager of the Company. Both keep the positions they previously held within the Group.

- In March IVASS - the Institute for the supervision of insurance companies - following the application for authorisation submitted by Assicurazioni Generali S.p.A., allowed a partial internal model to be used as of 1 January 2016 to calculate the consolidated Group Solvency Capital Requirement and the Solvency Capital Requirement of its main Italian and German insurance companies, of its French non-life companies and of the Czech company Česká Pojišťovna A.s.

As far as other significant events are concerned, the Board of Auditors received information, at various meetings of the Board of Directors , concerning the litigation under way with former Company managers, Messrs. Giovanni Perissinotto and Raffaele Agrusti.
For further details, please refer to the Management Report to the financial statements of the Parent Company and to the Notes to the Accounts of the Consolidated Financial Statements. The Board of Auditors acknowledges the Board of Director's continued monitoring of the investments underlying the above litigation.

3. Transactions with Related Parties and Intragroup Transactions. Atypical and/or Unusual Transactions *(items 2 and 3 of Consob Statement no. 1025564/01)*

Assicurazioni Generali S.p.A. adopted "*Procedures regarding transactions with related parties*" ("RPT Procedures") in compliance with Consob Regulation 17221/2010, and with article 2391-*bis* of the Civil Code, which also apply to transactions conducted by subsidiaries.
Those procedures were first updated in December 2013. During FY 2015, the Board of Auditors, within its own surveillance and monitoring activities, asked for further clarification on the RPT Procedures and on the checks aimed at identifying and managing transactions with related parties within the Generali Group.
As a result, the Company launched its ad-hoc analyses, with the help of the Internal Audit Function and of external legal consultants.
Those legal consultants examined the RPT Procedures adopted by the Company and concluded that the overall structure of the organisation and of its procedures is compliant with the reference regulation, and matches the best practices found in the market: they, however, put forward some suggestions with a view to further refinement of those procedures.
The inspections conducted by the Internal Audit Function, which focused on the main management stages of transactions with related parties and were aimed at confirming the effectiveness of the relevant controls, concluded that they were adequate overall, while offering some proposals for further improving those processes.
The Company's Compliance Function, after examining the suggestions offered by the legal counsel and by the Internal Audit Function, prepared a proposal for changing the RPT Procedures and the internal working regulation of the RPT Sub-Committee.
Those proposals were approved by the RPT Sub-Committee on 9 March 2016, after hearing the Board of Auditors, then they were submitted to and approved by the Board of Directors on 17 March 2016.
The Board of Auditors, during FY 2015, also recommended that the Company should delve deeper into the inclusion, within the definition of related parties, of professional firms or companies in which Company's directors with strategic responsibilities are part of.
At this Board's request, a specific investigation was started, with the support of an external consultant who concluded that professional firms were already included in the definition of related parties, as specified in the annex to the general procedure. Furthermore, the position of an international law firm, whose partners include a Company director, was specifically analysed, also with the same external consultant's support, and the outcome confirmed that that international law firm does not qualify as a related party of Assicurazioni Generali S.p.A., under the current circumstances.
Taking into account the above, the Board of Auditors confirmed that the RPT Procedures adopted by the Company comply with the prescriptions of Consob Regulation no. 17221/2010, as amended.
The annual Financial Report includes the financial and economic impact of the transactions with related parties as well a description of the most significant transactions.
Since the beginning of the mandate of this Board, no transactions classified as significantly material, according to the above Procedures, have been submitted to the Transactions with Related Parties Sub-Committee

and no transactions with related parties have been performed as a matter of urgency.
With reference to intragroup transactions in the financial year, the Board, in its supervisory activity, found that they were performed in compliance with the relevant annual guidelines adopted by the Board of Directors, according to ISVAP Regulation no. 25 of 27 May 2008. Those transactions, which were implemented with a view to streamlining operating functions, lowering costs, ensuring the level of service and exploiting the Group's synergies and were regulated at market prices or at cost, consisted in reinsurance or co-insurance relations, management of movable and immovable property, management and settlement of claims, IT and administrative services, loans and guarantees, as well as loans of staff.
We also assessed the information provided by the Board of Directors in the draft Financial Statements on intragroup and related party transactions as adequate.
To the best of our knowledge, no atypical and/or unusual transactions were implemented.

4. Company and Group Organisational Structure *(item 12 of Consob Statement no. 1025564/01)*

With reference to the organisational structure of Assicurazioni Generali S.p.A. and of the Group, in the year 2015 the Company continued to consolidate its organisational structure according to its own governance model, as described in the Report on Corporate Governance and Ownership Structures.
Some of the main organisational changes implemented in 2015 include:

- the reorganisation of the Group Audit Function, with the appointment of its new Head, effective from 7 April 2015, which was accompanied by the overhaul of the function's organisational structure.
- the creation, in January 2015, of the Actuarial function within the Group CFO's area;
- the establishment of the Corporate Affairs function, accompanied by the appointment, as of 16 January 2015, of the Company Secretary and Head of Corporate Affairs who manages the corporate secretarial activities and themes regarding corporate law and the Company's governance;
- the establishment of the Group Data Officer function, whose head reports directly to the Group CEO (and from 17 March 2016 to the General Manager) and is responsible for defining and implementing the strategy and methods for acquiring, analysing, and managing data, supporting the identification of new business initiatives and the improvement of the existing portfolio, in coordination with the relevant Group functions;
- some reinforcement within Business Units, such as the reorganisation of the Germany Country unit, organisational changes within the Global Business Lines division and the appointment of three Regional Officers (Asia, EMEA, and Americas).

The Group organisational structure envisages a matrix model of Business Units and Group Head Office Functions, the latter acting as strategic steering, guidance and coordination structures for Business Units.
The organisational governance and the interaction between Business Units and Group Head Office Functions are regulated by formal integration mechanisms, consisting in:

- the Group Management Committee (GMC), as a co-ordination body within which the Top Management shares the main strategic decisions;
- the Quarterly Business Reviews, through which local businesses define their own goals in line with the global strategy;
- the Functional Guidelines and Function Councils through which functions are coordinated globally;
- a classification of functions into two (so-called Solid and Dotted) categories based on the importance of reporting and coordination between the functions supporting the Business Units and their counterpart functions of the Group Head Office;
- three main cross-function committees supporting the Group CEO in steering the Group's strategic decisions (Balance Sheet Committee, Finance Committee, Product & Underwriting Committee).

Finally, on 17 March 2016, the Board of Directors co-opted the new CEO, Mr. Philippe Donnet, and also appointed the new General Manager, Mr. Alberto Minali, to whom the Group Strategy & Business Development, Group Financial Office, Group Operating Office, Group Data Office, Group Insurance and Reinsurance and the Group Marketing Office functions report.
The Board of Auditors, by obtaining information from the heads of the relevant corporate functions, gained knowledge of and monitored the overall organisational structure of the Company and of the Group and regarding the adequacy of the prescriptions given by Assicurazioni Generali S.p.A. to its subsidiary companies pursuant to art. 114, par. 2, of the TUF in order to promptly obtain the information needed to fulfil the disclosure requirements prescribed by law.
The review of the reports drawn up by the supervisory boards of the subsidiaries and/or of the reports trans-

mitted by them to this Board following specific demands found no significant elements worthy of your attention.

5. Internal Control and Risk Management System, Administrative-Accounting System and Financial Information Process *(items 13 and 14 of Consob Statement no. 1025564/01)*

5.1. Internal Control and Risk Management System

The Report on Corporate Governance and Ownership Structures describes the main features of the internal control and risk management system.

In particular, we wish to point out that the Company provided itself with an internal regulatory system applying to the whole Group, named Generali Internal Regulation System (GIRS). The system consists of three levels: Group Policies approved by the Board of Directors; Group Guidelines approved by the Group CEO; Group Operating Procedures approved by the relevant Group Head Office functions.

The corporate functions operate according to an organisational model based on three control levels:

- the heads of the operating areas (risk owners);
- the second-level control functions, in particular the Group Risk Management, the Group Compliance and the Group Actuarial function, the latter established in January 2015;
- the Group Audit.

The Group CEO is also assigned the role of director in charge of the internal control and risk management system.

Within the adjustment to Solvency II, including to the guidelines and the management acts issued concerning EIOPA and the laws and regulations which implemented it nationally, in 2015 the Company substantially concluded the definition and/or updating process of its corporate policies. Those policies are aimed both at establishing the roles and responsibilities of control functions, and at defining the processes connected with protecting against business activity-related risks, such as financial, credit, insurance, operational risks and other risks, including those regarding liquidity, financial liabilities, strategy, reputation, contagion and the emerging risks, as described in the Risk Report and in the Parent Company's Financial Statements.

The above policies on the internal control and risk management system have also been adopted by the main subsidiaries, taking into account the regulatory specific details of the various countries in which the Group operates and any business peculiarities.

In this regard, the Board acknowledges that the Group updated the Directives on the internal control and risk management system, also based on the regulatory provisions of Regulation 20/2008 IVASS in the updated version of 30 June 2014 and according to the guidelines described in the Letter to the Market issued by IVASS on 15 April 2014.

As regards the prospective evaluation of risks, based on the requests included in Regulation 20/2008 and in the IVASS Letter to the Market of 15 April 2014, which have already been mentioned above, and in the "ORSA (Own Risk Solvency Assessment) Policy" approved by the Company as an integral part of the Risk Management Policy, in 2015 the Group ORSA Report referred to 31 December 2014 was submitted to IVASS.

In March 2016 IVASS allowed a "Partial internal model" to be used to calculate the Solvency Capital Requirement of the Group and of its main Italian, German, non-life French companies, and of the Czech company Česká Pojišt'ovna A.s..

Against this background of continuous evolution and consolidation of control systems, in line with the gradual update of the applicable sector discipline, the Board of Auditors has constantly monitored the adequacy of the internal control and risk management system adopted by the Company and by its Group. In particular, the Board of Auditors:

i) Acknowledged the overall adequacy assessment of the internal control and risk management system which was expressed by the Board of Directors, after considering the report written by the Risk and Control Committee;
ii) Reviewed the report written by the Risk and Control Committee and by the management and released in order to support the Board of Directors;
iii) Became familiar with the activities performed by the Internal Audit, Compliance, Risk Management and Actuarial functions, also by participating in the meetings of the Control and Risk Committee and by talking with their heads;
iv) Reviewed the half-yearly reports written by the head of the Internal Audit Function;
v) Monitored the completion of the Audit Plan approved by the Board of Directors and received information flows on the outcomes of the audits;
vi) Became familiar with the activities of the Supervisory Board, which was set up by the company in compliance with L. D. 231/2001, through specific information and updating meetings regarding the activities conducted by that board;

vii) Obtained information from the heads of the relevant corporate functions;

viii) Became familiar with the Group's system and with the framework of policies, regulations, guidelines and procedures aimed at complying with the specific norms of the insurance industry, as well with those prescribed for listed companies and adopted by the Company (including – as regards market abuse – the management of confidential information, internal dealing, and transactions with related parties);

ix) Exchanged information with the supervisory bodies of subsidiary companies pursuant to paragraphs 1 and 2 of art. 151 of the TUF;

Within its own supervisory activity of the internal control and risk management system, the Board of Auditors focused in particular on the profiles regarding the compliance with the anti-money laundering rules, also in view of some issues emerged in the management of the Centralised Computer Archive in 2013 for the subsidiary Generali Italia S.p.A., within the reallocation of insurance portfolios after the restructuring of the Group's Italian business.

The Board, in agreement with the boards of auditors of the companies involved, constantly monitored the progress and the actual implementation of the relevant action plan adopted by the Company, as it was submitted by the same Supervisory Authority. That plan included more comprehensive anti-money-laundering and counter-terrorist measures.

In particular, in 2015, the Board participated in the meetings of the Control and Risks Committee noting that the latter systematically monitored the implementation of the planned anti-money-laundering and counter-terrorist initiatives in order to fully align the procedures of local companies with the provisions of the Group's anti-money laundering policy approved by the Company's Board of Directors on 24 September 2014 ("Group Anti-Money Laundering & Counter-Terrorism Financing (AML/CTF) Policy").

The initiatives included the implementation of a control system aimed at checking the consistency between data on subjects included in (mostly non-life) insurance portfolios and the so-called black lists (lists of terrorists, subjects under international sanctions, etc.). The Group Compliance Officer confirmed that the initiatives adopted adequately protect against the risk. An *ad-hoc* plan of measures was specifically devised for Italy and is now substantially complete, as confirmed by the Board of Auditors of Generali Italia S.p.A.

The Board also acknowledged that in 2016 the Group companies will be requested to implement a new anti-money-laundering and counter-terrorist compliance plan. It will also take into account the latest international guidelines on the fourth AML EU Directive (which will enter into force in 2017). It should be noted that the Group Compliance Officer's function was strengthened in 2015 by employing new staff and by setting up four units, including the unit devoted to AML activities.

In view of the above, the analyses conducted and the information acquired provided no elements that may prompt this Board to consider the internal control and risk management system as not adequate, as a whole. All this considering its evolutionary nature and the continuous improvement of its effectiveness pursued by the Company.

5.2. Accounting & Administrative System and Financial Information Process.

As regards the accounting & administrative system and the financial information process, the Board of Auditors also monitored the activities conducted by the Company with a view to continuously assessing their adequacy.

This goal was pursued by the Company by adopting a "financial reporting model" made up of a set of principles, rules, and procedures designed to guarantee an adequate administrative and accounting system.

The Report on Corporate Governance and Ownership Structures describes the main features of the model, as defined by the Manager in charge of preparing the corporate books, who collaborates with the Financial Reporting Risk structure.

The report issued by the statutory auditing firm pursuant to art. 19, par. 3 of L. D. 39/2010 shows no significant shortcomings in the internal control system in connection with the financial information process. That report was discussed and further analysed during an appropriate meeting between the Board and the auditing firm.

6. Further Activities Conducted by the Board of Auditors

In addition to the above, the Board of Auditors carried out further assessments in compliance with the current laws and regulations applying to the insurance industry.

In particular, the Board of Auditors, also through its participation in the meetings of the Control and Risk Committee:

- Monitored the compliance with the guidelines on investment policies resolved following the issue of ISVAP Regulation no. 36 of 31 January 2011 by the Board of Directors on 13 May 2011, as amended in

2012, 2013 and, most recently, in November 2015;
- Reviewed transactions with derivative financial instruments in accordance with the guidelines and limitations prescribed by the Board of Directors and confirmed that the Company duly sent regular reports to IVASS;
- Analysed the administrative procedures adopted for handling, safekeeping and entering in the accounts financial instruments, by verifying the prescriptions given to their custodians as to the regular dispatch of bank statements with appropriate evidence about any restrictions;
- Checked the absence of restrictions and the full availability of the assets backing technical reserves;
- Confirmed that they matched with the register of assets backing technical reserves.

At the period ending date, the solvency margin was adequately covered by its fundamental elements.
The Management Report and the Notes to the Accounts provide evidence of the Net Worth and of the solvency ratios of the Company and of the Group.
The Company included in the Notes to the Accounts the information regarding share-based payment agreements, in particular bonus plans linked to capital instruments assigned by the Parent Company and by the other Group companies.

7. Organisation and Management Model Pursuant to L. D. no. 231/2001

The Board of Auditors examined and obtained information on the organisational and procedural activities conducted pursuant to L. D. 231/2001, as amended, regarding the administrative responsibility of organisations. The main aspects related to organisational and procedural activities conducted by the Company pursuant to L. D. 231/2001 are described in the "*Report on Corporate Governance and Ownership Structures*".
The information provided by the Supervisory Body on those activities found no noteworthy facts and/or circumstances.

8. Compliance with the Voluntary Self-Regulatory Code and Composition and Remuneration of the Board of Directors. *(item 17 of Consob Statement no. 1025564/01)*

The Company adheres to the Voluntary Self-Regulatory Code issued by the Corporate Governance Committee, as promoted by Borsa Italiana S.p.A., whose concrete implementation was assessed by this Board, with reference to its application principles and criteria, without any comments to make on the matter.
The Board of Auditors acknowledges that the Board of Directors assessed its functioning, size and composition and those of board committees, while being assisted by a leading consultancy firm.
The Board of Auditors also checked the appropriate application of the criteria and of the process implemented by the Board of Directors in order to assess the independence of directors qualified as "independent"; it also confirmed that it fulfils the requirements concerning its own independence.
In particular, the Board of Auditors monitored the assessment process conducted by the Board of Directors concerning director Flavio Cattaneo, who was co-opted by the board with its resolution of 5 December 2014. That director was later appointed as managing director of NTV, a company in which the Group indirectly holds a 15% stake, on 26 February 2015. With the opinion of the Appointments and Corporate Governance Committee, the Board of Directors concluded on 11 March 2015 as to Mr. Cattaneo's lack of independence under the terms of the self-regulatory Corporate Governance Code.
Furthermore, following a request for further investigation by this Board, the Company conducted a specific analysis, with the aid of an external consultant, regarding the position of director Alberta Figari, which confirmed her independence.
The Board of Auditors, during FY 2015, recommended that the process adopted by the Board of Directors for assessing whether directors met the "independence" requirement be performed also by using information available through the Procedures for Transactions with Related Parties. As specified in the Report on Corporate Governance and Ownership Structures 2016, the Company acted on the Board of Auditor's recommendation and launched the relevant activities, currently under way. The Board of Auditors also suggested that the Board of Auditors should in the future participate in the meetings of the Appointments and Corporate Governance Committee in areas regarding the assessment of the directors' independence; this suggestion was discussed and accepted during a recent Board of Directors meeting
Finally, the Board of Auditors has in particular recommended that the Board of Directors formalise the process currently followed to evaluate the Directors' independence requisites, as well as introduce appropriate and systematic procedures for collecting significant pertinent information and criteria for engaging external consultants whenever specific circumstances need to be further delved into.

The Board of Auditors acknowledges that on 5 November 2014 the Board of Directors adopted a specific policy and a plan concerning the succession of top managers which was implemented when the former Group CEO ended his mandate.
The Board of Auditors has no comments to make on the consistency of the remuneration policy with the recommendations of the Voluntary Self-Regulatory Code and its compliance with ISVAP Regulation no. 39 of 9 June 2011.

9. Statutory Audit *(items 4, 7, 8 and 16 of Consob Statement no. 1025564/01)*

The mandate for the statutory audit of the financial statements of Assicurazioni Generali S.p.A. and the Group consolidated financial statements was assigned to the Reconta Ernst & Young S.p.A. auditing firm. This firm during FY 2015 also checked the proper accounting and correct reporting of the operational results in the Company's books.
On 1 April 2016 the auditing firm released the reports required by articles 14 and 16 of L. D. 39/2010 for the financial statements of the Parent and for the Group consolidated financial statements as at 31 December 2015, respectively. Those reports show that the annual reports were prepared with the necessary clarity and describe truthfully and correctly the financial position, the net result and the cash flows for the year ended on that day.
The Manager in charge of preparing the corporate books and the Managing Director and Group CEO released the statements and attestations required by article 154-*bis* of the TUF with reference to the financial statements and to the consolidated financial statements of Assicurazioni Generali S.p.A as at 31 December 2015.
The Board of Auditors supervised, to the extent required, the general layout of the financial statements of the Parent and of the consolidated financial statements in accordance with the law and with the specific regulations on drawing up insurance financial statements. As regards the consolidated financial statements of the Assicurazioni Generali Group, the Board acknowledges that they were drawn up in compliance with the IAS/IFRS international accounting standards issued by IASB and approved by the European Union, pursuant to EU Regulation no. 1606 of 19 July 2002 and to the TUF, as well as to L. D. 209/2005, as amended. The consolidated financial statements were prepared according to the requirements of ISVAP Regulation no. 7 of 13/7/2007, as amended, and contain the information required by Consob Statement no. 6064293 of 28 July 2006. The explanatory note illustrates the assessment criteria adopted and provides the necessary information required by current regulations.
The Management Report drawn up by the Directors and attached to the draft financial statements of the Parent Company illustrates the business management performance, highlighting current and future trends, as well as the development and reorganisation process of the insurance group.
The Board of Auditors also acknowledges that it was heard, together with the auditing firm, by the Control and Risk Committee within the assessment conducted by the latter, along with the Manager in charge of preparing the corporate books, about the correct and uniform use of accounting standards for drawing up the consolidated financial statements.
On 1 April 2016 Reconta Ernst & Young S.p.A. issued their report pursuant to art. 19, par. 3 of L. D. 39/2010, which contains no elements deserving your attention.
We also held meetings with the heads of the Reconta Ernst & Young auditing firm charged with the statutory audit of accounts, also pursuant to art. 150, par. 3 of the TUF, during which information was exchanged but no noteworthy facts or circumstances emerged.
The Board examined the further activities/services assigned to the statutory auditing firm Reconta Ernst & Young S.p.A. and to firms within its network, whose fees are described in detail in the Notes to the Accounts.
Taking into account the statement confirming its independence issued by Reconta Ernst & Young S.p.A. pursuant to art. 17, par. 9 of L. D. no. 39/2010 and the nature of the tasks assigned to it and to the firms belonging to its network by Assicurazioni Generali S.p.A and by the Group, no elements have emerged that let us reasonably assume that the independence of the auditing firm is at risk.

10. Opinions Given by the Board of Auditors During the Financial Year *(item 9 of Consob Statement no. 1025564/01)*

During the financial year, the Board of Auditors also provided the opinions, comments and attestations required by the current legislation.
In particular, the Board issued a favourable opinion, during those meetings of the Board of Directors concerning proposed resolutions, pursuant to art. 2389 of the civil code, regarding the proposed deliberation for the remuneration for the Group CEO and for the Head of the Group Internal Audit.
The Board of Auditors also duly expressed its remarks about the semiannual reports on complaints, as prepared by the head of the Internal Audit Function in com-

pliance with ISVAP Regulation no. 24 of 19 May 2008. The reports found neither particular organisational issues, nor deficiencies. The Board also verified whether its reports and relevant remarks were promptly transmitted to IVASS by the Company.

In early 2016, the Board of Auditors issued a favourable opinion, pursuant to art. 2386, par. 1 of the Civil Code, about the proposed appointment by co-optation of Mr. Philippe Donnet at the meeting of the Board of Directors of 17 March, having examined the relevant process followed by the Company and by its Committees. On that occasion, it also gave its favourable opinion about the draft resolution according to art. 2389 of the civil code, regarding the proposed remuneration for the new Managing Director/Group CEO.

It also issued a favourable opinion, at the same meeting where a corporate capital increase was resolved, about the LTI Plan 2013.

11. Petitions and Complaints pursuant to article 2408 of the Civil Code. Possible omissions, reprehensible actions or anomalies *(items 5, 6 and 18 of Consob Statement no. 1025564/01)*

The Board of Auditors received neither complaints, nor petitions during financial year 2015.

In early FY 2016 three complaints as per art. 2408 of the Civil Code have been received.

On 1 February 2016 the shareholder Tommaso Marino sent the Board of Auditors a communication regarding the news found in the press in late January regarding the situation of the former Group CEO, Mr. Mario Greco. In particular, the it requested the Board of Auditors to check the following:

(i) whether the press reports alleging that Mr. Greco's exit was due to disagreements with Mr. Nagel, the Managing Director of Mediobanca S.p.A., were true;
(ii) whether over the last few months and up to the definitive break up of its relationship with Mr. Greco, the Generali Group has entered into contracts with the competing insurance group in which Mr. Greco is to hold his new office and whether those contracts may represent a significant advantage for the same competing insurance group;
(iii) whether former Group CEO Mr. Greco met with shareholders with a view to renewing his mandate and whether the press reports alleging that he faced obstacles that favoured his departure are true.

With reference to items (i) and (iii), the Board of Auditors reports that, at the meetings of the Board of Directors attended by the Board of Auditors, and in particular at those of 9 and 17 February 2016, in which Mr. Greco's position was discussed at legth, no information emerged that may link his decision with possible issues in his relationship with some Company shareholders.

The Board of Auditors reports that it has no information pointing to any meetings of Company shareholders with Mr. Greco in the weeks before the latter's notification of his decision to depart from the Company.

The Board also reports that based on direct experience gained at meetings of the Board of Directors and of board committees, as well at specific meetings regularly held with the former Group CEO, Mr. Greco, no significant issues have emerged regarding the aspects raised by Mr. Marino.

With regard to item (ii) of Mr. Marino's request, the Board asked the Company's Internal Audit Function to carry out a "special audit" on the matter. The Board met with the representatives of the Internal Audit Function on 9 February 2016 to agree on the purpose and extent of the activity regarding the contracts signed between 1 May 2015 and 9 February 2016 between companies belonging to the Generali Group and companies belonging to the Zurich Group.

On 18 March 2016 the audit report regarding the activity conducted by the Internal Audit Function was sent to the Board of Auditors. The further analyses conducted revealed no critical elements to be pointed out in this report.

On 5 February 2016 a shareholder, Mr. Vincenzo Covelli, also filed a complaint as per art. 2408 of the Civil Code regarding the same press reports of late January on the position of former Group CEO, Mr. Mario Greco.

In particular, the complaint urges the Board of Auditors to assess the following:

(i) whether the Board of Auditors had been informed by the Chairman that Mr. Greco was not willing to accept another term as Group CEO;
(ii) whether the Chairman of the Board of Directors may be considered responsible for failing to include a non-competition clause in the contract with the former Group CEO;
(iii) whether Consob conducted inspections on the matter;
(iv) whether the members of the Board of Directors exchanged Generali stocks when Mr. Greco departed from the Company.

As far as item (i) is concerned, the Board of Auditors acknowledges that it had been immediately informed

by the Chairman about Mr. Greco's statement, which was received on 26 January 2016 noting that he was not available to accept a new term as Group CEO at the expiry of his current term. On the same day, the Company fully informed the markets about Mr. Greco's decision through an appropriate press release.
As regards item (ii), the negotiation of the contract terms of the Group CEO's mandate does not fall within the specific duties of the Chairman of the Board of Directors. However, the Board of Auditors notes that the inclusion or absence of certain clauses in such agreements is still strictly connected with the specific dynamics of each negotiation and with the role and interests of the professional profile sought.
The Board of Auditors however explicitly recommended to the Board of Directors in its meeting of 9 February 2016, that in the future when agreements are formalized with senior managers, to assess the possibility of inclusion of specific non-competition clauses, a recommendation that was actually implemented in the drawing up the agreement with the new Group CEO.
As for item (iii), the Board of Auditors has no information about any inspections conducted by Consob on the issues raised by the shareholder Covelli.
Finally, with reference to item (iv), as the information available on the web site of the Company in the section "Internal Dealing" shows, no securities of the Company have been exchanged by the members of the Board of Directors in the period specified by the shareholder Covelli.
Later, Shareholder Tommaso Marino on 19 February 2016 filed a further complaint as per art. 2408 of the Civil Code in connection with a sanction imposed by the Italian Antitrust Authority on Generali Italia S.p.A. for alleged anti-competitive conducts.
The Board of Auditors conducted appropriate control activity at the relevant Company offices, finding that the sanction was lifted by the Lazio regional administrative court in December 2015 following an appeal by Generali Italia S.p.A., before it paid the amount prescribed by the sanction.

Taking into account the updates sent to Consob and IVASS regarding the measures taken by the Company before this Board of Auditors took office, regarding anti-money laundering and counter-terrorism, whose implementation has been now substantially completed, its supervisory activities found no reprehensible actions, omissions or anomalies that should be reported to the relevant Supervisory Authorities.

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Given all the considerations contained in this Report, the Board of Auditors does not find any impediments to the approval of the financial statements of Assicurazioni Generali S.p.A. for the year ended on 31 December 2015, as submitted by the Board of Directors, and expresses its favourable opinion on the proposed allocation of the operating profit for the year and on the proposal to distribute the dividend, to be drawn in part from the extraordinary reserve.

Trieste, 4 April 2016

The Board of Auditors

Carolyn Dittmeier
Lorenzo Pozza
Antonia Di Bella

“In the last 25 years, the net annual rate of forest loss has dropped by over a half, from 0.18% in the early 1990s to 0.08% in the 2010-2015 period