



MERITOCRACY

2019

REPORT ON THE
REMUNERATION POLICY
AND ON COMPENSATION PAID



Società Cattolica di Assicurazione

Cooperative Company based in Verona, Lungadige Cangrande n. 16
Parent Company of the Cattolica Assicurazioni Group, registered in the Register of Insurance
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Report on the Remuneration Policy and on Compensation Paid

*Drawn up under Ivass Regulation no. 38 of July 2018, Article 123-ter of the
TUF and Article 84-quater of the Issuers' Regulations.*

2019

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SECTION 1

INTRODUCTION SECTION 1

Società Cattolica di Assicurazione, hereinafter "the Company", by means of a specific resolution of the Board of Directors, with the favourable opinion of the Remuneration Committee, submits the Remuneration Report for the year 2019 to the approval of the Ordinary Shareholders' Meeting.

This document has been drawn up in compliance with current legislation, with particular reference to IVASS Regulation no. 38 of 3 July 2018 (hereinafter the "Regulation") and Article 275 of EU Regulation 2015/35 on remuneration policies in insurance companies, as well as in compliance with Consob Regulation no. 17221 on related-party transactions and the Issuers' Regulations issued by Consob in implementation of the provisions of Article 123-ter of the Consolidated Finance Act as amended by Article 123-ter. 3 of Legislative Decree no. 49 of 10/5/2019.

The document has also been drafted on the following assumptions:

- Articles 57 and Articles 2, 17, 19, 29 of Directive (EU) 2016/97 on the distribution of insurance, implemented in Italy by Legislative Decree no. 68 of 21 May 2018;
- Chapter II of Commission Delegated Regulation (EU) 2017/2359 of 21 September 2017 on information requirements and conduct of business rules applicable to the distribution of insurance investment products (IBIP);
- Ivass Regulation 40/2018 on the distribution of insurance and reinsurance.

The Report also follows the principles contained in the latest version of the Corporate Governance Code for Listed Companies and is divided into the following sections:

- SECTION I: with reference to Directors, Control Bodies, General Managers and other Executives, reports on the implementation of the Policies for 2019, with reference to the remuneration of the persons governed by the Regulations and contains information on the principles and guidelines with which Società Cattolica di Assicurazione determines the Remuneration Policy for the year 2020, as well as information relating to the procedures used for the adoption and implementation of this policy;
- SECTION II: is divided into two parts. The first provides a representation of each of the items making up the remuneration; the second shows the remuneration paid in the previous year, for whatever reason and in whatever form, by the Company and its subsidiaries and associated companies, using the tables attached to the same Report, which form an integral part of it.

It is stressed - in compliance with the Regulation - that these Policies have been updated with respect to the version approved by the Shareholders' Meeting in 2019, also in the light of the indications shared with the Fundamental Functions.

1 - INTRODUCTION TO REMUNERATION POLICIES

1.1 DEFINITIONS

The following definitions are adopted for the purposes of these Policies (in alphabetical order):

- **Senior Management** - identifies the figures of the Director-General where present, the Director-General and the Joint Director-General.
- **Bonus-value** of variable remuneration, calculated as a percentage of the GAR, paid on achievement of the objectives set out in the incentive plans;
- **Claw-back** - contractual clause providing for the possibility of claiming restitution, in whole or in part, of the compensation paid on the basis of results that have not proved to be durable or effective as a result of intent or gross negligence;
- **Corporate Governance Code** - The current Corporate Governance Code for companies listed on the Milan Stock Exchange;
- **Deferral** - postponement, within a predetermined period of time, of the payment of part of the variable component of the remuneration with respect to the date of accrual of the incentive, the payment of which may be subject to the *malus and claw-back* regime;
- **Executives with Strategic Responsibilities** - the Executives with Strategic Responsibilities are identified, which include, in addition to the Director-General and the Joint Director-General, the figures of the Deputy Director-Generals;
- **Fundamental Functions** - Internal Audit, Risk Management, Compliance and Actuarial Functions, as per IVASS Regulation no. 38 of 03 July 2018, in addition to the other Functions that may be established within the Company's policies;
- **Gate**: basic target to be achieved in order to activate the incentive plan; below the established threshold, the plan does not allow the disbursement of any incentive;
- **Key Performance Indicators (KPIs)** - qualitative-quantitative measures identified and defined during the construction of the incentive plans (both short and long term) and aimed at making the actual achievement of the assigned targets measurable;
- **Long Term Incentive (LTI)** - an incentive scheme based on results achieved against long-term targets.
- **Malus** - a contractual clause that provides for the possibility of not paying all or part of any deferred variable remuneration accrued if, after the period of deferment, there is a failure to achieve the *set targets* or a significant deterioration in the company's equity or financial position;
- **Management by Objectives (MbO)** - incentive system linked to the results achieved with respect to the annual targets.
- **Control Body** - identifies the Board of Statutory Auditors or the Management Control Committee;
- **Significant personnel** - identifies all the persons defined in letter m) of Art. 2, para. 1 of the Regulations;
- **Insurance Investment Product (IBIP)** - an insurance product that has a maturity or surrender value and where such maturity or surrender value is exposed in whole or in part, directly or indirectly, to market fluctuations;
- **Remuneration** - any form of payment or benefit paid, directly or indirectly, including through financial instruments or goods in kind ("*fringe benefits*"), for work or professional services rendered by the addressees of the Policies to the Company. In any case, payments referring to institutions provided for by national and supplementary collective agreements, such as, for example, supplementary pension benefits and variable company bonuses, are excluded;
- **Gross annual salary (GAR)** - the sum of the fixed annual salary (equal to the sum of the fourteen months' salary under the national collective agreement and any typical remuneration that can be considered fixed);
- **Significant person** - identifies all the persons defined in Article 2, para. 2. 1 No 1 of Delegated Regulation (EU) 2017/235

1.2 REFERENCE PRINCIPLES AND GUIDELINES

All those who play an important role in the management or control of the company must be remunerated in line with the general principles set out in Article 40, "General principles of remuneration policies" of the Regulation, which states: *"Companies will adopt remuneration policies in writing, consistent with sound and prudent risk management and in line with the company's long-term strategic targets, profitability and equilibrium. Companies must avoid remuneration policies based exclusively or predominantly on short-term performance that encourage excessive risk exposure or risk taking that exceeds the risk tolerance limits set by the Board of Directors."*

The remuneration of directors and managers, in particular executive directors and managers with strategic responsibilities, must therefore be established taking into account the need for profitable and sustainable management. The consistency of the Remuneration Policies with the Company's risk management and solvency assessment policy has thus been ensured.

In addition, for persons involved in distribution activities, the provisions of Article 17 of Directive (EU) 2016/97 apply, and, therefore, the payment of compensation and the valuation of the performance of both the Company's employees involved in distribution activities and the distribution network takes into account the duty of such persons to act in the best interests of their clients. For this purpose, the Company, taking into account the provisions of the Policy for the management of conflicts of interest which is an integral part of this document:

- makes no provision for compensation, sales targets or other arrangements that may encourage its employees or its distribution network to offer or recommend a particular insurance product to clients if there is a different insurance product that better meets their needs;
- has introduced within its incentive system performance quality valuation criteria that make it possible both to take into account the quality of the service provided to the client with a view to continuous improvement and to encourage the collection of useful information to design and offer products increasingly in line with client needs, according to a vision integrated with the POG process.

In the light of the above, the Company's incentive plans include indicators that aim to guide both the behaviour of personnel in relation to the types of risk typical of the sector and the behaviour of those who carry out distribution activities (including significant persons) to always act with honesty, fairness and professionalism in the interests of the client.

Persons subject to the Remuneration Policies are required not to use personal hedging strategies or insurance (so-called hedging) that may alter or influence the effects of risk alignment inherent in variable remuneration mechanisms.

Moreover, consistent with its history, the nature of the Company and the principles that inspire its business, the Company, in determining its Remuneration Policies, also proposes to link and comply with the following principles:

- uniform economic treatment in the presence of equivalent roles and responsibilities and the safeguarding of differences of origin and gender;
- balance between the wage level of the company and that of the reference market;
- gradual application of the reward system to guide long-term results and behaviour.

The above in the belief that, through the definition and application of Remuneration Policies consistent with the above principles, it is possible to:

- help create long-term value for all *stakeholders*;
- encourage the implementation of long-term business strategies, as set out in the strategic/Business Plans;

- safeguard the Company's image and reputation, in line with the provisions of its Code of Conduct;
- motivate directors, managers and collaborators to respond with adequate professionalism to the targets that the Company has set itself, encouraging their full achievement;
- improve the quality of the service offered to the client, increasing the level of trust in the Company and the network to create a healthy, solid and lasting relationship.

1.3 SCOPE

The Addressees of these Policies are - as expressly required by the Regulation - the members of the Board of Directors, the members of the Control Body, the "Significant Personnel" and the other subjects provided for: insurance and reinsurance intermediaries and, in general, all subjects involved in distribution activities (with particular regard to insurance investment products), outsourcing service providers.

In general terms, it is also confirmed that, as in previous years, the personnel of the Group Companies fall within the scope of the Remuneration Policies of the Company of which they are directly employees, also with reference to cases of appointment or position held in other Group Companies or in which the Group has been financially involved.

In the case of Employees with a concurrent position in a corporate body or other type of assignment or assignment within the Group, the remuneration package (GAR, MbO and other components described in this policy) received by the individual includes the remuneration for the assigned position as any remuneration for positions held in corporate bodies or any remuneration relating to other positions, are devolved to the Company with which the employee maintains the employment relationship.

These Remuneration Policies and the Group Policies constitute the instrument of guidance and coordination for all the Group's subsidiaries, confirming with this aspect the role of the Parent Company in defining, formulating and identifying guidelines and criteria for application and assessment, valid for the entire Group, in line with the general provisions of Article 2497 ff. of the Civil Code, and in compliance with the Regulations also with reference to the Group's risk management strategy and policy, while ensuring that they are calibrated with respect to the specific characteristics of Group companies.

The process of defining these Remuneration Policies is an integral part of the Company's *Governance*, which operates in line with the Group's system of governance.

1.4 IDENTIFICATION OF "SIGNIFICANT PERSONNEL"

The Significant Personnel, *whose activity may have a significant impact on the company's risk profile*, consists, by express regulatory provision, of:

- Director-General;
- Executives with Strategic Responsibilities: the Executives with strategic tasks are identified, including, in addition to the Director-General and the Joint Director-General, the figures of the Deputy Director-Generals;
- Holders of the Fundamental Functions: Internal Audit, Risk Management, Compliance and Actuarial Functions in addition to other Functions that may be established in the context of the Company's policies;
- *other properly identified categories of personnel.*

The latter category, unlike the others which automatically fall within the definition of "Significant Personnel", as the rule expressly includes them, must be identified by companies according to objective criteria. The Company therefore identifies, at least once a year, the roles and categories of persons falling into this category in accordance with internal regulations.

Under Article 59, para. 1, letter b) of the Regulations, these Policies establish that the process of identifying Significant Personnel was conducted jointly with the Fundamental Functions and approved by the Company's Board of Directors, taking into account, inter alia, the indicators relating to the position held, the degree of responsibility, the hierarchical level, the activity performed, the powers granted, the possibility of generating profits or affecting accounting items for significant amounts and the assumption of risk positions.

At the end of this assessment process, carried out in accordance with the above criteria, which allowed, among other things, a greater focus on the "strategic" roles of the Group and, in addition to the Significant Personnel expressly provided for in the Regulations, all the other Executives belonging to the Management Committee as well as the Executives of the Parent Company that the classification (formerly D2/Directors), the degree of responsibility and hierarchical dependence and the role held within the Group, with particular reference to the scope of activities, are the first direct reports of the Joint Director-General and Deputy Director-Generals.

2 - GOVERNANCE OF REMUNERATION POLICIES

In compliance with current legislation, the determination and approval of the Remuneration Policies and the control activities of their correct implementation imply precise responsibilities and active conduct for a plurality of subjects, involved in various ways in the general system of remuneration *governance*.

2.1 SHAREHOLDERS' MEETING

The Ordinary Shareholders' Meeting is responsible for:

- the determination, for the entire period of their office, of the remuneration due to the members of the Board of Directors and the Management Control Committee, without prejudice to the provisions of Article 2389 of the Civil Code for special offices;
- determination of the amount of the attendance allowance to Directors and any Statutory Auditors for each meeting of the Board of Directors and any additional Committee set up by the Board of Directors;
- the approval of remuneration policies for the Company's Corporate Bodies and Significant Personnel, including remuneration plans based on financial instruments.

2.2 BOARD OF DIRECTORS

The Board of Directors, in accordance with the provisions of Article 42 of the Regulations, is responsible for defining and revising the Company's Remuneration Policies for the approval of the Ordinary Shareholders' Meeting.

In addition, the Board of Directors:

- resolves on the allocation of the total compensation approved by the Shareholders' Meeting for the members of the Board of Directors, as well as on the methods of reimbursement of expenses due to them;
- resolves, after consulting the Control Body and the Remuneration Committee, on the remuneration of the Directors who hold the position of Chairman, Senior Deputy Chairman, Secretary where appointed, as well as the Managing Director and other special positions, such as those provided for by the self-regulatory codes;
- submits an annual information document to the Shareholders' Meeting under Art. 59 of the Regulations;
- ensures, also thanks to the support of the Remuneration Committee and the Risk Control Committee, the correct application of the Remuneration Policies, making use of the general implementation aspects of the Senior Management and the operational aspects of the Human Resources function and the other Functions involved in the process, as well as acquiring the results of the audits conducted by the Fundamental Functions;
- ensures that decision-making processes relating to remuneration policies are clear, documented and transparent and include measures to avoid conflicts of interest.
- determines the remuneration and indemnity for the participation and reimbursement of expenses of the members of the Supervisory Board under Law 231/2001;
- defines the remuneration of the Manager responsible for preparing the company's financial reports;
- defines the reimbursement of expenses due to the Provir.

2.3 THE REMUNERATION COMMITTEE

The Remuneration Committee ¹has investigative, consultative and propositional functions with regard to Remuneration Policies and the compensation of Directors and executives with strategic responsibilities, without prejudice to the powers attributed to the Managing Director and/or other Committees established within the Board of Directors of the Company.

The Committee is composed of three non-executive directors, the majority of whom are recognised as independent by the Company under the Corporate Governance Code for Listed Companies of Borsa Italiana. The Chairman is chosen from among the Directors qualified by the Company as independent under the Corporate Governance Code.

No Director attends Committee meetings where proposals are made to the Board of Directors regarding his remuneration. The Committee takes its decisions in accordance with the collegial method and by a majority of the members present. In the event of a tie, the position expressed by the Chairman of the Committee meeting will take precedence.

The Committee reports to the Board of Directors on the activity and effective functioning of the remuneration policies carried out on an annual basis.

The Committee also has the following tasks

- advising and making proposals in the context of the definition of remuneration policies and making proposals for the compensation of each of the Directors vested with specific duties;
- verifying the appropriateness of the overall remuneration scheme and the proportionality of the remuneration of the executive directors to that of significant company personnel;
- periodically checking the remuneration policies to ensure that they continue to be appropriate including in the event of changes to the company's operations or to the market environment in which the company operates;
- identifying potential conflicts of interest and the measures taken to manage them;
- ascertaining whether the conditions for payment of the incentives of Significant Personnel are met;
- providing adequate information to the Board of Directors on the effective operation of remuneration policies;
- supporting the Board of Directors, in cases where external consultants are used to determine remuneration policies, by verifying in advance that these persons are not in situations which compromise their independent judgement;
- making proposals to the Board of Directors concerning the remuneration to be paid to the members of committees and bodies;
- expressing a prior opinion on the contents of the remuneration report to be provided to the public under current provisions and on any other information document on remuneration intended for the public;
- in accordance with the Related-party transactions Procedure, expressing a prior opinion pursuant to Article 7 of the Consob Regulations on decisions concerning the awarding of remuneration and economic benefits, in any form, to members of administrative bodies and key management personnel (as defined in the Consob Regulations), other than those resolved upon by the General Meeting;
- periodically assessing the criteria adopted for the remuneration of the corporate bodies of subsidiaries and issuing opinions and recommendations to the Board of Directors;
- for variable or financial instrument-based remuneration for the heads of the Company's control functions, expressing an opinion to the Board of Directors on their consistency with the tasks assigned, and ensuring that they are independent of the results achieved by the operating units controlled by those functions and linked to the achievement of targets related to the effectiveness and quality of control action, and that they are not a source of conflicts of interest.

¹established by resolution of the significant Board of Directors on 23 March 2001.

Under Art. 13, para. 3, letter b) of Consob Regulation no. 17221 of 12 March 2010 on related-party transactions, decisions relating to the allocation of remuneration and economic benefits, in any form, to members of the Board of Directors and executives with strategic responsibilities were excluded from the application of the procedure for the management of related-party transactions approved by the Board, where consistent with the Remuneration Policies approved by the Shareholders' Meeting.

2.4 CONTROL AND RISK COMMITTEE

The Control and Risk Committee ² is a way for the Board of Directors to increase the effectiveness of its functions in relation to the internal control system and risk management. It pays particular attention to instrumental activities so that the Board of Directors can arrive at a correct and effective determination of the Risk Appetite Framework (RAF) and risk governance policies.

Without prejudice to the powers of the Remuneration Committee, the Risk Control Committee supports the Board of Directors in ensuring that the incentives underlying the remuneration and incentive system are consistent with the RAF and take into account risks in general, also expressing an opinion on the targets of the heads of the Company's control functions;

2.5 SENIOR MANAGEMENT

Senior Management, in collaboration with the Strategic Managers, in addition to implementing the Policies approved by the Shareholders' Meeting, in accordance with the guidelines of the Board of Directors, ensures that the criteria and principles for the definition of Remuneration Policies are in line with what has been established, assessing their consistency with the targets approved by the Board of Directors, also with reference to the remuneration of insurance and reinsurance intermediaries and outsourced service providers.

2.6 THE HUMAN RESOURCES FUNCTION (HUMAN RESOURCES - ORGANISATION)

The Remuneration Policies for Significant Personnel are coordinated for the Cattolica Assicurazioni Group by the Group Human Resources Function.

Accordingly, with regard to the Personnel concerned by the Regulation and in compliance with the indications received from the Board of Directors and the provisions of the Regulation, the Human Resources Function, in particular:

- participates in the process of identifying "Significant Personnel", taking care of their formalisation;
- defines the structure of variable remuneration and the method of payment through specific settlement;
- contributes to the identification of KPIs and their target levels, with the support of the Compliance, Risk Management and Planning and Management Control Functions, each for the significant part;
- verifies the achievement of the *performance* targets for the calculation of variable remuneration, based on the data provided and validated, depending on the significant areas of activity, by the Compliance, Risk Management, Planning and Management Control, Administration and Actuarial Function;
- communicates to the recipients of the MbO and the LTI the criteria for calculating the variable remuneration, through the delivery of the regulation and the targets assignment form and, at the end of the period, and according to the established deferral times, pays the *bonus* on the targets achieved.

²established as the Internal Control Committee by resolution of the Board of Directors of Società Cattolica di Assicurazione dated March 23rd, 2001 and renamed at the Board meeting held on December 19th, 2012, in compliance with the provisions of the 2011 edition of the Corporate Governance Code.

2.7 FUNDAMENTAL FUNCTIONS

Internal Audit Function - In compliance with the principles of independence of the Function, provided for by the regulations and international auditing standards, verifies the correct application of the Remuneration Policies approved by the Shareholders' Meeting on the basis of the guidelines established by the Board of Directors.

In particular, reporting to the Board of Directors, it verifies that:

- that the identification of "Significant Personnel" was carried out according to the criteria indicated in the Policies;
- the correct application of the criteria and processes defined in the Policies on the basis of the guidelines defined with a view to efficiency and safeguarding assets;
- also using a sample technique, that the variable components of remuneration have been paid in accordance with the Remuneration Policies;
- that the information flows relating to the indicators, used for the determination of the variable component, are correct and complete and subject to appropriate validation procedures;
- that the Human Resources, Compliance and Risk Management Functions have issued a non-negative opinion on the revision of the Policies proposed by the Board of Directors to the Shareholders' Meeting, which provides for annual, even partial, checks on the processes for defining and paying compensation;
- communicates the results of its audits, in addition to the Remuneration Committee, to the usual recipients of audit reports, including the Control and Risk Committee, and in particular to the Board of Directors.

Compliance Function - In compliance with the principles of independence of the Function, *ex ante* verification that the remuneration policies are consistent with the provisions of the reference legislation in order to prevent and contain legal and reputational risks. In addition, the Function contributes to the definition of the criteria for the identification of Significant Personnel, the definition of the Policy for the management of conflicts of interest attributable to distribution activities and the related procedures and reports to the Board of Directors on the results of the checks carried out, for the adoption of any corrective measures of the Policies themselves. In particular, it will check:

- A.1- *Existing policies*: the Compliance Function verifies *ex ante* that the process complies with the policies adopted.
- that the structure of the proposed targets is consistent with existing policies;
 - that the Regulations of the System and the ancillary documentation that will be delivered to the recipients of the incentive scheme are complete and reflect the implementation principles set out in the Policies in force.
- A.2- *Proposals to amend the Policies*: if it is deemed necessary to propose to the Shareholders' Meeting amendments to the Remuneration Policies adopted by them and in force, the Compliance Function:
- verifies *ex ante* the regulatory compliance of the proposed amendments with the regulations *then in force*, as well as with the Corporate Governance Code adopted by the Company and any other Codes to which the Company adheres, including the Corporate Governance Code, formulating - where deemed appropriate - proposals for amendments before the Board of Directors' resolution to propose them to the Shareholders' Meeting;
 - formulates specific assessments of the adequacy of the proposed remuneration policies in order to avoid situations of conflict of interest.

Risk Management Function - Through reporting to the Board of Directors, in compliance with the principles of independence of the Function, it makes a substantial contribution to the definition of the scope of reference personnel and contributes to the definition of risk indicators, so that performance targets take account of risks. It also assesses the risks associated with the adoption of the Remuneration Policies and the overall consistency of the Policies with the risk appetite defined by the Board of Directors. Specifically:

- B.1- *Current policies*: the Risk Management function verifies *ex ante*, for the part under its responsibility, that the implementation process complies with the policies adopted. In particular, it will check:
- that the structure of the proposed targets is consistent with current policies, with particular attention to the adequate consideration of the risk dimension;
 - that the thresholds set for performance and risk targets are consistent with the risk appetite defined by the Board of Directors.
- B.2. *Proposals to amend the Policies*: if it is deemed necessary to propose to the Shareholders' Meeting amendments to the Remuneration Policies adopted by them and in force, the Risk Management Function checks *ex ante*, making its own assessments, the consistency of the Policies, as amended, with the company's risk management strategies and with the general context, formulating - where deemed appropriate - proposals for amendments before the Board of Directors' resolution to propose them to the Shareholders' Meeting.

Actuarial Function - certifies actuarial data, coordinates the calculation of technical provisions and ensures the adequacy of the underlying methods and models; coordinates the definition of methods and assumptions for the calculation of technical provisions and verifies a posteriori their correct application; verifies and certifies compliance with the requirements used in the calculation of technical provisions.

2.8 THE AUDITING AND MONITORING FUNCTIONS OF THE BUSINESS PLAN, ADMINISTRATION AND ANNUAL ACCOUNTS, PERFORMANCE OF VALUATIONS, EXTRAORDINARY TRANSACTIONS AND CORPORATE FULFILMENTS, CORPORATE SECRETARIAT

The above Functions are involved, each for its own competencies, in the process of verifying the achievement of the targets, certifying to the Human Resources Function the data relating to each quantitative indicator of the variable remuneration systems both for Significant Personnel and for all other variable incentive systems. The data processed by the Assessments Office are previously certified by the Actuarial Function. The Audit and Monitoring Function of the Business Plan is also involved in the process of determining the related *performance* indicators and target values, whose consistency with the budget *targets* is certified.

The Extraordinary Transactions and Corporate Performance Functions and the Corporate Secretariat manage, together with the Fiscal Affairs Service, the production of data relating to the remuneration of corporate bodies.

3 - THE IMPLEMENTATION OF THE 2019 REMUNERATION POLICIES

3.1 PRINCIPLES FOR THE IMPLEMENTATION OF THE 2019 REMUNERATION POLICY

The Policy and its implementation are based on the key principles of fairness and ethics, strategic consistency and respect for sound and prudent risk management. The relevance of the above principles is assessed each year by the Fundamental Functions in relation to the implementation of the Policies themselves.

In relation to the resolutions passed at the last Shareholders' Meeting, the one-tier system was adopted in 2019 and at the same time the number of Directors was reduced.

3.2 REMUNERATION OF DIRECTORS AND MEMBERS OF THE MANAGEMENT CONTROL COMMITTEE AND THE DIRECTOR-GENERAL

3.2.1 DIRECTORS (OTHER THAN MEMBERS OF THE MANAGEMENT CONTROL COMMITTEE)

The remuneration of the members of the Board of Directors in 2019 is in line with that approved by the Shareholders' Meeting. For details of remuneration for 2019, broken down by type of remuneration, reference is made to the tables, prepared in accordance with CONSOB Resolution no. 18049, attached to this document.

It should be noted that no provision has been made for all non-executive directors:

- Incentive plans based on financial or monetary instruments;
- Agreements providing for the assignment or maintenance of non-monetary benefits in favour of Directors who have ceased to hold office or the stipulation of consultancy contracts for a period subsequent to the termination of the relationship;
- Agreements providing for the compensation of commitments for non-competition agreements.

The structure of the Managing Director's compensation was approved by the Board of Directors and consists of a fixed component and a variable component, consisting of a portion payable on achievement of short-term annual results and the remaining portion related to long-term results.

It should be noted that, in performance of the resolution of the Board of Directors of the Company, which met on 31 October 2019 and revoked the operating powers of the Managing Director Alberto Minali, the remuneration reserved for him as Managing Director was paid until 31 October 2019. The remuneration paid to him is described in detail in the appropriate tables attached to this document. Mr. Alberto Minali remains a Director on the Board of Directors of the Company at the date of approval of this document by the Board.

3.2.2 THE DIRECTOR-GENERAL

Following the revocation of the operating powers of Managing Director Alberto Minali, as mentioned above, the Board of Directors' meeting of 31 October 2019 conferred all powers on the Director-General of the Markets and Distribution Channels Area, Carlo Ferraresi, who therefore takes on the position of Director-General from the same date.

The Board of Directors has provided that the Director-General, appointed with effect from 1 November 2019, will divide the remuneration into a fixed component equal to €900,000 (nine hundred thousand) and a variable of equal amount. The structure of the variable remuneration component is composed of a component linked to the achievement of short-term annual results (MbO) and the remaining component linked to the three-year results of the Business Plan (LTI) as summarised below:

- a) the short-term variable MbO monetary component corresponds to 40% of the gross annual remuneration paid to him.
- b) the long-term equity component (LTI) corresponds to 60% of the gross annual compensation paid for each year of the Plan's duration.

The remuneration mix of the Director-General is therefore divided for 50% of the remuneration as a fixed component, 20% as a short-term variable component and the remaining 30% as a long-term variable component.

It should also be noted that the targets of the assigned LTI component have as their observation period the duration of the Business Plan and will therefore be finalised at the end of 2020. As required by current legislation, at least 60% of the variable remuneration structure is made up of financial instruments, in order to align incentives with the Group's long-term interests.

By virtue of the target need to guarantee a profitable and serene management continuity, also taking into account the particular business context and the related significant responsibilities for the appointment as Director-General of Mr. Carlo Ferraresi, he is also granted a one-off extraordinary amount of €800,000 (eight hundred thousand) gross to be paid in two equal tranches. The first tranche is scheduled for 2019, while the other tranche will be paid out on the positive outcome of the 2020 Shareholders' Meeting, which also approves the distribution of a profit for the Shareholders.

Details of remuneration for 2019 are shown in the tables drawn up in accordance with CONSOB Resolution no. 18049, attached to this document.

3.2.3. THE MANAGEMENT CONTROL COMMITTEE

The remuneration of the members of the Management Control Committee is in line with that defined in the significant section of the Remuneration Policies. For details of remuneration for 2019, broken down by type of remuneration, reference is made to the tables, prepared in accordance with CONSOB Resolution no. 18049, attached to this document.

3.3 REMUNERATION OF "PERSONNEL" IN 2019

The path of growth and innovation envisaged in the Business Plan has developed, in particular, through a new organisational structure in line with market developments and the Group's industrial priorities.

The perimeter of managers belonging to the Group's Significant Personnel at the end of the year consists of

- *Strategic Executives*: Director-General - Dr. Carlo Ferraresi (appointed from 1 November 2019 - former Director-General Markets and Distribution Channels); Director-General Technical Area and Operations - Dr. Valter Trevisani and 2 Deputy Director-Generals;
- *Other personnel*: a total of 19 Cattolica Assicurazioni managers are included in this area;
- *Fundamental Functions*: the four heads of Fundamental Functions are included in this area.

For Strategic Executives, the variable portion to be paid is indicated in the corresponding attached tables.

For the remaining personnel covered by the 2019 incentive scheme, the variable component assigned is structured in a short-term monetary incentive scheme based on the traditional *MbO (Management by Objectives)* model, with percentages calculated on the basis of the level of responsibility covered with a target level ranging from a minimum of 25% to a maximum of 30% of the GAR.

The incentive scheme adopted provides for:

- the Group's capital stability clauses (Gate) - the soft limit of the Solvency II Ratio defined by the Board of Directors after taking into account the value of the profit distributed - and the presence of a profit distributable to shareholders, as basic conditions for the payment of the premium;

- four performance scenarios:

- 1) insufficient overall performance and consequently a zero premium level;

- 2) an overall return on the threshold (minimum acceptable - for most indicators 90% of the target level) and a premium level of 50% of the target value;

- 3) an overall performance equal to the complete achievement of the targets with a premium level equal to 100% of the target value;

- 4) an overall performance that exceeds the targets set (overperformance) with a premium level of up to 150% of the target value.

The *thresholds* for the stability of equity and distributable profits allocated in the incentive scheme have been reached.

In order to support the achievement of the targets relating to the new Business Plan and to respond to the solicitations of investors, which require the alignment of the risk of Strategic Executives with that of shareholders, and to make Cattolica competitive on the labour market, a new incentive plan was designed in 2018 for key figures with the necessary responsibility and skills. This plan consists of a long-term equity incentive plan, called *LTI (Long Term Incentive)* and linked to *performance* targets over a multi-year time horizon, consistent with the duration of the Business Plan with allocation percentages ranging from 30% to 40% of the GAR.

It should also be noted that the targets of the LTI component assigned in 2018 have as an observation period the duration of the Business Plan and will therefore be finalised at the end of 2020. As required by current legislation, at least 50% of the variable remuneration structure is made up of financial instruments, in order to align incentives with the Group's long-term interests.

3.4 REMUNERATION OF OTHERS IN 2019

All other entities - insurance and reinsurance intermediaries and outsourced service providers - were remunerated in line with the 2019 Remuneration Policies.

In order to enhance the Company's human capital, also in 2019, a part of the LTI Incentive Plan was reserved for employees who, although not belonging to the category of Significant Personnel, were found to possess high organisational and digital skills and who demonstrated superior performance continuity. These persons were given a variable incentive of 25% of the GAR.

For the sake of completeness of information, it should be noted that, in accordance with current Policies, a short-term variable remuneration system of a monetary nature for non-significant Executives was also implemented in 2019.

It should also be noted that, following the application of the new performance appraisal system, a specific incentive system was activated in 2019 in favour of the entire non-managerial workforce, linked to targets and projects previously assigned and to the valuation of organisational behaviour recognised as a fundamental guide to the activity of each employee.

These incentive schemes are based on the general principles and, where applicable, on the application criteria already present in the Policies in force.

3.5 CHECKS CARRIED OUT BY THE FUNDAMENTAL FUNCTIONS IN 2019

The Fundamental Functions of the Company, in particular the Internal Audit, Risk Management and Compliance functions, each for its own area of competence and in compliance with the Remuneration Policies approved by the Shareholders' Meeting in April 2019, carried out checks on the definition and application of these policies.

4.1 REMUNERATION OF DIRECTORS AND MEMBERS OF THE MANAGEMENT CONTROL COMMITTEE AND THE DIRECTOR-GENERAL

4.1.1. DIRECTORS (OTHER THAN MEMBERS OF THE MANAGEMENT CONTROL COMMITTEE)

The Directors are distinguished between executive (holders of management powers) and non-executive; in Cattolica, only the Director-General, where appointed, is qualified as executive. The remuneration of the Directors is in accordance with the Articles of Association of the Company.

Non-executive Directors: the basic remuneration of non-executive Directors, whether independent or not, is established by the Shareholders' Meeting in a predetermined total fixed amount, which is then distributed individually by resolution of the Board of Directors. There is also an individual right to participate in meetings, also established by the Shareholders' Meeting.

This remuneration, which - except as specified below - constitutes the remuneration of non-executive directors, takes into account the commitment undertaken also in view of the time required for the preparation of board meetings, the study of the documentation supporting the meetings and the activity of legislative and regulatory updating, as well as the responsibilities assumed with the assignment and is not expressly linked to the future economic results of the Company and/or the achievement of specific targets indicated in advance by the Board or the delegated bodies respectively.

Moreover, for Directors who perform particular functions within the Board - Chairman, Vice-Chairmen and Secretary of the Board - an additional compensation decided by the Board of Directors, also set in fixed amounts, is envisaged.

For participation in the activities of the Internal Committees of the Board of Directors set up by the Company, the members appointed by the individual Committee may be paid a fixed amount - possibly increased by the Director who serves as Chairman of the Committee - in addition to the individual attendance allowance for participation in Committee meetings.

Non-executive Directors are not entitled to any form of variable remuneration or non-monetary benefits.

Their liability is covered by insurance (so-called directors' and officers' liability policy D&O, see resolution of the Shareholders' Meeting of 27 April 2002).

There are no indemnities for non-executive Directors in the event of early termination of their mandate.

Any exceptions to the remuneration of non-executive Directors with respect to the general criteria described in this para. are proposed by the Remuneration Committee to the Board of Directors and approved by the Shareholders' Meeting.

The Managing Director: in the event of the appointment of a Managing Director, the remuneration structure assigned to him will take into account the individual agreements and resolutions of the Board of Directors on the proposal of the Remuneration Committee, in compliance with current legislation and market best practice.

4.1.2. THE DIRECTOR-GENERAL

The Board of Directors has provided for the Director-General, appointed as of 1 November 2019, to divide the remuneration into a fixed component and a variable component of equal amount. The structure of the variable remuneration component is composed of a component linked to the achievement of short-term annual results (MbO) and the remaining component linked to the three-year results of the Business Plan (LTI) as summarised below:

- a) the short-term variable MbO monetary component corresponds to 40% of the gross annual remuneration paid to him.
- b) the long-term equity component (LTI) corresponds to 60% of the gross annual compensation paid for each year of the Plan's duration.

The remuneration mix of the Director-General is therefore divided for 50% of the remuneration as a fixed component, 20% as a short-term variable component and the remaining 30% as a long-term variable component.

For both components:

- the percentage actually payable will depend not only on the achievement of the expected level of capital stability as Gate calculated after taking into account the value of the distributed profit and an additional Gate relating to the presence of a profit distributable to shareholders, but also on the level of actual achievement of the targets.
- In any case, recognition is subject to exceeding a minimum result threshold (equal to a minimum performance of 90% and a pay out equal to 50% of the target) and may assume values higher than the maximum percentage defined with a maximum however foreseen at 150% of the assumed target.
- financial, solidarity and individual indicators are foreseen.

In order to align the incentives granted with long-term interests, at least 60% of the variable remuneration structure is made up of financial instruments partly subject to deferred payment schemes in accordance with current legislation. The shares actually assigned will also be subject to a retention of ownership obligation equal to 5% of the share assigned for a period linked to the duration of the mandate and in any case not less than one year.

Only at the end of the performance period will 40% of the actions initially planned be allocated and made available, in the event that the targets set are achieved and the access thresholds defined at the start of the Plan are exceeded, while the remaining 60% will be allocated at the end of the overall deferral period, i.e. five years after the start date of the Plan.

It should also be noted that the targets of the assigned LTI component have as their observation period the duration of the Business Plan and will therefore be finalised at the end of 2020. As required by current legislation, at least 60% of the variable remuneration structure is made up of financial instruments, in order to align incentives with the Group's long-term interests.

MBO	
kpi	weight
Operating profit as per Business Plan	30%

Adjusted Group net income	25%
Rorac as per Business Plan	30%
Sustainability targets - predetermined and measurable	15%

LTI	
kpi	weight
TSR on the Eurostoxx insurance index	30%
RoE according to the business plan	70%

The respective Regulations of the MbO Plan and the LTI Plan define their specific implementation modalities.

More details on the variable component based on the traditional MbO (Management by Objectives) model and the *Long Term Incentive (LTI)* equity incentive scheme are provided in the following points.

In accordance with the provisions of Art. 48 of the Regulation, there are malus and *claw-back* clauses applicable to what is paid or to be paid as variable remuneration.

It should also be noted that, by virtue of the target need to ensure a profitable and serene business continuity, also taking into account the particular business context and the related significant responsibilities for the appointment as Director-General, Mr. Carlo Ferraresi was granted a one-off extraordinary amount of €800,000 (eight hundred thousand) gross, to be paid in two equal tranches. The first tranche is scheduled for 2019, while the other tranche will be paid out on the positive outcome of the 2020 Shareholders' Meeting, which also approves the distribution of a profit for the Shareholders.

4.1.3 THE DIRECTOR-GENERAL'S SEVERANCE ALLOWANCE

The provisions of the Law and, where not in conflict with the latter, of the Collective Bargaining Agreement applied by the Company in the version in force from time to time will apply to the Director-General.

In the event of termination of the employment relationship and in order to avoid litigation and/or to terminate the employment relationship if already proposed, the Company, in compliance with the proxies in force from time to time, may conclude settlement agreements, in addition to the notice required by law or contract where due, which involve the payment of sums of predetermined amount against the waiver to contest the termination of the employment relationship and any other claim relating to the employment relationship. It is also possible to provide for a non-competition agreement and/or a prohibition on the transfer of employees, as well as any additional non-monetary sums or benefits.

The amounts paid in liquidation and accepted by the interested party include and fully replace any further indemnity provided for in the Collective Agreement applied; the identification of the relative economic amount is made taking into account the reasons for the termination of the relationship and the general legal context of reference, taking into account in particular the content of the provisions of the sector regulations.

In the event of termination of the relationship with the Director-General, as a permanent member of the Management Committee, the total amount of the sums covered by the agreement will be equal to twenty-four months' salary with the addition of twelve months' notice calculated in accordance with Article 2121 of the Civil Code with the part relating to the MbO calculated at the theoretical target value.

For the purposes of calculating the above amount relating to the settlement agreement, the remuneration is defined as the gross annual remuneration provided for in Article 2121 of the Civil Code, increased by the target value recognised for the short-term variable components of the remuneration (MbO).

The amounts referred to in this Article will be paid in accordance with the rules and provisions, including internal rules, in force on the date of termination.

4.1.4 OTHER COMPONENTS OF THE REMUNERATION PACKAGE

In addition to the appropriate and/or useful tools for the exercise of the office, the Director-General's remuneration package is completed by a series of benefits, including the company car, company welfare, insurance policies covering health, life, illness and accident risks, as well as the supplementary pension benefits provided for by the current National Collective Bargaining Agreement for Executives of Insurance Companies and the Company Regulations valid for Group Executives.

By virtue of the increasing complexity of the tasks incumbent on members of the Corporate Bodies, particularly in listed companies, as well as the potential risks attributable to this condition, adequate third-party liability insurance coverage will also be recognised (so-called directors' and officers' liability policy D&O, see resolution of the Shareholders' Meeting of 27 April 2002).

4.1.5 MEMBERS OF THE INTERNAL MANAGEMENT CONTROL COMMITTEE

The emoluments of the members of the Management Control Committee are determined by the Shareholders' Meeting on a fixed basis and in equal measure per capita, but with a special increase for the office of Chairman of the Committee itself. The Articles of Association also provide for the payment of an attendance allowance for each meeting of the Board of Directors, the Management Control Committee and any other Committee established by the Board of Directors of which they are members. There are no variable or performance-related remuneration components or forms of remuneration based on financial instruments. As far as the Directors are concerned, insurance cover is provided for their third-party liability.

4.2 THE REMUNERATION OF "SIGNIFICANT PERSONNEL".

4.2.1 GENERAL PART

Remuneration components - The remuneration of Significant Personnel is composed of a fixed component and a variable component, aimed at directing the *performance* of resources towards the Company's targets.

The two components (*the so-called pay mix*) have been adequately rebalanced, particularly for Senior Management functions, to reward performance and merit, in accordance with the Company's strategic targets and risk management policy.

In order to align the incentives granted with long-term interest, at least 50% of the variable remuneration structure is made up of financial instruments partly subject to deferred payment schemes in accordance with current legislation.

The fixed component is sufficient to remunerate the service if the variable component of the remuneration is not paid due to the failure to achieve the targets.

The Board of Directors has the power, after consulting the Remuneration Committee, to take into account extraordinary events, including legislative and regulatory changes that have a significant impact on the structure and methods of calculating the values of the parameters of the assigned targets, as well as in the event of unforeseeable exceptional changes in macroeconomic conditions or a worsening of the financial environment ("Market Adverse Change" clause), when assessing the degree of achievement of the gates and targets.

4.2.1.A) THE MBO PLAN

The variable component is structured in a short-term monetary incentive system based on the traditional *MbO* (*Management by Objectives*) model, with percentages calculated according to the level of responsibility covered with a target level between a minimum of 25% and a maximum of 40% of the GAR.

For the holders of the Fundamental Functions who, according to current regulations, cannot be incentivised on the basis of economic and financial results, this percentage is 30% of the GAR. For these functions, the assignment of targets and the subsequent assessment of their degree of achievement will be carried out by the Board of Directors.

In line with best market practice, the MbO system assigns *performance* indicators, in particular:

- Group capital stability gate - soft limit of the Solvency II Ratio as defined by the Board of Directors calculated after taking into account the value of the distributed profit;
- Gate relating to the presence of profits distributable to shareholders;
- Solidarity targets linked to the actual achievement of the operating result, which excludes the most volatile components from the consolidated profit and loss account according to IAS/IFRS (e.g. realisations, write-downs, other one-off items) in order to give greater emphasis to the business performance, as envisaged by the budget, as well as the level of Rorac expected annually;
- *Performance* and risk management targets that also take into account the operating limits assigned, efficiency gains and project development, depending on the role held in the company by the assignee and in any case predetermined, measurable and linked to the Business Plan;
- Individual targets of compliance with current legislation.

The process determines, for each target role in the system, a form in which an indicator (KPI), the unit of measurement of this indicator, the weight of the indicator, the target value and, if necessary, the respective thresholds, the valuation curve are assigned. The percentage that can actually be disbursed will depend not only on whether the previously defined gates are exceeded, but also on the level of actual achievement of the targets.

In addition, in compliance with the regulations in force, *ex-post malus and claw-back* corrections of what is paid or to be paid as variable remuneration are provided for.

The methods of disbursement and the related timing are specifically regulated in the Regulations of the Plan.

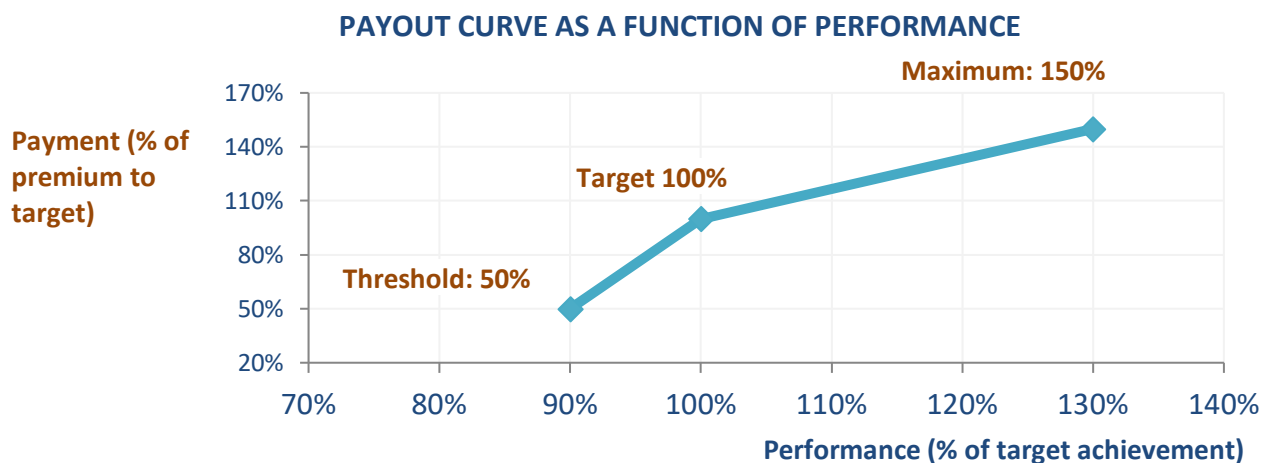
The incentive scheme adopted provides for:

- the Group's capital stability clauses (Gate) - the soft limit of the Solvency II Ratio defined by the Board of Directors after taking into account the value of the profit distributed - and the presence of a profit distributable to shareholders, as basic conditions for the payment of the premium;

- four performance scenarios:

- 1) insufficient overall performance and consequently a zero premium level;
- 2) an overall return on the threshold (minimum acceptable - for most indicators 90% of the target level) and a premium level of 50% of the target value;

- 3) an overall performance equal to the complete achievement of the targets with a premium level equal to 100% of the target value;
- 4) an overall performance that exceeds the targets set (overperformance) with a premium level of up to 150% of the target value.



4.2.1.B) THE 2018 - 2020 LTI PLAN

The 2018-2020 Business Plan provides for a series of targets and is based on the following pillars:

- profitable growth
- innovation and data management
- technical excellence
- cultural simplification and transformation

In order to support the achievement of these targets and to respond to the solicitations of investors, which require an alignment of the risk of Strategic Executives with that of shareholders, and to make Cattolica competitive on the labour market, an incentive plan was designed last year for key figures with the responsibility and skills required for these purposes: the Director-General, the Joint Director-General, the Deputy Director-Generals and the other members of the Management Committee, as well as the Executives of the Parent Company who, considering, in particular, their position (former D2/Directors), degree of responsibility and hierarchical dependence, are the first direct indications of such Senior Management roles. This plan consists of a long-term equity incentive system, called *LTI (Long Term Incentive)* and linked to *performance* targets over a multi-year time horizon, consistent with the duration of the Business Plan with allocation percentages varying from 30% to 60% of the GAR for each year of the Plan's duration.

Accordingly, during 2018, the Board of Directors, with the favourable opinion of the Remuneration Committee, finalised the Plan, based on financial instruments (ordinary shares of the Company), payable according to the degree of achievement of the targets of the 2018-2020 Business Plan, approved by the Shareholders' Meeting of 28 April 2018. The design and operation of the Action Based Incentive Plan strictly follows the significant IVASS Regulations.

Moreover, in order to enhance the Company's human capital including with a view to the future, a part of the LTI Incentive Plan is reserved for employees who, although not belonging to the category of Significant Personnel, have high organisational and digital skills that have demonstrated superior performance continuity. These persons will receive an incentive of between 10% and 25% of the GAR.

The long-term variable component takes the form of a three-year plan - from 2018 to 2020 - at the end of which, subject to the achievement of the set targets, free shares (performance shares) of the Parent Company will be assigned in accordance with the procedures set out in the specific Regulations of the Plan.

In particular, the number of shares potentially assignable to each recipient was determined at the beginning of the Plan as the ratio between the amount of the target incentive bonus (defined as a percentage of the GAR) and the value of the share calculated in accordance with the Regulations of the Plan.

The indicators of the LTI system are:

- Group capital stability gate - soft limit of the Solvency II Ratio as defined by the Board of Directors calculated after taking into account the value of the distributed profit;
- Gate relating to the presence of profits distributable to shareholders;
- a target linked to the Parent Company's stock: Total Shareholder Return (TSR), the growth in the value of the stock in the period 2018-2020 plus dividends if reinvested compared to the performance of the Eurostoxx Insurance index in the same period;
- the ROE target of the Business Plan (ROE)

The incentive scheme adopted provides for:

- the Group's capital stability clauses (Gate) - the soft limit of the Solvency II Ratio defined by the Board of Directors, calculated after taking into account the value of the profit distributed; and the presence of a profit distributable to shareholders, as basic conditions for the payment of the premium;

four performance scenarios:

- 1) insufficient overall performance and consequently a zero premium level;
- 2) an overall threshold performance (minimum acceptable - for most indicators 90% of the target level) and a premium level of 50% of the target value;
- 3) an overall performance equal to the complete achievement of the targets with a premium level equal to 100% of the target value;
- 4) an overall performance that exceeds the targets set (overperformance) with a premium level of up to 150% of the target value.

In addition, in compliance with current legislation, *ex-post malus and claw-back* corrections are provided for, whose application criteria are explained in the Incentive System Regulations.

Only at the end of the performance period will 60% of the actions initially planned be assigned and made available, in the event that the targets set are achieved and the access thresholds defined at the start of the Plan are exceeded, while the remaining 40% will be assigned at the end of the overall deferral period, i.e. five years after the start date of the Plan.

In accordance with the provisions in force, in order to align the incentives granted with the long-term interests of the company, the obligation to maintain ownership of the shares actually assigned will also be applied to the shares for a period equal to 5% of the share assigned for a period of twelve months from the date of assignment.

These restrictions remain even after the termination of the relationship with the beneficiary, without prejudice to the right of the Board of Directors to redefine the terms and conditions of all the above restrictions of unavailability.

The methods of disbursement and the related timing are specifically regulated in the Regulations of the Plan.

4.2.2 OTHER COMPONENTS OF THE REMUNERATION PACKAGE FOR ALL PERSONNEL

Within each area of competence, the Corporate Bodies - Board of Directors, Director-General, Remuneration Committee, as well as the Organisation and Resources Department - have the power, according to the powers

assigned to them and in compliance with the implementation processes in place within the Group, to define, in favour of employees, including non-significant personnel, the payment of specific one-off indemnities during the recruitment phase (e.g. entry bonus/stay bonus/guaranteed bonus/bonus, additional benefits, other remuneration components), as compensation for any loss of incentives accrued with the previous employer or to encourage the hiring of new talent and the acquisition of professional skills on the market.

It will also be possible to grant further integrations and improvements to the individual remuneration structure in favour of certain types of personnel, even if not significant. These treatments will be granted on the basis of specific criteria and assessments relating, for example, to the particular organisational positions held, the achievement of the level of performance of the targets assigned, participation in development projects or growth paths, *retention* actions, the level of experience and skills acquired, the ability to use and develop other management levers or other reasons of an extraordinary nature.

Supplementary and improvement treatments may take the following forms as examples:

- *one-off* benefits;
- additional benefits to be paid for events of an extraordinary nature;
- *retention* fees;
- other reasons of an extraordinary nature;
- a non-compete or stability pact in accordance with best market practice;
- components of the variable part of the short or long-term variable remuneration, including the possibility to provide a "guarantee" of payment for a certain period;
- annual or multi-annual salary packages;
- improvement and/or supplementary benefits of the institutions provided for by the legislation in force;
- assignment of fringe benefits;
- adjustments of remuneration levels according to market benchmark or for alignment to internal median remuneration levels;
- further benefits to be assessed on the basis of specific cases and in any case in accordance with best market practice, through an adjustment or integration of existing remuneration and benefit systems, also with a view to improving the high levels of performance not envisaged by normal remuneration systems.

In order to attract new talent and retain those present in the Group, as well as to improve the high levels of performance not provided for by normal remuneration systems, the Director-General may propose to the Board of Directors, for the consequent resolutions, an adjustment or integration of the existing remuneration systems, subject to the positive opinion of the Remuneration Committee.

Moreover, the above processing operations may be granted for particular purposes of maintaining "qualified" personnel or for other reasons of an extraordinary nature.

The remuneration package for Personnel, including those who do not belong to Significant Personnel, is completed by: accommodation allowance, company car for mixed use, as defined by the Company's "Car Policy", and additional benefit, with respect to that provided for by the CCNL, in terms of health and social care, as well as better benefit in terms of supplementary insurance through the recognition of a higher contribution percentage borne by the company with respect to that provided for by the CCNL, without prejudice to any more favourable individual agreements. In addition, in view of the increasing complexity of the tasks incumbent on management, particularly in listed companies, and the potential risks associated with this condition, adequate liability insurance cover is also provided. There is also the possibility to integrate the package with dedicated forms of corporate welfare.

Even for non-executive and non-management personnel, some of the institutions described above can be recognised and there are also better conditions than the national collective bargaining agreement in the health and social care and complementary welfare sector. In fact, the Supplementary Group Contract regulates these institutions, which supplement the benefits and coverage provided by the National Collective Labour Contract and

increase the contribution percentages paid by the company in favour of supplementary pension schemes recognised through a Group Pension Fund.

4.2.3 HOLDERS OF FUNDAMENTAL FUNCTIONS

For the holders of the Fundamental Functions - Internal Audit, Compliance, Risk Management, Actuarial Function and for the holders of the other Functions duly identified within the Company - an incentive system is provided which, in view of their role in the finalisation of the results achieved, has particular characteristics such as to guarantee the absence of any conflicts of interest.

The portion of variable compensation paid is composed of the MbO system, as specified in the specific point related to the achievement of results linked to the responsibilities of the recipients within the Internal Control System against targets set annually and not related to the economic-financial results of the areas subject to their control. The assignment of these targets and the subsequent verification of their level of achievement will be carried out by the Board of Directors of the Companies.

4.3 REMUNERATION OF OTHER PARTIES COVERED BY THE REGULATION AND OTHER EMPLOYEES SUBJECT TO VARIABLE REMUNERATION

4.3.1 THE FINANCIAL REPORTING OFFICER

The remuneration of the Financial Reporting Manager is included in the remuneration package (GAR, MbO and other components described in this policy) granted to him as Manager of the Parent Company.

4.3.2 OTHER EMPLOYEES WITH VARIABLE REMUNERATION

In addition to what has been specified, within the Group, variable remuneration systems may be envisaged both of a short-term monetary type and of a long-term capital type for Executives and other categories of employees and officers, including those who do not belong to Significant Personnel, or even for resources who hold roles of particular importance and/or have specific skills.

For the sake of completeness of information, it should also be noted that, following the application of the new performance valuation system, a specific incentive system for the entire non-managerial workforce is planned for this year as well, linked to previously assigned targets and projects and the valuation of organisational behaviour recognised as a fundamental guide to the activities of each employee.

The above incentive schemes are based on the general principles and, where applicable, the application criteria already present in the Policies in force and may consist of remuneration of an economic or financial nature as well as the recognition of dedicated social benefits or other benefits.

4.3.3 EVIDENCE

As provided for by the Articles of Association of the Parent Company, the Probiviro function is honorary and, consequently, is only responsible for the reimbursement of expenses incurred in carrying out the function.

4.3.4 THE SUPERVISORY BODY

The remuneration due to Executives who are internal members of the Supervisory Board are included in the remuneration package (GAR, MbO and other components described in this policy) recognised as Executives of the Parent Company. The remuneration of external members is defined by the Board of Directors.

4.3.5 INSURANCE AND REINSURANCE INTERMEDIARIES

In order to ensure compliance with the new regulations on insurance distribution, it should be noted, in general terms, that the Company has put in place adequate safeguards to monitor and manage the risks arising from situations of conflict of interest (as defined in Article 3 of Delegated Regulation (EU) 2017/2359 and regulated under the Conflict of Interest Management Policy) and to prevent any negative impact on the quality of client service deriving from the incentive systems applied to parties involved in distribution activities.

There are several categories of insurance and reinsurance intermediaries within the Company. In particular:

- Insurance agents
- Brokers
- Insurance intermediaries registered in Section D of the Single Register of Intermediaries (RUI)
- Reinsurance intermediaries

In order to ensure compliance with the new regulations on insurance distribution (Directive 2016/97 and subsequent implementation/concept acts, Delegated Regulation (EU) 2017/2359), the Company adopts an incentive model that makes it possible to integrate qualitative criteria for evaluating the performance of intermediaries (qualitative-quantitative model) through an operating mechanism based on the application of weights and indicators that enhances commercially virtuous behaviour with a view to continuous improvement of client service. Moreover, this model is characterised by a high degree of flexibility that contributes to making it adaptable both to the Company's strategies and to any external variables (deriving, for example, from the economic or regulatory framework), increasing its sustainability, including the effectiveness and timeliness of any risk mitigation actions.

We set out below:

- (1) the qualitative criteria on the basis of which the weighting indicators for the quantitative components of network remuneration are defined
- (2) the typical quantitative components of the remuneration paid to each type of intermediary

QUALITATIVE CRITERIA SET OUT IN THE QUALITATIVE-QUANTITATIVE PERFORMANCE VALUATION MODEL

In order to assess the performance of its distribution network, the Company defines specific indicators, assigning weight to each of them (up to a predefined cumulative maximum) and periodically assesses their compliance, effectiveness and sustainability. These indicators are consistent with the following qualitative criteria:

- Sales in the target market
- Quality of service (e.g. number of complaints, claims opening times, coverage of client needs)
- Attraction/Retention Matrix
- Behaviour of the intermediary towards the Company (e.g. training, transmission of regulatory information, administrative regularity)

QUANTITATIVE COMPONENTS OF THE REMUNERATION OF THE DISTRIBUTION NETWORK

The quantitative components of the distribution network remuneration are differentiated according to the type of network:

Insurance Agents - The remuneration policies implemented with reference to the agency network essentially follow what is generally practised by the insurance market and are divided into the following components:

- Remuneration of insurance assets acquired at standard rates included in the standard tables;
- Personalised multi-annual incentive plans, linked to the achievement of the targets;
- *Rappel/Contest*;
- Contributions and incentives (for the management of claims, the insertion of new employees, car incentives, etc.) relating to Supplementary Contracts stipulated with representatives of the Agent Groups

Broker - Compensated in accordance with current regulations. In particular, account will be taken of the provisions of Article 2 (l, t) of ISVAP Regulation n. 5 of 16 October 2006, which gives the following definition: *"brokers or intermediaries" means intermediaries acting on behalf of the client who do not have powers of representation of insurance or reinsurance undertakings.*

By virtue of this role of the *broker*, the forms of remuneration are standard, i.e. based on commission tables and are in line with the market.

Insurance Intermediaries registered in Section D of the Single Register of Intermediaries (RUI) - the remuneration of these entities is based on commissions recognised in relation to the intermediation of insurance products related to the presentation, promotion, conclusion and management of insurance contracts, as formalised in individual brokerage assignments.

The commissions are subject to periodic checks and reviews. The agreed economic conditions must be appropriate to the nature and purpose of the assignment and comply with market standards.

The amounts received are also consistent with the conditions and commercial relationships with other intermediaries of the same type and are in line with the Company's sound and prudent risk management, in compliance with the provisions in force on the subject, as well as with Articles 4 and 21 of the Regulation.

Reinsurance intermediaries - As required by market practice, the remuneration of such entities is defined and agreed between the intermediary and the individual reinsurers, who pay them. The assignee company is not involved in this process.

It is understood that the Company, in defining, supplementing or modifying the quantitative components of the network's remuneration, undertakes to carry out all the necessary evaluations to ensure that they are actually suitable to guarantee compliance with the obligation to act honestly, fairly and professionally in the interest of the client by the network. In particular, the Company undertakes to consider the principles set out in Delegated Regulation (EU) 2017/2359, where applicable.

With regard to the disclosure requirements on conflicts of interest and compensation, reference is made to the following paragraph.

4.3.6 OUTSOURCED SERVICE PROVIDERS

In the event of outsourcing, the company adopts remuneration policies consistent with sound and prudent management and in line with strategic targets, profitability and equilibrium. It also avoids remuneration policies based exclusively or predominantly on short-term performance, which would encourage excessive risk exposure.

Cattolica manages outsourcing with a dedicated organisational unit, the General Services and Purchasing Department.

The organisational unit in question acts in compliance with the provisions expressly provided for in the current IVASS Regulations and the related policy of outsourcing and choice of the Company's suppliers.

This function verifies that there are no remuneration systems based on the supplier's performance during the year, confirming, in particular, that the performance indicators correctly identified are only used for the imposition of sanctions.

4.4 SEVERANCE PAY IN THE EVENT OF TERMINATION OF EMPLOYMENT

The provisions of the Law and, where not in conflict with the latter, of the Collective Bargaining Agreement applied by the Company in the version in force from time to time, apply to personnel, even if not significant.

In the event of termination of the employment relationship and in order to avoid litigation and/or to terminate the relationship if already proposed, the Human Resources function, in compliance with the proxies in force from time to time, may conclude settlement agreements, in addition to the notice required by law or by the contract where due, which involve the payment of sums of predetermined amount against the waiver of the right to contest the termination of the relationship and any other claim relating to the employment relationship. It is also possible to provide for a non-competition agreement and/or a prohibition on the transfer of employees, as well as any additional non-monetary sums or benefits.

The amounts paid in liquidation and accepted by the interested party include and fully replace any further indemnity provided for in the Collective Agreement applied; the identification of the related economic amount is made taking into account the reasons for the termination of the relationship and the general legal context of reference, taking into account in particular the content of the provisions of the sector regulations.

Such agreements may also be reached in the event of termination of the relationship with the Joint Director-General and the other members of the Management Committee (for the Director-General see the specific regulations above). In this case the total amount of the sums covered by the contract will be equal to twenty-four months' salary in addition to the payment of the notice as indicated above.

For the purposes of calculating this amount, remuneration is defined as the gross annual remuneration provided for by Article 2121 of the Civil Code, increased by the average value paid over the last three years for the short-term variable components of remuneration (MbO). As regards long-term variable remuneration, the provisions of the Regulations of the Plan will apply.

The amounts referred to in this Article will be paid in accordance with the rules and provisions, including internal rules, in force on the date of termination.

4.5 DISCLOSURE OF THE VARIABLE REMUNERATION SYSTEM

By virtue of the multiple corporate functions involved, it is necessary to set up adequate channels and information flows.

The starting point of the internal communication process is the Board of Directors which, with the support of the Remuneration Committee, periodically reviews the Remuneration Policies approved by the Shareholders' Meeting, proposing the appropriate amendments, also in the light of the application experience gained.

The Human Resources Function, on the basis of what has been approved in the Remuneration Policies and any further application indications received from the Board of Directors, involves the other competent company functions, each for its own part. Specifically:

- coordinates with the Planning and Management Control Function for targets and related *performance* indicators, with the Risk Management Function for the identification of Significant Personnel and to ensure that *performance* targets take risk into account, and with the Compliance Function for targets and related *compliance* indicators;
- proposes the overall incentive system, as well as the related regulations, for *ex ante* verification by the Risk Management and Compliance Functions. Following the checks and approvals, the Human Resources Department informs the recipients of the incentive scheme of its characteristics (for example, the criteria for assigning targets, the *relationship* between targets, the methods for calculating variable remuneration and the methods of verification and disbursement), through the delivery of the targets sheet, the specific regulations and the accompanying and explanatory letter;
- at the end of the observation period of each incentive scheme, receives appropriate information flows on the existence or non-existence of the gateway and the thresholds of the individual targets from the following functions, each for its own area of competence: Planning and Management Control, Administration, Actuarial (subject to certification by the Actuarial Function), Risk Management and Compliance;
- calculates, for each recipient, the variable component, where actually matured.

4.6 CHECKS OF THE REMUNERATION POLICIES

The Remuneration Policies, as well as the procedures through which they are implemented, are subject, as expressly provided for by Article 58 of the Regulation, to checks by the Fundamental Functions.

These checks are usually carried out *ex ante* for the Risk Management and Compliance Function, and typically *ex post*, on a sample basis, for the Internal Audit Function.

The Fundamental Functions report, in the context of their periodic reporting activities, on the results of the checks carried out, each according to their own competencies and methods, to the Remuneration Committee, the Control and Risk Committee and subsequently to the Board of Directors.

It should also be noted that, in accordance with the provisions of the Regulations, these Policies have been updated with respect to the version approved by the Shareholders' Meeting in 2019, taking into account the suggestions and indications shared with the Fundamental Functions, which expressed a favourable opinion on this version through a special report submitted to the Board of Directors.

4.7 INFORMATION TO THE SHAREHOLDERS' MEETING

Since the Regulation provides that the Ordinary Shareholders' Meeting, in addition to establishing the remuneration due to the Bodies it appoints, must approve the Remuneration Policies in favour of the Corporate Bodies and Significant Personnel, including any remuneration plans based on financial instruments, the information to the Shareholders' Meeting must be such as to enable informed decisions to be taken when approving the Remuneration Policies.

In particular, the Board of Directors will attend the Shareholders' Meeting, separately for Corporate Bodies and Personnel and in a manner disaggregated by roles and functions:

- an illustration of the general lines, motivations and targets that the company intends to pursue through the remuneration policy;
- information on the decision-making process used to define the remuneration policy, including information on the persons involved;
- the criteria used to define the balance between fixed and variable components;
- the parameters, reasons and related deferral periods for the recognition of variable components, as well as the pension policy;
- a description of the circumstances in which the company resorts to the non-payment of all or part of the variable component and the request for reimbursement of all or part of the remuneration paid;
- a description of the main characteristics of supplementary pension plans or early retirement plans for those who carry out administration, management and control functions and for holders of key functions;

- information on the proposed changes to the Policies already approved.

This information is provided annually to the Shareholders' Meeting by the Board of Directors and is accompanied by quantitative information on the application of the Remuneration Policies.

SECTION 2

INTRODUCTION SECTION 2

We set out below information on the benefits paid in the reference year (2019). The illustration of the entries and further information can be found in Section I of this Report.

In particular, the 2019 Remuneration Policy was implemented through the recognition of the following items, where applicable:

- emolument as a member of the Board of Directors;
- emolument as Director with special duties;
- gross annual remuneration (GAR) and any non-competition agreements;
- fee for participation in the Committees;
- an annual variable component that can be achieved when predetermined business targets are achieved (so-called MBO);
- a long-term variable component (so-called LTI);
- *benefits* recognised by the national collective labour agreement applied and by company practices.

The tables in Part Two of this Section describe, in particular, the compensation paid to newly appointed members, confirmed members, and resigned members for the months of their term of office.

ANNEX 1 - COMPENSATION PAID TO MEMBERS OF THE MANAGEMENT AND CONTROL BODIES, DIRECTOR-GENERALS AND OTHER EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

(A)	(B)	(C)	(D)	(1)					(2)	(3)		(4)	(5)	(6)	(7)	(8)			
Name and Surname	Office	Period of holding office	End date of office	Physical compensation					Compensation for committee membership	Non-equity variable benefits		Non-monetary benefits	Other benefits	Total	Fair value of equity benefits	Termination of office or early departure allowance			
				(i) emoluments for the financial year	(ii) attendance fees	(iii) reimbursement of flat-rate costs	(iv) fees for the performance of special tasks	(v) gross wages and salaries of employees		Bonuses and other incentives	Profit sharing								
Paolo Bedoni	Chairman of the Board of Directors	01/01/2019 - 13/04/2019	31/12/2018																
	Member C.E.	01/01/2019 - 13/04/2019	31/12/2018																
	Director	01/01/2019 - 13/04/2019	31/12/2018																
	Chairman of the Board of Directors	13/04/2019 - 31/12/2019	31/12/2021																
	Director	13/04/2019 - 31/12/2019	31/12/2021																
(I) Benefits within the reporting company				€	94,788	€	42,600	€	9,513	€	800,000	€	-	€	49,192	€	-	€	-
(II) Remuneration from subsidiaries and associated companies (Cattolica Agricola, Cattolica Beni Immobili, Tua Ass.ni)				€	22,685	€	10,400	€	3,917	€	57,918	€	-	€	-	€	94,920	€	-
(III) Total				€	117,473	€	53,000	€	13,430	€	857,918	€	-	€	49,192	€	-	€	-
NOTE (2) Compensation for committee membership:																			
Investment Committee	€	8,384																	
Corporate Governance Committee	€	27,205																	
Appointments Committee	€	13,603																	
			€49,192																

(A) Name and Surname	(B) Office	(C) Period of holding office	(D) End date of office	(1) Fixed benefits					(2) Compensation for committee membership	(3) Non-equity variable benefits		(4) Non-monetary benefits	(5) Other benefits	(6) Total	(7) Fair value of equity benefits	(8) Termination of office or early departure allowance
				(i) emoluments for the financial year	(ii) attendance fees	(iii) reimbursement of flat-rate costs	(iv) fees for the performance of special tasks	(v) gross fixed salaries and wages of employees		Bonuses and other incentives	Profit sharing					
Bettina Campedelli	Director Director	01/01/2019 - 13/04/2019 13/04/2019 - 31/12/2019	31/12/2018 31/12/2021													
(I) Benefits within the reporting company				€ 71,501	€ 49,200	€ 2,340	€ -	€ -	€ 89,411	€ -	€ -	€ -	€ -	€ 212,452	€ -	€ -
(II) Benefits from subsidiaries and affiliates				€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
(III) Total				€ 71,501	€ 49,200	€ 2,340	€ -	€ -	€ 89,411	€ -	€ -	€ -	€ -	€ 212,452	€ -	€ -

NOTE (2) Compensation for committee membership:				
Related Parties Committee		€ 5,589		
Appointments Committee		€ 13,603		
Corporate Governance Committee		€ 21,616		
Control and Risks Committee		€ 48,603		
		€ 89,411		

(A) Name and Surname	(B) Office	(C) Period of holding office	(D) End date of office	(1) Fixed benefits					(2) Compensation for committee membership	(3) Non-equity variable benefits		(4) Non-monetary benefits	(5) Other benefits	(6) Total	(7) Fair value of equity benefits	(8) Termination of office or early departure allowance
				(i) emoluments for the financial year	(ii) attendance fees	(iii) reimbursement of flat-rate costs	(iv) fees for the performance of special tasks	(v) gross fixed salaries and wages of employees		Bonuses and others	Participation					
Luigi Castelletti	Director	13/04/2019 - 31/12/2019	31/12/2021													
(I) Benefits within the reporting company				€ 53,418	€ 13,800	€ 780	€ -	€ -	€ 21,616	€ -	€ -	€ -	€ 10,057	99,671	€ -	€ -
(II) Compensation from subsidiaries and associated companies (Bcc Assni, Berica vita, Tua assni and Vera Vita)				€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 6,110	6,110	€ -	€ -
(III) Total				€ 53,418	€ 13,800	€ 780	€ -	€ -	€ 21,616	€ -	€ -	€ -	€ 16,167	105,781	€ -	€ -
* (5) other fees related to the position within the Supervisory Body until 30/04/2019																

NOTE (2) Compensation for committee membership:				
Related Parties Committee		€ 21,616		

(A) Name and Surname	(B) Office	(C) Period of holding office	(D) End date of office	(1) Fixed benefits					(2) Compensation for committee membership	(3) Non-equity variable benefits		(4) Non-monetary benefits	(5) Other benefits	(6) Total	(7) Fair value of equity benefits	(8) Termination of office or early departure allowance
				(i) emoluments for the financial year	(ii) attendance fees	(iii) reimbursement of flat-rate costs	(iv) fees for the performance of special tasks	(v) gross fixed salaries and wages of employees		Bonuses and other incentives	Profit sharing					
Nerino Chemello	Director	01/01/2019 - 13/04/2019	31/12/2018													
(I) Benefits within the reporting company				€ 18,082	€ 10,200	€ 2,878	€ -	€ -	€ 2,795	€ -	€ -	€ -	€ -	33,955	€ -	€ -
(II) Remuneration from subsidiary and associated companies (BCC Vita - Cattolica Immobiliare)				€ 11,171	€ 640	€ 822	€ 15,000	€ -	€ -	€ -	€ -	€ -	€ -	27,633	€ -	€ -
(III) Total				€ 29,253	€ 10,840	€ 3,700	€ 15,000	€ -	€ 2,795	€ -	€ -	€ -	€ -	61,588	€ -	€ -
NOTE (2) Compensation for committee membership:																

NOTE (2) Compensation for committee membership:				
Appointments Committee		€ 2,795		

(A) Name and Surname	(B) Office	(C) Period of holding office	(D) End date of office	(1) Fixed benefits					(2) Compensation for committee membership	(3) Non-equity variable benefits		(4) Non-monetary benefits	(5) Other benefits	(6) Total	(7) Fair value of equity benefits	(8) Termination of office or early departure allowance
				(i) emoluments for the financial year	(ii) attendance fees	(iii) reimbursement of flat-rate costs	(iv) fees for the performance of special tasks	(v) gross fixed salaries and wages of employees		Bonuses and other incentives	Profit sharing					
Chiara de Stefani	Director Director	01/01/2019 - 13/04/2019 13/04/2019 - 31/12/2019	31/12/2018 31/12/2021													
(I) Remuneration in the company preparing the annual accounts				€ 71,501	€ 31,800	€ 8,395	€ -	€ -	€ 35,219	€ -	€ -	€ -	€ -	146,915	€ -	€ -
(II) Remuneration from subsidiaries and associated companies (Lombarda Vita)				€ 5,000	€ 1,440	€ 1,476	€ -	€ -	€ -	€ -	€ -	€ -	€ -	7,916	€ -	€ -
(III) Total				€ 76,501	€ 33,240	€ 9,872	€ -	€ -	€ 35,219	€ -	€ -	€ -	€ -	154,831	€ -	€ -
NOTE (2) Compensation for committee membership:																
Remuneration Committee				€	21,616											
Appointments Committee				€	13,603											
				€	35,219											

(A) Name and Surname	(B) Office	(C) Period of holding office	(D) End date of office	(1) Fixed benefits					(2) Compensation for committee membership	(3) Non-equity variable benefits		(4) Non-monetary benefits	(5) Other benefits	(6) Total	(7) Fair value of equity benefits	(8) Termination of office or early departure allowance
				(i) emoluments for the financial year	(ii) attendance fees	(iii) reimbursement of flat-rate costs	(iv) fees for the performance of special tasks	(v) gross fixed salaries and wages of employees		Bonuses and other incentives	Profit sharing					
Lisa Ferrarini	Director	01/01/2019 - 13/04/2019	31/12/2018													
(I) Remuneration in the company preparing the annual accounts				€ 18,082	€ 3,600	€ 1,421	€ -	€ -	€ -	€ -	€ -	€ -	€ -	23,103	€ -	€ -
(II) Remuneration from subsidiaries and associates				€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	-	€ -	€ -
(III) Total				€ 18,082	€ 3,600	€ 1,421	€ -	€ -	€ -	€ -	€ -	€ -	€ -	23,103	€ -	€ -

(A) Name and Surname	(B) Office	(C) Period of holding office	(D) End date of office	(1) Fixed benefits					(2) Compensation for committee membership	(3) Non-equity variable benefits		(4) Non-monetary benefits	(5) Other benefits	(6) Total	(7) Fair value of equity benefits	(8) Termination of office or early departure allowance
				(i) emoluments for the financial year	(ii) attendance fees	(iii) reimbursement of flat-rate costs	(iv) fees for the performance of special tasks	(v) gross fixed salaries and wages of employees		Bonuses and other incentives	Profit sharing					
Paola Feroli	Director	01/01/2019 - 13/04/2019	31/12/2018													
(I) Remuneration in the company preparing the annual accounts				€ 18,082	€ 6,000	€ 273	€ -	€ -	€ 5,589	€ -	€ -	€ -	€ -	29,944	€ -	€ -
(II) Remuneration from subsidiaries and associates							€ -	€ -	€ -	€ -	€ -	€ -	€ -	-	€ -	€ -
(III) Total				€ 18,082	€ 6,000	€ 273	€ -	€ -	€ 5,589	€ -	€ -	€ -	€ -	29,944	€ -	€ -
NOTE (2) Compensation for committee membership:																
Related Parties Committee				€ 5,589												

(A) Name and Surname	(B) Office	(C) Period of holding office	(D) End date of office	(1) Fixed benefits					(2) Compensation for committee membership	(3) Non-equity variable benefits		(4) Non-monetary benefits	(5) Other benefits	(6) Total	(7) Fair value of equity benefits	(8) Termination of office or early departure allowance
				(i) emoluments for the financial year	(ii) attendance fees	(iii) reimbursement of flat-rate costs	(iv) fees for the performance of special tasks	(v) gross fixed salaries and wages of employees		Bonuses and other incentives	Profit sharing					
Paola Grossi	Director	01/01/2019 - 13/04/2019	31/12/2018													
(I) Remuneration in the company preparing the annual accounts				€ 18,082	€ 9,000	€ 6,175	€ -	€ -	€ 5,589	€ -	€ -	€ -	€ -	38,846	€ -	€ -
(II) Remuneration from subsidiaries and associates							€ -	€ -	€ -	€ -	€ -	€ -	€ -	-	€ -	€ -
(III) Total				€ 18,082	€ 9,000	€ 6,175	€ -	€ -	€ 5,589	€ -	€ -	€ -	€ -	38,846	€ -	€ -
NOTE (2) Compensation for committee membership:																
Remuneration Committee				€ 5,589												

(A) Name and Surname	(B) Office	(C) Period of holding office	(D) End date of office	(1) Fixed benefits					(2) Compensation for committee membership	(3) Non-equity variable benefits		(4) Non-monetary benefits	(5) Other benefits	(6) Total	(7) Fair value of equity benefits	(8) Termination of office or early departure allowance
				(i) emoluments for the financial year	(ii) attendance fees	(iii) reimbursement of flat-rate costs	(iv) fees for the performance of special tasks	(v) gross fixed salaries and wages of employees		Bonuses and other incentives	Profit sharing					
Rosella Giacometti	Director	13/04/2019 - 31/12/2019	31/12/2021													
(I) Remuneration in the company preparing the annual accounts				€ 53,418	€ 17,400	€ 8,107	€ -	€ -	€ 21,616	€ -	€ -	€ -	€ -	100,541	€ -	€ -
(II) Remuneration from subsidiaries and associates				€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	-	€ -	€ -
(III) Total				€ 53,418	€ 17,400	€ 8,107	€ -	€ -	€ 21,616	€ -	€ -	€ -	€ -	100,541	€ -	€ -
NOTE (2) Compensation for committee membership:																
Control and Risks Committee				€ 21,616												

(A) Name and Surname	(B) Office	(C) Period of holding office	(D) End date of office	(1) Fixed benefits					(2) Compensation for committee membership	(3) Non-equity variable benefits		(4) Non-monetary benefits	(5) Other benefits	(6) Total	(7) Fair value of equity benefits	(8) Termination of office or early departure allowance
				(i) emoluments for the financial year	(ii) attendance fees	(iii) reimbursement of flat-rate costs	(iv) fees for the performance of special tasks	(v) gross fixed salaries and wages of employees		Bonuses and other incentives	Profit sharing					
Alessandro Lai	Secretary Member C.E. Director Director	01/01/2019 - 31/12/2019 01/01/2019 - 13/04/2019 01/01/2019 - 13/04/2019 13/04/2019 - 31/12/2019	31/12/2021 31/12/2018 31/12/2018 31/12/2021													
(I) Remuneration in the company preparing the annual accounts				€ 94,788	€ 58,200	€ 12,374	€ 140,000	€ -	€ 47,205	€ -	€ -	€ -	€ -	352,567	€ -	€ -
(II) Fees from subsidiaries and associates (Your insurance)				€ 9,945	€ 6,000	€ 3,182	€ 9,110	€ -	€ -	€ -	€ -	€ -	€ -	28,237	€ -	€ -
(III) Total				€ 104,733	€ 64,200	€ 15,556	€ 149,110	€ -	€ 47,205	€ -	€ -	€ -	€ -	380,804	€ -	€ -
NOTE (2) Compensation for committee membership:																
Corporate Governance Committee				€ 27,205												
Remuneration Committee				€ 20,000												
				€ 47,205												

(A) Name and Surname	(B) Office	(C) Period of holding office	(D) End date of office	(1) Fixed benefits					(2) Compensation for committee membership	(3) Non-equity variable benefits		(4) Non-monetary benefits	(5) Other benefits	(6) Total	(7) Fair value of equity benefits	(8) Termination of office or early departure allowance
				(i) emoluments pertaining to the financial year *	(ii) attendance fees	(iii) reimbursement of flat-rate costs	(iv) fees for the performance of special tasks	(v) gross fixed salaries and wages of employees		Bonuses and other incentives	Profit sharing					
Giovanni Maccagnani	Director	01/01/2019 - 13/04/2019	31/12/2018													
(I) Remuneration in the company preparing the annual accounts				€ 18,082	€ 6,600	€ 390	€ -	€ -	€ 13,973	€ -	€ -	€ -	€ -	39,045	€ -	€ -
(II) Remuneration from subsidiaries and associates				€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	-	€ -	€ -
(III) Total				€ 18,082	€ 6,600	€ 390	€ -	€ -	€ 13,973	€ -	€ -	€ -	€ -	39,045	€ -	€ -
NOTE (2) Compensation for committee membership:																
Related Parties Committee				€ 8,384												
Investment Committee				€ 5,589												
				€ 13,973												

(A) Name and Surname	(B) Office	(C) Period of holding office	(D) End date of office	(1) Fixed benefits					(2) Compensation for committee membership	(3) Non-equity variable benefits		(4) Non-monetary benefits	(5) Other benefits	(6) Total	(7) Fair value of equity benefits	(8) Termination of office or early departure allowance
				(i) emoluments pertaining to the financial year *	(ii) attendance fees	(iii) reimbursement of flat-rate costs	(iv) fees for the performance of special tasks	(v) gross fixed salaries and wages of employees		Bonuses and other incentives	Profit sharing					
Alberto Minali	[Director-General] Member C.E. Director Director	01/01/2019 - 31/10/2019 01/01/2019 - 13/04/2019 01/01/2019 - 13/04/2019 13/04/2019 - 31/12/2019	31/12/2021 31/12/2018 31/12/2018 31/12/2021													
(I) Remuneration in the company preparing the annual accounts				€ 678,365	€ 2,400	€ 156	€ -	€ -	€ -	-	€ -	€ 62,854	€ -	743,775	€ -	€ 422,400
(II) Fees from subsidiaries and associated companies Catt. Agricola, Catt. Beni Immobili, Cattolica Services)				€ 3,109		€ -		€ -	€ -	€ -	€ -	€ -	€ -	3,109	€ -	€ -
(III) Total				€ 681,474	€ 2,400	€ 156	€ -	€ -	€ -	€ -	€ -	€ 62,854	€ -	746,884	€ -	€ 422,400

* (i) includes the share of remuneration of the Director-General equal to € 666,667 until 31/10/19 and the share paid for the role of Director for the period 01/11/19 - 31/12/19 equal to € 11,698.

** the portion not yet paid relating to the Employee Severance Indemnity (TFM) accrued during the term of office of Director-General and corresponding to 15% of the total gross remuneration received, for whatever reason, during the performance of the positions held.

(A) Name and Surname	(B) Office	(C) Period of holding office	(D) End date of office	(1) Fixed benefits					(2) Compensation for membership	(3) Non-equity variable benefits		(4) Non-monetary benefits	(5) Other benefits	(6) Total	(7) Fair value of equity benefits	(8) Termination of office or early departure allowance
				(i) emoluments for the financial year	(ii) attendance fees	(iii) reimbursement of flat-rate costs	(iv) fees for the performance of special tasks	(v) gross fixed salaries and wages of employees		Bonuses and other incentives	Profit sharing					
Luigi Mion	Director	01/01/2019 - 13/04/2019	31/12/2018													
(I) Remuneration in the company preparing the annual accounts				€ 18,082	€ 9,000	€ 507	€ -	€ -	€ 8,384	€ -	€ -	€ -	€ -	35,973	€ -	€ -
(II) Remuneration from subsidiaries and associates				€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	-	€ -	€ -
(III) Total				€ 18,082	€ 9,000	€ 507	€ -	€ -	€ 8,384	€ -	€ -	€ -	€ -	35,973	€ -	€ -
NOTE (2) Compensation for committee membership:																
Remuneration Committee				€ 8,384												

(A) Name and Surname	(B) Office	(C) Period of holding office	(D) End date of office	(1) Fixed benefits					(2) Compensation for committee membership	(3) Non-equity variable benefits		(4) Non-monetary benefits	(5) Other benefits	(6) Total	(7) Fair value of equity benefits	(8) Termination of office or early departure allowance
				(i) emoluments for the financial year	(ii) attendance fees	(iii) reimbursement of flat-rate costs	(iv) fees for the performance of special tasks	(v) gross fixed salaries and wages of employees		Bonuses and other incentives	Profit sharing					
Carlo Napoleoni	Director Director	01/01/2019 - 13/04/2019 13/04/2019 - 31/12/2019	31/12/2018 31/12/2021													
(I) Remuneration in the company preparing the annual accounts				€ 71,501	€ 13,800	€ 12,548	€ -	€ -	€ 5,589	€ -	€ -	€ -	€ -	103,438	€ -	€ -
(II) Remuneration from subsidiaries and associates (Bcc vita and Bcc assni)				€ 20,569	€ 1,800	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	22,369	€ -	€ -
(III) Total				€ 92,069	€ 15,600	€ 12,548	€ -	€ -	€ 5,589	€ -	€ -	€ -	€ -	125,806	€ -	€ -
NOTE (2) Compensation for committee membership: Investment Committee				€ 5,589												
Note: the amount of € 26,348 and that of the subsidiaries for € 22,369 was transferred to ICCREA HOLDING S.p.A.																

(A) Name and Surname	(B) Office	(C) Period of holding office	(D) End date of office	(1) Fixed benefits					(2) Compensation for committee membership	(3) Non-equity variable benefits		(4) Non-monetary benefits	(5) Other benefits	(6) Total	(7) Fair value of equity benefits	(8) Termination of office or early departure allowance
				(i) emoluments for the financial year	(ii) attendance fees	(iii) reimbursement of flat-rate costs	(iv) fees for the performance of special tasks	(v) gross fixed salaries and wages of employees		Bonuses and other incentives	Profit sharing					
Angelo Nardi	Director	01/01/2019 - 13/04/2019	31/12/2018													
(I) Remuneration in the company preparing the annual accounts				€ 18,082	€ 9,600	€ 4,332	€ -	€ -	€ 8,384	€ -	€ -	€ -	€ -	40,398	€ -	€ -
(II) Remuneration from subsidiaries and associates				€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	-	€ -	€ -
(III) Total				€ 18,082	€ 9,600	€ 4,332	€ -	€ -	€ 8,384	€ -	€ -	€ -	€ -	40,398	€ -	€ -
NOTE (2) Compensation for committee membership: Control and Risks Committee				€ 8,384												

(A) Name and Surname	(B) Office	(C) Period of holding office	(D) End date of office	(1) Fixed benefits					(2) Compensation for committee membership	(3) Non-equity variable benefits		(4) Non-monetary benefits	(5) Other benefits	(6) Total	(7) Fair value of equity benefits	(8) Termination of office or early departure allowance
				(i) emoluments for the financial year	(ii) attendance fees	(iii) reimbursement of flat-rate costs	(iv) fees for the performance of special tasks	(v) gross fixed salaries and wages of employees		Bonuses and other incentives	Profit sharing					
Aldo Poli	Deputy Vice-Chairman Deputy Vice-Chairman Member C.E. Director Director	01/01/2019 - 13/04/2019 13/04/2019 - 31/12/2019 01/01/2019 - 13/04/2019 01/01/2019 - 13/04/2019 13/04/2019 - 31/12/2021	31/12/2018 31/12/2021 31/12/2018 31/12/2018 31/12/2021													
(I) Remuneration in the company preparing the annual accounts				€ 94,788	€ 33,000	€ 14,877	€ 170,000	€ -	€ 46,397	€ -	€ -	€ -	€ -	359,062	€ -	€ -
(II) Remuneration from subsidiaries and associates (Tua Ass.ni)				€ 2,521	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	2,521	€ -	€ -
(III) Total				€ 97,309	€ 33,000	€ 14,877	€ 170,000	€ -	€ 46,397	€ -	€ -	€ -	€ -	361,583	€ -	€ -
NOTE (2) Compensation for committee membership: Corporate Governance Committee				€ 27,205												
Investment Committee				€ 5,589												
Appointments Committee				€ 13,603												
				€ 46,397												

(A) Name and Surname	(B) Office	(C) Period of holding office	(D) End date of office	(1) Fixed benefits					(2) Compensation for committee membership	(3) Non-equity variable benefits		(4) Non-monetary benefits	(5) Other benefits	(6) Total	(7) Fair value of equity benefits	(8) Termination of office or early departure allowance
Pierantonio Riello	Director	13/04/2019 - 31/12/2019	31/12/2021	(i) emoluments for the financial year	(ii) attendance fees	(iii) reimbursement of flat-rate costs	(iv) fees for the performance of special tasks	(v) gross fixed salaries and wages of employees		Bonuses and other incentives	Profit sharing					
(I) Remuneration in the company preparing the annual accounts				€ 53,418	€ 12,000	€ 2,357		€ -	€ 14,411	€ -	€ -	€ -	€ -	82,186	€ -	€ -
(II) Remuneration from subsidiaries and associates				€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	-	€ -	€ -
(III) Total				€ 53,418	€ 12,000	€ 2,357	€ -	€ -	€ 14,411	€ -	€ -	€ -	€ -	82,186	€ -	€ -
NOTE (2) Compensation for committee membership: Remuneration Committee € 14,411																
(A) Name and Surname	(B) Office	(C) Period of holding office	(D) End date of office	(1) Fixed benefits					(2) Compensation for committee membership	(3) Non-equity variable benefits		(4) Non-monetary benefits	(5) Other benefits	(6) Total	(7) Fair value of equity benefits	(8) Termination of office or early departure allowance
Pilade Riello	Member C.E. Director	01/01/2019 - 13/04/2019 01/01/2019 - 13/04/2019	31/12/2018 31/12/2018	(i) emoluments for the financial year	(ii) attendance fees	(iii) reimbursement of flat-rate costs	(iv) fees for the performance of special tasks	(v) gross fixed salaries and wages of employees		Bonuses and other incentives	Profit sharing					
(I) Remuneration in the company preparing the annual accounts				€ 41,370	€ 7,800	€ 312		€ -	€ 5,589	€ -	€ -	€ -	€ -	55,071	€ -	€ -
(II) Remuneration from subsidiaries and associates				€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	-	€ -	€ -
(III) Total				€ 41,370	€ 7,800	€ 312	€ -	€ -	€ 5,589	€ -	€ -	€ -	€ -	55,071	€ -	€ -
NOTE (2) Compensation for committee membership: Investment Committee € 5,589																

(A) Name and Surname	(B) Office	(C) Period of holding office	(D) End date of office	(1) Fixed benefits					(2) Compensation for committee membership	(3) Non-equity variable benefits		(4) Non-monetary benefits	(5) Other benefits	(6) Total	(7) Fair value of equity benefits	(8) Termination of office or early departure allowance
Anna Strazzera	Director	13/04/2019 - 31/12/2019	31/12/2021	(i) emoluments for the financial year	(ii) attendance fees	(iii) reimbursement of flat-rate costs	(iv) fees for the performance of special tasks	(v) gross fixed salaries and wages of employees		Bonuses and other incentives	Profit sharing					
(I) Remuneration in the company preparing the annual accounts				€ 53,418	€ 14,400	€ 6,693	€ -	€ -	€ 14,411	€ -	€ -	€ -	€ -	88,922	€ -	€ -
(II) Remuneration from subsidiaries and associated companies (Vera Assicurazioni - Vera Protezione)				€ 5,123	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	5,123	€ -	€ -
(III) Total				€ 58,541	€ 14,400	€ 6,693	€ -	€ -	€ 14,411	€ -	€ -	€ -	€ -	94,045	€ -	€ -
NOTE (2) Compensation for committee membership: Related Parties Committee € 14,411																

(A) Name and Surname	(B) Office	(C) Period of holding office	(D) End date of office	(1) Fixed benefits					(2) Compensation for committee membership	(3) Non-equity variable benefits		(4) Non-monetary benefits	(5) Other benefits	(6) Total	(7) Fair value of equity benefits	(8) Termination of office or early departure allowance
				(i) emoluments for the financial year	(ii) attendance fees	(iii) reimbursement of flat-rate costs	(iv) fees for the performance of special tasks	(v) gross fixed salaries and wages of employees		Bonuses and other incentives	Profit sharing					
Manfredo Turchetti	Deputy Vice-Chairman Member C.E. Director	01/01/2019 - 13/04/2019 01/01/2019 - 13/04/2019 01/01/2019 - 13/04/2019	31/12/2018 31/12/2018 31/12/2018	€ 41,370	€ 8,400	€ 1,689	€ 47,507	€ -	€ 11,178	€ -	€ -	€ -	€ -	110,144	€ -	€ -
(I) Remuneration in the company preparing the annual accounts				€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	-	€ -	€ -
(II) Remuneration from subsidiaries and associates				€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	-	€ -	€ -
(III) Total				€ 41,370	€ 8,400	€ 1,689	€ 47,507	€ -	€ 11,178	€ -	€ -	€ -	€ -	110,144	€ -	€ -
NOTE (2) Compensation for committee membership: Corporate Governance Committee € 5,589 Investment Committee € 5,589 € 11,178																

(A) Name and Surname	(B) Office	(C) Period of holding office	(D) End date of office	(1) Fixed benefits					(2) Compensation for committee membership	(3) Non-equity variable benefits		(4) Non-monetary benefits	(5) Other benefits	(6) Total	(7) Fair value of equity benefits	(8) Termination of office or early departure allowance
				(i) emoluments for the financial year	(ii) attendance fees	(iii) reimbursement of flat-rate costs	(iv) fees for the performance of special tasks	(v) gross fixed salaries and wages of employees		Bonuses and other incentives	Profit sharing					
Eugenio Vanda	Director Director	01/01/2019 - 13/04/2019 13/04/2019 - 31/12/2019	31/12/2018 31/12/2021	€ 71,501	€ 22,800	€ 13,049	€ -	€ -	€ 10,808	€ -	€ -	€ -	€ -	118,158	€ -	€ -
(I) Remuneration in the company preparing the annual accounts				€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	-	€ -	€ -
(II) Remuneration from subsidiaries and associates				€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	-	€ -	€ -
(III) Total				€ 71,501	€ 22,800	€ 13,049	€ -	€ -	€ 10,808	€ -	€ -	€ -	€ -	118,158	€ -	€ -
NOTE (2) Compensation for committee membership: Appointments Committee € 10,808																

(A) Name and Surname	(B) Office	(C) Period of holding office	(D) End date of office	(1) Fixed benefits					(2) Compensation for committee membership	(3) Non-equity variable benefits		(4) Non-monetary benefits	(5) Other benefits	(6) Total	(7) Fair value of equity benefits	(8) Termination of office or early departure allowance
				(i) emoluments for the financial year	(ii) attendance fees	(iii) reimbursement of flat-rate costs	(iv) fees for the performance of special tasks	(v) gross fixed salaries and wages of employees		Bonuses and other incentives	Profit sharing					
Giovanni Glisenti	Chairman of the Board of Statutory Auditors Director - Chairman Committee Management Control	01/01/2019 - 13/04/2019 13/04/2019 - 31/12/2019	31/12/2018 31/12/2021	€ 165,000	€ 78,000	€ 3,354	€ -	€ -	€ -	€ -	€ -	€ -	€ -	246,354	€ -	€ -
(I) Remuneration in the company preparing the annual accounts				€ 3,781	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	3,781	€ -	€ -
(II) Remuneration from subsidiaries and associated companies (Abc insures)				€ 168,781	€ 78,000	€ 3,354	€ -	€ -	€ -	€ -	€ -	€ -	€ -	250,135	€ -	€ -
(III) Total Note: the remuneration for the position of Chairman of the Management Control Committee has been included in the column (i) emoluments for which he is responsible																

(A)	(B)	(C)	(D)	(1)					(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Office	Period of holding office	End date of office	Fixed benefits					Compensation for committee membership	Non-equity variable benefits		Non-monetary benefits	Other benefits	Total	Fair value of equity benefits	Termination of office or early departure allowance
				(i) emoluments for the financial year	(ii) attendance fees	(iii) reimbursement of flat-rate costs	(iv) fees for the performance of special tasks	(v) gross fixed salaries and wages of employees		Bonuses and other incentives	Profit sharing					
Federica Bonato	Standing auditor Director - member of the Management Control Committee	01/01/2019 - 13/04/2019 13/04/2019 - 31/12/2019	31/12/2018 31/12/2021													
(I) Remuneration in the company preparing the annual accounts				€ 110,000	€ 45,000	€ 2,418	€ -	€ -	€ -	€ -	€ -	€ -	€ -	157,418	€ -	€ -
(II) Remuneration from subsidiaries and associates				€ -			€ -	€ -	€ -	€ -	€ -	€ -	€ -	-	€ -	€ -
(III) Total Note: Remuneration for the position of member of the Audit Management Committee has been included in column (i) emoluments for which he is responsible.				€ 110,000	€ 45,000	€ 2,418	€ -	€ -	€ -	€ -	€ -	€ -	€ -	157,418	€ -	€ -

(A)		(B)		(C)		(D)		(1)					(2)		(3)		(4)		(5)		(6)		(7)		(8)		
Name and Surname		Office		Period of holding office		End date of office		Fixed benefits					Compensation for committee membership		Non-equity variable benefits		Non-monetary benefits		Other benefits		Total		Fair value of equity benefits		Termination of office or early departure allowance		
Cesare Brena		Standing auditor Director - member of the Management Control Committee		01/01/2019 - 13/04/2019 13/04/2019 - 31/12/2019		31/12/2018 31/12/2021		(i) emoluments for the financial year		(ii) attendance fees		(iii) reimbursement of flat-rate costs		(iv) fees for the performance of special tasks		(v) gross fixed salaries and wages of employees				Bonuses and other incentives		Profit sharing					
(I) Remuneration in the company preparing the annual accounts								€ 110,000	€ 45,600	€ 2,418	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	158,018	€ -	€ -					
(II) Remuneration from subsidiaries and associated companies (Cattolica Agricola)								€ 2,014	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	2,014	€ -	€ -					
(III) Total Note: Remuneration for the position of member of the Audit Management Committee has been included in column (i) emoluments for which he is responsible.								€ 112,014	€ 45,600	€ 2,418	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	160,032	€ -	€ -						

(A)	(B)	(C)	(D)	(1)					(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Office	Period of holding office	End date of office	Fixed benefits					Compensation for committee membership	Non-equity variable benefits		Non-monetary benefits	Other benefits	Total	Fair value of equity benefits	Termination of office or early departure allowance
Carlo Alberto Murari	Alternate auditor	01/01/2019 - 13/04/2019	31/12/2018	(i) emoluments for the financial year	(ii) attendance fees	(iii) reimbursement of flat-rate costs	(iv) fees for the performance of special tasks	(v) gross fixed salaries and wages of employees		Bonuses and other incentives	Profit sharing					
(I) Remuneration in the company preparing the annual accounts				€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	-	€ -	€ -
(II) Remuneration from subsidiaries and associated companies (Cattolica Agricola, Cattolica Beni Immobili)				€ 13,007	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	13,007	€ -	€ -
(III) Total				€ 13,007	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	13,007	€ -	€ -

Remuneration of Director-Generals

(A)	(B)	(C)	(D)	(1)					(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Office	Period of holding office	End date of office	Fixed benefits					Compensation for committee membership	Non-equity variable benefits		Non-monetary benefits	Other benefits	Total	Fair value of equity benefits	End-of-service or severance pay
Ferraresi Carlo	Director-General Markets and distribution channels	01/01/2019	31/10/2019	(i) emoluments for the financial year	(ii) attendance fees	(iii) reimbursement of flat-rate costs	(iv) fees for the performance of special tasks	(v) gross fixed salaries and wages of employees		Bonuses and other incentives *	Profit sharing					
	Director-General	01/11/2019	UP TO THE PAYMENT													
	(I) Remuneration in the company preparing the annual accounts								€ 608,333	€ -	€ 177,750		€ 3,672	€ 407,051	1,196,806	€ 263,528
(II) Remuneration from subsidiaries and associates									€ -		€ -	€ -	€ -	-	€ -	€
(III) Total				€ -	€ -	€ -	€ -	€ 608,333	€ -	€ 177,750	€ -	€ 3,672	€ 407,051	1,196,806	€ 263,528	€

* the amount indicated in column 3 - "Bonuses and other incentives" section includes the value of the MbO for 2019 estimated on the basis of the final data available at the date of preparation.

** the amount indicated in column 5 - Other Compensation" includes the amount of € 400,000 pertaining to 2019, and does not include the amount of a further € 400,000, set aside in the annual accounts, which will be paid on the positive outcome of the Shareholders' Meeting which also resolves to distribute a profit to the Shareholders.

(A)				(B)				(C)				(D)				(1)					(2)	(3)		(4)	(5)	(6)	(7)	(8)							
Name and Surname				Office				Period of holding office				End date of office				Fixed benefits					Compensation for committee membership	Non-equity variable benefits		Non-monetary benefits	Other benefits	Total	Fair value of equity benefits	Termination of office or early departure allowance							
Valter Trevisani				Director-General Technical Area and Operations				01/01/2019				UP TO THE PAYMENT				(i) emoluments for the financial year	(ii) attendance fees	(iii) reimbursement of flat-rate costs	(iv) fees for the performance of special tasks	(v) gross fixed salaries and wages of employees		Bonuses and other incentives *	Profit sharing												
(I) Remuneration in the company preparing the annual accounts																																			
(II) Remuneration from subsidiaries and associates																																			
(III) Total																																			

* the amount indicated in column 3 - Bonuses and other incentives - includes the value of the MbO for 2019 estimated on the basis of the final data available at the date of preparation.

Remuneration paid to other executives with strategic responsibilities

(A)	(B)	(C)	(D)	(1)					(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Office	Period of holding office	End date of office	Fixed benefits					Compensation for committee membership	Non-equity variable benefits		Non-monetary benefits	Other benefits	Total	Fair value of equity benefits	Termination of office or early departure allowance
2	STRATEGIC EXECUTIVES	01/01/2019	AS FAR AS THE GUARD	(i) emoluments for the financial year	(ii) attendance fees	(iii) reimbursement of flat-rate costs	(iv) fees for the performance of special tasks	(v) gross fixed salaries and wages of employees		Bonuses and other incentives *	Profit sharing					
(I) Remuneration in the company preparing the annual accounts				€ -	€ -	€ -	€ -	€ 850,000	€ -	€ 257,700	€ -	€ 64,726	€ 10,897	1,183,323	€ 308,522	€ -
(II) Remuneration from subsidiaries and associates									€ -		€ -	€ -	€ -	-	€ -	€ -
(III) Total				€ -	€ -	€ -	€ -	€ 850,000	€ -	€ 257,700	€ -	€ 64,726	€ 10,897	1,183,323	€ 308,522	€ -

* the amount indicated in column 3 - Bonuses and other incentives - includes the value of the MbO for 2019 estimated on the basis of the final data available at the date of preparation.

ANNEX 3 TABLE OF MONETARY INCENTIVE PLANS FOR MEMBERS OF THE BOARD OF DIRECTORS, DIRECTOR-GENERALS AND OTHER KEY MANAGEMENT PERSONNEL

(A) Name and Surname	(B) Office	(I) Plan	(2) Bonus of the year			(3) Bonuses from previous years			(4) Other bonuses
			(a)	(b)	(c)	(a)	(b)	(c)	
			Produced/delivered *	Postponed	Postponement period	No longer dispensable	Deliverable / Supplied	Still postponed	
Ferraresi Carlo	Director-General (until 31/10 Director-General Markets and Distribution Channels Area)								
(I) Remuneration in the company preparing the annual accounts		Floor A MBO SHORT TARGETS	€ 177,750.00						
		Plan B							
		Plan C							
(II) Remuneration from subsidiaries and associates		Floor A							
		Plan B							
(III) Total			€ 177,750.00	€ -		€ -	€ -	€ -	€ -

* the amount indicated in column 2 - Bonus for the year - includes the value of the MBO for 2019 estimated on the basis of the final data available at the date of preparation.

(A) Name and Surname	(B) Office	(I) Plan	(2) Bonus of the year			(3) Bonuses from previous years			(4) Other bonuses
			(a)	(b)	(c)	(a)	(b)	(c)	
			Released/presented*	Postponed	Postponement period	No longer dispensable	Deliverable / Supplied	Still postponed	
Valter Trevisani	Director-General Technical Area and Operations								
(I) Remuneration in the company preparing the annual accounts		Floor A MBO SHORT TARGETS	€ 168,300.00						
		Plan B							
		Plan C							
(II) Remuneration from subsidiaries and associates		Floor A							
		Plan B							
(III) Total			€ 168,300.00	€ -		€ -	€ -	€ -	€ -

* the amount indicated in column 2 - Bonus for the year - includes the value of the MBO for 2019 estimated on the basis of the final data available at the date of preparation.

STRATEGIC EXECUTIVES

(A) Name and Surname	(B) Office	(I) Plan	(2) Bonus of the year			(3) Bonuses from previous years			(4) Other bonuses
			(a)	(b)	(c)	(a)	(b)	(c)	
			Produced/delivered *	Postponed	Postponement period	No longer dispensable	Deliverable / Supplied	Still postponed	
N 2	STRATEGIC EXECUTIVES								
(I) Remuneration in the company preparing the annual accounts		Floor A MBO SHORT TARGETS	€ 257,700.00						
		Plan B							
		Plan C							
(II) Remuneration from subsidiaries and associates		Floor A							
		Plan B							
(III) Total			€ 257,700.00	€ -		€ -	€ -	€ -	€ -

ANNEX 3A - TABLE 3A INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS, OTHER THAN STOCK OPTIONS, FOR MEMBERS OF THE BOARD OF DIRECTORS, DIRECTOR-GENERALS AND OTHER EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

			financial instruments assigned in previous years not accrued during the year		financial instruments allocated during the year					financial instruments accrued during the year and not allocated	financial instruments accrued during the year and attributable		financial instruments pertaining 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	maturity period	number and type of financial instruments	fair value at grant date	maturity period	grant date	market price at allocation	number and type of financial instruments	number and type of financial instruments	expiry date value	fair value
CARLO FERRARESI	Director-General (until 31/10 Councillor General Markets and Distribution Channels Area)												

COMPENSATION OF THE COMPANY** WHICH DRAWS UP THE annual accounts		LTI 2018-2020 Assembly Resolved Members 28/4/2018	No. 71,739 total Shares Ordinary Catholic Insurance potentially attributable to the target level at the end of the vesting period	2018-2020	No. 40,579 total Cattolica Ordinary Shares Insurance potentially attributable to the target level at the end of the vesting period	359,936	2018-2020	28/04/2018	8.87				263,528
FEES FROM SUBSIDIARIES AND ASSOCIATED COMPANIES													
III Total						359,936							263,528

notes: the value indicated in column 2) refers to the performance shares based on the Ordinary Shares of Cattolica Assicurazioni assigned in 2018 and represented with a target performance of 100% in the 2018-2020 vesting period as no annual assignment is envisaged; the value indicated in column 4) corresponds to the integration of the shares already assigned in 2018 for the quota due from 1/11/2019 again at target level for the three-year period 2018-2020, while the value indicated in column 12) corresponds to the theoretical value of the reference year.

			financial instruments assigned in previous years not accrued during the year		financial instruments allocated during the year					financial instruments accrued during the year and not allocated	financial instruments accrued during the year and attributable		financial instruments pertaining 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	maturity period	number and type of financial instruments	fair value at grant date	maturity period	grant date	market price at allocation	number and type of financial instruments	number and type of financial instruments	expiry date value	fair value
VALTER TREVISANI	Director-General of the area Technique and operation												
COMPENSATION OF THE COMPANY** WHICH DRAWS UP THE ANNUAL ACCOUNTS		LTI 2018-2020 Assembly Resolved Members 28/4/2018	No. 71,739 total Shares Ordinary Catholic Insurance potentially attributable to the target level at the end of the vesting period	2018-2020									212,108
FEES FROM SUBSIDIARIES AND ASSOCIATED COMPANIES													
III Total						-						-	212,108

notes: the value indicated in column 2) refers to the performance shares based on Cattolica Assicurazioni Ordinary Shares assigned in 2018 and represented with a target performance of 100% in the 2018-2020 vesting period as no annual assignment is envisaged; the value indicated in column 12) corresponds to the theoretical value of the reference year.

			financial instruments assigned in previous years not accrued during the year		financial instruments allocated during the year					financial instruments accrued during the year and not allocated	financial instruments accrued during the year and attributable		financial instruments pertaining 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	maturity period	number and type of financial instruments	fair value at grant date	maturity period	grant date	market price at allocation	number and type of financial instruments	number and type of financial instruments	expiry date value	fair value
N 2	STRATEGIC EXECUTIVES												
COMPENSATION OF THE COMPANY** WHICH DRAWS UP THE ANNUAL ACCOUNTS		LTI 2018-2020 Assembly Resolved Members 28/4/2018	No. 104,348 Ordinary shares Cattolica Assicurazioni target level potentially attributable to the end of the vesting period	2018-2020						0	0	0	308,522
FEES FROM SUBSIDIARIES AND ASSOCIATED COMPANIES													
III Total												-	308,522

notes: the value indicated in column 2) refers to the performance shares based on Cattolica Assicurazioni Ordinary Shares assigned in 2018 and represented with a target performance of 100% in the 2018-2020 vesting period as no annual assignment is envisaged; the value indicated in column 12) corresponds to the theoretical value of the reference year.

ANNEX 4 - SHAREHOLDINGS OF MEMBERS OF THE MANAGEMENT AND CONTROL BODIES OF DIRECTOR-GENERALS AND OTHER EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

Name and surname	office	Company	shares held at the end of the 2018 financial year	shares purchased during the 2019 financial year	shares sold during the 2019 financial year	shares held at the end of the 2019 financial year	
Paolo Bedoni <i>indirect possession through the close family</i>	Director	Cattolica Cattolica	Insurance Insurance	70,000 24,500	10,000 3,749	- -	80,000 28,249
Barbara Blasevich <i>indirect possession through the close family</i>	Director	Cattolica Cattolica	Insurance Insurance	13,000 12,025	3,000 -	- -	16,000 12,025
Piergiuseppe Caldana <i>indirect possession through the close family</i>	(2) Director	Cattolica Cattolica	Insurance Insurance	651 900	2,360 -	- -	3,011 900
Bettina Campedelli	Director	Cattolica	Insurance	3,168	-	-	3,168
Luigi Castelletti	(2) Director	Cattolica	Insurance	301	2,750	-	3,051
Nerino Chemello	(1) Director	Cattolica	Insurance	3,110	-	-	3,110
Chiara de Stefani	Director	Cattolica	Insurance	3,100	-	-	3,100
Lisa Ferrarini	(1) Director	Cattolica	Insurance	3,100	-	-	3,100
Paola Ferroli	(1) Director	Cattolica	Insurance	3,101	-	-	3,101
Giacometti Scarlett	(2) Director	Cattolica	Insurance	3,000	-	-	3,000
Paola Grossi	(1) Director	Cattolica	Insurance	3,010	-	-	3,010
Alessandro Lai <i>indirect possession through the close family</i>	Director	Cattolica Cattolica	Insurance Insurance	68,528 2,915	- -	- -	68,528 2,915
Giovanni Maccagnani	(1) Director	Cattolica	Insurance	3,262	-	-	3,262
Alberto Minali <i>indirect possession through nearby family</i>	Director	Cattolica Cattolica	Insurance Insurance	403,000 -	47,000 3,000	- -	450,000 3,000
Luigi Mion <i>indirect possession through nearby family</i>	(1) Director	Cattolica Cattolica	Insurance Insurance	3,725 905	- -	- -	3,725 905
Carlo Napoleoni	Director	Cattolica	Insurance	3,100	-	-	3,100
Angelo Nardi <i>indirect possession through nearby family</i>	(1) Director	Cattolica Cattolica	Insurance Insurance	3,415 300	- -	- -	3,415 300
Aldo Poli	Director	Cattolica	Insurance	150,000	25,000	-	175,000
Pilade Riello <i>indirect possession through nearby family</i>	(1) Director	Cattolica Cattolica	Insurance Insurance	3,410 682	- -	- -	3,410 682
Pierantonio Riello	(2) Director	Cattolica	Insurance	3,200	-	-	3,200
Anna Strazera	(2) Director	Cattolica	Insurance	321	3,000	-	3,321
Manfredo Turchetti	(1) Director	Cattolica	Insurance	3,000	-	-	3,000
Eugenio Vanda	Director	Cattolica	Insurance	3,005	-	-	3,005
Giovanni Glisenti <i>indirect possession through the close family</i>	President of the GCC	Cattolica Cattolica	Insurance Insurance	3,753 315	- -	- -	3,753 315
Federica Bonato	director, member of the GCC	Cattolica	Insurance	454	2,700	-	3,154
Cesare Brena <i>indirect possession through the close family</i>	director, member of the GCC	Cattolica Cattolica	Insurance Insurance	5,492 2,265	- -	- -	5,492 2,265
Carlo Alberto Murari	(1) Alternate auditor	Cattolica	Insurance	100	-	-	100
Massimo Babbi <i>indirect possession through the close family</i>	(1) Alternate auditor	Cattolica Cattolica	Insurance Insurance	341 341	- -	- -	341 341
Carlo Ferraresi	Director-General	Cattolica	Insurances	-	-	-	-
Valter Trevisani	Director-General	Cattolica	Insurances	-	-	-	-
Nazareno Cerni	deputy Director-General	Cattolica	Insurance	1,000	-	-	1,000
Mattioli Enrico	deputy Director-General	Cattolica	Insurance	10,000	-	-	10,000

(1) The Directors Ferroli, Ferrarini, Grossi, Maccagnani, Mion, Pilade Riello and the auditors Babbi and Murari were not confirmed by the Shareholders' Meeting of 13 April 2019; the relative shareholding is therefore indicated until that date.

(2) The Directors Castelletti, Caldana, Giacometti, Strazera and Pierantonio Riello were appointed by the Shareholders' Meeting of 13 April 2019.



MERITOCRACY

2019

REPORT ON THE
REMUNERATION POLICY
AND ON COMPENSATION PAID



Gruppo Cattolica Assicurazioni

Report on the Remuneration Policy and on Benefits Paid

Drawn up in accordance with IVASS Regulation No 38 of July 2018.

2019

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SECTION 1

INTRODUCTION

This Remuneration Report (hereinafter the "Report") has been prepared in accordance with the provisions of the law and regulations in force, with particular reference to IVASS Regulation no. 38 of 3 July 2018 (hereinafter the "Regulations") and Art. 275 of EU Regulation 2015/35 on remuneration policies in insurance companies and, where applicable, in compliance with Consob Regulation no. 17221 on related-party transactions and the Issuers' Regulation issued by Consob in implementation of the provisions of Art. 123-ter of the TUF as amended by Art. 123-ter. 3 of Legislative Decree no. 49 of 10/5/2019.

The document has also been drafted on the following assumptions:

- Article 57 and Articles 2, 17, 19, 29 of Directive (EU) 2016/97 on the distribution of insurance, implemented in Italy by Legislative Decree no. 68 of 21 May 2018;
- Chapter II of Commission Delegated Regulation (EU) 2017/2359 of 21 September 2017 on information requirements and conduct of business rules applicable to the distribution of insurance investment products (IBIP)
- Ivass Regulation 40/2018 on insurance and reinsurance distribution

The Report, where applicable, also follows the principles contained in the latest version of the Corporate Governance Code for Listed Companies.

In accordance with the Regulations, the Parent Company prepares remuneration policies for the entire Group, ensures their overall consistency and provides the guidelines necessary for their implementation, it being understood that Group companies remain responsible for compliance with the provisions directly applicable to them on remuneration and for the correct implementation of the guidelines provided by the Parent Company.

With reference to the Directors, the Control Bodies, the Director-Generals and other Managers, of the Companies of the Cattolica di Assicurazione Group (hereinafter the "Group"), the Report illustrates the implementation of the Policies for 2019, with reference to the remuneration of the parties governed by the Regulations and contains information on the principles and guidelines with which Cattolica di Assicurazione as Parent Company determines the Remuneration Policy for the year 2020, as well as information relating to the procedures used for the adoption and implementation of this policy.

1 - INTRODUCTION TO REMUNERATION POLICIES

1.1 DEFINITIONS

The following definitions are adopted for the purposes of these Policies (in alphabetical order):

- **Senior Management** - identifies the figures of the Managing Director, the Director-General and the Joint Director-General, where present;
- **Bonus** - the value of variable remuneration, calculated as a percentage of the GAR, paid on achievement of the targets set out in the incentive plans;
- **Parent Company** - Società Cattolica di Assicurazioni - Società Cooperativa
- **Claw-back** - contractual clause providing for the possibility of claiming restitution, in whole or in part, of the compensation paid on the basis of results that have not proved to be long-term or effective as a result of intent or gross negligence;
- **Corporate Governance Code** - The current Corporate Governance Code for companies listed on the Milan Stock Exchange;
- **Deferral** - postponement, within a predetermined period of time, of the payment of part of the variable component of the remuneration with respect to the date of accrual of the incentive, the payment of which may be subject to the *malus and claw-back* regime;
- **Executives with Strategic Responsibilities** - indicates the Executives with strategic tasks identified as the Director-General, the Joint Director-General and the Deputy Director-Generals, where present and in office at the individual Companies;
- **Key Functions** - Internal Audit, Risk Management, Compliance and Actuarial Function, under IVASS Regulation No. 38 of 03 July 2018, in addition to other Functions that may be established within the Company's policies;
- **Gate**: basic target to be achieved in order to activate the incentive plan; below the established threshold, the plan does not allow the disbursement of any incentive;
- **Key Performance Indicators (KPIs)** - qualitative-quantitative measures identified and defined during the construction of the incentive plans (both short and long term) and aimed at making the actual achievement of the assigned targets measurable;
- **Long Term Incentive (LTI)** - an incentive scheme based on results achieved against long-term targets.
- **Malus** - a contractual clause that provides for the possibility of not paying all or part of any deferred variable remuneration accrued if, after the period of deferment, there is a failure to achieve the *set targets* or a significant deterioration in the company's equity or financial position;
- **Management by Objectives (MBO)** - incentive system linked to the results achieved with respect to the annual targets.
- **Significant Personnel** - identifies all the persons defined in letter m) of Art. 2, para. 1 of the Regulations;
- **Insurance Investment Product (IBIP)** - an insurance product that has a maturity or surrender value and where such maturity or surrender value is exposed in whole or in part, directly or indirectly, to market fluctuations;
- **Control Body** - identifies the Supervisory Board or, where appropriate, the Management Control Committee;
- **Remuneration** - any form of payment or benefit paid, directly or indirectly, including through financial instruments or goods in kind ("*fringe benefits*"), for work or professional services rendered by the addressees of the Policies to the Company. In any case, payments referring to institutions provided for by national and supplementary collective agreements, such as, for example, supplementary pension benefits and variable company bonuses, are excluded;
- **Gross Annual Remuneration (GAR)** - the sum of the fixed annual salary (equal to the sum of the fourteen months' salary under the national collective agreement and any typical remuneration that can be considered fixed);
- **Group companies** - the Parent Company and subsidiaries;

- **Subsidiaries** - Group companies subject to the control of the Parent Company in accordance with current regulations;
- **Insurance subsidiaries** - Group companies that carry out insurance business under the control of the Parent Company;
- **Non-insurance subsidiaries** - Group companies that do not carry out insurance activities and are under the control of the Parent Company;
- **Significant person** - identifies all the persons defined in Article 2, para. 1 No 1 of Delegated Regulation (EU) 2017/235.

1.2 REFERENCE PRINCIPLES AND GUIDELINES

All those who play an important role in the management or control of the company must be remunerated in accordance with the general principles of the Regulation, which stipulate in particular that *"Companies will adopt written remuneration policies consistent with sound and prudent risk management and in line with the company's long-term strategic targets, profitability and equilibrium. Companies must avoid remuneration policies based exclusively or predominantly on short-term performance that encourage excessive risk exposure or risk taking that exceeds the risk tolerance limits set by the Board of Directors."*

The remuneration of directors and managers, in particular executive directors and managers with strategic responsibilities, must therefore be established taking into account the need for profitable and sustainable management. The consistency of the Group's remuneration policies with risk management and risk assessment and the Group's solvency policy has therefore been ensured.

In general, the incentive plans include indicators that aim to guide the behaviour of beneficiaries in relation to the types of risk typical of the sector.

In addition, for persons involved in distribution activities, the provisions of Article 17 of Directive (EU) 2016/97 apply, and, accordingly, the payment of compensation and the valuation of the performance of both the Company's employees involved in distribution activities and the distribution network takes into account the duty of such persons to act in the best interests of their clients. For this purpose, the companies of the Group, taking into account the provisions of the Policy for the management of conflicts of interest which is an integral part of this document, will:

- not adopt any compensation, sales targets or other arrangements that may encourage its employees or its distribution network to offer or recommend a particular insurance product to clients if there is a different insurance product that better meets their needs;
- have introduced within their incentive system performance quality valuation criteria that make it possible both to take into account the quality of the service provided to the client with a view to continuous improvement and to encourage the collection of useful information to design and offer products increasingly in line with client needs, according to a vision integrated with the POG process.

In the light of the above, the incentive plans of the Group companies of the parties involved in the distribution activity (including the significant parties) include indicators that aim to guide behaviour so as to always act honestly, fairly and professionally in the best interests of the client.

Persons subject to the Remuneration Policies are required not to use personal hedging strategies or insurance (so-called hedging) that may alter or influence the effects of risk alignment inherent in variable remuneration mechanisms.

Moreover, consistent with its history, its corporate nature and the principles that inspire its activities, the Group, in determining its Remuneration Policies, also proposes to link and comply with the following principles:

- uniform economic remuneration for equivalent roles and responsibilities and absence of discrimination based on differences of origin and gender;
- equilibrium between the salary level of the company and that of the reference market;
- gradual application of the reward system to guide long-term results and behaviour.

This is based on the belief that, through the definition and application of Remuneration Policies consistent with the above principles, it is possible to:

- help create long-term value for all *stakeholders*;
- encourage the implementation of long-term business strategies, as set out in the strategic/business plans;
- safeguard the image and reputation of the Group Companies, in line with the provisions of its Code of Conduct;
- motivate directors, managers and employees to respond with appropriate professionalism to the targets that the Group has set itself, encouraging their full achievement;
- improve the quality of the service offered to the client, increasing the level of trust in the Group companies and the network to create a healthy, solid and lasting relationship.

1.3 SCOPE

These Remuneration Policies constitute the instrument of guidance and coordination for all the Group's subsidiaries, confirming with this aspect the role of the Parent Company in defining, formulating and identifying guidelines and criteria for application and valuation, valid for the entire Group, in line with the provisions, in general terms, of Article 2497 ff. of the Civil Code, and in compliance with the Regulations also with reference to the Group's risk management strategy and policy, while ensuring their calibration with respect to the specific characteristics of Group companies.

In general terms, it is also confirmed that, as in previous years, the personnel of the Group Companies fall within the scope of the Remuneration Policies of the Company of which they are directly employees, also with reference to cases of appointment or position held in other Group Companies or in which the Group has been financially involved.

In the case of Employees with a concurrent position in a corporate body or other type of assignment or assignment within the Group, the remuneration package (GAR, MbO and other components described in this policy) received by the individual includes the remuneration for the assigned position as any remuneration for positions held in corporate bodies or any remuneration relating to other positions, are devolved to the Company with which the employee maintains the employment relationship.

This role of guidance and coordination of the Parent Company is also applicable to the Group's non-insurance companies and to foreign companies within the limits and in compliance with the reference regulations of each company and taking into account the specific nature of the remuneration institutions, regulations and practices in force in each country.

As expressly required by the Regulations of Companies under Italian law, the addressees of these Policies are the members of the Board of Directors, the members of the Control Body, the "Significant Personnel" and the other persons provided for: insurance and reinsurance intermediaries and, in general, all persons involved in distribution activities (with particular regard to insurance investment products), outsourcing service providers.

It should also be noted that, as a result of the above, these policies are also formally transmitted to the Group's foreign insurance companies, while the regulatory references, definitions, remuneration structures and the consequent application process refer only to insurance companies under Italian law.

1.4 IDENTIFICATION OF "SIGNIFICANT PERSONNEL"

Significant Personnel, *whose activity may have a significant impact on the company's risk profile*, is made up of the following figures who are employed by the individual Company of reference:

- Director-Generals;
- Directors with strategic responsibility: are defined as the Directors with strategic tasks identified as the Director-General, the Joint Director-General and the Deputy Director-Generals, where present and in force at the individual Companies;
- Holders of the Fundamental Functions (Internal Audit, Risk Management, Compliance and Actuarial Functions);
- *the other categories of personnel appropriately identified*

The latter category, unlike the others which automatically fall under the definition of "Significant Personnel", as the rule expressly includes them, must be identified by the companies according to objective criteria. The Company accordingly identifies, at least once a year, the roles and categories of persons falling into this category in accordance with internal regulations.

Under Article 59, para. 1, letter b) of the Regulations, these Policies establish that the process of identifying Significant Personnel was conducted jointly with the Fundamental Functions and approved by the Board of Directors of the Parent Company, taking into account, in particular, the indicators relating to the position held, the degree of responsibility, the hierarchical level, the activity performed, the powers granted, the possibility of generating profits or affecting accounting items for significant amounts and the assumption of risk positions.

At the end of this assessment process, conducted in accordance with the criteria set out above, which allowed, in particular, a greater focus on the Group's "strategic" roles and, in addition to the Significant Personnel expressly provided for in the Regulation applicable to the Group's Italian insurance companies, all the other Managers of the Parent Company's Management Committee were identified as an additional category belonging to the "significant personnel", as well as the Executives of the Parent Company who, taking into account, in particular, their classification (formerly D2/Executives), degree of responsibility and hierarchical dependence and the role they hold within the Group, with particular reference to the scope of their activities, constitute the first direct reports of the Director-General, the Joint Director-General and the Deputy Director-Generals of the Parent Company.

2 - GOVERNANCE OF THE REMUNERATION POLICIES

The determination and approval of the Remuneration Policies and the control activities of their correct application imply, in compliance with the Italian law in force, precise responsibilities and active behaviour for a plurality of subjects, in various ways involved in the general system of *governance* in the field of remuneration with reference to companies under Italian law. It should be noted that some of the entities indicated in this chapter are only established at Parent Company level.

2.1 THE SHAREHOLDERS' MEETING

The Ordinary Shareholders' Meeting is responsible for:

- the determination, for the entire period of their office, of the remuneration due to the members of the Board of Directors, without prejudice to the provisions of Article 2389 of the Civil Code for special offices;
- the determination of the annual remuneration of the full members of the Control Body at the time of their appointment and throughout their term of office;
- the determination of the amount of the indemnity for the attendance of Directors and Statutory Auditors, if any, for each meeting of the Board of Directors and any Committee established by it;
- the approval of remuneration policies for the Company's Corporate Bodies and Significant Personnel, including remuneration plans based on financial instruments.

2.2 THE BOARD OF DIRECTORS

The Board of Directors, in accordance with the provisions of Article 42 of the Regulations, is responsible for defining and revising the Company's Remuneration Policies for the approval of the Ordinary Shareholders' Meeting.

In addition, the Board of Directors:

- resolves on the allocation of the total compensation approved by the Shareholders' Meeting for the members of the Board of Directors, as well as on the methods of reimbursement of expenses due to them;
- resolves, after consulting the Control Body and the Remuneration Committee, the remuneration of Directors who hold particular positions, where present;
- submits an annual information document to the Shareholders' Meeting under Art. 59 of the Regulations;
- ensures, including with the support of the Remuneration Committee and the Risk Control Committee of the Parent Company, the correct application of the Remuneration Policies, making use of the general implementation aspects of the Senior Management and the operational aspects of the Human Resources function, as well as acquiring the results of the audits carried out by the Group's Fundamental Functions;
- ensures that decision-making processes relating to remuneration policies are clear, documented and transparent and include measures to avoid conflicts of interest;
- determines the remuneration and indemnity for the participation and reimbursement of expenses of the members of the Supervisory Board under Law 231/2001, if any;

The Board of Directors of the Parent Company, moreover:

- defines the remuneration of the Manager responsible for preparing the company's financial reports;
- defines the reimbursement of expenses due to the Proviriri;
- ensures the overall consistency of the Group's remuneration policies and practices, verifying their consistent implementation by Group companies;
- ensures that the remuneration of Group companies complies with the principles and rules laid down in the regulations and, in the case of foreign companies, is not in conflict with the regulatory framework of the foreign state and sector regulations;
- ensures adequate management of significant risks at Group level relating to aspects of the remuneration of Group companies.

2.3 THE REMUNERATION COMMITTEE

The Remuneration Committee ¹has investigative, consultative and propositional functions with regard to Remuneration Policies and the remuneration of Directors and managers with strategic responsibilities, without prejudice to the powers attributed to the Managing Director and/or other Committees established within the Board of Directors of the Parent Company.

The Committee is composed of three non-executive directors, the majority of whom are recognised as independent by the Company under the Code of Conduct for Listed Companies of Borsa Italiana. The Chairman is chosen from among the Directors qualified by the Company as independent under the Corporate Governance Code.

No Director attends Committee meetings where proposals are made to the Board of Directors regarding his remuneration. The Committee takes its decisions in accordance with the collegial method and by a majority of the members present. In the event of a tie, the position expressed by the Chairman of the Committee meeting will take precedence.

The Committee reports annually to the Board of Directors of the Parent Company on the activities carried out and the effective functioning of the remuneration policies.

The Committee also has the following tasks

- advising and making proposals in the context of the definition of remuneration policies and making proposals for the compensation of each of the Directors vested with specific duties;
- verifying the appropriateness of the overall remuneration scheme and the proportionality of the remuneration of the executive directors to that of significant company personnel;
- periodically checking the remuneration policies to ensure that they continue to be appropriate including in the event of changes to the company's operations or to the market environment in which the company operates;
- identifying potential conflicts of interest and the measures taken to manage them;
- ascertaining whether the conditions for payment of the incentives of Significant Personnel are met;
- providing adequate information to the Board of Directors on the effective operation of remuneration policies;
- supporting the Board of Directors, in cases where external consultants are used to determine remuneration policies, by verifying in advance that these persons are not in situations which compromise their independent judgement;
- making proposals to the Board of Directors concerning the remuneration to be paid to the members of committees and bodies;
- expressing a prior opinion on the contents of the remuneration report to be provided to the public under current provisions and on any other information document on remuneration intended for the public;
- in accordance with the Related-party transactions Procedure, expressing a prior opinion pursuant to Article 7 of the Consob Regulations on decisions concerning the awarding of remuneration and economic benefits, in any form, to members of administrative bodies and key management personnel (as defined in the Consob Regulations), other than those resolved upon by the General Meeting;
- periodically assessing the criteria adopted for the remuneration of the corporate bodies of subsidiaries and issuing opinions and recommendations to the Board of Directors;
- for variable or financial instrument-based remuneration for the heads of the Company's control functions, expressing an opinion to the Board of Directors on their consistency with the tasks assigned, and ensuring that they are independent of the results achieved by the operating units controlled by those functions and linked to the achievement of targets related to the effectiveness and quality of control action, and that they are not a source of conflicts of interest.

¹established by resolution of the relative Board of Directors of the Parent Company on 23 March 2001.

Under Art. 13, para. 3, letter b) of Consob Regulation no. 17221 of 12 March 2010 on related-party transactions, decisions relating to the allocation of remuneration and economic benefits, in any form, to members of the Board of Directors and executives with strategic responsibilities were excluded from the application of the procedure for the management of related-party transactions approved by the Board, where consistent with the Remuneration Policies approved by the Shareholders' Meeting.

2.4 THE CONTROL AND RISK COMMITTEE AND THE DIRECTOR RESPONSIBLE FOR MONITORING THE RISK MANAGEMENT SYSTEM

The Control and Risk Committee, where present, is a means for the Board of Directors to increase the effectiveness of its functions in relation to the system of internal controls and risk management. It pays particular attention to instrumental activities so that the Board of Directors can arrive at a correct and effective determination of the Risk Appetite Framework (RAF) and risk governance policies.

Without prejudice to the powers of the Remuneration Committee of the Parent Company, the Risk Control Committee, where present, supports the Board of Directors in ensuring that the incentives underlying the remuneration and incentive system are consistent with the RAF and take account of risks in general.

It should also be noted that, as required by the Regulation, in companies with a simplified regime, a director has been appointed to monitor the risk management system.

2.5 SENIOR MANAGEMENT

Senior Management, in collaboration with the Strategic Executives, in addition to implementing the Policies approved by the Shareholders' Meeting in accordance with the guidelines of the Board of Directors, ensures that the criteria and principles for defining the Remuneration Policies are in line with those established by the Parent Company, assessing their consistency with the approved targets, also with regard to the remuneration of insurance and reinsurance intermediaries and outsourced service providers.

The Parent Company's Senior Management is also responsible for ensuring the implementation, maintenance and overall monitoring of the Group's remuneration policies.

2.6 THE HUMAN RESOURCES FUNCTION - (HUMAN RESOURCES - ORGANISATION)

The Remuneration Policies for Significant Personnel are coordinated for the Cattolica Assicurazioni Group by the Group Human Resources Function.

Accordingly, with regard to the Personnel concerned by the Regulation and in compliance with the indications received from the Board of Directors and the provisions of the Regulation, the Human Resources Function:

- participates in the process of identifying "Significant Personnel", taking care of their formalisation;
- defines the structure of variable remuneration and the method of payment through specific settlement;
- contributes to the identification of KPIs and their target levels, with the support of the Compliance, Risk Management and Planning and Management Control Functions, each for the significant part;

- verifies the achievement of the *performance* targets for the calculation of variable remuneration, based on the data provided and validated, depending on the areas of activity, by the Compliance, Risk Management, Planning and Management Control, Administration, Valuation and Actuarial Function;
- communicates to the recipients of the MbO and the LTI the criteria for calculating the variable remuneration, through the delivery of the regulation and the targets assignment form and, at the end of the period, and according to the established deferral times, pays the *bonus* on the targets achieved;
- formally transmits the Policy to the company under foreign law so that it can formulate its own in a consistent manner to the Parent Company.

2.7 FUNDAMENTAL FUNCTIONS

Internal Audit Function - In compliance with the principles of independence of the Function, provided for by the regulations and international auditing standards, verifies the correct application of the Remuneration Policies approved by the Parent Company's Shareholders' Meeting on the basis of the guidelines established by the Board of Directors of the Parent Company.

In particular, reporting to the Board of Directors, it verifies that:

- the identification of the significant "Personnel" has been carried out according to the criteria set out in the Policies;
- the correct application of the criteria and processes defined in the Policies on the basis of the guidelines defined with a view to efficiency and safeguarding assets;
- also using a sample technique, the variable components of remuneration have been paid in accordance with the Remuneration Policies;
- the information flows relating to the indicators, used for the determination of the variable component, are correct and complete and subject to appropriate validation procedures;
- the Human Resources, Compliance and Risk Management Functions have expressed a non-negative opinion on the revision of the Policies proposed by the Board of Directors of the Parent Company to the Shareholders' Meeting;
- plans annual audits, even partial ones, on the processes of definition and payment of compensation;
- communicates the results of its audits, in addition to the Remuneration Committee, to the usual recipients of audit reports, including the Control and Risk Committee, and in particular to the Board of Directors;

Compliance Function - In compliance with the principles of independence of the Function, *ex ante* verification that the remuneration policies are consistent with the provisions of the reference legislation in order to prevent and contain legal and reputational risks. In addition, the Function contributes to the definition of the criteria for the identification of Significant Personnel, the definition of the Policy for the management of conflicts of interest attributable to distribution activities and the related procedures and reports to the Board of Directors on the results of the checks carried out, for the adoption of any corrective measures of the Policies themselves. Specifically:

A.1- *Existing policies*: the Compliance Function verifies *ex ante* that the process complies with the policies adopted.

- that the structure of the proposed targets is consistent with existing policies;
- that the Regulations of the System and the ancillary documentation that will be delivered to the recipients of the incentive scheme are complete and reflect the implementation principles set out in the Policies in force.

A.2- *Proposals to amend the Policies*: if it is deemed necessary to propose to the Shareholders' Meeting amendments to the Remuneration Policies adopted by them and in force, the Compliance Function:

- verifies *ex ante* the regulatory compliance of the proposed amendments with the regulations *then in force*, formulating - where deemed appropriate - proposals for amendments before the Board of Directors' resolution to propose them to the Shareholders' Meeting;

- formulates specific assessments of the adequacy of the proposed remuneration policies in order to avoid situations of conflict of interest.

Risk Management Function - Through reporting to the Board of Directors, in compliance with the principles of independence of the Function, it makes a substantial contribution to the definition of the scope of reference personnel and contributes to the definition of risk indicators, so that performance targets take account of risks. It also assesses the risks associated with the adoption of the Remuneration Policies and the overall consistency of the Policies with the Group's risk appetite as defined by the Board of Directors. Specifically:

- B.1- *Current policies*: the Risk Management function verifies *ex ante*, for the part under its responsibility, that the implementation process complies with the policies adopted. In particular, it will verify:
- that the structure of the proposed targets is consistent with current policies, with particular attention to the adequate consideration of the risk dimension;
 - that the thresholds set for performance and risk targets are consistent with the risk appetite defined by the Board of Directors.
- B.2. *Proposals to amend the Policies*: if it is deemed necessary to propose to the Shareholders' Meeting amendments to the Remuneration Policies adopted by them and in force, the Risk Management Function verifies *ex ante*, making its own assessments, the consistency of the Policies, if necessary amended, with the corporate risk management strategies and with the general context, formulating - where deemed appropriate - proposals for amendments before the Board of Directors' resolution to propose them to the Shareholders' Meeting.

Actuarial Function - certifies actuarial data, coordinates the calculation of technical provisions and ensures the adequacy of the underlying methods and models; coordinates the definition of methods and assumptions for the calculation of technical provisions and verifies a posteriori their correct application; verifies and certifies compliance with the requirements used in the calculation of technical provisions.

2.8 THE FUNCTIONS PLANNING & MANAGEMENT CONTROL, ADMINISTRATION AND ANNUAL ACCOUNTS, ACTUARIAL VALUATIONS, CORPORATE AND SHAREHOLDER OPERATIONS AND MEASURES AND COMPANY SECRETARIAT.

The above Functions are involved, each for its own competencies, in the process of verifying the achievement of the targets, certifying to the Human Resources Function the data relating to each quantitative indicator of the variable remuneration systems both for Significant Personnel and for all other variable incentive systems. The data processed by the Assessments Office are previously certified by the Actuarial Function. The Planning and Management Control Function is also involved in the process of determining the related *performance* indicators and target values, whose consistency with the budget *targets* is certified.

The Corporate Operational and Shareholder Compliance Functions and the Corporate Secretariat manage, together with the Fiscal Affairs Service, the production of data relating to the remuneration of corporate bodies.

3 - THE IMPLEMENTATION OF THE 2019 REMUNERATION POLICIES

3.1 PRINCIPLES FOR THE IMPLEMENTATION OF THE 2019 REMUNERATION POLICIES

The Policies and their implementation are based on the key principles of fairness and ethics, strategic consistency and respect for sound and prudent risk management. The relevance of the above principles is assessed each year by the Group's Fundamental Functions in relation to the implementation of the Policies themselves.

3.2 REMUNERATION OF DIRECTORS AND CONTROL BODIES IN 2019

The remuneration of the members of the 2019 Board of Directors of the Group companies in accordance with Italian law and the respective Control Bodies is in line with that defined in the specific section of the Remuneration Policies approved by the Shareholders' Meetings.

It should be noted that no provision has been made for all non-executive directors:

- Incentive plans based on financial or monetary instruments;
- Agreements providing for the assignment or maintenance of non-monetary benefits in favour of Directors who have ceased to hold office or the stipulation of consultancy contracts for a period subsequent to the termination of the relationship;
- Agreements providing for the compensation of commitments for non-competition agreements.

With regard to the Parent Company and Your Insurances, it should be noted that, in relation to the resolutions passed by the respective Shareholders' Meetings, the one-tier system was adopted for both companies in 2019.

It should be noted that, under the resolution of the Board of Directors of the Parent Company, which met on 31 October 2019 and revoked the operating powers of the Managing Director Alberto Minali, the remuneration structure reserved for him as Managing Director was accordingly paid until 31 October 2019. The remuneration paid to him is described in detail in the appropriate tables attached to the Parent Company's Remuneration Report. Alberto Minali remains a Director on the Board of Directors of the Parent Company at the date of approval of this document by the Board.

Following the revocation of the operating powers of Managing Director Alberto Minali, as mentioned above, on 31 October 2019 the Board of Directors of the Parent Company granted all powers to the Director-General of the Markets and Distribution Channels Area, Carlo Ferraresi, who accordingly assumes the role of Director-General of the Parent Company from the same date.

The Board of Directors of the Parent Company has provided for the Director-General, appointed as from 1 November 2019, to divide the remuneration into a fixed component and a variable component of equal amount. The structure of the variable remuneration component is composed of a component linked to the achievement of short-term annual results (MbO) and the remaining component linked to the three-year results of the Business Plan (LTI) as summarised below:

- a) the short-term variable MbO monetary component corresponds to 40% of the gross annual remuneration paid to him.
- b) the long-term equity component (LTI) corresponds to 60% of the gross annual compensation paid for each year of the Plan's duration.

The remuneration mix of the Parent Company's Director-General is accordingly split 50% of the remuneration as a fixed component, 20% as a short-term variable component and the remaining 30% as a long-term variable component.

By virtue of the target need to guarantee a profitable and serene management continuity, also taking into account the particular business context and the related significant responsibilities for the appointment as Director-General of Mr. Carlo Ferraresi, he is also granted a one-off extraordinary amount of €800,000 (eight hundred thousand) gross to be paid in two equal tranches. The first tranche is scheduled for 2019, while the other tranche will be paid out on

the positive outcome of the 2020 Shareholders' Meeting, which also approves the distribution of a profit for the Shareholders.

For further details on the fees and remuneration paid to the Directors of each Company, reference is made to the respective Remuneration Reports.

3.3 REMUNERATION OF "SIGNIFICANT PERSONNEL" IN 2019

The path of growth and innovation envisaged in the Business Plan has developed, in particular, through a new organisational structure in line with market developments and the Group's industrial priorities.

In this context, the Board of Directors of the Parent Company, with the favourable opinion of the Remuneration Committee, decided in 2018 to review the incentive schemes that were subsequently approved by the Shareholders' Meeting of the Parent Company and the other insurance companies under Italian law of the Group.

This incentive system is structured in a short-term monetary incentive system based on the traditional *MbO* (*Management by Objectives*) model, with percentages calculated according to the level of responsibility covered with a target level between a minimum of 25% and a maximum of 40% of the individual GAR/emolument.

For the Fundamental Functions which, according to current regulations, cannot be incentivised on the basis of economic and financial results, this percentage is equal to 30% of the GAR.

In order to support the achievement of the targets of the Business Plan and to respond to investor requests, which require the alignment of the risk of Strategic Executives to that of shareholders, and to make the Group competitive in the labour market, a new incentive plan was designed during 2018 for key figures with the responsibility and skills necessary to achieve these targets.

This plan consists of a long-term equity incentive system, called *LTI* (*Long Term Incentive*) and linked to *performance* targets over a multi-year time horizon, consistent with the duration of the Business Plan with allocation percentages varying from 30% to 60% of the GAR/individual emolument for each year of the Plan.

The long-term variable component takes the form of a three-year plan at the end of which, subject to the achievement of predetermined targets, free shares (performance shares) of the Parent Company will be assigned. In particular, the number of shares potentially assignable to each recipient is determined at the beginning of the Plan as the ratio between the amount of the target incentive bonus (defined as a percentage of the GAR) and the value of the share calculated in accordance with the Regulations of the Plan.

Only at the end of the performance period will 60% of the initially planned actions be allocated and made available, if the planned targets are met and the access thresholds defined at the beginning of the plan are exceeded, while the remaining 40% will be allocated at the end of a further two-year deferral period.

For further information on the implementation of the 2019 Remuneration Policies, reference is made to the respective documents of each Company.

3.4 REMUNERATION IN 2019 OF OTHER PERSONS COVERED BY THE REGULATION AND OTHER EMPLOYEES

All other entities - insurance and reinsurance intermediaries and outsourced service providers - were remunerated in line with the 2019 Remuneration Policies.

In order to enhance the Group's human capital, also in 2019, a part of the LTI Incentive Plan was reserved for employees who, although not falling into the category of Significant Personnel, were found to possess high organisational and digital skills and who demonstrated superior performance continuity. These persons were given a variable incentive of 25% of the GAR.

For the sake of completeness of information, it should be noted that, in line with current Policies, a short-term variable remuneration system of a monetary nature for non-significant Executives was also implemented in 2019.

It should also be noted that, following the application of the new performance appraisal system, a specific incentive system was activated in 2019 in favour of the entire non-managerial workforce, linked to targets and projects previously assigned and to the valuation of organisational behaviour recognised as a fundamental guide to the activity of each employee.

These incentive schemes are based on the general principles and, where applicable, on the application criteria already present in the Policies in force.

3.5 CHECKS CARRIED OUT BY THE FUNDAMENTAL FUNCTIONS IN 2019

The Group's Fundamental Functions, in particular the Internal Audit, Risk Management and Compliance functions, each carried out checks on the definition and application of these policies, in accordance with the Remuneration Policies of the individual Group Companies under Italian law approved by the Shareholders' Meeting.

4.1 REMUNERATION OF DIRECTORS AND CONTROL BODIES AND THE DIRECTOR-GENERAL OF THE PARENT COMPANY

4.1.1. THE DIRECTORS

Normally, for companies under Italian law, Directors are distinguished between executive (holders of management powers) and non-executive; in such companies, only the Director-General, if appointed, is qualified as executive.

Non-executive Directors: the basic remuneration of non-executive Directors, whether independent or not, is normally established by the Shareholders' Meeting as a predetermined total fixed amount, which is then distributed individually by resolution of the Board of Directors. An individual attendance allowance may also be provided for each meeting, also set by the Shareholders' Meeting.

This remuneration, which - except as specified below - constitutes the remuneration of non-executive directors, takes into account the commitment undertaken, the responsibilities assumed with the office and is not expressly linked to the future economic results of the Company and/or the achievement of specific targets indicated in advance by the Board or the delegated bodies respectively.

In addition, directors who hold particular positions on the Board of Directors may be paid additional fees, also fixed in fixed amounts.

A fixed compensation - increased, if necessary, for the Director who serves as Chairman of the Committee - may be provided for participation in the activities of the Internal Committees of the Board of Directors, where present, in addition to the individual attendance allowance for participation in each meeting of the Committee.

There is no provision for variable remuneration or non-monetary benefits for non-executive Directors. There may also be insurance coverage for their third-party liability (the so called D&O liability policy for administrators and officers).

There are no indemnities for non-executive Directors in the event of early termination of their mandate.

The Managing Director of the Parent Company: in the event of the appointment of a Managing Director, the remuneration structure assigned to him will take into account the individual agreements and resolutions of the Board of Directors on the proposal of the Remuneration Committee, in compliance with current legislation and market best practice.

The Director-General of the Parent Company: the Board of Directors of the Parent Company has provided for the Director-General, appointed as from 1 November 2019, to divide the remuneration into a fixed component and a variable component of equal amount. The structure of the variable remuneration component is composed of a component linked to the achievement of short-term annual results (MbO) and the remaining component linked to the three-year results of the Business Plan (LTI) as summarised below:

- a) the short-term variable MbO monetary component corresponds to 40% of the gross annual remuneration paid to him.
- b) the long-term equity component (LTI) corresponds to 60% of the gross annual compensation paid for each year of the Plan's duration.

The remuneration mix of the Director-General is accordingly divided for 50% of the remuneration as a fixed component, 20% as a short-term variable component and the remaining 30% as a long-term variable component.

For both components:

- the percentage actually payable will depend not only on the achievement of the expected level of capital stability as the Gate calculated after taking into account the value of the distributed profit and an additional Gate relating to the presence of a profit distributable to shareholders, but also on the level of actual achievement of the targets.
- In any case, recognition is subject to a minimum result threshold (threshold) being exceeded and may take values above the maximum percentage defined with a maximum of 150% of the assumed target.
- financial, solidarity and individual indicators are stipulated.

In order to align the incentives granted with long-term interests, at least 60% of the variable remuneration structure is made up of financial instruments partly subject to deferred payment schemes in accordance with current legislation. The shares actually assigned will also be subject to a retention of ownership obligation equal to 5% of the share assigned for a period linked to the duration of the assignment and in any case not less than one year.

Only at the end of the performance period will 40% of the actions initially planned be allocated and made available, in the event that the targets set are achieved and the access thresholds defined at the start of the Plan are exceeded, while the remaining 60% will be allocated at the end of the overall deferral period, i.e. five years after the start date of the Plan.

It should also be noted that the targets of the assigned LTI component have as their observation period the duration of the Business Plan and will accordingly be finalised at the end of 2020. As required by current legislation, at least 60% of the variable remuneration structure is made up of financial instruments, in order to align incentives with the Group's long-term interests.

The respective Regulations of the MbO Plan and the LTI Plan define their specific implementation modalities.

In accordance with the provisions of Art. 48 of the Regulation, there are malus and *claw-back* clauses applicable to what is paid or to be paid as variable remuneration.

It should also be noted that, by virtue of the target need to ensure a profitable and serene business continuity, also taking into account the particular business context and the related significant responsibilities for the appointment as Director-General, Carlo Ferraresi was also granted a one-off payment of an extraordinary nature to be paid in two equal tranches. The first tranche is scheduled for 2019, while the other tranche will be paid out on the positive outcome of the 2020 Shareholders' Meeting, which also approves the distribution of a profit for the Shareholders.

The Director-General's remuneration package is completed, in addition to the appropriate and/or useful tools for the exercise of the office, by a series of benefits including, company car, company pension, insurance policies to cover health, life, sickness and accident expenses, as well as the supplementary pension benefits provided by the current National Collective Labour Contract for Executives of Insurance Companies and the Company Regulations valid for Group Executives.

For further details on the variable components of the Managing Director's remuneration, including the methods of payment, deferment and retention, reference is made to the Remuneration Report of the Parent Company.

In the event of termination of the employment relationship and in order to avoid litigation and/or to terminate the employment relationship if already proposed, the Company, in compliance with the proxies in force from time to time, may conclude settlement agreements, in addition to the notice required by law or contract where due, which involve the payment of sums of predetermined amount against the waiver to contest the termination of the

employment relationship and any other claim relating to the employment relationship. It is also possible to provide for a non-competition agreement and/or a prohibition on the transfer of employees, as well as any additional non-monetary sums or benefits.

The amounts paid in liquidation and accepted by the interested party include and fully replace any further indemnity provided for in the Collective Agreement applied; the identification of the relative economic amount is made taking into account the reasons for the termination of the relationship and the general legal context of reference, taking into account in particular the content of the provisions of the sector regulations.

In the event of termination of the relationship with the Director-General, as a permanent member of the Management Committee, the total amount of the sums covered by the agreement will be equal to twenty-four months' salary with the addition of twelve months' notice calculated in accordance with Article 2121 of the Civil Code with the part relating to the MbO calculated at the theoretical target value.

For the purposes of calculating the above amount relating to the settlement agreement, the remuneration is defined as the gross annual remuneration provided for in Article 2121 of the Civil Code, increased by the target value recognised for the short-term variable components of the remuneration (MbO).

The amounts referred to in this Article will be paid in accordance with the rules and provisions, including internal rules, in force on the date of termination.

The Managing Director of subsidiaries under Italian law: receives a fixed fee as executive director. In the event that the Managing Director is an executive of the Parent Company, it should be noted that this person does not receive any remuneration as a Director, since such remuneration is contractually included in his remuneration as an Executive of the Parent Company, thus applying the variable remuneration system envisaged for the Executives of the Parent Company. Accordingly, its remuneration is defined and paid by the Parent Company itself. The emoluments paid to Director-Generals who are employed by the Company's shareholder groups will be paid to the latter in accordance with existing cost reversal policies.

In general, in the event that such role is held by personnel belonging to the reference groups of the Company's Shareholders, the remuneration structure of such persons will be governed by the Remuneration Policies of the respective Companies to which they belong. In any case, any different individual agreements may be confirmed, or different methods of composition of the variable remuneration structure may be established according to agreements between the Companies belonging to the reference Groups of the Company's Shareholders, always in compliance with the regulations in force.

It should be noted that no compensation is provided for the Director-Generals of subsidiaries in the event of early termination of their office.

Any exceptions to the remuneration of Directors with respect to the general criteria described in this para. are proposed by the Remuneration Committee of the Parent Company to the Board of Directors of the Company and approved by the Shareholders' Meeting.

Also in this case, more details on the variable components of the remuneration of the Director-Generals, including the methods of payment, deferment and maintenance, are provided in the Report on Remuneration of the Group's insurance companies under Italian law.

4.1.2 CONTROL BODIES

Remuneration for members of the Control Body is fixed in advance. An attendance allowance may also be paid for each meeting of the Board of Directors and for any other Board Committee established within it. There are no

variable or performance-related remuneration components or forms of remuneration based on financial instruments. As far as the Directors are concerned, insurance cover is provided for their third-party liability.

The emoluments of the members of the Committee for the Control on the Management of the Parent Company and Your Insurances Your Insurances are determined by the Shareholders' Meeting on a fixed basis and equally per capita, but with a special increase for the position of Chairman of the Committee. The Articles of Association also provide for the payment of an attendance allowance for each meeting of the Board of Directors, the Management Control Committee and any other Committee established by the Board of Directors of which they are members. There are no variable or performance-related remuneration components or forms of remuneration based on financial instruments. As far as the Directors are concerned, insurance cover is provided for their third-party liability.

4.2 THE REMUNERATION OF "SIGNIFICANT PERSONNEL".

4.2.1 GENERAL PART

Components of Remuneration - Taking into account that, as already mentioned in this document, all personnel of Group Companies fall within the scope of the Remuneration Policies of the Company of which they are directly employees, it is confirmed that the remuneration of Significant Personnel is composed of a fixed component and a variable component, aimed at orienting the *performance* of resources towards the targets of the individual Company and the Group.

The two components (*so-called pay mix*) have been adequately rebalanced, in particular for Senior Management functions, to reward performance and merit, according to the strategic targets and risk management policy.

The fixed component is sufficient to remunerate the service if the variable component of the remuneration is not paid due to the failure to achieve the targets.

It should be noted that the Board of Directors has the power, after consulting the Control Body and the Remuneration Committee, to resolve, in accordance with the procedures laid down, to take into account, for the purposes of assessing the degree of achievement of the gates and targets, extraordinary events, including legislative and regulatory changes that significantly affect the structure and methods of calculating the values of the parameters of the targets assigned, as well as in the event of unforeseeable exceptional changes in macroeconomic conditions or a significant deterioration in the financial environment ("Market Adverse Change" clause).

The variable component is structured in a short-term monetary incentive system, based on the traditional *MbO* (*Management by Objectives*) model, with percentages calculated according to the level of responsibility covered with a target level included from a minimum of 25% to a maximum of 40% of the individual GAR/emolument.

For holders of Fundamental Functions who, according to current regulations, cannot be incentivised on the basis of economic and financial results, this percentage is 30% of the GAR. For these functions, the assignment of targets and the subsequent assessment of their degree of achievement will be carried out by the Board of Directors.

In line with best market practice, the MbO system assigns *performance* indicators, in particular:

- Group capital stability gate - soft limit of the Solvency II Ratio as defined by the Board of Directors calculated after taking into account the value of the distributed profit;
- Gate relating to the presence of profits distributable to shareholders;
- Solidarity targets linked to the actual achievement of the operating result, which excludes the most volatile components from the consolidated profit and loss account according to IAS/IFRS (e.g. realisations, write-downs, other one-off items) in order to give greater emphasis to the business performance, as envisaged by the budget, as well as the level of Rorac expected annually;
- *Performance* and risk management targets that also take into account the operating limits assigned, efficiency gains and project development, depending on the role held in the company by the assignee and in any case predetermined, measurable and linked to the Business Plan;
- Individual compliance targets

The breakdown of targets into targets of the whole group, area and individual is consistent with established practice, as it makes concrete the principle that each role in the company, according to its responsibilities, contributes not only to the achievement of individual targets but also to the *team* to which it belongs and accordingly to the company and the Group.

There is also a closed long-term incentive system, called *LTI* (*Long Term Incentive*) and linked to *performance* targets over a multi-year time horizon, consistent with the duration of the Business Plan and with allocation percentages varying from 30% to 60% of the GAR for each year of the Plan's duration.

Moreover, in order to enhance the Company's human capital also from a prospective point of view, a part of the LTI Incentive Plan is reserved to employees who, although not belonging to Significant Personnel, possess high organisational and digital skills that have demonstrated superior performance continuity. These persons will receive an incentive of between 10% and 25% of the GAR.

The long-term variable component takes the form of a three-year plan at the end of which, subject to the achievement of the set targets, free shares (performance shares) of the Parent Company will be assigned in accordance with the specific Regulations of the Plan. In particular, the number of shares potentially assignable to each recipient is determined at the beginning of the Plan as the ratio between the amount of the target incentive bonus (defined as a percentage of the GAR) and the value of the share calculated in accordance with the Regulations of the Plan.

The indicators of the LTI system are:

- Group capital stability gate - soft limit of the Solvency II Ratio as defined by the Board of Directors calculated after taking into account the value of the distributed profit;
- Gate relating to the presence of profits distributable to shareholders;
- a target linked to the Parent Company's share: Total Shareholder Return (TSR), the growth in the value of the stock in the period 2018-20120 plus dividends if reinvested, and the performance of the Eurostoxx Insurance index in the same period;
- the ROE target set out in the Business Plan (ROE)

The methods of disbursement and the related timing are specifically regulated in the Regulations of the Plan.

For both components, the percentage actually disbursable will depend not only on the achievement of the previously defined level of capital stability, but also on the level of actual achievement of the targets. In particular, the systems adopted stipulate:

- the Group's capital stability clauses (Gate) - the soft limit of the Solvency II Ratio defined by the Board of Directors of the Parent Company, calculated after taking into account the value of the profit distributed; and the presence of a profit distributable to shareholders, as fundamental conditions for the payment of the premium;

- four performance scenarios:

- 1) insufficient overall performance and consequently a zero premium level;
- 2) an overall return on the threshold (minimum acceptable - for most indicators 90% of the target level) and a premium level of 50% of the target value;
- 3) an overall performance equal to the complete achievement of the targets with a premium level equal to 100% of the target value;
- 4) an overall performance that exceeds the targets set (overperformance) with a premium level of up to 150% of the target value.

In addition, in compliance with current legislation, *ex-post malus and claw-back* corrections are provided for, whose application criteria are explained in the Incentive System Regulations.

Further details on the variable components of remuneration, including the methods of payment, deferral and retention, are provided in the Remuneration Report of the Group's insurance companies under Italian law.

In general, even in the event that Significant Personnel include personnel belonging to the reference groups of the Company's Shareholders, the remuneration structure of such persons will be regulated by the Remuneration Policies of the respective Companies to which they belong. In any case, any different individual agreements may be confirmed, or different methods of composition of the variable remuneration structure may be established according to agreements between the Companies belonging to the reference Groups of the Company's

Shareholders, always in compliance with the regulations in force. This operating method can also be used for non-significant personnel.

4.2.2 OTHER COMPONENTS OF THE REMUNERATION PACKAGE FOR ALL PERSONNEL

Within each area of competence, it is the right of the dedicated Corporate Bodies and the Human Resources Department, depending on the powers attributed to them and on the implementation processes in place within the Group, to define in favour of employees, including non-significant personnel, the payment of specific one-off indemnities during the hiring phase (e.g. entry bonus/*stay bonus/guarantee bonus, additional benefits*), as compensation for any loss of incentives accrued with the previous employer or to facilitate their placement in the company, as well as to attract new talent and acquire professionalism on the market.

It will also be possible to grant further integrations and improvements to the individual remuneration structure in favour of certain types of personnel, even if not significant. These benefits will be granted on the basis of specific criteria and assessments relating, for example, to the particular organisational positions held, the achievement of the level of performance of the targets assigned, participation in development projects or growth paths, *retention* actions, the level of experience and skills acquired, the ability to use and develop other management levers or other reasons of an extraordinary nature. Supplementary and improvement benefits may take the following forms as examples:

- "one-off" benefits;
- additional benefits to be paid for events of an extraordinary nature;
- *retention* fees;
- other reasons of an extraordinary nature;
- a non-compete or stability pact in accordance with best market practice;
- components of the variable part of the short or long-term variable remuneration, including the possibility to provide a "guarantee" of payment for a certain period;
- annual or multi-annual salary packages;
- improvement and/or supplementary benefits of the institutions provided for by the legislation in force;
- assignment of fringe benefits;
- adjustments of remuneration levels according to market benchmark or for alignment to internal median remuneration levels;
- further benefits to be assessed on the basis of specific cases and in any case in accordance with best market practice, through an adjustment or integration of existing remuneration and benefit systems, also in order to improve the high levels of performance not provided for by normal reward schemes.

Moreover, the above processing operations may be granted for particular purposes of maintaining "qualified" personnel or for other reasons of an extraordinary nature.

The remuneration package for Personnel, including those who do not belong to Significant Personnel, is completed by: accommodation allowance, company car for mixed use, as defined by the Company's "Car Policy", and additional benefit, with respect to that provided for by the CCNL, in terms of health and social assistance, as well as better benefit in terms of supplementary pension by means of the recognition of a higher percentage of contribution to be paid by the company with respect to that provided for by the CCNL, without prejudice to any more favourable individual agreements. In addition, in view of the increasing complexity of the tasks incumbent on management, particularly in listed companies, and the potential risks associated with this condition, adequate liability insurance cover is also provided. There is also the possibility to integrate the package with dedicated forms of corporate welfare.

Even for non-executive and non-management personnel, some of the institutions described above can be recognised and there are also better conditions than the national collective bargaining agreement in the health and social care and complementary welfare sector. In fact, the Supplementary Group Contract regulates these institutions, which supplement the benefits and coverage provided by the National Collective Labour Contract and increase the contribution percentages paid by the company in favour of supplementary pension schemes recognised through a Group Pension Fund.

4.3 REMUNERATION OF OTHER PARTIES COVERED BY THE REGULATION AND OTHER EMPLOYEES SUBJECT TO VARIABLE REMUNERATION

For any clarifications on the remuneration structure of some "particular figures" that may be present in some Group Companies, reference is made to the documentation of these Companies.

4.3.1 OTHER EMPLOYEES WITH VARIABLE REMUNERATION

In addition to what has been specified, both short and long term variable remuneration systems may be envisaged within the Group, both for managers and other categories of employees and officers, including those not belonging to Significant Personnel, or for resources who hold roles of particular importance and/or have specific skills.

For the sake of completeness of information, it should also be noted that, as a result of the application of the new performance valuation system, a specific incentive system for all non-executive personnel of companies under Italian law, linked to targets and projects previously assigned and to the valuation of organisational behaviour recognised as a fundamental guide to the activities of each employee, is planned for this year as well.

The above incentive schemes are based on the general principles and, where applicable, the application criteria already present in the Policies in force and may consist of remuneration of an economic or financial nature as well as the recognition of dedicated social benefits or other benefits.

4.3.2 THE SUPERVISORY BODY

The remuneration due to Executives who are internal members of the Supervisory Board are included in the remuneration package (GAR, MbO and other components described in this policy) recognised as Executives of the Parent Company. The remuneration of external members is defined by the Board of Directors.

4.3.3 INSURANCE AND REINSURANCE INTERMEDIARIES

In order to ensure compliance with the new regulations on insurance distribution, it should be noted, in general terms, that the Group companies have put in place adequate safeguards to monitor and manage the risks arising from situations of conflict of interest (as defined in Art. 3 of Delegated Regulation (EU) 2017/2359 and regulated under the Conflict of Interest Management Policy) and prevent any negative impact on the quality of client service deriving from the incentive systems applied to parties involved in distribution activities.

Different categories of insurance and reinsurance intermediaries may exist within the Companies. In particular:

- Insurance agents
- Brokers
- Insurance intermediaries registered in Section D of the Single Register of Intermediaries (RUI)

- Reinsurance intermediaries

In order to ensure compliance with the new regulations on insurance distribution (Directive 2016/97 and subsequent implementation/concept acts, Delegated Regulation (EU) 2017/2359), the Companies adopt an incentive model that makes it possible to integrate qualitative criteria for evaluating the performance of intermediaries (qualitative-quantitative model) through an operating mechanism based on the application of weights and indicators that enhances commercially virtuous behaviour with a view to continuous improvement of client service. Moreover, this model is characterised by a high degree of flexibility that contributes to making it adaptable both to the Company's strategies and to any external variables (deriving, for example, from the economic or regulatory framework), increasing its sustainability, including the effectiveness and timeliness of any risk mitigation actions.

We set out below:

- (1) the qualitative criteria on the basis of which the weighting indicators for the quantitative components of network remuneration are defined
- (2) the typical quantitative components of the remuneration paid to each type of intermediary

QUALITATIVE CRITERIA SET OUT IN THE QUALITATIVE-QUANTITATIVE PERFORMANCE VALUATION MODEL

In order to assess the performance of its distribution network, the Companies define specific indicators, assigning weight to each of them (up to a predefined cumulative maximum) and periodically assess their compliance, effectiveness and sustainability. These indicators are consistent with the following qualitative criteria:

- Sales in the target market
- Quality of service (e.g. number of complaints, claims opening times, coverage of client needs)
- Attraction/Retention Matrix
- Behaviour of the intermediary towards the Company (e.g. training, transmission of regulatory information, administrative regularity)

QUANTITATIVE COMPONENTS OF THE REMUNERATION OF THE DISTRIBUTION NETWORK

The quantitative components of the distribution network remuneration are differentiated according to the type of network:

Insurance Agents - The remuneration policies implemented with reference to the agency network essentially follow what is generally practised by the insurance market and are divided into the following components:

- Remuneration of insurance assets acquired at standard rates included in the standard tables;
- Personalised multi-annual incentive plans, linked to the achievement of the targets;
- *Rappel/Contest*;
- Contributions and incentives (for the management of claims, the insertion of new employees, car incentives, etc.) relating to Supplementary Contracts stipulated with representatives of the Agent Groups

Broker - Compensated in accordance with current regulations. In particular, account will be taken of the provisions of Article 2 (l, t) of ISVAP Regulation n. 5 of 16 October 2006, which gives the following definition: "*brokers or intermediaries*" means intermediaries acting on behalf of the client who do not have powers of representation of insurance or reinsurance undertakings.

By virtue of this role of the *broker*, the forms of remuneration are standard, i.e. based on commission tables and are in line with the market.

Insurance Intermediaries registered in section D of the Single Register of Intermediaries (RUI) - the remuneration of these entities is based on commissions recognised in relation to the intermediation of insurance products related

to the presentation, promotion, conclusion and management of insurance contracts, as formalised in individual brokerage assignments.

The commissions are subject to periodic checks and reviews. The agreed economic conditions must be appropriate to the nature and purpose of the assignment and comply with market standards.

The amounts received are also consistent with the conditions and commercial relationships with other intermediaries of the same type and are in line with the Company's sound and prudent risk management, in compliance with the provisions in force on the subject, as well as with Articles 4 and 21 of the Regulation.

Reinsurance intermediaries - As required by market practice, the remuneration of such entities is defined and agreed between the intermediary and the individual reinsurers, who pay them. The assignee company is not involved in this process.

It is understood that the Company, in defining, supplementing or modifying the quantitative components of the network's remuneration, undertakes to make all the necessary assessments to ensure that they are concretely suitable to guarantee compliance with the obligation to act honestly, fairly and professionally in the interest of the client by the network. In particular, the Company undertakes to consider the principles set out in Delegated Regulation (EU) 2017/2359, where applicable.

With regard to the disclosure requirements on conflicts of interest and compensation, reference is made to the following para. 4.5.

4.3.4 OUTSOURCED SERVICE PROVIDERS

In the event of outsourcing, companies will adopt remuneration policies consistent with sound and prudent management and in line with their strategic targets, profitability and equilibrium. In addition, they avoid remuneration policies based exclusively or predominantly on short-term performance, which would encourage excessive risk exposure.

4.4 SEVERANCE PAY IN THE EVENT OF TERMINATION OF EMPLOYMENT

The provisions of the law and, where not in conflict with the latter, of the Collective Bargaining Agreement applicable to the Companies under Italian law, applied in the version in force from time to time, will apply to the Company's personnel, even if not significant.

In the event of termination of the employment relationship and in order to avoid litigation and/or to terminate the relationship if already proposed, the Human Resources function, in compliance with the proxies in force from time to time, may conclude settlement agreements, in addition to the notice required by law or by the contract where due, which involve the payment of sums of predetermined amount against the waiver of the right to contest the termination of the relationship and any other claim relating to the employment relationship. It is also possible to provide for a non-competition agreement and/or a prohibition on the transfer of employees, as well as any additional non-monetary sums or benefits.

The amounts paid in liquidation and accepted by the interested party include and fully replace any further indemnity provided for in the Collective Agreement applied; the identification of the relative economic amount is made taking into account the reasons for the termination of the relationship and the general legal context of reference, taking into account in particular the content of the provisions of the sector regulations.

Such agreements may also be reached in the event of termination of the relationship with the Parent Company's Director-General and the members of the Parent Company's Management Committee (excluding the Parent

Company's Director-General for whom the specific provisions above apply). In this case the total amount of the sums covered by the contract will be equal to twenty-four months' salary in addition to the payment of the notice as indicated above. For the purposes of calculating this amount, remuneration is defined as the gross annual remuneration provided for by Article 2121 of the Civil Code, increased by the average value paid over the last three years for the short-term variable components of remuneration (MbO). As regards long-term variable remuneration, the provisions of the Regulations of the Plan will apply.

The amounts referred to in this Article will be paid in accordance with the rules and provisions, including internal rules, in force on the date of termination.

4.5 DISCLOSURE OF THE VARIABLE REMUNERATION SYSTEM

By virtue of the numerous corporate functions involved, it is necessary to set up adequate channels and information flows.

The starting point of the internal communication process is the Board of Directors of each Group insurance company, which periodically reviews the Remuneration Policies approved by the Shareholders' Meeting and proposes appropriate amendments, also in the light of the application experience gained.

The Group Human Resources Function, on the basis of what has been approved in the Remuneration Policies and any further application indications received from the Board of Directors, involves the other competent company functions, each for its own part. Specifically, it:

- coordinates with the Planning and Management Control Function for the targets and related *performance* indicators, with the Risk Management Function for the identification of personnel and to ensure that *performance* targets take risk into account and with the Compliance Function for the targets and related *compliance* indicators;
- proposes the overall incentive system, as well as the related regulations, for *ex ante* verification by the Risk Management and Compliance Functions. Following the checks and approvals, the Human Resources Department informs the recipients of the incentive scheme of its characteristics (for example, the criteria used to assign the targets, the *relationship* between the targets, the method of calculating the variable remuneration and the methods of verification and disbursement), through the delivery of the targets sheet, the specific regulation and the related accompanying and explanatory letter;
- at the end of the observation period of each incentive scheme, receives appropriate information flows on the existence or non-existence of the gateway and the thresholds of the individual targets from the following functions, each for its own area of competence: Planning and Management Control, Administration, Actuarial (subject to certification by the Actuarial Function), Risk Management and Compliance;
- calculates, for each recipient, the variable component, where actually matured.

4.6 CHECKS OF THE REMUNERATION POLICIES

The Remuneration Policies, as well as the procedures through which they are implemented, are subject, as expressly provided for by Art. 58 of the Regulation, to checks by the Fundamental Functions of the Group.

These checks are usually carried out *ex ante* for the Risk Management and Compliance Function, and typically *ex post*, on a sample basis, for the Internal Audit Function.

The Fundamental Functions report, in the context of their periodic reporting activities, on the results of the checks carried out, each according to their own competencies and methods, to the Remuneration Committee and the Control and Risk Committee, where present, as well as to the Board of Directors.

4.7 INFORMATION TO THE SHAREHOLDERS' MEETING

Since the Regulation provides that the Ordinary Shareholders' Meeting of each insurance company of the Group, in addition to establishing the remuneration due to the Bodies appointed by it, must approve the Remuneration Policies in favour of the Corporate Bodies and Significant Personnel, including any remuneration plans based on financial instruments, the information to the Shareholders' Meeting must be such as to enable informed decisions to be taken when approving the Remuneration Policies.

In particular, the Board of Directors of each Group Insurance Company provides for the respective Shareholders' Meeting, separately for Corporate Bodies and Significant Personnel and disaggregated by roles and functions:

- an illustration of the general lines, motivations and targets that the company intends to pursue through the remuneration policy;
- information on the decision-making process used to define the remuneration policy, including information on the persons involved;
- the criteria used to define the balance between fixed and variable components;
- the parameters, reasons and related deferral periods for the recognition of variable components, as well as the pension policy;
- a description of the circumstances in which the company resorts to the non-payment of all or part of the variable component and the request for reimbursement of all or part of the remuneration paid;
- a description of the main characteristics of supplementary pension plans or early retirement plans for those who carry out administration, management and control functions and for holders of key functions;
- information on the proposed changes to the Policies already approved.

