

Assicurazioni Generali

ORGANISATION AND MANAGEMENT
MODEL PRESENTATION DOCUMENT

*Pursuant to s. 6.1.a of Legislative
Decree no. 231 of 8 June 2001*



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GENERAL PART

GLOSSARY

In this document, the words set out below shall have the following meanings:

“Senior executives”	persons entrusted with authority to represent manage or direct the organisation or one of its financially and functionally independent organisational units, and persons in charge of its management and control, including on a <i>de facto</i> basis
“LD 231/01”	Legislative Decree no. 231 of 8 June 2001, as amended
Statute 146/06	Statute no. 146 of 16 March 2006 which ratifies and implements the United Nations Convention and Protocols Against Transnational Organised Crime adopted by the General Assembly on 15 November 2000 and 31 May 2001, in force since 12 April 2006
LD 152/06	Legislative Decree no. 152 of 3 April 2006 relating to environmental matters
LD 231/07	Legislative Decree no. 231 of 21 November 2007 implementing directive 2005/60/EC on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing and directive 2006/70/EC laying down implementing measures
“Addressees”	persons entrusted with authority to represent manage or direct the organisation or one of its financially and functionally independent organisational units, persons in charge of its management and control, including on a <i>de facto</i> basis, and persons subject to direction or supervision by one of the above-mentioned persons, namely Senior Executives and Subordinates
“GENERALI”	Assicurazioni Generali S.p.A.
“Group”	ASSICURAZIONI GENERALI S.p.A. and its subsidiary companies as defined in the first and second paragraphs of s. 2359 of the Civil Code
“Organisation and Management Model”, “OMM” or “Model”	all the provisions contained in the sources listed in s. 2 of the “Special Part”
“Offences”	the offences referred to in ss. 23, 24, 24- <i>bis</i> , 24- <i>ter</i> , 25, 25- <i>bis</i> , 25- <i>bis.1</i> , 25- <i>ter</i> , 25- <i>quater</i> , 25- <i>quater.1</i> , 25- <i>quinquies</i> , 25- <i>sexies</i> , 25- <i>septies</i> , 25- <i>octies</i> , 25- <i>nonies</i> of LD 231/01, s. 10 of Statute 146/06 and s. 192 of LD 152/06
“Subordinates”	personnel subject to direction or supervision by senior executives of the company.

1 INTRODUCTION

The entry into force of LD 231/01 has introduced into Italian legislation the administrative liability of legal persons for the commission of certain offences by Senior Executives or Subordinates, provided that those offences are committed in the interests or to the advantage of the organisation.

This liability was subsequently extended to new types of offence by Statute 146/06, relating only to transnational crimes, and by LD 152/06, relating to environmental matters.

Failure to comply with the said legislation can entail sanctions for the organisation, including a temporary or permanent prohibition on carrying on business.

However, if the supervisory body of the organisation can prove (*inter alia*) that before the commission of the offence it adopted and effectively implemented an organisation and management model suitable to prevent offences of the kind committed, the organisation has no administrative liability.

In accordance with the guidelines drafted by its trade association (ANIA), GENERALI has drawn up this *Organisation and Management Model Presentation Document* consisting of:

- a **General Part** which, in addition to all the general information relating to the organisational profile of GENERALI and its ethical and corporate governance principles, describes the drafting process and operating principles of the Organisation and Management Model, and the mechanisms of its practical implementation;
- a **Special Part**, which consists of:
 - rules issued pursuant to LD 231/01, Statute 146/06 and LD 152/06, which govern various fields of activity with the main, but not sole purpose of preventing the commission of the Offences;
 - the system of sanctions, which specifies the sanctions that can be imposed on employees, directors, internal auditors and other parties;
- **Schedules**, which comprise the main sources of production and cognizance of the rules constituting the Organisation and Management Model.

Each Addressee is required to know and comply with the principles contained in this document.

Similar information is provided to external organisations which interact in a continuous, structured manner with GENERALI by publishing the General and Special Parts of this document on the website www.general.com.

2 LEGISLATIVE STRUCTURE RELATING TO THE ADMINISTRATIVE LIABILITY OF LEGAL PERSONS

2.1 INTRODUCTION - 2.2 CATEGORIES OF OFFENCE - 2.3 SANCTIONS - 2.4 EVENTS MODIFYING THE ORGANISATION - 2.5 ORGANISATION AND MANAGEMENT MODELS - 2.6 CATEGORY GUIDELINES

2.1 INTRODUCTION

Legislative Decree (LD) 231/01, issued by way of implementation of the delegated power referred to in s. 11 of Law no. 300¹ of 29 September 2001, was designed to bring Italian legislation relating to corporate liability into line with the provisions of some international conventions ratified by Italy.

In particular, a form of administrative liability for organisations such as companies, associations and consortiums, deriving from the commission or attempted commission in the interests or to the advantage of the organisation by Senior Executives or Subordinates (collectively called “the Addressees”) of a number of offences expressly specified in LD 231/01, was introduced into Italy when LD 231/01 came into force.

However, the company is not liable if the said parties acted in the sole interests of themselves or third parties (s. 5.2, LD 231/01).

LD 231/01 also states that proceedings can be taken in Italy against the organisation in relation to offences committed abroad by Senior Executives or Subordinates of the organisation, in the interest or to the advantage of the organisation:

- if the organisation’s head office is in Italy;
- if the natural person who committed the offence can be prosecuted in Italy;
- if the State authorities of the place where the offence was committed do not take proceedings against the organisation².

The administrative liability of organisations is independent of the criminal liability of the natural person who committed the offence.

This liability was subsequently extended to new types of offence by Statute 146/06, relating only to transnational crimes, and by LD 152/06, relating to environmental matters.

2.2 CATEGORIES OF OFFENCE

The only offences for which the organisation has administrative liability are those expressly specified in certain sections of LD 231/01, Statute 146/06 and LD 152/06, listed in Schedule 1.

These offences can be classed under the following categories for the sake of convenience:

¹ LD 231/2001 was published in Official Gazette no. 140 of 19 June 2001, and Statute no. 300/2000 in Official Gazette no. 250 of 25 October 2000 (ordinary supplement).

² S. 4 of LD 231/2001: “1. In the cases and on the conditions set out in sections 7, 8, 9 and 10 of the Criminal Code, organisations whose head office is situated in Italy shall also be liable for offences committed abroad, if the State of the place in which the offence was committed takes no proceedings against them. 2. In cases in which the law provides for the guilty party to be punished on request by the Justice Minister, proceedings will only be taken against the organisation if the request is also formulated against the latter.”

- offences committed to the prejudice of the Public Administration (subsequently abbreviated to “Public Administration”);
- offences such as counterfeiting, forgery and false representations;
- corporate offences;
- offences committed for the purpose of terrorism or subversion of democratic order;
- offences against the individual personality;
- market abuse offences and financial offences;
- offences relating to administrative liability;
- manslaughter and serious or grievous bodily harm that have been committed as result of failure to adhere to health and safety regulation;
- transnational offences;
- unlawful abandonment/uncontrolled deposit of waste;
- handling stolen goods, offences against property by means of fraud, money laundering and use of money, goods or assets of unlawful origin;
- computer crimes and unlawful data processing;
- organised crime offences;
- industrial and trade offences;
- offences related to copyright infringement;
- inducement not to make statements or to make misleading statements before the courts.

This scenario is destined to change, as the Council of the European Union, in four framework decisions³, has ruled that Member States must adopt the necessary measures to prosecute environmental offences, private sector corruption, illegal drug trafficking and attacks on information systems in the criminal courts. These decisions further state that each Member State must take the necessary measures to ensure that legal persons can be declared liable for the offences referred to in the criminal legislation to be introduced.

2.3 SANCTIONS

The sanctions specified in LD 231/01, Statute 146/06 and LD 152/06, which can be imposed on organisations as a result of the commission or attempted commission of offences involving the administrative liability of legal persons, may be pecuniary, namely fines of up to 1,549,370.69 euros, or disqualifying.

Disqualifying sanctions, which can also be imposed on an interlocutory basis, save as specified in the Private Insurance Code⁴, comprise:

³ Namely the following framework decisions:

- i) EU Council, Framework Decision of 27 January 2003, 2003/80/GAI, on the protection of the environment through criminal law;
- ii) EU Council, Framework Decision of 22 July 2003, 2003/568/GAI, on combating corruption in the private sector;
- iii) EU Council, Framework Decision of 25 October 2004, 2004/757/GAI, relating to illicit drug trafficking
- iv) EU Council Framework Decision 2005/222/JHA of 24 February 2005 on attacks against information systems

⁴ S. 266.4 of the Private Insurance Code (LD 209/05), entitled “*liability for administrative offences depending on a crime*”, states that “*the disqualifying sanctions specified in s. 9.2 a) and b) of Legislative Decree no. 231 of 8 June 2001 shall not be applied on an interlocutory basis to insurance or reinsurance companies. Equally, s. 15 of Legislative Decree no. 231 of 8 June 2001 shall not apply to them*”.

- disqualification from carrying on business;
- suspension or revocation of authorisations, permits or licences used to commit the offence;
- disqualification from entering into agreements with the Public Administration;
- exclusion from special terms, loans, contributions or grants, and revocation of any which may already have been granted;
- prohibition on advertising goods or services.

If the organisation is convicted, the sentence will always include an order for confiscation of the price or the proceeds of the offence. If disqualifying sanctions are imposed, publication of the conviction may be ordered as an ancillary sanction.

2.4 EVENTS MODIFYING THE ORGANISATION

LD 231/01 also governs the system whereby the organisation is liable with its property for the sanctions imposed, with reference to modifying events such as the transformation, merger, demerger and sale of the company. In the case of transformation in particular, the “transformed” organisation remains liable for all offences committed before the date on which the transformation took effect. As regards mergers, including takeovers, the company resulting from the merger is also liable for offences for which the organisations participating in the merger were responsible. In general, in the case of a spin-off, the spun-off company remains liable for offences committed prior to the date on which the spin-off took effect. The organisations that benefit from the spin-off become jointly and severally liable for payment of the pecuniary sanctions ordered against the spun-off company, up to the actual value of the net equity transferred.

As regards the cases of assignment and contribution of business, LD 231/01 introduces a unitary system. In the case of assignment of a business in particular, the assignee is jointly and severally liable with the assignor for the pecuniary sanctions imposed in relation to offences committed in the ambit of the assigned business, up to the value transferred, and for sanctions relating to the compulsory books of account or due to unlawful acts of which the assignee was aware. In any event the assignor company is entitled to the “benefit of execution” (ie. the right to demand that the creditor exhausts its remedies against the principal debtor before seeking payment from the guarantor).

2.5 ORGANISATION AND MANAGEMENT MODELS

LD 231/01, the terms of which also apply to the administrative offences governed by Statute 146/06 and LD 152/06, also provides for forms of exoneration of organisations from administrative liability. In particular, section 6 of LD 231/01 states that in the case of an offence committed by a Senior Executive, the organisation is not liable if it can prove that:

- before the offence was committed the executive body adopted and efficiently implemented organisation and management models suitable to prevent offences of the kind committed
- the task of supervising the operation of and compliance with the models and updating them was given to a company body with independent powers of initiative and control (hereinafter called “the Supervisory Board”)
- the offence was committed by persons who fraudulently eluded the

organisation and management models

- there was no omitted or insufficient supervision on the part of the Supervisory Board.

Thus in the case of offences committed by Senior Executives, there is a presumption of liability on the organisation due to the fact that those persons express and represent the policy, and therefore the will of the organisation. However, this presumption does not apply if the organisation can demonstrate that the said four conditions laid down in s. 6 of LD 231/01 are met.

In such case, although the Senior Executive has personal liability, the organisation is not liable under LD 231/01, Statute 146/06 or LD 152/06.

As regards the liability of organisations, LD 231/01 consequently attributes a justifying value to organisation and management models provided that on the basis of an opinion expressed *ex ante* in accordance with the criterion of subsequent prognosis, they are suitable to prevent the offences referred to in the said Decree and efficiently implemented by the Supervisory Body.

Equally, s. 7 of LD 231/01 states that the organisation has administrative liability for offences committed by Subordinates, if their commission was made possible by failure to comply with management or supervision obligations. In any event, failure to comply with the said management and supervision obligations is excluded if the organisation demonstrates that before the offence was committed, it adopted and effectively implemented an organisation and management model suitable to prevent offences of the kind committed. In the case specified in the said s. 7 of LD 231/01, the adoption of the organisation and management model by the organisation thus constitutes a presumption in its favour, reversing the burden of proof so that it is up to the prosecution to demonstrate that the Model was not adopted and effectively implemented.

2.6 TRADE ASSOCIATION GUIDELINES

LD 231/01 states that organisation and management models may be adopted on the basis of codes of conduct which are drawn up by associations representing organisations and communicated to the Justice Ministry; the Ministry then has 30 days to formulate observations, jointly with the other ministries concerned, on the suitability of the models to prevent offences, provided that they meet the requirements set out in s. 6.2 of LD 231/01.

The main purpose of this provision is to promote compliance with the principles laid down in LD 231/01 by members of trade associations, and also to promote the drafting of structured codes that act as a frame of reference for operators proposing to draft an organisation and management model.

3 METHODOLOGY USED TO IDENTIFY SENSITIVE ACTIVITIES

3.1 THE METHODOLOGY ADOPTED – 3.1.1 *Identification of “sensitive” activities* – 3.2 FACT SHEETS - 3.2.1 *Structure*

3.1 THE METHODOLOGY ADOPTED

One of the requirements for the Model laid down by s. 6.2.a) of LD 231/01 is the identification of “sensitive” or “risk” areas, ie. company processes and activities in which there is a risk that one of the offences expressly specified in LD 231/01, Statute 146/06 or LD 152/06 may be committed.

The operational situation in the corporate areas/sectors in which the Offences may be committed has therefore been analysed, indicating the most significant times and processes.

At the same time, the facts constituting the offences in question were investigated in order to identify types of conduct which, in the corporate context, could constitute offences.

3.1.1 Identification of “sensitive” activities

With reference to the types of offence indicated above (see para. 2.2) which are liable to entail the administrative liability of the company, “sensitive” activities have been identified, including on the basis of the indications given in the ANIA guidelines, and broken down between those relating to:

- dealings with the Public Administration;
- corporate and money laundering-related obligations;
- financial activities;
- activities against terrorism and subversion of democratic order;
- activities against smuggling and unlawful drug trafficking;
- compliance with the sanctions and disqualifying measures laid down in LD 231/01;
- environmental measures;
- measures to prevent accidents at work and to safeguard health and safety at work;
- measures to ensure data integrity and computer system protection.

The potentially “sensitive” activities relating to dealings with the Public Administration and activities against smuggling, unlawful drug trafficking, terrorism and subversion of democratic order are listed below:

1. Negotiation / stipulation / performance of agreements / contracts with the Public Administration by means of negotiated procedures (commissioning or private treaty);
2. Negotiation / stipulation / performance of agreements / contracts with the Public Administration arrived at by means of public procedures (open or restricted);
3. Payment of claims to and on behalf of Public Administrations;

4. Management of the activities required to pay out on life assurance policies (claims, redemptions and maturities) in favour of the Public Administration;
5. Management of lawsuits and out-of-court settlements;
6. Management of lawsuits relating to payment of compensation and life assurance;
7. Management of dealings with the Public Administration as regards aspects relating to health and safety in the workplace (Statute 626, as amended);
8. Personnel management and administration, dealings with pension and welfare agencies;
9. Dealings with Regulators relating to the performance of activities regulated by the reference legislation, and management of dealings designed to obtain authorisations and permits to carry on company business ;
10. Management of dealings with the Financial Administration;
11. Commercial promotions with and sponsorships of Public Administrations;
12. Acquisition and/or management of contributions/grants/loans issued by Public Administrations to the company;
13. All possibilities of holding, handling or using cash/duty stamps, and available funds;
14. Management of software owned by public agencies or supplied by third parties on behalf of the Public Administration and electronic data transfer connections (incoming/outgoing) or data transmission on electronic media to Public Administrations or Authorities;
15. Compliance with anti-terrorism measures;
16. Real estate management relations with Public Administrations;
17. Insurance policies that benefit from State grants
18. Issue of insurance cover, especially transport insurance, or guarantees which are directly or indirectly useful or necessary to the policyholder for smuggling tobacco processed abroad, unlawful drugs or psychotropic substances, or for illegal immigration.

The potentially “sensitive” activities that relate to corporate obligations, money laundering-related obligations and activities of a financial nature are as follows:

1. Book-keeping, preparation of annual accounts, reports, corporate communications in general, and compliance with information obligations which are compulsory by law or by order of Supervisory authorities;
2. Preparation of prospectuses relating to solicitation of investments, public savings and/or admission to listing on regulated and unregulated markets and/or extraordinary operations (takeover bid, initial public offering, invitation for subscription);
3. Management of dealings with the Board of Internal Auditors, the external auditors and other company bodies and the associated drafting, keeping and storage of the documents over which they may exercise control;
4. Management of company obligations; operations on capital and operations on shares and holdings;
5. Activities relating to preparation for Shareholders’ meetings; activities of company relevance and compliance with company obligations;
6. Preparation and communication of notices/data relating to GENERALI and the Group to external parties
7. Acquisition of holdings in other companies;
8. Investments and loans with free capital;
9. Leasing of real estate owned by the insurance company;
10. Money-laundering obligations.

The potentially “sensitive” activities which relate to waste disposal are as follows:

1. Any form of abandonment/introduction/uncontrolled deposit of waste on land or in water.

The potentially “sensitive” activities which relate to the prevention of accidents at work and the safeguard of health and safety at work are as follows:

1. Any working activity carried out for the company as an employee or consultant involving the exposure to the risk of accident;
2. Any external working activity carried out on behalf of the company involving the exposure to the risk of accident.

The corporate and organisational structure of GENERALI was then analysed to identify the specific, concrete risk areas within the company.

This analysis was conducted using documentation relating to the company and the information already contained and organised in the *Library of Company Processes*, which contains a detailed list and description of company processes relating to some of GENERALI’s activities and services.

Identification of the “risk” areas in GENERALI was consequently performed by two different methods, depending on whether it related to company processes present in the Library or not.

The “risk areas” in the company processes present in the Library were identified by means of detailed analysis of each process designed to identify whether it could be deemed a “risk” area. For this purpose, a matrix called the “Risk Area Identification Matrix” was created as a working tool, in which;

- (i) the x-axis shows the company processes present in the Library, and the y-axis shows the list of sensitive activities as identified and described above
- (ii) the resulting graph shows which company processes are involved in the sensitive activities described above, and to what extent.

In the case of areas of activity and services not present in the Library, an analysis method based on interviews with the heads of the corresponding activities and departments was used, which allowed a detailed check to be made on the company processes involved in each case and identification of those liable considered to be “risk areas”.

3.2 FACT SHEETS

A fact sheet containing a brief description of the controls existing in the ambit of each of the “sensitive” activities concretely applicable to the company was prepared.

These controls were identified on a preliminary basis according to their suitability to meet specific control requirements for the purpose of LD 231/01, Statute 146/06 and LD 152/06. The said controls therefore only represent part of the standards constituting GENERALI’s overall Internal Control System.

The controls thus defined were divided into “general” and “specific”, as the latter are particularly important in reducing the risk of commission of the offences specified in LD 231/01, Statute 146/06 and LD 152/06.

A fact sheet that describes GENERALI’s procedures for managing its financial resources so

as to prevent the commission of the offences was also drawn up as required by LD 231/01, Statute 146/06 and LD 152/06.

3.2.1 Structure

When the fact sheets were drawn up, a standard outline consisting of the following categories of information was adopted:

Introductory part

Sensitive activity:	definition of activity;
Note on contents:	list of the various types of process which may involve sensitive activities;
Organisational units involved:	list of the organisational units involved in the operational process or control of the sensitive activity in the broadest sense of the term;
Other entities:	list of any organisations other than GENERALI involved in the operational processes in question.

Part describing controls

a) General controls:	segregation of responsibilities; separation of functions/process; company regulations and internal circulars designed to regulate the specific activity; system of delegated powers, powers of signature and authorising powers; traceability;
b) Specific controls:	the types vary in relation to individual sensitive activities. For example, they may relate to: obligations to report certain operations, authorisations, exemptions from internal procedures, reporting, computer security, etc.

4 THE ORGANISATION AND MANAGEMENT MODEL AND ITS CONTENTS

4.1 CONTENTS OF THE ORGANISATION AND MANAGEMENT MODEL - 4.2. LEGISLATION – 4.3 ARTICLES OF ASSOCIATION – 4.4 ETHICAL CODE– 4.5 RULES ISSUED PURSUANT TO LD 231/01, STATUTE 146/06 AND LD 152/06 AND THE METHODOLOGY FOLLOWED FOR THEIR ADOPTION – 4.6 OTHER IN-HOUSE RULES – 4.6.1 *Circulars* - 4.6.2 *Internal Control System*

4.1 CONTENTS OF THE ORGANISATION AND MANAGEMENT MODEL

In accordance with its long-standing commitment to the creation and maintenance of a governance system that complies with high ethical standards and at the same time guarantees efficient management of company activities, GENERALI has adopted an organisation and management model in accordance with the terms of LD 231/01 (the Model).

In particular, pursuant to s. 6.2 of LD 231/01, an organisation and management model must:

- identify activities which involve the risk of commission of offences;
- contain specific protocols for planning the formation and implementation of decisions by the organisation relating to risk prevention (in relation to the offences to be prevented);
- identify methods of management of financial resources suitable to prevent the commission of offences;
- impose obligations to provide information to the Supervisory Body relating to the operation of and compliance with models;
- introduce a suitable disciplinary system to sanction failure to comply with the measures laid down in the model.

In view of the above factors, GENERALI has established the general principles for drafting the models used by the companies in the Group in accordance with the indications given by the codes of conduct drafted by the most representative trade associations, and principally with the draft ANIA Guidelines.

GENERALI's Model, illustrated in this document and its schedules, consists of a unitary set of principles, rules, provisions and organisational patterns relating to the management and control of company activities which are designed (*inter alia*) for the implementation and diligent management of a system of controlling sensitive activities in order to prevent the commission or attempted commission of the offences specified in LD 231/01, Statute 146/06 and LD 152/06.

These provisions may be written or oral, generally applicable or limited to certain categories of parties or individuals, permanent or temporary.

The Addressees, in the performance of their activities, shall comply with:

- a) the terms of Italian and foreign legislation and regulations applicable to each activity;
- b) the Articles of Association;

- c) the Ethical Code;
- d) the corporate by-laws issued to prevent the commission of offences envisaged by LD 231/01, Statute 146/06 and LD 152/06 (the 231 by-laws);
- e) other resolutions of the Board of Directors;
- f) resolutions of the Executive Committee and other Board Committees;
- g) resolutions of the Managing Directors;
- h) service orders issued by the organisational units and hierarchical superiors having jurisdiction.

All the rules introduced by the said sources constitute the Model, constant updating of which is the task of the persons, bodies or organisations responsible for issuing the said rules, each in their own sphere of jurisdiction.

The present document contains a brief illustration of the Model, and in particular of the main terms designed to prevent the commission or attempted commission of the Offences, and has been adopted by the Board of Directors.

The Supervisory Board is responsible for updating this document, even before it is submitted for approval by the Board of Directors, when one of the schedules to the document is amended by the body having jurisdiction or its amendment becomes advisable, possibly due to the introduction of significant legislative innovations or significant new terms of the Model, even if they are not annexed to this document. Following significant amendments, this document will be resubmitted to the Board of Directors for approval.

In the context of gradual formalisation of the provisions constituting the Model, the Supervisory Board has power to collect the said provisions with the support of the structures having jurisdiction and, if it thinks fit, to document them in writing and to publicise that compilation as it thinks fit, including publication on the company's intranet or Internet website.

4.2 LEGISLATION

All citizens must abide by the provisions of Italian or foreign national, regional or local public legislative sources, of constitutional, primary or secondary rank. The legislation in the broadest sense of the term therefore does not strictly constitute part of the Model, as it is outside the Model.

However, consistently with its traditional commitment to legality, which is also reflected in its Ethical Code, GENERALI has decided that abidance by the law must be expressly imposed, thus giving contractual status to this source and incorporating these provisions in the Model by means of an incorporating clause.

It should be noted that observance of the law is required regardless of each person's actual knowledge of it. It is therefore the task of each person to know and comply with legislative provisions, especially in their own field of activity. In case of doubt as to the extent or interpretation of legal provisions, the appropriate company departments should be contacted.

4.3 ARTICLES OF ASSOCIATION

The Articles of Association constitute the fundamental document on which GENERALI's corporate governance system is based. Suitable, extensive publicity is given to the Articles of Association, which are annexed to this document and form an integral part of it, partly

by publication on the GENERALI website.

The principles of corporate governance laid down in the Articles of Association and other subordinate sources are illustrated in detail in the report on Corporate Governance, which is also annexed to this document and forms an integral part of it.

The report on Corporate Governance also contains a list of the main company functions. Organisational variations affecting the company functions in question, together with updates to the organisation chart, are brought to the attention of all employees by means of suitable, timely communications.

4.4 ETHICAL CODE

GENERALI has always paid particular attention to the objective of social commitment, considering it as an investment to which all businesses are called to adhere, in the conviction that competitiveness must be inextricably connected with ethical sensitiveness, social involvement and environmental protection.

At a time when the interest towards corporate governance issues is ever increasing, one of the major tasks it has undertaken is the creation of an organisational model for the company and the group, which will allow managing corporate risks with increasing efficiency. Over and above that, GENERALI has decided that it is necessary to formalise and distribute to all counterparts a document endorsing the guiding deontological principles which have always been at the heart of its activities.

GENERALI has therefore adopted an Ethical Code, which forms an integral part of the Model and of this presentation document, to which it is annexed.

4.5 BY-LAWS ISSUED PURSUANT TO LD 231/01, STATUTE 146/06 AND LD 152/06 AND THE METHODOLOGY FOLLOWED FOR THEIR ADOPTION

Analysis of company processes, conducted in the forms and ways described in the preceding chapter, has allowed identification of the areas in which it is considered that there is a risk that the Offences may be committed, together with the owners of the corresponding processes.

For each sensitive process, specific interviews were conducted with the owners of processes in which potential “risk areas” were identified, to establish the existing operating and management procedures and control elements governing them.

The appropriateness of the existing rules and procedures was then evaluated, and a set of rules able to prevent, or at least significantly reduce, the risk of commission of offences by means of activity monitoring, process traceability and responsibility segregation of systems were designed or fine-tuned where necessary.

For the main, but not sole purpose of preventing the commission of the Offences, GENERALI has decided to issue a series of general and special provisions which are collected in the Special Part of this document.

When drafting these rules, GENERALI took account of the draft ANIA Guidelines for the insurance industry and the Operational Suggestions whereby ANIA has identified the procedure to be followed when adopting Models and some of the possible tools to be used

for detecting and preventing the Offences.

It also took account of the existing control systems and procedures already operating in GENERALI which were found suitable at the process analysis stage to act as crime prevention and control measures for processes involved in “sensitive” areas.

The set of rules thus identified is considered suitable to prevent a significant number of offences for the purpose of LD 231/01, Statute 146/06 and LD 152/06, except in the event of fraudulent elusion.

In order to comply with the principle of separation of functions, it has been ensured that there is no subjective identity between those who take or implement decisions, those who provide accounting evidence of the operations decided on, and those obliged to perform on those operations the controls laid down by law and by the procedures required by the internal control system.

To reduce the risk of unlawful payments in cash, the company has prohibited the payment of fees or commissions to consultants, staff, agents or public bodies to an extent not consistent with the services rendered to GENERALI and not conforming to the work commissioned, which must be evaluated according to criteria of reasonableness and by reference to the terms or practice existing on the market or determined by tariffs. The system adopted for making payments on behalf of GENERALI is also designed (*inter alia*) to prevent commission of the offences of corruption and extortion by a public official to the prejudice of the Public Administration, especially by limiting the use of cash and imposing a reporting obligation.

Another set of rules and controls has been introduced to prevent unlawful payments in kind. In particular:

- unlawful gifts are prevented by the rule that restricts the possibility of making these forms of payment to the single case provided for by company regulations, namely that they are consistent with the tasks and activities performed
- other unlawful payments in kind, involving exemptions which improve the terms of contracts already stipulated, are prevented by the rules which impose a specific procedure in this case.

Similarly, reporting, notification and control obligations are considered useful tools to prevent the commission of the offence of embezzlement to the prejudice of the State or EU bodies.

Flows of information to public agencies (whether the Italian government or EU organisations) and to third parties in general are governed by the part devoted to offences against the Public Administration, which is designed to prevent the commission of the offence of fraud involving undue receipt of public funds. It also constitutes a good method of combating corporate offences performed by communicating untrue information and data.

The risk relating to offences of counterfeiting, forgery and false representations and to offences against the person appears merely abstract, not likely in practice, even according to the opinion expressed by ANIA. In any event, the powers attributed to the Supervisory Board so that it can effectively implement the Model and monitor company conduct, including by means of spot checks on company processes and deeds, constitutes a good method of controlling activities potentially at risk.

When the rules designed to prevent the commission of corporate offences were drafted, the role of the following factors was taken into due consideration:

- organisational structure and system of delegated powers;
- management control system;
- internal and external auditing;
- service orders and internal procedures.

More generally, the company examined the internal control system, which consists of the set of processes implemented by the corporate bodies and organisation units responsible and is designed to provide reasonable certainty that objectives falling into the following categories will be attained: a) efficiency and efficacy of activities; b) reliability of information supplied to third parties and for internal use; c) compliance with legislation, regulations and the company's in-house rules and procedures.

Evaluation of these systems demonstrated that the set of rules already in force is suitable in itself to effectively combat (ie. reduce to an acceptable level) the risk of commission of corporate offences.

The specific existing tools designed to govern the company's activities include:

- the terms of legislation, with special reference to the Civil Code and the Consolidated Finance Broking Act;
- the principles of corporate governance by which GENERALI is inspired, which are contained in the Report on Corporate Governance;
- the Ethical Code;
- the Internal Control System and therefore the company and group procedures, the rules relating to the organisational and corporate hierarchical/functional structure, and the management control system;
- the Remuneration Committee;
- the rules relating to the Group's administrative, accounting and financial system;
- company circulars.

It should therefore be noted that the system of controls and the provisions contained in the documents listed above (which, though not reported here, are part of the broader organisation and control system which this document is designed to illustrate and are therefore an integral part of the Model) are sufficient to prevent the commission of a significant number of Offences, and are structured in such a way that they can only be eluded fraudulently (s. 6 of LD 231/01).

In addition to the matters stated above, it should be borne in mind that the attribution to an in-house Supervisory Board of the task of supervising the effective operation of and correct compliance with the model, partly by means of control and supervision of company conduct, constitutes a further guarantee that the principles set out in the above-mentioned tools will be complied with by GENERALI personnel.

Finally, in the performance of all operations relating to company management, the Addressees are now required to familiarise themselves with and undertake to comply with the rules laid down in all sources of the Model, as well as the rules set out in the Special Part of this document.

4.6 OTHER CORPORATE RULES

In addition to the terms laid down in the Ethical Code, there are rules laid down by other sources, especially other resolutions of the Board of Directors, resolutions of the Executive Committee and other Advisory Committees, resolutions of the Managing Directors, and service orders issued by the appropriate organisational units and hierarchical superiors.

Suitable publicity is given to the rules laid down by each of these sources, to ensure that all the employees or individual categories of addressees, as applicable, are aware of them.

Those who issue the rule also issue instructions about the form of the corresponding provisions and publicity. In any event, if the rule is not issued in writing, access to it is ensured by suitable forms of communication, including e-mail and personnel training initiatives.

4.6.1. Circulars

When provisions are issued in the form of circulars, they must comply with the following characteristics:

- a) they are identified by a unique alphanumeric code;
- b) they always contain details of the organisational unit that promotes the circular;
- c) the subject is stated in the subject line;
- d) they are reviewed by the legal department in formal terms;
- e) they are published on the company's Intranet.

4.6.2. Internal Control System

GENERALI has adopted an organisational model for which guidelines were defined in the "Report on Internal Control and Risk Management System" approved by resolution of the Board of Directors. The Internal Control system comprises a set of rules, procedures and structures designed to ensure correct performance of the company's operational processes.

The following have been prepared on the basis of the terms of the Report:

1. a database of processes, risks and controls certified by the officer in charge highlighting the various steps, relevant responsibilities, identified risks and relevant control points (Company Process Library);
2. documents including the rules, principles and methodologies for process mapping and monitoring, to be put in the Library and made available to the whole staff, describing:
 - tasks, responsibilities and rules of conduct, with which all personnel responsible for control activities must comply;
 - conventions to follow to ensure the methodological uniformity of recording and representation of corporate processes, risks and controls;
 - methodologies for risk and control assessment.

5 DISCIPLINARY SYSTEM

5.1 FUNCTIONS OF THE DISCIPLINARY SYSTEM - 5.2 DISCIPLINARY MEASURES AND PROCEEDINGS

5.1 FUNCTIONS OF DISCIPLINARY SYSTEM

Sections 6.2.e and 7.4.b of LD 231/01 indicate, as the condition for effective implementation of the organisation and management model, the introduction of a disciplinary system which punishes failure to comply with the measures laid down in the Model.

The introduction of an effective disciplinary system therefore constitutes an essential prerequisite for the justifying value of the Model in relation to the administrative liability of organisations.

The sanctions specified in the disciplinary system will be applied to each breach of the terms laid down in the Model, regardless of whether any criminal proceedings are filed before the courts if the conduct to be punished constitutes an offence as specified in LD 231/01, Statute 146/06 or LD 152/06, and regardless of their result.

5.2 DISCIPLINARY MEASURES AND PROCEEDINGS

Compliance with the terms and rules of conduct laid down in the Model constitutes performance by GENERALI employees of the obligations laid down in s. 2104.2 of the Civil Code; the contents of the said Model represent a substantial and integral part of those obligations.

Violation of individual provisions and rules of conduct contained in the Model by employees of GENERALI who are bound by the following National Collective Bargaining Agreements (hereinafter called “the contracts of employment”) always constitutes a disciplinary offence:

- the National Regulatory and Financial Agreement for insurance company executives;
- the National Collective Bargaining Agreement governing relations between insurance companies and non-executive personnel.

The procedures contained in the Model, non-compliance with which entails sanctions, are notified to all employees by means of the tools specified in Chapter 8 (“Communication Plan”) of the Model, and are binding on all employees of GENERALI.

On each report of a violation of the Model by the Supervisory Board, disciplinary proceedings will be commenced to establish responsibility for the violation. In particular, at the investigation stage, the allegations will first be put to the employee, who will be guaranteed a suitable period to present his/her defence and justification for the allegations. When such responsibility has been established, a disciplinary sanction proportional to the seriousness of the violation committed will be imposed on the employee.

The disciplinary measures which can be imposed on employees of GENERALI in accordance with the terms of section 7 of Statute no. 300 of 30 May 1970 (known as the “Workers’ Charter”) and any applicable special regulations are those laid down by law and

the sanctions specified in the contracts of employment, namely:

- verbal reprimand;
- written reprimand;
- suspension from service and pay (for a period not exceeding 10 (ten) days);
- dismissal on justified grounds;
- dismissal for good cause.

All the provisions and guarantees laid down by law and in the contracts of employment relating to disciplinary procedures will be followed, especially:

- the obligation (relating to the application of disciplinary measures) to notify the employee in advance of the allegations and hear the employee's defence;
- the obligation (except in the case of a verbal warning) for the allegations to be stated in writing, and for the measure not to be issued until the number of days specified in the contract of employment for each sanction has elapsed since the employee was notified of the allegations.

As regards the investigation of offences, disciplinary measures and imposition of sanctions, the powers already granted to the management of GENERALI remain valid, within the limits of their delegated powers and jurisdiction.

6 THE SUPERVISORY BOARD REFERRED TO IN LD 231/01

6.1 IDENTIFICATION - 6.2 TASKS AND POWERS - 6.3 OPERATION OF SUPERVISORY BOARD - 6.3.1 *Chairmanship of Supervisory Board* - 6.3.2 *Convocation and meetings* - 6.4 INFORMATION FLOWS – REPORTS TO SUPERVISORY BOARD – PARTICULARLY URGENT REPORTS – 6.4.1 *Collection and storage of information* - 6.4.2 *Reports by Supervisory Board to the company's governing bodies*

6.1 IDENTIFICATION

In compliance with the terms of s. 6.1.b of LD 231/01 and the ANIA draft Guidelines, which suggest that it would be appropriate to place the Supervisory Board in the operational structure of the organisation, GENERALI has identified the Supervisory Board as a collegial body that reports to the Board of Directors.

In this context, the approach taken by GENERALI is inspired by the following guiding principle: that the members appointed to the Supervisory Board should be persons who, in the ambit of the company's organisational structure, are responsible for the key functions, including in relation to the frame of reference of the subject in question, and hold a position which, for technical and/or organisational reasons, guarantees the best contribution to the performance of the functions and pursuit of the objectives of the Supervisory Board.

The Supervisory Board therefore consists of the Chairman of the Internal Control Committee, the officer in charge of the organisational unit responsible for the legal function and the officer in charge of the organisational unit responsible for the internal audit.

This solution is also considered suitable because:

- it guarantees the independence that the Supervisory Board must necessarily have;
- it allows a direct connection with the company management, the Board of Internal Auditors and, both directly and through the Internal Control Committee, with the Board of Directors.

In the performance of the tasks allocated to it, the Supervisory Board will rely on the services of the organisational unit responsible for internal audits, calling on its skills and professionalism in the exercise of supervision and control activities. This choice allows the Supervisory Board to guarantee a high level of professionalism and continuity of action.

The Supervisory Board may also use the services of other organisational units of GENERALI or the Group in different specific spheres, such as:

- the organisational unit responsible for legal services;
- the organisational unit responsible for corporate services;
- the organisational unit that deals with personnel (as regards personnel training and disciplinary procedures, for example);
- the organisational unit responsible for administrative services (as regards cash flow control, for example).

Suitable tools must be prepared for this purpose which include service levels, information flows and precise obligations of loyalty and confidentiality towards the Supervisory Board.

The members of the Supervisory Board must have performed professional activities for a suitable period in a field related to insurance, credit or finance, and meet the requirements of respectability laid down in the current legislation applicable to insurance company directors.

The following constitute grounds for incompatibility:

- a) being an executive and/or non-independent member of the administrative body of GENERALI or a General Manager of GENERALI or of the external auditing firm appointed by it pursuant to current legislation, or one of the auditors instructed by the latter;
- b) having a relationship of marriage or kinship up to the fourth degree with members of the administrative body, the General Managers of the company or of the external auditing firm, or with the auditors instructed by the latter or between them;
- c) having worked on an employed or self-employed basis in the last three years with organisations with or towards which the crimes and offences referred to in the current legislation relating to “*administrative liability of legal persons, companies and associations, even without a legal personality, pursuant to section 11 of Statute no. 300 of 29 September 2000*” can be committed;
- d) having been committed for trial for an intentional offence punished with more than two years of detention, or for any predicate offence regardless of punishment limits established by law and the intentional or negligent nature of the offence.

The Board of Directors evaluates whether the members of the Supervisory Board meet these subjective requirements before the person concerned is appointed to the company and/or Group position from which the role as member of the Supervisory Board derives, and at suitable intervals after the appointment.

If the said requirements should cease to exist during the appointment, the said appointment terminates. In such case the Board of Directors will immediately appoint the missing member in accordance with the guiding principle previously indicated, after establishing the existence of the requirements of professionalism and respectability. The same system applies to establishing the existence of grounds for incompatibility and/or lack of the requirements of professionalism and respectability at the time when the person concerned is appointed to the company or Group position from which the role as member of the Supervisory Board derives.

The appointments of the members of the Supervisory Board may be revoked at any time for just cause and/or on justified grounds by the Board of Directors of GENERALI. In the event of revocation, the Board of Directors will promptly replace the member whose appointment is revoked, in compliance with the guiding principle of the decision specified above.

The entire Supervisory Board is dissolved when the appointments of all its members are revoked. In such case the Board of Directors will immediately reconstitute the Supervisory Board, again in compliance with the said guiding principle.

The decisions and resolutions adopted by the Supervisory Board in the performance of its

functions under Legislative Decree no. 231/01 shall not be criticised by any of the company's governing bodies. In the performance of their functions, the Supervisory Board members shall not be subject to any negative consequences nor disciplinary sanctions, except for the cases of intentional fault or serious misconduct.

6.2 TASKS AND POWERS

The Supervisory Board has the following tasks and powers:

- to supervise the operation of and compliance with the Model;
- to establish whether the Model is actually suitable to prevent the commission of the offences referred to in LD 231/01, Statute 146/06 and LD 152/06;
- to analyse the continued existence of the requirements of soundness and functionality of the Model over time;
- to arrange, develop and promote, jointly with the organisational units concerned, constant updating of the Model and the system of supervising its implementation, suggesting the necessary corrections and adjustments to the administrative body where necessary;
- to maintain regular contact with the external auditors;
- to maintain relations with and ensure the appropriate flows of information to the Board of Directors, the Internal Control Committee and the Board of Internal Auditors;
- to request and obtain information and documentation of all kinds from and to each level and sector of GENERALI;
- to perform checks and inspections to establish any violations of the Model;
- to draw up a programme of supervision consistent with the principles contained in the Model, in the ambit of the various sectors of activity;
- to arrange the implementation of the programme of supervision, including by scheduling activities;
- to arrange the drafting of reports on the results of the actions performed;
- to arrange regular updating of the system of identification, mapping and classification of risk areas for the purpose of the supervision activities carried out by the Board;
- without prejudice to the terms of chapter 8 of this document, to define and promote initiatives to disseminate knowledge and understanding of the model, together with personnel training and information for personnel relating to compliance with the principles contained in the Model;
- to provide clarifications of the meaning and application of the provisions contained in the Model;
- to prepare an effective system of internal communication to allow the transmission and collection of information relevant for the purpose of LD 231/01, Statute 146/06 and LD 152/06, ensuring protection and confidentiality for the reporting party;

- to formulate the budget for the performance of its activities for submission to the Board of Directors for approval; any extraordinary expenses not contemplated in the budget document must also be submitted to the Board of Directors for prior approval;
- to promote the activation of any necessary disciplinary procedures;
- to supervise compliance with the terms of LD 231/07 within its functions and responsibilities;
- to have access to all the company documentation that is essential for the performance of the functions given to the Supervisory Board under Legislative Decree no. 231/2001;
- to call for any Company's employee and/or manager - including Directors and Auditors - to promptly provide all the information and data required to identify those aspects related to company activities that are relevant for the purposes of the Model and to check whether the Model has actually been implemented by the company's organisational structures;
- to notify without delay the supervisory authorities concerned of all acts or offences it becomes aware of in the fulfilment of its duties, that may constitute a violation of the provisions issued pursuant to s. 7.2 of LD 231/07;
- to notify without delay the owner of the business, his/her legal representative or his/her deputy of violations of the provisions pursuant to s. 41 of LD 231/07 it has become aware of;
- to notify within thirty days the Ministry of Economy and Finance of violations of the provisions pursuant to s. 49.1, 49.5, 49.6, 49.7, 49.12, 49.13 and 49.14 and s. 50 of LD 231/07 it has become aware of;
- to notify within thirty days the relevant Supervisory Authority of violations of the provisions contained in s. 36 of LD 231/07 it has become aware of.

6.3 OPERATION OF SUPERVISORY BOARD

6.3.1 Chairmanship of Board

The Board of Directors appoints and revokes the appointment of the Chairman of the Supervisory Board; if it fails to do so, the Chairman will be elected by the Supervisory Board. The Supervisory Board has power to appoint a Secretary, who need not be a member of the Supervisory Board.

6.3.2 Convocation and meetings

The Supervisory Board meets at least once a quarter. It is also called by the Chairman whenever he thinks fit, at the established place, by means of a notice sent to all members.

Meetings of the Supervisory Board are also called by the Chairman whenever one or more members so requests.

The meeting must be called at least two clear days before the date set for the meeting, by any means considered suitable to ensure a certain, immediate communication. In the event of urgency, the period can be reduced to one clear day. The notice of call must contain the place, date and time of the meeting and the list of subjects to be discussed.

In order for each session to be validly constituted, all members holding office must be present. In the event of an exceptional impediment, each member holding office may be represented by proxy at individual meetings. In the event of absence of one or more members and their proxies, the meeting must be adjourned to the first possible date.

If a member fails to attend two meetings of the Supervisory Board without good reason, his/her appointment shall terminate.

Resolutions are passed on an absolute majority of votes.

Minutes of each meeting are taken and signed by the Chairman and the Secretary.

Meetings may be held at the registered office of GENERALI or another place specified in the notice of call. Meetings may be held by video- or audio-conferencing, provided that all participants are able to identify each other, are able to follow the discussion and speak in real time during the debate on the subjects discussed and allowed to exchange documents relating to those subjects, and that all the above matters are certified in the minutes. If these conditions are met, the meeting of the Supervisory Board is deemed to be held at the place where the Chairman and Secretary are present.

6.4 INFORMATION FLOWS – REPORTS TO SUPERVISORY BOARD - URGENT REPORTS

The Supervisory Board must be promptly informed by a suitable internal communication system of acts, conduct or events which may constitute a violation of the Model or which, more generally, are relevant for the purposes of LD 231/01, Statute 146/06 and LD 152/06.

The following general rules are applicable in this respect:

- reports relating to the commission, or reasonable risk of commission, of the offences specified in LD 231/01, Statute 146/06 and LD 152/06, or otherwise relating to conduct in general which may lead to violation of the Model, are collected;

- an employee who wishes to report a violation (or alleged violation) of the Model may contact his/her direct superior or report directly to the Supervisory Board;
- the agents and other parties referred to in para. 8.2 report directly to the Supervisory Board as regards dealings and activities performed with GENERALI;
- in order to collect the said reports efficiently, the Supervisory Board will rapidly and extensively notify all parties concerned of the reporting methods and forms;
- the Supervisory Board will assess at its discretion and on its responsibility the reports received and the cases in which it is necessary to take action.

Reporting parties acting in good faith remain anonymous and are protected against all forms of retaliation, discrimination or penalisation.

In addition to reports relating to violation of a general nature as described above, information relating to the following matters is immediately sent to the Supervisory Board:

- orders and/or information received from the criminal police or any other authority which indicate the performance of investigations, including against persons unknown, into the offences specified in LD 231/01, Statute 146/06 and LD 152/06, which may involve GENERALI;
- requests for legal assistance made by employees in the case of commencement of legal proceedings against them in relation to the offences specified in LD 231/01, Statute 146/06 and LD 152/06, unless expressly prohibited by the courts;
- reports prepared by the heads of organisational units and company departments in the ambit of their control activities, which indicate facts, acts, events or omissions with critical profiles relating to compliance with the terms of LD 231/01, Statute 146/06 and LD 152/06;
- information relating to disciplinary proceedings taken and any sanctions imposed regarding the offences specified in LD 231/01, Statute 146/06 and LD 152/06, or decisions not to proceed with those proceedings, and the reasons.

6.4.1 Collection and storage of information

All information and reports specified in the Model are stored by the Supervisory Board in a specific archive with restricted access.

6.4.2 Reports by Supervisory Board to the company's governing bodies

The Supervisory Board, through its Chairman or another member designated by that Board, informs the Board of Directors about the application and implementation of the Model and the emergence of any critical aspects and the need for corrective actions.

The Supervisory Board also notifies without delay the owner of the business, his/her legal representative or his/her deputy of violations of the provisions pursuant to s. 41 of LD 231/07 it has become aware of.

The Supervisory Board prepares:

- within 90 days of the end of each financial year, a report summarising the activities performed in the past year and a plan of activities for the current year, for submission to the Board of Directors;

- immediately, a notice relating to the occurrence of exceptional situations (such as violations of the principles contained in the Model), and in the event of reports received or other urgent matters, to be submitted to the Director responsible for internal controls.

7 CRITERIA FOR UPDATING AND ADJUSTING THE MODEL

7.1 CHECKS AND CONTROLS ON MODEL - 7.2 UPDATES AND ADJUSTMENTS

7.1 CHECKS AND CONTROLS ON MODEL

The Supervisory Board draws up an annual supervision programme which broadly plans its checking and control activities.

The programme contains a schedule of the activities to be performed during the year, and indicates the possibility of performing unscheduled checks and controls.

In the performance of its activities, the Supervisory Board can call on the support of the appropriate organisational unit for the internal audit function and other units and functions of GENERALI with specific skills in the company sectors controlled on each occasion.

In the course of its checks and inspections, the Supervisory Board has the widest powers to perform its tasks effectively.

7.2 UPDATES AND ADJUSTMENTS

The Board of Directors is responsible for updating the Model and adjusting it to allow for changes in organisational structures, operational processes and the results of controls.

In any event the Supervisory Board retains the tasks and powers relating to the organisation, development and promotion of constant updating of the Model. For this purpose it can formulate comments and proposals relating to the organisation and the control system to the organisational units responsible or, in cases of particular importance, directly to the Board of Directors. The Supervisory Board also implements modifications to the Model resolved on by the Board of Directors without delay, and arranges for their contents to be circulated within GENERALI and, where necessary, outside the company.

To ensure that variations in the Model are made as quickly and smoothly as possible, and to minimise inconsistencies between operational processes on the one hand and the provisions of the Model and its circulation on the other, the Board of Directors has delegated to the Supervisory Board the task of making any necessary amendments to the Model at intervals, within the periods specified in chapter 4.

In the annual report, the Supervisory Board can submit to the Board of Directors information relating to variations it proposes to make to the Model so that the Board of Directors can pass a resolution in the exercise of its sole jurisdiction on the subject.

8 COMMUNICATION PLAN

8.1 INTRODUCTION - 8.2 CIRCULATION AND TRAINING – 8.3 TERMS OF CONTRACT

8.1 INTRODUCTION

In order to implement the Model adopted effectively, GENERALI intends to ensure correct communication of its contents and principles inside and outside its structure.

In particular, the aim of GENERALI is to extend communication of the contents and principles of the Model not only to its employees but also to persons who, though not formally employees, operate to achieve the objectives of GENERALI, even occasionally, pursuant to agreements, and over whom GENERALI is able to exercise powers of management or supervision.

Although these communication activities have different characteristics, depending on the addressees, the information relating to the contents and principles of the Model must in any event be complete, timely, accurate, accessible and continuous in order to give the various Addressees full knowledge of the company orders they are obliged to comply with.

In particular, GENERALI will take steps to make the Model known and circulated rapidly.

8.2 CIRCULATION AND TRAINING

The contents and principles of the Model will be brought to the knowledge of all employees, agents and other persons who have working relationships with GENERALI which are governed by agreements.

Employees and agents will be guaranteed the possibility of accessing and consulting this document (and its Schedules) directly on the company's Intranet, while for other parties, that documentation will be available on the company's Internet website.

Moreover, in order to facilitate understanding of the Model, GENERALI will organise training courses of different kinds for employees and agents, through the organisational units responsible for training, which may involve the distribution of e-learning products and/or classroom lectures. To complete the training activities, questionnaires will be filled in and declarations issued to certify the training given.

The completion and sending of the questionnaires by the employees will constitute a declaration of knowledge of the contents of the Model.

During these activities, GENERALI will inform employees that they are obliged to be familiar with the principles and contents of the Model, to contribute to its implementation and compliance, according to their role and responsibilities in GENERALI, and to report any deficiencies.

A hard copy of the full version of the presentation document of the Model will be made available to members of the company's governing bodies.

Suitable communication tools will be adopted to inform the Addressees of any amendments made to the Model.

8.3 TERMS OF CONTRACT

In order to promote compliance with the Model by agents, GENERALI will also include standard clauses in the agency agreements, which contractually bind agents:

- not to perform acts or engage in conduct liable to cause a violation of the Model;
- to attend the training courses specified in this document.

In the event of infringement of this obligation, the agreement will be terminated and penalties may be imposed.

Current agency agreements must be amended as soon as possible to take account of the above provisions.

SPECIAL PART

1 CORPORATE BY-LAWS ISSUED TO PREVENT THE COMMISSION OF OFFENCES SPECIFIED IN LD 231/01, STATUTE 146/06 AND LD 152/06

SECTION I GENERAL RULES

Art. 1 - DEFINITIONS

1.1 In this Special Part, the words set out below shall have the following meanings:

- a) “Senior Executives”: persons who perform functions of representation, administration or direction of the organisation or one of its financially and functionally independent organisational units, and the persons responsible for its management and control, including on a *de facto* basis;
- b) “LD 231/01”: Legislative Decree no. 231 of 8 June 2001, as amended;
- c) “Statute 146/06”: Statute no. 146 of 16 March 2006 which ratifies and implements the United Nations Convention and Protocols Against Transnational Organised Crime adopted by the General Assembly on 15 November 2000 and 31 May 2001, in force since 12 April 2006;
- d) “LD 152/06”: Legislative Decree no. 152 of 3 April 2006 relating to environmental matters;
- e) “LD 231/07”: Legislative Decree no. 231 of 21 November 2007 implementing directive 2005/60/EC on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing and directive 2006/70/EC laying down implementing measures;
- f) “Addressees”: persons who perform functions of representation, administration or direction of the organisation or one of its financially and functionally independent organisational units, the persons responsible for its management and control, including on a *de facto* basis, and persons subject to direction or supervision by one of the above-mentioned parties, namely Senior Executives and Subordinates;
- g) “GENERALI”: Assicurazioni Generali S.p.A.;
- h) “Group”: ASSICURAZIONI GENERALI S.p.A. and its subsidiaries as defined in the first and second paragraphs of s. 2359 of the Civil Code;
- i) “Organisation and Management Model”, “OMM” or “Model”: all the provisions contained in the sources listed in art. 2 of these rules;
- j) “Offences”: the offences referred to in ss. 23, 24, 24-*bis*, 24-*ter*, 25, 25-*bis*, 25-*bis.1*, 25-*ter*, 25-*quater*, 25-*quater.1*, 25-*quinquies*, 25-*sexies*, 25-*septies*, 25-*octies*, 25-*nonies* of LD 231/01, s. 10 of Statute 146/06 and s. 192 of LD 152/06;
- k) “Subordinates”: personnel subject to direction or supervision by senior executives of the company.

Art. 2 - LEGISLATIVE SOURCES

2.1. The Addressees, in the performance of their activities, shall comply with:

- a) the terms of Italian and foreign legislation and regulations applicable to each activity
- b) the Articles of Association;

- c) the Ethical Code;
- d) these by-laws;
- e) other resolutions of the Board of Directors;
- f) the resolutions of the Executive Committee and other Advisory Boards;
- g) resolutions of the Managing Directors;
- h) service orders issued by the organisational units and hierarchical superiors having jurisdiction.

Art. 3 - PRINCIPLES OF CONDUCT

3.1 All Addressees shall refrain from:

- a) acting in such a way as to commit the offences specified in LD 231/01, Statute 146/06 and LD 152/06;
- b) acting in a way which, although it does not in itself constitute an offence as specified above, could potentially become one.

SECTION II

DEALINGS WITH THE PUBLIC ADMINISTRATION

Art. 4 - PRECAUTIONS IN DEALINGS WITH THE PUBLIC ADMINISTRATION

4.1 Addressees shall not conduct dealings with the Public Administration on behalf of GENERALI for reasons other than business reasons or for reasons unrelated to the tasks and functions assigned to them.

4.2 Addressees who interact with the Public Administration as a result of their appointment, function or delegated powers shall refrain from using privileged routes (even lawful ones) or personal acquaintances acquired inside or outside their professional sphere.

Art. 5 - PROCEDURE

5.1 Dealings with the Public Administration in areas of activity at risk are managed in a unitary manner, by way of the appointment of a person responsible for each file or set of files (if they are particularly repetitive) dealt with in the areas of activity at risk.

5.2 If the dealings with the Public Administration are handled by an employee not holding specific powers, the said employee shall:

- a) report timely and fully to his/her superior on each stage of the procedure;
- b) notify without delay his/her superior, who in turn will report it to the Supervisory Board, of any conduct by the public contracting party designed to obtain favours or unlawful payments in cash or in kind, including from third parties.

Art. 6 - CONFLICT OF INTEREST

6.1 Any person who is or becomes aware of the existence of a conflict of interest between one of the Addressees and GENERALI shall immediately notify the Supervisory Board in writing, specifying the nature, terms, origin and extent of the conflict, if known.

6.2 The party who is in a situation of conflict shall refrain from participating in decisions in relation to which the said conflict may arise.

Art. 7 - STIPULATION OF AGREEMENTS

7.1 The procedure for entering into agreements must be conducted in accordance with the company's principles and procedures.

7.2 No exceptions are allowed to the standard financial and legal terms of contract, which are based solely on the status of the contracting party as a Public Administration, public official or public service representative.

7.3 Participation in tender proceedings for the issue of insurance cover may be managed only by the appropriate organisational unit.

Art. 8 - TERMS OF CONTRACT

8.1 The standard terms of contract, comprising the general terms of contract, standardised contracts and standard financial terms, including tariffs, shall only be determined by the appropriate bodies according to company procedure.

8.2 Any exceptions to these terms shall be proposed and justified in writing by the person responsible for the file and shall be approved in writing by the head of the appropriate organisational unit or his/her deputy. This procedure is not required if the possibility of the exception and the limits to which it is subject were established by the appropriate bodies when the standard agreement was drafted.

8.3 The text of agreements which differ from the standard agreements must be approved in advance by the appropriate organisational units.

Art. 9 - PERFORMANCE: TECHNICAL AND FINANCIAL EVALUATIONS

10.1 Correct performance of agreements shall always be checked by the appropriate organisational unit according to company procedures.

10.2 In particular, as regards insurance policies, at both the stage of accepting the risk and the stage of payment of compensation, the technical terms and financial aspects shall be evaluated by the appropriate organisational unit, accurate checks being made on the actual situation in accordance with the criteria and principles adopted by GENERALI.

Art. 10 - PAYMENT

10.1 The reason for operations that involve the use or expenditure of economic or financial resources must be stated, and they must be documented and recorded in accordance with

the principles of professional and accounting correctness, so that the decision-making process is verifiable.

10.2 Reasons for the use of financial resources must be given by the applicant, who shall also certify their appropriateness. Persons authorised to make payments on behalf of GENERALI have a reporting obligation.

10.3 If possible, means of payment other than cash shall be preferred.

Art. 11 - ILLICIT PAYMENTS IN CASH OR KIND

11.1 All Addressees must refrain from making illicit payments in cash to representatives of the Public Administration or granting them undue advantages of any kind, as this may constitute one of the offences specified in and punished by LD 231/01, Statute 146/06 and LD 152/06.

Art. 12 - DISTRIBUTION OF FREE GIFTS

12.1 All Addressees must refrain from distributing free gifts, except as allowed by company rules and practice.

12.2 In any event, giving or receiving gifts which exceed normal business practice or courtesy, or are designed to obtain favoured treatment in the conduct of any company activity, are prohibited. Allowed gifts always have a low value or are designed to promote artistic projects (such as the distribution of art books). Gifts given, except those of modest value, must be suitably documented to allow the required checks to be made.

12.3 No gifts which may influence independence of judgment or induce the grant of any advantage to the company may be made to Italian or foreign public officials (even in countries in which such gifts are common practice) or to members of their families.

Art. 13 - CHOICE OF CONTRACTING PARTIES

13.1 Contracting parties, including employees and consultants, are chosen by the appropriate organisational unit with transparent methods, and in accordance with the specific company procedure.

13.2 Where possible, having regard to the nature and characteristics of the services requested, consultants must be selected from the lists of consultants accredited by GENERALI which are prepared by the appropriate organisational unit according to the specific company procedure.

13.3 If a consultancy appointment is granted to a party not included in the said lists, reasons justifying the decision shall be expressly given.

Art. 14 - PAYMENT OF FEES

14.1 The payment of fees to external consultants and lawyers is subject to prior certification of suitability by the organisational unit authorised to assess the quality of the service and the consequent suitability of the fee charged. In any event, paying fees to external consultants which are not adequately justified in relation to the type of service to be performed and current local practice is prohibited.

14.2 If requested, the fees may be paid in a country other than that of residence of the consultant, provided that the Italian and foreign tax and foreign exchange legislation is complied with.

Art. 15 - CONTROLS ON INFORMATION

15.1 Data and information supplied to parties outside the company are always checked and authorised by the organisational unit that produced or processed the data.

15.2 Where possible, the use of information contained in notices already published is preferred.

15.3 In particular, declarations made to national or EU public bodies to obtain grants, contributions or loans must only contain totally truthful items. A copy of all the corresponding documentation must be retained.

Art. 16 - PUBLIC GRANTS

16.1 If clients of GENERALI need to take out insurance cover or performance bonds in order to obtain public subsidies, the said cover or performance bonds will be issued by the organisational unit responsible in compliance with GENERALI's specific procedures.

Art. 17 - INSPECTIONS

17.1 The parties authorised by the head of the appropriate organisational unit take part in legal, tax and administrative inspections. The start of each inspection activity must be notified to the Supervisory Board. The parties responsible will request a copy of the minutes drawn up by the Authority, if available.

SECTION III PREVENTION OF CORPORATE OFFENCES

Art. 18 - GENERAL PRINCIPLES OF CONDUCT

18.1 The Addressees shall:

- (a) refrain from committing or in any way contributing to the commission of the offences specified in s. 25-ter of LD 231/01 or to violation of the principles and corporate procedures described in the organisation and management model presentation document
- (b) act in a correct, transparent, collaborative way, in compliance with legislation and company procedures, in all activities involving the preparation of financial statements and other company documents, in order to provide shareholders and third parties with true and correct information about the economic, assets and financial situation of GENERALI and the Group
- (c) act in a correct, transparent, collaborative way, in compliance with legislation and company procedures, to ensure the protection of investors' assets, devoting the maximum attention and accuracy to the acquisition, processing and illustration of the data and information relating to financial products and issuers which is needed

to allow investors to gain an informed opinion of the assets, economic and financial situation of the issuer and the trend of its activities, and of financial products and the corresponding rights;

- (d) strictly comply with all the legislative provisions designed to protect the integrity and actual existence of the share capital, and always act in compliance with the internal company procedures based on those provisions, so as not to prejudice the guarantees of creditors, shareholders and third parties in general;
- (e) ensure the correct operation of the company and its governing bodies, guaranteeing and facilitating all forms of control over the company's management laid down by law, and the free and correct formation of the decisions of the company's governing bodies;
- (f) comply with the rules governing the correct formation of the price of financial instruments, avoiding conduct which could generate a significant alteration compared with the current market situation;
- (g) not perform any simulated or otherwise fraudulent operations or circulate false or untrue information liable to cause a considerable alteration in the price of financial instruments;
- (h) issue the notices required by legislation and regulations to the Regulators rapidly, correctly and in good faith, and not hinder in any way the exercise of the supervisory functions performed by them;
- (i) act in a correct, truthful way in dealings with the press, media and financial analysts.

18.2 The Addressees must allow the internal auditors and external auditors to exercise the powers granted to them by law. In particular, the Board of Internal Auditors and the individual internal auditors shall be entitled to perform inspections and audits at any time.

18.3 Addressees who are aware of a request by a shareholder to consult company documentation must inform the organisational unit responsible for shareholder relations.

SECTION IV

CONTROL AND PUNISHMENT OF VIOLATIONS

Art. 19 - INTERNAL CONTROLS

19.1 The organisational units responsible for the control and supervision of procedures connected with the performance of the activities referred to in the preceding articles must pay particular attention to compliance with obligations, and immediately report any irregular situation to the Supervisory Board.

19.2 Without prejudice to the discretionary power of the Supervisory Board to perform specific controls, including after receiving reports, it shall perform periodic spot checks on the company's activities to establish that they are being correctly performed in accordance with the rules constituting the Model.

19.3 In view of the said activity, the Supervisory Board shall be guaranteed free access to all the relevant company documentation.

19.4 The organisational units concerned must pay particular attention to money-laundering and terrorism prevention measures.

Art. 20 - CLAIMS FOR DAMAGES

20.1 If an Addressee acts in such a way as to commit one of the offences referred to in LD 231/01, Statute 146/06 and LD 152/06, and the Legal Department considers that there is sufficient evidence to prove that GENERALI has suffered loss for which the Addressee is responsible, it shall timely file a claim for damages.

Art. 21 - DISCIPLINARY PROCEDURES

21.1 If an employee acts in such a way as to:

- a) commit one of the offences referred to in LD 231/01, Statute 146/06 and LD 152/06, including attempted commission of the offence, or
- b) violate the rules contained in the Model,

and the Personnel Department considers that there is sufficient evidence to prove that the employee is responsible, it must initiate disciplinary proceedings as soon as possible, on its own initiative or on request by the Supervisory Board.

2. SYSTEM OF SANCTIONS

2.1 VIOLATIONS OF MODEL AND CORRESPONDING SANCTIONS - 2.2 MEASURES AGAINST DIRECTORS - 2.3 MEASURES AGAINST INTERNAL AUDITORS - 2.4 MEASURES AGAINST OTHER ADDRESSEES

2.1 VIOLATIONS OF MODEL AND THE CORRESPONDING SANCTIONS ⁵

In accordance with the terms of the applicable legislation, GENERALI intends to inform its employees of the provisions and rules of conduct contained in the Model, violation of which constitutes a disciplinary offence, and the applicable sanctions, taking account of the gravity of the violation.

Without prejudice to GENERALI's obligations deriving from the Workers' Charter, the types of conduct that constitute violation of the Model, and the corresponding sanctions, are as follows:

1. A "verbal reprimand" will be issued if the worker violates one of the internal procedures laid down in the Model (e.g. fails to comply with the procedures laid down, fails to give the Supervisory Board the required information, fails to perform controls, etc.) or acts in a way not conforming to the requirements of the Model in the performance of activities in sensitive areas. Such conduct constitutes failure to comply with the instructions imparted by GENERALI.
2. A "written reprimand" will be issued if the worker repeatedly violates the procedures laid down in the Model or acts in a way not conforming to the requirements of the Model in the performance of activities in sensitive areas. Such conduct constitutes repeated failure to comply with the instructions imparted by GENERALI.
3. An order for "suspension from service and pay for a period not exceeding 10 (ten) days" will be issued if the worker, by violating the internal procedures laid down in the Model or acting in a way not conforming to the requirements of the Model in the performance of activities in sensitive areas, causes loss to GENERALI or creates situations of potential danger, or if the worker has repeatedly committed the violations specified in paragraph 2. This conduct, arising from failure to comply with instructions imparted by GENERALI, leads to loss (albeit potential) to GENERALI's assets, and/or constitutes an act contrary to its interests and/or exposes GENERALI to the risk of administrative or prohibitory sanctions.
4. An order for "dismissal on justified grounds" will be issued if a worker acts in a way not conforming to the requirements of the Model in the performance of activities in sensitive areas and commits a significant breach thereof, which is unequivocally designed to commit one of the offences specified in LD 231/01, Statute 146/06 and LD 152/06, or which leads to the concrete application against GENERALI of the corresponding measures; such conduct constitutes a significant failure to comply with the instructions imparted by GENERALI and/or a serious violation of the obligation to cooperate towards the company's prosperity.

⁵ This sub-paragraph applies to employees whose employment agreement is subject to Italian law; employees whose employment agreement is subject to the laws of any other jurisdiction shall be treated in accordance with such laws.

5. An order for “dismissal for good cause” will be issued if a worker acts in a way not conforming to the requirements of the Model in the performance of activities in sensitive areas and commits a significant breach thereof, which is unequivocally designed to commit one of the offences specified in LD 231/01, Statute 146/06 and LD 152/06 or which leads to the concrete application against GENERALI of the measures specified in LD 231/01, or the worker has repeatedly committed the violations referred to in the first part of paragraph 3. Such conduct radically undermines GENERALI’s trust in the worker, and constitutes a serious prejudice for the company.

The type and extent of each of the above-mentioned sanctions will also take account of:

- the intentionality of the conduct or the degree of negligence, imprudence or lack of skill, having regard (*inter alia*) to the foreseeability of the event;
- the overall conduct of the worker, with special reference to the existence of prior disciplinary proceedings against him/her, within the limits allowed by law;
- the worker’s duties;
- the functional position and level of responsibility and independence of the personnel involved in the facts constituting the violation;
- other particular circumstances that accompany the disciplinary offence.

The person responsible for the practical application of the above-mentioned disciplinary measures is the Personnel Manager, who will impose sanctions, possibly following a report by the Supervisory Board, after hearing the opinion of the superior of the person charged with the conduct in question. The Supervisory Board, jointly with the Personnel Manager, is responsible for checking and evaluating the suitability of the disciplinary system for the purposes of LD 231/01, Statute 146/06 and LD 152/06.

In the event of violation by executives of the terms and rules of conduct contained in the Model, GENERALI will issue the most appropriate disciplinary measures against the persons responsible for the conduct, in accordance with the terms of the National Collective Bargaining Agreement for Insurance Company Directors.

2.2 MEASURES AGAINST DIRECTORS

On receiving notice of violation by members of the Board of Directors of provisions and rules of conduct contained in the Model, the Supervisory Board must immediately inform the entire Board of Directors of the situation. The addressees of the notice issued by the Supervisory Board may take the appropriate measures in accordance with the Articles of Association, including calling a Shareholders’ Meeting to take the most appropriate measures allowed by law. In particular, the Board of Internal Auditors must notify CONSOB of the irregularities committed. The Supervisory Board will also inform the Internal Control Committee.

2.3 MEASURES AGAINST INTERNAL AUDITORS

On receiving notice of violation by members of the Board of Internal Auditors of the provisions and rules of conduct contained in the Model, the Supervisory Board must immediately inform all members of the Board of Internal Auditors and the Board of Directors of the situation.

The addressees of the notice issued by the Supervisory Board may take the appropriate

measures in accordance with the Articles of Association, including calling a Shareholders' Meeting to take the most appropriate measures allowed by law.

2.4 MEASURES AGAINST OTHER ADDRESSEES

Any violation by agents, external consultants/self-employed staff or business partners of the provisions and rules of conduct contained in the Model which are applicable to them, or commission by them of the Offences, will be punished as far as possible in accordance with the specific terms of each agreement. These terms may, for example, include power to terminate the agreement and/or the payment of penalties.