

# Ordinary Shareholders' Meeting 26 April 2022

## Report of the Board of Directors on the **items on the agenda**

pursuant to Article 125-ter, paragraph 1, of Legislative Decree No. 58  
of 24 January 1998

Approved by the Board of Directors  
on 14 March 2022

## TABLE OF CONTENTS

INTRODUCTION.....	3
NOTICE OF MEETING.....	4
1. APPROVAL OF THE 2021 FINANCIAL STATEMENTS AND ACCOMPANYING REPORT, WITH CONSEQUENT AND RELATED RESOLUTIONS.....	12
2. THE AWARD OF A MANDATE FOR THE STATUTORY AUDIT OF THE ACCOUNTS FOR THE YEARS 2022-2030 TO A NEW AUDITOR AND DETERMINATION OF THE RELEVANT CONSIDERATION AFTER CONSENSUAL EARLY TERMINATION OF THE MANDATE OF THE CURRENT AUDITOR.....	14
3. THE APPOINTMENT, PURSUANT TO ARTICLE 2386 OF THE ITALIAN CIVIL CODE AND ARTICLE 24.4 OF THE ARTICLES OF ASSOCIATION, OF 3 (THREE) MEMBERS OF THE BOARD OF DIRECTORS, 1 (ONE) OF WHOM IS A MEMBER OF THE MANAGEMENT CONTROL COMMITTEE.....	30
4. REPORT ON REMUNERATION POLICY AND FEES PAID:.....	32
A) APPROVAL OF THE FIRST SECTION OF THE REPORT ON REMUNERATION POLICY AND FEES PAID, PURSUANT TO ARTICLE 123-TER, PARAGRAPH 3, OF LEGISLATIVE DECREE NO. 58/1998 AND ARTICLES 41, 59 AND 93 OF IVASS REGULATION 38/2018; .....	32
B) RESOLUTION ON THE SECOND SECTION OF THE REPORT ON REMUNERATION POLICY AND FEES PAID, PURSUANT TO ARTICLE 123-TER, PARAGRAPH 6, OF LEGISLATIVE DECREE NO. 58/1998. ....	32

## INTRODUCTION

This document, containing the reports approved by the Board of Directors on the items on the agenda of the Ordinary Shareholders' Meeting convened for 26 April 2022, is provided, pursuant to Article 125-ter, paragraph 1, of Legislative Decree No. 58 of 24 January 1998, as subsequently amended and supplemented (the Consolidated Law on Finance or TUF), by the deadlines established by applicable legislation for the publication of the Notice of Meeting of the Shareholders' Meeting.

The reports prepared pursuant to specific laws are published within the deadlines indicated by these laws, according to the methods established in the aforementioned Article 125-ter, paragraph 1, of the TUF.

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**NOTICE OF MEETING**

## NOTICE OF MEETING

**SOCIETÀ CATTOLICA DI ASSICURAZIONE Società per Azioni**

**Registered office at Lungadige Cangrande 16, Verona**

**Tax code and Verona Companies Register No.**

**00320160237**

**Listed in the Register of Insurance Companies at No. 1.00012**

**A company subject to the management and coordination of Assicurazioni Generali S.p.A.**

**A Generali Group company, listed in the Register of Insurance Groups under No. 26**

**Fully paid-up share capital €685,043,940.00**

### NOTICE OF ORDINARY SHAREHOLDERS' MEETING

The Ordinary Shareholders' Meeting is convened **for 10.00am on Tuesday 26 April 2022** at single call, exclusively by means of telecommunications - as permitted by the applicable legislative framework - to discuss and resolve on the agenda below.

**Pursuant to Article 106, paragraph 4, of Legislative Decree No. 18 of 17 March 2020, converted by Law No. 27 of 24 April 2020, as amended, participation in and exercise of voting rights at the Shareholders' Meeting by those entitled is permitted solely through the Designated Representative, pursuant to Article 135-undecies of Legislative Decree No. 58/1998, according to the instructions provided in the specific section of this notice. The Designated Representative may also be granted proxies and/or sub-proxies pursuant to Article 135-novies of the Consolidated Law on Finance (TUF), in derogation from Article 135-undecies, paragraph 4, of the TUF.**

### **AGENDA:**

1. Approval of the 2021 financial statements and accompanying report, with consequent and related resolutions.
2. The award of a mandate for the statutory audit of the accounts for the years 2022-2030 to a new auditor and determination of the relevant consideration after consensual early termination of the mandate of the current auditor.
3. The appointment, pursuant to Article 2386 of the Italian Civil Code and Article 24.4 of the Articles of Association, of 3 (three) members of the Board of Directors, 1 (one) of whom is a member of the Management Control Committee.
4. Report on Remuneration Policy and Fees Paid:
  - a) Approval of the first section of the Report on Remuneration Policy and Fees Paid, pursuant to Article 123-ter, paragraph 3, of Legislative Decree No. 58/1998 and Articles 41, 59 and 93 of IVASS Regulation 38/2018.

- b) Resolution on the second section of the Report on Remuneration Policy and Fees Paid, pursuant to Article 123-ter, paragraph 6, of Legislative Decree No. 58/1998.

### **ADDITION OF ITEMS TO THE AGENDA AND PRESENTATION OF NEW DRAFT RESOLUTIONS**

According to the applicable procedures and deadlines, Shareholders who individually or collectively represent at least 2.5% of the share capital may, within ten days of publication of this Notice of Meeting (and therefore by Friday 26 March 2022), request items to be added to the list of matters to be discussed, indicating in their requests the additional matters proposed, or submit draft resolutions for matters already on the agenda.

Items may not be added to the agenda for matters on which the Shareholders' Meeting adopts resolutions, in accordance with the law, at the proposal of the Directors or on the basis of a draft or report produced by them, other than those referred to in Article 125-ter, paragraph 1, of Legislative Decree No. 58 of 24 February 1998 (the Consolidated Law on Finance or TUF).

Said request must be received in writing by the Company within ten days of publication of this Notice of Meeting (and therefore by Saturday 26 March 2022) by certified email to the address [assemblea@pec.gruppocattolica.it](mailto:assemblea@pec.gruppocattolica.it), or by email to [AdempimentiSocietari@cattolicaassicurazioni.it](mailto:AdempimentiSocietari@cattolicaassicurazioni.it), or delivered by hand to the registered office at Lungadige Cangrande 16, Verona, for the attention of the Head of the Corporate Obligations function. In the latter case, also in view of the health emergency and in order to better organise the appropriate safety precautions for access to company premises, requests to access Company premises must be emailed at least 24 hours beforehand to [AdempimentiSocietari@cattolicaassicurazioni.it](mailto:AdempimentiSocietari@cattolicaassicurazioni.it), it being specified that documents may be delivered by hand to the registered office during office hours (Mon-Fri 8.30am-5.00pm). On Saturday 26 March, requests may therefore be sent only by email to [AdempimentiSocietari@cattolicaassicurazioni.it](mailto:AdempimentiSocietari@cattolicaassicurazioni.it) or by certified electronic mail to [assemblea@pec.gruppocattolica.it](mailto:assemblea@pec.gruppocattolica.it). Shareholders wishing to add items to the agenda must also prepare and send a report stating the reasons for the draft resolutions on the matters that they put forward for discussion, or the reasons for the additional draft resolutions presented on matters already on the agenda, by the same deadline.

This request must be accompanied by a specific notice produced by the depositary intermediary, with effect from the date of the request, addressed to the Company, according to the procedures and at the addresses indicated above, attesting to the ownership of the shares by the requesting Shareholders, as well as the shareholding required to request agenda additions.

Any additions to the agenda will be made known, within the statutory deadlines, in the same forms as those established for the publication of this Notice of Meeting.

Similarly, reports prepared by Shareholders requesting additions to the agenda, accompanied by any changes made by the Board of Directors, will be made available to the public in the same form and according to the same procedures as for the Shareholders' Meeting documentation.

Once their relevance to the items on the Shareholders' Meeting agenda have been ascertained,

these proposals will be published on the Company's website by the statutory deadlines, in order to allow Shareholders entitled to vote to express their opinion in full knowledge of the circumstances, including in relation to said new proposals, and to allow the Designated Representative to collect any voting instructions related to them.

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**APPOINTMENT, PURSUANT TO ARTICLE 2386 OF THE ITALIAN CIVIL CODE AND ARTICLE 24.4 OF THE ARTICLES OF ASSOCIATION, OF 3 (THREE) MEMBERS OF THE BOARD OF DIRECTORS, 1 (ONE) OF WHOM IS A MEMBER OF THE MANAGEMENT CONTROL COMMITTEE**

As regards the appointment of 3 (three) members of the Board of Directors, one of whom is a member of the Management Control Committee, the appointments are made from the slate of candidates, in accordance with the provisions of the Articles of Association, and in any case the following shall apply.

The Board of Directors and each Shareholder may only submit one slate and each candidate may appear on only one slate.

Slates may be submitted by Shareholders that, alone or together with other Shareholders, own shares representing in aggregate at least 1% of the share capital, as per Consob Executive Resolution No. 60 of 28 January 2022.

Slates must be deposited at the Company's registered office or sent by certified email to [assemblea@pec.gruppocattolica.it](mailto:assemblea@pec.gruppocattolica.it) by the 25th calendar day prior to that set for the Shareholders' Meeting, i.e. by Friday 1 April 2022. Pursuant to Article 22.7 of the Articles of Association, if only one slate has been submitted by the above date, the deadline for submitting slates shall be extended until the third calendar day following the above deadline (Monday 4 April 2022) by 5pm, and the threshold for entitlement to submit referred to in the preceding paragraph shall be reduced to half. If slates are submitted to the registered office, also in view of the ongoing health emergency, and in order to better organise the appropriate safety precautions for access to company premises, requests to access said premises must be emailed at least 24 hours beforehand to [AdempimentiSocietari@cattolicaassicurazioni.it](mailto:AdempimentiSocietari@cattolicaassicurazioni.it). It should be noted that, for the purposes of clarity and standardised treatment and to facilitate the submission of slates, the Board of Directors has set out the procedure to fulfil the relative obligations, which shall be deposited at the company's registered offices and made available on the Company's corporate website <http://www.cattolica.it/home-corporate>, in the Governance/Shareholders' Meeting section, within the deadline for publication of this meeting notice. Shareholders are therefore invited to review said procedure for more comprehensive information.

There is no provision for the election of a Minority Director pursuant to Article 23.3 of the Articles of Association, as this was done at the Shareholders' Meeting of 14 May 2021.

**DOCUMENTATION AND ADDITIONAL INFORMATION**

The documents containing the draft resolutions, reports of the Board of Directors relating to the items on the agenda and, in particular, the 2021 Financial Statements, Remuneration Report, forms

to be used for proxy voting, as indicated below, and the Annual Report on Corporate Governance and Ownership Structure and information on the amount of share capital shall be deposited, within the statutory time limit, at the Company's registered office, and be made available to Shareholders wishing to view them and to obtain a copy.

These documents shall also be available on the Company's corporate website <http://www.cattolica.it/home-corporate> section in the Governance/Shareholders' Meeting section, and from Borsa Italiana S.p.A. and on the CONSOB-authorized eMarket-Storage facility, managed by Spafid Connect S.p.A. and accessible from the website <http://www.emarketstorage.com>.

If a copy of the said documents is to be collected from the Company's registered office, in view of the health emergency and in order to better organise the appropriate safety precautions for access to company premises, requests to access said premises must be emailed at least 24 hours beforehand to [AdempimentiSocietari@cattolicaassicurazioni.it](mailto:AdempimentiSocietari@cattolicaassicurazioni.it). Please remember that access is only possible during office hours (Mon-Fri 8.30am-5.00pm, excluding Friday 15 April and Monday 25 April 2022).

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#### **PARTICIPATION IN THE SHAREHOLDERS' MEETING**

Entitlement to attend Shareholders' Meetings and to exercise voting rights is certified by a notice sent to the company by an authorised intermediary, in accordance with its accounting records, on behalf of the party entitled to vote.

The notice is sent by the intermediary on the basis of the information on the record date, which is the seventh trading day prior to the Shareholders' Meeting date (Wednesday 13 April 2022).

Any party holding shares after Tuesday 13 April 2022 (the record date) will not be entitled to participate in and vote at the Shareholders' Meeting.

Holders of shares which have not yet been dematerialised may only take part in the meeting after their share certificates have been delivered to an authorised entity for their entry into the system in dematerialised form and for subsequent notification by the authorised intermediary.

The participation of Shareholders in the Shareholders' Meeting is subject to the applicable laws and regulations and the provisions contained in the Articles of Association published on the Company's website.

Those entitled to vote may be represented at Shareholders' Meetings in accordance with the law. For this purpose, in view of the Covid-19 emergency and for the purposes of providing maximum protection and safety to Shareholders as permitted by Article 106, Decree Law no. 18 of 17 March 2020 "containing measures to strengthen the national health service and economic support for families, workers and companies connected with the epidemiological COVID-19 emergency" (the "Cura Italia" Decree), as confirmed following the enactment of Law No. 15 of 25 February 2022, converted with amendments into the "Mille Proroghe" Decree, **Shareholders may take part in the Shareholders' Meeting, without attending the meeting location, exclusively by granting a proxy to the Designated Representative pursuant to Article 135-undecies of the TUF** (the "Designated Representative"), according to the procedures described below.



**The Company has identified Computershare S.p.A., with registered office at Via Lorenzo Mascheroni 19, 20145 Milan, as the Designated Representative.**

Participation in the Shareholders' Meeting by the corporate officers, the Secretary and the Designated Representative, as well as any other parties authorised by the Chairman of the Board of Directors, will take place through the use of remote connection systems that guarantee the identification of said parties in accordance with the rules that apply in such an event, in accordance with the statutory measures in place to contain the Covid-19 epidemic.

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**PARTICIPATION AND VOTING IN THE SHAREHOLDERS' MEETING THROUGH THE DESIGNATED REPRESENTATIVE PURSUANT TO ARTICLE 135 – UNDECIES OF THE TUF – PROXIES AND SUB-PROXIES PURSUANT TO ARTICLE 135 - NOVIES OF THE TUF**

Participation in the Shareholders' Meeting is permitted exclusively through the granting of a proxy to the Designated Representative.

Shareholders intending to take part in the Shareholders' Meeting must therefore be represented, free of charge (subject to any costs of sending the proxy) by the Designated Representative by the granting of a proxy containing voting instructions on all or some of the items on the agenda.

The Designated Representative must receive the proxy, according to the procedures described below, by the end of the second trading day before the date of the Shareholders' Meeting, i.e. by Friday 22 April 2022, using the appropriate form, which will be available on the Company's corporate website at <http://www.cattolica.it/home-corporate>, in the "Governance/Shareholders' Meeting" section, which also specifies how to grant and send the proxy, and to revoke the proxy and any voting instructions that may have already been conferred, by the same deadline.

The proxy granted to the Designated Representative pursuant to Article 135 – *undecies* of the TUF, containing voting instructions, together with a copy of a valid identity document - and in the case of a delegating legal person, a document attesting to the powers to grant the proxy - must be sent to Computershare S.p.A., within the above deadline, a) to the certified email address [cattolica@pecserviziottoli.it](mailto:cattolica@pecserviziottoli.it), or b) by sending the original of the proxy and a copy of the further documentation attached by registered letter with return receipt to Computershare S.p.A., Via Monte Giberto 33 – 00138 Rome; in the latter case, a copy of the documentation reproduced electronically may be sent by ordinary email in advance of the registered letter to the mailbox [cattolica@pecserviziottoli.it](mailto:cattolica@pecserviziottoli.it) (please note that the registered letter must arrive within the above deadline to be valid).

The Designated Representative may also, again according to the above procedures, be granted a proxy and/or sub-proxy in accordance with Article 135-*novies* of the TUF, in derogation from Article 135-*undecies*, paragraph 4 of the TUF, using the form provided on the Company's corporate website <http://www.cattolica.it/home-corporate> in the "Governance/Shareholders' Meeting" section.

It should be noted that the proxy to the Delegated Representative will only be valid for draft resolutions for which voting instructions have been granted.

The Designated Representative will be available for further information at +39 02 124128 810 from 10.00am to 1.00pm and from 2.00pm to 5.00pm, Monday to Friday, or at the email address [cattolica@pecserviziotitoli.it](mailto:cattolica@pecserviziotitoli.it).

It should be noted that there are no postal or electronic voting procedures for this Shareholders' Meeting.

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#### **RIGHT TO ASK QUESTIONS CONCERNING ITEMS ON THE AGENDA**

Given that the Shareholders' Meeting is attended exclusively through the Designated Representative, Shareholders may ask questions about the items on the agenda prior to the meeting by sending them to the Company in writing by certified email to [assemblea@pec.gruppocattolica.it](mailto:assemblea@pec.gruppocattolica.it), or by email to [AdempimentiSocietari@cattolicaassicurazioni.it](mailto:AdempimentiSocietari@cattolicaassicurazioni.it), or by delivery by hand to the registered office at Lungadige Cangrande 16, Verona, for the attention of the Head of the Corporate Obligations function, making sure to specify the agenda item to which the request refers. In the latter case, also in view of the health emergency and in order to better organise the appropriate safety precautions for access to company premises, requests to access said premises must be emailed at least 24 hours beforehand to [AdempimentiSocietari@cattolicaassicurazioni.it](mailto:AdempimentiSocietari@cattolicaassicurazioni.it), it being specified that documents may be delivered by hand to the registered office only during office hours (Mon-Fri 8.30am-5.00pm) .

Questions must be received by the Company by and no later than Tuesday 13 April 2022.

Only questions that are strictly relevant to the items on the agenda will be considered.

Applicants must provide their personal data (surname and name or company name in the case of a legal person, place and date of birth and tax number) and, in accordance with current regulations, provide documentary proof of voting rights by means of a specific notice issued by the depositary intermediary.

Questions received by the stated deadlines that are relevant to the agenda and comply with the procedures, deadlines and conditions indicated above, will be answered by 20 April 2022 by publication on the Company's website, with the option to provide a single response to questions on a similar subject.

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#### **INFORMATION ON THE SHARE CAPITAL**

The subscribed and fully paid-up share capital amounts to €685,043,940.00 as at the date of this Notice of Meeting and is represented by 228,347,980 ordinary shares. Each share entitles the holder to one vote.

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Further information on the rights exercisable by Shareholders is available on the Company's corporate website at <http://www.cattolica.it/home-corporate> (in the "Governance/Shareholders' Meeting" section), and any requests may be sent to [assemblea@pec.gruppocattolica.it](mailto:assemblea@pec.gruppocattolica.it) .

This Notice of Meeting was published today on the Company website, on Borsa Italiana S.p.A., on the Consob-authorized eMarket-Storage facility and, as an excerpt, in the *Il Sole 24 Ore* daily newspaper.

Verona, 16 March 2022

The Chairman  
Davide Croff

**1. APPROVAL OF THE 2021 FINANCIAL STATEMENTS AND ACCOMPANYING REPORT, WITH CONSEQUENT AND RELATED RESOLUTIONS.**

The Board of Directors advises that the financial statements, to which express and full reference is made at this meeting, will be made available within the deadlines and according to the methods established under Article 154-ter of the TUF, i.e. by 4 April 2022.

It proposes that the Shareholders' Meeting, having noted the contents of the financial statements, with the explanatory notes, the report on operations, the relevant data and the proposal for allocation of earnings, resolve to approve the financial statements for the year ended 31 December 2021, with the relevant documents and the consequent and related proposals, as detailed in the file.

\* \* \*

**2. THE AWARD OF A MANDATE FOR THE STATUTORY AUDIT OF THE ACCOUNTS FOR THE YEARS 2022-2030 TO A NEW AUDITOR AND DETERMINATION OF THE RELEVANT CONSIDERATION AFTER CONSENSUAL EARLY TERMINATION OF THE MANDATE OF THE CURRENT AUDITOR**

On 23 December 2021, the Shareholders' Meeting of Società Cattolica di Assicurazione S.p.A. ("Cattolica Assicurazioni" or the "Company") resolved to approve the assignment to BDO Italia S.p.A. ("BDO") of the statutory audit of the separate and consolidated financial statements of Cattolica Assicurazioni for the nine-year period 2021-2029 (the "BDO Mandate").

The adoption of the above resolution was rendered necessary by the acquisition of control of Cattolica Assicurazioni by Assicurazioni Generali S.p.A. ("Generali"). The acquisition of control meant that the incumbent auditor (PricewaterhouseCoopers S.p.A.) no longer met the independence requirements established by the reference regulatory framework, with the consequent need to end the current mandate early by consensual termination and appoint a new auditor.

During the selection procedure preceding the appointment of BDO, Cattolica Assicurazioni also made contact with KPMG S.p.A. ("KPMG"), as the incumbent auditor of the Generali Group. KPMG, however, stated that it was willing to accept the statutory audit mandates for the financial statements of Cattolica Assicurazioni and its subsidiaries as of the 2022 financial year and therefore, on 29 October 2021, sent the Company a proposal for a mandate for the period 2022-2030.

In the light of the above, in view of the approaching Shareholders' Meeting called to approve the Company's 2021 financial statements, the Company and the Management Control Committee, in its capacity as the Internal Control and Audit Committee ("ICAC"), also in view of the correspondence received from the parent company, Generali, intend to submit to the Shareholders' Meeting the opportunity to award KPMG, as the auditor of the parent company, Generali, the mandate to audit the financial statements of Cattolica Assicurazioni as of 2022, as an alternative to continuing BDO's mandate.

The appointment of KPMG, in fact, is in line with the perspective of a single Group auditor, already pursued during the tender that resulted in the BDO mandate, and would enable significant synergies to be achieved in the audit checks, with consequent effects in terms of the effectiveness and efficiency of statutory audit activities.

If the Shareholders' Meeting were to appoint KPMG, it would be necessary to terminate BDO's current mandate early. In this regard, BDO confirmed by letter dated 3 March 2022 that it had no observations to make on the possibility of early consensual termination pursuant to Article 13 of Legislative Decree No. 39/2010 and Article 7 of Ministerial Decree No. 261/2012. If the Shareholders' Meeting were to decide not to appoint KPMG as the statutory auditor for the years 2022-2030, the current auditor, BDO, would remain in post for the nine-year period 2021-2029 by virtue of the mandate awarded by the Shareholders' Meeting on 23 December 2021.

It should be noted that the award of a statutory audit mandate for public-interest entities ("PIEs"), including, pursuant to Article 16, paragraph 1, letter c), of Legislative Decree No. 39/2010, insurance companies and, therefore, Cattolica itself, is specifically governed by Article 16 of EU Regulation 537/2014. In particular, the law tasks the ICAC with drawing up a reasoned recommendation to the Shareholders' Meeting for the award of the audit mandate. It should also be noted that, pursuant to Article 7 of Ministerial Decree No. 261/2012, the consensual termination of the mandate must be resolved upon by the Shareholders' Meeting after receipt of the auditor's observations and following consultation of the control body, including with regard to these observations.

Therefore, the Board of Directors submits to the Shareholders' Meeting for approval,

- i. the proposal to award KPMG the statutory audit mandate for the financial years 2022-2030, in accordance with the directions in the attached recommendation prepared by the ICAC pursuant to Article 16 of Regulation (EU) No 537/2014 (Annex 1);
- ii. (ii) the proposal to award the consideration payable to the new auditing company for carrying out the statutory audit mandate and to approve the relevant adjustment criteria;
- iii. the proposal for consensual termination of the current statutory audit mandate of BDO Italia S.p.A., for which the Management Control Committee has given a positive opinion, to which the auditor's observations are also attached (Annex 2).

CATTOLICA ASSICURAZIONI

**Explanatory Report of the Board of Directors,  
item 2 on the agenda of the Ordinary Shareholders' Meeting of  
26 April 2022**

**BOARD OF DIRECTORS' MEETING OF  
14 MARCH 2022**



Dear Shareholders,

You have been convened today in ordinary session to discuss and pass a resolution on the following agenda item:

2. The award of a mandate for the statutory audit of the accounts for the years 2022-2030 to a new auditor and determination of the relevant consideration after consensual early termination of the mandate of the current auditor.

With regard to the aforementioned item on the agenda, the Board of Directors:

(i) having regard to the recommendation drawn up by the ICAC pursuant to Article 16 of Regulation (EU) No 537/2014, which recommended the appointment of KPMG S.p.A., formerly the auditor of the parent company, Assicurazioni Generali S.p.A., as the new auditor of the Company's financial statements, or, alternatively, that BDO maintain the mandate in progress, expressing its preference for the appointment of KPMG S.p.A. in accordance with a Group auditor approach, submits to the Shareholders' Meeting the proposal to award a mandate for the statutory audit of the accounts of Cattolica Assicurazioni to KPMG S.p.A. for the period 2022-2030;

(ii) having consulted the control body, also on the notice from BDO Italia S.p.A., which confirmed that it had no observations to make on the matter, it also submitted to the Shareholders' Meeting, pursuant to Article 13 of Legislative Decree No. 39/2010 and Article 7 of Ministerial Decree No. 261/2012, a proposal for the consensual termination of the mandate previously awarded to BDO Italia S.p.A. for the nine-year period 2021-2029.

The Board of Directors therefore submits the following proposed resolution to the Shareholders' Meeting, concurring with the reasons for the preference expressed by the Management Control Committee. If the proposed resolution is not approved by the Shareholders' Meeting, the current auditor, BDO, would remain in post for the nine-year period 2021-2029 by virtue of the mandate awarded by the Shareholders' Meeting on 23 December 2021:

*"The Ordinary Shareholders' Meeting:*

*(i) having regard to the fact that, pursuant to Regulation (EU) No 537/2014 and Legislative Decree No. 39/2010, the Shareholders' Meeting is also responsible, on the basis of the recommendation of the Internal Control and Audit Committee, for awarding the mandate for the statutory audit of the accounts and for determining the consideration payable to the statutory auditor or auditing company for the entire duration of the mandate and any criteria for adjusting this consideration during the mandate;*

*(ii) also having regard that, pursuant to Article 13 of Legislative Decree No. 39/2010 and Article 7 of Ministerial Decree No. 261/2012, the Shareholders' Meeting is responsible, after receipt of the observations of the auditor and having consulted the control body, including with regard to the aforementioned observations, for resolving on the consensual early termination of the statutory audit mandate;*

(iii) having noted the recommendation produced by the Internal Control and Audit Committee on 10 March 2022 pursuant to Article 16 of Regulation (EU) No 537/2014, in which it expresses its preference for the award to KPMG S.p.A. of the mandate for the statutory audit of the financial statements of the Company for the period 2022-2030, as the auditor of the parent company, Generali, and in accordance with the Group auditor approach, as an alternative to the continuation of the current mandate by BDO Italia S.p.A.;

(iii) having noted that BDO Italia S.p.A. had declared that it had no observations regarding the consensual termination of the audit mandate in progress if the Shareholders' Meeting resolved to appoint KPMG S.p.A.;

(iv) having noted the opinion produced by the Management Control Committee on 10 March 2022 pursuant to Article 13, paragraph 4 of Legislative Decree 39/2010 and Article 7 of Ministerial Decree No. 261/2012 regarding consensual termination;

hereby resolves

- to award KPMG S.p.A. the mandate for the statutory audit of the accounts for the period 2022-2030, according to the terms and conditions provided in the bid made by this auditing company, as referred to in the recommendation of the Management Control Committee;

- to pay KPMG S.p.A. a fee for the statutory audit mandate for the years 2022-2030 of €913,825; the fees include the expenses incurred to carry out the work, plus the supervisory contribution payable to Consob and VAT; the fees for the first two years may not include any ISTAT adjustment. As of the third year, the consideration will be adjusted at the rate of 75% of the ISTAT index;

- to approve the criteria for adjusting the fee paid to KPMG S.p.A., as summarised in the recommendation of the Management Control Committee;

- to proceed with the consensual termination of the statutory audit mandate awarded for the period 2021-2029 to BDO Italia S.p.A. with registered office at Via Monte Rosa 94, Milan, tax code 12449670152;

- to grant to the Chairman of the Board of Directors and to the Chief Executive Officer, with equal separate powers and express rights of sub-delegation, the broadest possible powers, in accordance with the provisions of law, for the complete implementation of the above resolutions, with any and all powers necessary and appropriate for this purpose, without exclusion or exception, including that of making any non-material amendments to the resolutions that are deemed necessary and/or appropriate for registration in the Companies Register and/or in relation to any communications to the supervisory authority."

The Board of Directors

Annex 1: Recommendation of the Internal Control and Audit Committee, pursuant to Article 16 of Regulation (EU) No 537/2014, to award the statutory audit mandate for the nine-year period 2020-2030;

Annex 2: Opinion of the Management Control Committee on the consensual termination of the statutory audit mandate, pursuant to Article 13, paragraph 4 of Legislative Decree No. 39/2011 and Article 7 of Ministerial Decree No. 261/2012.

## **RECOMMENDATION OF THE INTERNAL CONTROL AND AUDIT COMMITTEE OF SOCIETÀ CATTOLICA DI ASSICURAZIONE S.P.A. FOR THE AWARD OF THE MANDATE FOR THE STATUTORY AUDIT OF THE ACCOUNTS FOR THE NINE-YEAR PERIOD 2022-2030**

### **1. INTRODUCTION**

**1.1.** On 23 December 2021, the Shareholders' Meeting of Società Cattolica di Assicurazione S.p.A. ("Cattolica Assicurazioni" or the "Company") resolved to approve:

(i) the early consensual termination of the current statutory audit mandate of PricewaterhouseCoopers S.p.A.;

(ii) the award to BDO Italia S.p.A. ("BDO") of the statutory audit of the separate and consolidated financial statements of Cattolica Assicurazioni for the nine-year period 2021-2029 (the "BDO Mandate")<sup>1</sup>.

The adoption of the above resolutions was rendered necessary by the acquisition of control of Cattolica Assicurazioni by Assicurazioni Generali S.p.A. ("Generali"). The acquisition of control meant that PricewaterhouseCoopers S.p.A. no longer met the independence requirements established by the reference regulatory framework, with the consequent need to terminate the current mandate early and to appoint a new auditor.

**1.2.** The award of the BDO Mandate was resolved on the basis of the recommendation prepared, pursuant to Article 16 of Regulation (EU) 537/2014 (the "PIE Regulation"), by the Management Control Committee, in its capacity as Internal Control and Audit Committee pursuant to Article 19 of Legislative Decree No. 39/2010 (the "ICAC"). This recommendation was taken by the ICAC following a selection procedure carried out in accordance with the relevant regulations, in the context of which Cattolica Assicurazioni also made contact with KPMG S.p.A. ("KPMG"), as the incumbent auditor of the Generali Group. KPMG, however, stated that it was willing to accept the statutory audit mandates for the financial statements of Cattolica Assicurazioni and its subsidiaries as of the 2022 financial year and therefore, on 29 October 2021, sent the Company a proposal for a mandate for the period 2022-2030.

**1.3.** In light of the above, in view of the approaching Shareholders' Meeting called to approve the Company's 2021 financial statements, the Company and the ICAC, also in view of the correspondence received from the parent company, Generali, intend to submit to the Shareholders' Meeting their assessment of the advisability of awarding KPMG, as the auditor of the parent company, Generali, the mandate to audit the financial statements of Cattolica Assicurazioni as of 2022 for the nine-year period 2022-2030, as an alternative to maintaining the BDO Mandate. Any award to KPMG of the statutory audit mandate means that the Shareholders' Meeting of Cattolica Assicurazioni must also resolve on the early termination of the BDO Mandate awarded in December 2021.

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<sup>1</sup> Subsequently, the subsidiaries of Cattolica Assicurazioni, in line with the perspective of a single Group auditor, engaged BDO for the statutory audit of the relevant financial statements for the nine-year period 2021-2029 and for the three-year period 2021-2023 for non-PIE companies. For the foreign companies, CattRE (Luxembourg) and Vera Financial (Ireland), it should be noted that in 2021 annual audit assignments were awarded to Atwell and Grant Thornton respectively.

At the end of the process described below, the ICAC therefore prepared this recommendation which, pursuant to Article 16 of the PIE Regulation, has been brought to the attention of the Shareholders' Meeting of Cattolica Assicurazioni for the relevant decisions.

This recommendation was made from the perspective of a single Group auditor, already pursued during the selection procedure that resulted in the appointment of BDO, and in any event putting in place the assessment procedure described below, which took into account qualitative and quantitative criteria similar to those used during the last few months of 2021 when BDO was appointed.

For the subsidiaries of Cattolica Assicurazioni, any award of auditing mandates to KPMG will be resolved upon by the respective shareholders' meetings held after the Shareholders' Meeting of Cattolica Assicurazioni and expressed on the basis of a recommendation (or reasoned proposal, in the case of companies that cannot be classified as PIEs or ESRIs) by the relevant competent bodies, also with the early termination of the mandates awarded by the subsidiaries to the current auditors. In this regard, it should be noted that, in a notice dated 1 March 2022, the ICAC contacted the control bodies of the subsidiaries to ask whether any positions did not align with the confirmation of the single Group auditor approach in the event of the award to KPMG of the mandate to audit the financial statements of Cattolica Assicurazioni. No control body of the subsidiaries has reported any contraindications in this regard.

## **2. PRELIMINARY REQUIREMENTS FOR THE FORMULATION OF THIS RECOMMENDATION**

### **2.1 REQUEST TO KPMG TO UPDATE THE BID ON 29 OCTOBER 2021**

**2.1.1.** In view of the Shareholders' Meeting decisions, on 25 February 2022 the Company's offices, on the instructions of the ICAC, sent KPMG a request to update the bid submitted on 29 October 2021 (the "Request to Update the KPMG Bid").

The previous bid was divided into five sections and, more specifically: General Section, Technical Section, Professional–Audit Team Section, Independence Section and Economic Section.

In particular, the Company and the ICAC were asked to provide a specific update to the Independence Section and the Economic Section.

As regards the remaining Sections (General Section, Technical Section, Professional–Audit Team Section), the information previously provided was confirmed by KPMG.

**2.1.2.** The Request to Update the KPMG Bid was also sent to KPMG in the name and on behalf of the subsidiaries of Cattolica Assicurazioni, and more specifically: BCC VITA S.p.A., BCC ASSICURAZIONI S.p.A., TUA ASSICURAZIONI S.p.A., CATTOLICA AGRICOLA S.a.r.l., CATTOLICA BENI IMMOBILI s.r.l., CATTOLICA IMMOBILIARE S.p.A., CATTOLICA SERVICES S.c.p.a, VERA PROTEZIONE S.p.A., VERA ASSICURAZIONI S.p.A., VERA VITA S.p.A., VERA FINANCIAL DAC, CATT RE S.A., SATEC s.r.l. and SATEC HOLDING s.r.l.

With regard to the above companies, in the Request to Update the KPMG Bid, KPMG was asked to identify terms and conditions for carrying out the following activities:

- (i) the accounting audit of the financial statements of Cattolica Assicurazioni and its subsidiaries, including an opinion of consistency on the report on operations, an opinion of sufficiency on the non-life and life reserves, verification of the regular keeping of the accounts, signing of tax returns, and verification of the English translation of the financial statements file;

- (ii) the accounting audit of the consolidated financial statements of the Cattolica Assicurazioni sub-Group and the expression of an opinion of the consistency of the report on operations with the contents of the financial statements, as well as verification of the English translation of the financial statements file;
- (iii) the limited accounting audit of the sub-Group's consolidated half-year financial statements;
- (iv) the accounting audit of the year-end reporting packages prepared by the Subsidiaries for the purposes of their inclusion in the consolidated financial statements of Cattolica Assicurazioni;
- (v) the limited accounting audit of the half-year reporting packages prepared by the Subsidiaries for the purposes of their inclusion in the condensed consolidated financial statements of Cattolica Assicurazioni.<sup>2</sup>

In the Request to Update the Bid, KPMG was also asked to take account of a scenario in which Cattolica Assicurazioni was merged by incorporation into the parent company, Generali, in the current 2022 financial year, as envisaged in the document for the takeover offer launched by Generali.

**2.1.3.** In addition to the above, with the Request to Update the KPMG Bid, the auditing company was asked to certify the absence of incompatibility and threats to independence pursuant to Regulation (EU) No 537/2014, Legislative Decree No. 39/2010, of Consob Regulation No. 11971 and Auditing Principle No. 100, as well as additional applicable professional standards capable of precluding the auditing company from carrying out the activities indicated in paragraph 2.1.2 above.

## **2.2 REQUEST TO BDO FOR ANY OBSERVATIONS REGARDING THE EARLY TERMINATION OF THE CURRENT MANDATE**

From a different standpoint, again in view of the Shareholders' Meeting decisions, the Company's offices, on the recommendation of the ICAC, requested BDO, pursuant to Article 13, paragraph 4, of Legislative Decree No. 39/2010 and Article 7 of Ministerial Decree No. 261/2012, to make any observations regarding the early termination of the current mandate by consensual termination of the BDO Mandate, should the Shareholders' Meeting of Cattolica Assicurazioni seek to appoint KPMG.

BDO, in a notice dated 3 March 2022, confirmed that it had no observations to make on the matter.

## **2.3 ANALYSIS OF THE KPMG UPDATED BID**

**2.3.1.** As requested, KPMG submitted its bid (the "KPMG Updated Bid") on 4 March 2022, to the certified email address

cattolica.assicurazioni@pec.gruppocattolica.it, updated on 9 March, for the attention of Riccardo Schwetz and Antonio Costa, duly compiled and signed by the legal representative of the auditing company.

The KPMG Bid was made available to the ICAC and a panel of six assessors, already involved, under the supervision and coordination of the ICAC itself, in the selection procedure that resulted in the

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<sup>2</sup> In line with the decisions taken by the Company during the selection procedure last December, checks of separate management, internal insurance funds and pension fund statements will be carried out by KPMG in accordance with the tasks assigned to this end.

appointment of BDO. This panel was taken from the company structures directly concerned, in various ways, in the process of awarding the audit mandate (the "Assessors").

**2.3.2.** The updated bid by KPMG was analysed by the ICAC, first of all taking into account, for the purposes of its recommendation, the approach of promoting a single auditor for the Generali Group. At the same time, the ICAC considered it appropriate to ask the Assessors to express their reflections on the KPMG Updated Bid, in accordance with the scoring model used during the aforementioned tender (the "Scoring Model").

The Scoring Model, structured in line with the principle of non-discrimination and transparency and with the aim of pursuing the highest quality standards in the performance of statutory audit duties, provides for the quantitative and non-quantitative criteria and the maximum weightings that can be assigned to the following:

a) General Section: assessment of the profile and structure of the Italian auditing company and its international network, the knowledge of the reference industry (insurance) and the capacity of the auditor's structure (**11% weighting**);

b) Technical Section: assessment of the audit approach and proposed procedures, the methods of communication with governance bodies, the methods of managing the transition with the outgoing auditor, the proposed approach to the transition to IFRS 9 and 17, the capacity to adapt to legislative and regulatory changes and the technological development path (**18% weighting**);

c) Professional Section: assessment of the geographical coverage, use of experts, specific expertise in the insurance industry and the qualitative and quantitative structure of the proposed audit team (**18% weighting**);

d) Independence Section: assessment by the ICAC of the methods of continuous management by the auditing company of its independence, the processes followed to ensure the quality of the audit and the auditor's approach to non-auditing services (**5% weighting**);

e) Economic Section: assessment of the commercial structure of the proposal, costs and contract management (**27% weighting**). It was considered appropriate to assign a more limited weighting to this criterion than all the technical and professional parameters in order to avoid the selection of the new auditor being excessively influenced by the economic aspects of the proposals received, in line with the primary objective of pursuing a high statutory audit standard;

f) Management presentation: assessment by the ICAC of the presentation of the representatives of the auditing company and the responses provided to the requests for clarification made by the ICAC and the relevant company departments (**12% weighting**);

g) Summary opinion of the ICAC: overall assessment by the owner of the selection process, taking into account the content of the bids, the assessments of the Assessors and the additional information obtained during the management presentation (**9% weighting**).

Overall, in line with the primary goal of seeking a high statutory audit standard, the scoring model places more emphasis (73%) on qualitative criteria related to capacity and professional experience than on economic and quantitative factors.

The score given by the Assessors on the basis of the Scoring Model and the underlying reasons for it were sent to the administrative structure responsible, which made the documentation collected by each Assessor available to the ICAC.

**2.3.3.** On 7 March 2022, the Management Presentation took place, attended by the representatives of KPMG, the members of the ICAC and the contact persons of the CFO's area.

At the meeting, requests for clarification were made to the representatives of the auditing company on various elements identified as of interest following the examination of the KPMG Updated Bid. In this context, the ICAC's attention focused, in particular, on the independence requirement and, also with reference to foreign companies, the organisation of the audit team proposed by KPMG and the references of its members, the effort proposed by KPMG to carry out the statutory audit mandate, the on-boarding methods assumed by the auditing company, and the synergies that would result, in the event of the engagement of KPMG, from the fact that this auditing company already carries out auditing for the Generali Group, as well as assurance activities (checks on Solvency II reporting) other than auditing for both the Generali Group and Cattolica Assicurazioni and the relevant subsidiaries.

Following the meeting and taking into account the scores assigned by the Assessors, the ICAC continued its assessment operations, including by comparing the KPMG Updated Bid with the terms and conditions of the BDO Mandate.

The assessment operations were concluded at the ICAC meeting of 10 March 2022, when this Recommendation was approved.

### **3. RESULTS OF THE ASSESSMENT OF THE KPMG UPDATED BID, INCLUDING THROUGH COMPARISON WITH THE TERMS AND CONDITIONS OF THE BDO MANDATE**

**3.1.** The assessment of the KPMG Updated Bid, including through comparison with the terms and conditions of the BDO Mandate, highlighted the following:

(i) compared with BDO, KPMG is proposing a higher total number of working hours for the performance of the statutory audit mandates (18,476 hours for KPMG and 17,133 hours for BDO, for the statutory audits of Cattolica Assicurazioni and its subsidiaries);

(ii) as regards the technical references of the network and the reference partner, it was found that, objectively speaking, KPMG has a broader panel of customers than BDO in the Italian insurance sector;

(iii) as regards the structure of the professional mix identified, KPMG's proposal provides for a commitment of 39% of the most senior professional resources (partner, senior manager and manager), compared with the 30% proposed by BDO;

(iv) as regards the involvement of specialists, the involvement of the actuarial team, proposed by KPMG at 12% of total hours, was particularly appreciated, compared with the 9% proposed by BDO, as was the involvement of other specialists, particularly for financial assessments, proposed by KPMG at 7% of total hours;

(v) KPMG also paid particular attention in its bid to the use of IT tools to support auditing;

(vi) Lastly, KPMG demonstrated extensive experience of IFRS 17, which will come into effect on 1 January 2023, due to the significant impact of the new standard on the administrative and accounting procedures of insurance companies.

With regard to the economic component, KPMG is proposing fees for the statutory audit of the financial statements of Cattolica Assicurazioni and its subsidiaries of €1,472,000 (including €118,000 for the statutory audit of the financial statements of the foreign companies) for each financial year of the nine-year period, higher than the fees of €1,091,855 proposed by BDO.

The difference between the proposed fees can be attributed to the greater effort assumed by KPMG for carrying out the mandates and also to the fact that the fees assumed by BDO do not include the statutory audit of the financial statements of the foreign companies<sup>3</sup>.

In conclusion, based on the scoring model used, the KPMG Updated Bid was assigned a score of 989, while BDO, the auditor in office, obtained a score of 848<sup>4</sup>.

**3.2.** Taking into account the above elements, and also the results of the meeting with representatives of KPMG on 7 March 2022, the ICAC produced the following summary opinion.

KPMG is the auditor of Generali and the engagement of this auditing company to replace BDO, with the perspective of a single Group auditor, already pursued by the ICAC during the tender that resulted in the BDO mandate, would enable significant synergies to be achieved in the audit checks, with consequent effects in terms of effectiveness and efficiency. The single Group auditor approach considerably reduces the costs of coordinating relations between the companies of the Group and enables the auditor to fulfil the requirements of the law and auditing standards for the purposes of expressing an opinion on the consolidated financial statements in a less onerous way.

The single auditor approach also meets the need to ensure a more standardised application of the rules on auditor independence set out in the reference framework. By appointing KPMG, it would be objectively less difficult to ensure and monitor compliance by all Group companies with the independence requirements required by applicable legislation.

This would increase the number of persons whom Generali, Cattolica Assicurazioni and the relevant subsidiaries could contact for activities other than statutory auditing due to the prohibition established in Article 5 of EU Regulation No 537/2014.

These considerations seem even more important given the broad structure of the Generali Group, including at the foreign level.

Finally, KPMG has already been engaged to provide Cattolica Assicurazioni, as well as the parent company, Generali, with the external audit activity provided for by IVASS Regulation No. 42 on solvency reporting. Any award to KPMG of the statutory audit mandate for the Company's financial statements would also ensure, in this regard, greater efficiency in the performance of the checks required by the reference insurance industry legislation.

From a different point of view, in the context of the assessment on a comparative basis that the ICAC nevertheless considered it appropriate to develop for the purposes of this recommendation, it has emerged that, while presenting BDO with specific knowledge of the insurance audit activity, with professional resources and adequate capacity to carry out the statutory audit of the financial statements of Cattolica Assicurazioni, KPMG has extensive, solid experience in statutory auditing in the

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<sup>3</sup> It should also be recalled that, should the merger by incorporation of Cattolica Assicurazioni into Assicurazioni Generali be approved with accounting effect by 31/12/2022, the fees offered by KPMG for the statutory audit of the merged company will be reduced on a lump-sum basis by 10%.

<sup>4</sup> The results presented take into account the comparative assessment of the bids made by BDO and KPMG, which the ICAC considered it appropriate for the purposes of the decisions of the Company's Shareholders' Meeting.



insurance sector and offers a broader range in terms of the professional mix of seniority and specialist teams, factors that make it preferable in the circumstances.

Lastly, it should be noted that the award of the statutory audit mandate to KPMG presupposes the early termination of the BDO Mandate. In relation to this termination, the incumbent auditor has already indicated that it is willing to proceed with the consensual termination of the BDO Mandate, with no observations, if the Shareholders' Meeting decides to award the audit mandate to KPMG.

Obviously, If the Shareholders' Meeting were to decide not to appoint KPMG as the statutory auditor for the years 2022-2030, the current auditor, BDO, would remain in post for the nine-year period 2021-2029 by virtue of the mandate awarded by the Shareholders' Meeting on 23 December 2021.

#### **4. RECOMMENDATION OF THE ICAC**

In the light of all of the above, the ICAC:

- noted that KPMG, the incumbent auditor of the Generali Group, has indicated its willingness to assume the statutory audit mandate for Cattolica Assicurazioni's separate and consolidated financial statements as of the 2022 financial year, and has certified that it meets the independence requirements established by legislation and the relevant professional principles for the performance of the mandate;
- having noted that BDO has confirmed that it has no observations to make on any early termination of the audit mandate in progress should the Shareholders' Meeting of Cattolica Assicurazioni appoint KPMG;
- having examined the KPMG Updated Bid, taking into account the perspective of a single Group auditor, already pursued during the tender that resulted in the BDO Mandate, and the results of the comparative analysis, with the cooperation of the company departments, with respect to the terms and conditions of the BDO Mandate;
- given that, pursuant to Article 16, paragraph 2 of the PIE Regulation, the appointment of the new auditor is resolved upon by the Shareholders' Meeting on the basis of a reasoned recommendation from the ICAC containing at least two possible alternatives, expressing a duly justified preference for one of the two,

#### **RECOMMENDS**

to the Shareholders' Meeting:

- (i) to pursue the approach of the single Group auditor and, consequently, to award KPMG the mandate to audit Cattolica Assicurazioni's separate and consolidated financial statements for the nine-year period 2022-2030 or, alternatively,
- (ii) to maintain the audit mandate previously awarded to BDO for the nine-year period 2021-2029.

#### **EXPRESSES ITS PREFERENCE**

for the award to KPMG of the statutory audit mandate for the financial years 2022-2030. On the one hand, as KPMG is the auditor of Generali and the relevant subsidiaries, the engagement of this auditing company is in line with the approach of a sole Group auditor always pursued by the Company and the ICAC, and enables significant synergies to be achieved in statutory audits, with effects in terms of auditing effectiveness and efficiency. On the other hand, KPMG has extensive, solid experience in statutory auditing in the insurance sector and the bid submitted by the auditing company is broader in

terms of its professional mix of seniority and specialist teams, factors that make it preferable in the circumstances.

A summary of the main terms and conditions of the KPMG Updated Bid and the BDO Mandate is set out in the following table, with reference to each individual year of the mandate:

INCARICO:	BDO (*)		KPMG (**)	
	ORE	CORRISPETTIVI	ORE	CORRISPETTIVI
Revisione contabile del Bilancio d'esercizio, includendo anche l'espressione di un giudizio di coerenza sulla Relazione sulla Gestione, l'espressione del giudizio di sufficienza sulle riserve danni e vita, la regolare tenuta della contabilità e la sottoscrizione delle dichiarazioni fiscali e traduzione in inglese	6.539	418.480	9.400	750.525
Revisione contabile del Bilancio consolidato del Gruppo Cattolica Assicurazioni e espressione di un giudizio di coerenza sulla Relazione sulla Gestione rispetto ai contenuti del bilancio	2.860	185.900	1.300	95.000
Revisione contabile limitata del Bilancio consolidato semestrale del Gruppo	1.720	111.800	800	68.300
<b>TOTALE</b>	<b>11.119</b>	<b>716.180</b>	<b>11.500</b>	<b>913.825</b>

(\*) Include le ore e i corrispettivi di ABC Assicura e Berica Vita fuse in Cattolica Assicurazioni in data 31 dicembre 21. Qualora l'incarico di Revisione venisse interrotto anticipatamente per consentire l'ingresso del revisore legale del gruppo Generali, i corrispettivi indicati nella tabella saranno incrementati del 10%.

(\*\*) In caso di fusione per incorporazione di Cattolica Assicurazioni con efficacia contabile entro il 31 dicembre 2022 (compreso), i corrispettivi indicati saranno ridotti per le attività che non saranno eventualmente più necessarie ed i corrispettivi per la revisione legale della società incorporata saranno ridotti forfettariamente del 10%.

With regard to the fee adjustment criteria, it should be noted that for both bids the fees are to be understood as including the expenses incurred to carry out the work; the supervisory contribution payable to Consob and VAT are to be added. The fees for the first two years may not be subject to any ISTAT adjustment; as of the third year, the fee will be adjusted at the rate of 75% of the ISTAT index<sup>5</sup>.

## 5. DECLARATIONS

Pursuant to Article 16, paragraph 2 of the PIE Regulation, the ICAC declares that this recommendation has not been influenced by third parties and that none of the clauses of the type referred to in Article

<sup>5</sup> With reference to the adjustment criteria, KPMG's bid also provides for the following: "If circumstances arise that involve an increase in the timescales or significant changes in the timescales for carrying out the mandate and/or a change in the professional level of the members of the audit team assigned to the mandate, including the involvement of specialists or external experts other than or in addition to those estimated in this letter, these will be discussed and agreed with you in order to formulate, by virtue of this section, a consequent addition to the proposed fees, which may relate, depending on the circumstances, to the individual financial year or also the remaining financial years covered by this letter. By way of example, the above circumstances may consist of changes in the structure, size and activities of the Company or investee companies, changes in the internal control system and/or in the process of preparing financial reporting, including information systems, regulatory changes as well as any clarifications by the competent authorities or different interpretations of the Decree itself, changes in accounting and/or auditing standards, new professional guidelines or the execution of complex or extraordinary transactions by the Company and/or investee companies. Similarly, any failure or delay in delivery of the necessary documentation as agreed, and any unavailability or delayed availability of the persons from whom we believe it is necessary to obtain audit evidence may represent circumstances for which an addition to the original fees may be required. If less time is taken than expected, the fees will be reduced proportionally".

16, paragraph 6 of the same Regulation, designed to limit the choice of the Shareholders' Meeting, have been applied.

Verona, 10 March 2022

For the Management Control Committee of Società Cattolica di Assicurazione S.p.A., in its capacity as  
the Internal Control and Audit Committee

Michele Rutigliano  
(Chairman)

**OPINION OF THE MANAGEMENT CONTROL COMMITTEE ON THE CONSENSUAL TERMINATION OF THE STATUTORY AUDIT MANDATE, PURSUANT TO ARTICLE 13, PARAGRAPH 4 OF LEGISLATIVE DECREE NO. 39/2010 AND ARTICLE 7 OF MINISTERIAL DECREE 261/2012**

To the Shareholders' Meeting of Società Cattolica di Assicurazione S.p.A.

**WHEREAS**

1. on 23 December 2021, the Shareholders' Meeting of Società Cattolica di Assicurazione S.p.A. ("Cattolica Assicurazioni" or the "Company") resolved to approve the assignment to BDO Italia S.p.A. ("BDO") of the statutory audit of the separate and consolidated financial statements of Cattolica Assicurazioni for the nine-year period 2021-2029 (the "BDO Mandate");
2. the adoption of the above resolution was rendered necessary by the acquisition of control of Cattolica Assicurazioni by Assicurazioni Generali S.p.A. ("Generali"). The acquisition of control meant that the incumbent auditor (PricewaterhouseCoopers S.p.A.) no longer met the independence requirements established by the reference regulatory framework, with the consequent need to end the current mandate early by consensual termination and appoint a new auditor;
3. during the selection procedure preceding the appointment of BDO, Cattolica Assicurazioni also made contact with KPMG S.p.A. ("KPMG"), as the incumbent auditor of the Generali Group. KPMG, however, stated that it was willing to accept the statutory audit mandates for the financial statements of Cattolica Assicurazioni and its subsidiaries as of the 2022 financial year;
4. in view of the approaching Shareholders' Meeting called to approve the Company's 2021 financial statements, the Company and the ICAC, also in view of the correspondence received from the parent company, Generali, intend to submit to the Shareholders' Meeting their assessment of the advisability of awarding KPMG, as the auditor of the parent company, Generali, the mandate to audit the financial statements of Cattolica Assicurazioni as of 2022 for the nine-year period 2022-2030, as an alternative to maintaining the BDO Mandate;
5. in view of the Shareholders' Meeting decisions, by a notice of 25 February 2022, the Company requested BDO, pursuant to Article 13, paragraph 4, of Legislative Decree No. 39/2010 and Article 7 of Ministerial Decree No. 261/2012, to make any observations regarding the early termination of the current mandate, should the Shareholders' Meeting of Cattolica Assicurazioni seek to appoint KPMG as an alternative to maintaining the BDO Mandate;
6. BDO, in turn, confirmed to the Company in a notice dated 3 March 2022, which is attached hereto, that it had no observations to make regarding consensual termination;

Now therefore, the Management Control Committee gives the following

**OPINION**

- (i) the appointment of KPMG to replace BDO is in line with the perspective of a single Group auditor, already pursued by the Company and the Management Control Committee during the tender that resulted in the BDO mandate, and would enable significant synergies to be achieved in the audit checks, with consequent effects in terms of the effectiveness and efficiency of statutory audit activities. This aspect was highlighted in the recommendation addressed to the Shareholders' Meeting prepared by the ICAC pursuant to Article 16 of Regulation (EU) No 537/2014, which expressed a preference for the appointment of KPMG over the alternative option of maintaining the BDO Mandate;

- (ii) if, in order to pursue the approach of the single group auditor, the Shareholders' Meeting of Cattolica Assicurazioni were to seek the appointment of KPMG, the Management Control Committee, also in view of the absence of observations on this matter from BDO, **expresses a favourable opinion** on the implementation of this early consensual termination.

Milan, 10 March 2022

For the Management Control Committee of Società Cattolica di Assicurazione S.p.A.

Michele Rutigliano  
(Chairman)

Attachments as above

**3. THE APPOINTMENT, PURSUANT TO ARTICLE 2386 OF THE ITALIAN CIVIL CODE AND ARTICLE 24.4 OF THE ARTICLES OF ASSOCIATION, OF 3 (THREE) MEMBERS OF THE BOARD OF DIRECTORS, 1 (ONE) OF WHOM IS A MEMBER OF THE MANAGEMENT CONTROL COMMITTEE**

With regard to the resignations tendered in February by two directors, G. Staderini and L. Santori, the Board of Directors, pursuant to the provisions of Article 2386 of the Civil Code and Article 24 of the Articles of Association, replaced the resigning directors with two directors, who, according to law, shall remain in office until the first subsequent Shareholders' Meeting.

Director L. Migliavacca also resigned in March.

The Shareholders' Meeting is therefore called upon to resolve on the appointment of three directors, including one member of the Management Control Committee.

The three directors shall be appointed by slate voting in accordance with the current provisions of law and the Articles of Association, to which full reference is made here.

In accordance with the provisions of applicable law and the Articles of Association governing the composition of the Board of Directors, the slates are divided into two sections, in each of which the candidates are ranked sequentially. The first section of the slates shows candidates for the position of Director who are not candidates for the position of member of the Management Control Committee. The second section shows the candidate for the position of Director and for the position of member of the Management Control Committee. The candidate from the second section of the slates must meet the requirements indicated in Article 21.1 of the current Articles of Association.

Slates must be deposited at the Company's registered office or sent by certified email to [assemblea@pec.gruppocattolica.it](mailto:assemblea@pec.gruppocattolica.it) by the 25th calendar day prior to that set for the Shareholders' Meeting, i.e. by Friday 1 April 2022, without prejudice to the provisions of Article 22.7 of the Articles of Association.

The slates of candidates submitted under the terms and conditions established will be made available to the public at least twenty-one days prior to the date of the Shareholders' Meeting, i.e. by 5 April 2022.

There is no provision for the election of a Minority Director pursuant to Article 23.3 of the Articles of Association, as this was done at the Shareholders' Meeting of 14 May 2021.

It should be noted in this regard that, with regard to the requirements and resolutions concerning the appointment of the members of the Board of Directors and the Management Control Committee, we will proceed on the basis of the provisions contained in the current Articles of Association, most recently updated by resolution of the Board of Directors on 16 December 2021 (available on the corporate website at [www.cattolica.it/home-corporate](http://www.cattolica.it/home-corporate), in the Governance/Articles of Association/current Articles of Association section).

Without prejudice to compliance with the above provisions laid down by law, regulations and the Articles of Association, for greater clarity and uniformity of treatment and to facilitate the exercise of the right to submit slates, the Board of Directors has updated the operating procedures to be followed for fulfilling the related obligations already prepared for previous Shareholders' Meetings, filing them at the registered office and on the corporate website of the Company at <http://www.cattolica.it> in the "Governance" section: this is notified in the notice of meeting.

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**4. REPORT ON REMUNERATION POLICY AND FEES PAID:**

**A) APPROVAL OF THE FIRST SECTION OF THE REPORT ON REMUNERATION POLICY AND FEES PAID, PURSUANT TO ARTICLE 123-TER, PARAGRAPH 3, OF LEGISLATIVE DECREE NO. 58/1998 AND ARTICLES 41, 59 AND 93 OF IVASS REGULATION 38/2018;**

**B) RESOLUTION ON THE SECOND SECTION OF THE REPORT ON REMUNERATION POLICY AND FEES PAID, PURSUANT TO ARTICLE 123-TER, PARAGRAPH 6, OF LEGISLATIVE DECREE NO. 58/1998.**



The Report on Remuneration Policy and Fees Paid is prepared in the light of IVASS Regulation No. 38 of 3 July 2018, Article 123-ter of the TUF and Article 84-*quater* of Consob Regulation No. 11971/1999 (Issuers).

In particular, in accordance with the provisions of the aforementioned IVASS Regulation No. 38, insurance companies adopt remuneration policies that are consistent with sound and prudent risk management and in line with strategic objectives, profitability and the long-term equilibrium of the undertaking.

The report is divided into two sections which, in accordance with the rules introduced by Legislative Decree No. 49/2019 on encouraging long-term shareholder engagement, are the subject of two separate votes at the Shareholders' Meeting: for the first section, the resolution is binding, while for the second section, the resolution is advisory.

The first section describes the Remuneration Policy of the Company and the Group, while the second section sets out each of the items that make up the remuneration, including treatment in the event of cessation of office or termination of employment, showing consistency with the policy for the financial year in question.

Pursuant to IVASS Regulation No. 38 of 3 July 2018 and Article 123-ter of the TUF, the Board of Directors submits to the Shareholders' Meeting for approval its proposal on remuneration policies, contained in a report that will be made available according to the deadlines and methods established by current legislation, i.e. by 5 April 2022.

The report will also include in a specific section containing the required information on the application of the policies for 2021.

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