

The awakening of the Lion

Dear Shareholders,

on 29 April 2022, we are going to appoint the new Board of Directors of Our Company.

This is an event of crucial importance to the life of the Company, which allows to provide Assicurazioni Generali with a new opportunity to compete and face the challenges of the future.

Caltagirone Group, *leader* in the field of constructions and real estate, holds a significant shareholding in the Company. As stable shareholder and investor, not interested in control, the Group has the exclusive objective of promoting growth and sustainable development of the Company. In its capacity as shareholder, the Group has presented a list of independent and highly qualified candidates to be entrusted with the leadership of the Company. 1. Francesco Gaetano Caltagirone, non-independent; 2. Marina Brogi, independent; 3. Flavio Cattaneo, independent; 4. Roberta Neri, independent; 5. Claudio Costamagna, independent, indicated as candidate for the role of Chairman of the Board of Directors; 6. Luciano Cirinà, non-independent, indicated as candidate for the role of Chief Executive Office; 7. Alberto Cribiore, independent; 8. Maria Varsellona, independent; 9. Paola Schwizer, independent; 10. Andrea Scrosati, independent; 11. Stefano Marsaglia, independent; 12. Nicoletta Montella, independent; 13. Patrizia Michela Giangualiano, independent.

The selected profiles express a diversified set of experiences, knowledge and skills, gained in national and international organizational and operational contexts. With the exception of one, none of the candidates is a representative of the shareholders or a subject connected to them or is a member of the Board of Directors in office.

Assicurazioni Generali represents a unique reality within the Italian market, having excellent assets and financial means, which, if properly managed, can increase the value of the Company and improve its positioning at an international level.

The Company's management is waiting nothing but for the opportunity to give new impetus to the Lion.

Today, unfortunately, the Company is managed in a dimension which is too domestic and linked to outdated relational dynamics, to the detriment of the shareholders as a whole.

Insufficient governance and poor managerial direction have caused critical issues in terms of dimensional growth, digitalization, corporate governance.

Dimensional Growth.

In terms of sizing, the Company has never seriously embarked on a strategic repositioning process based on extraordinary transactions of aggregation and growth "by external lines".

The Company lacked the inputs, skills and resources necessary to explore ambitious aggregation paths and to identify consistent business objectives, based on a solid and well-thought-out plan of targeted investments. This operativity penalized the Company, preventing its desired "leap in quality" and damaging its comparison with the main international competitors.

Indeed, at the end of 2005, Generali's market capitalization was 27% of the market capitalization of AXA, Allianz and Zurich combined. This figure is now at 14%. Generali is slowly but steadily leaving the club of the top 4 European insurers: a change of direction is needed, with Generali returning to be European leader in all the performances.

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Corporate Governance.

Generali's governance is not adequate and is not consistent with international best practices.

The top bodies' inability to make proposals derives from a management which is obedient to the requests of the relative majority shareholder. Appropriate control measures have not been adopted to avoid 'tunneling' transactions in favor of the majority shareholder.

In this regard, the attempt to sell to Mediobanca Banca Generali, a subsidiary that is leader in the asset gathering field and is strategic asset of the Generali Group, capable of generating high income flows, is emblematic. This transaction was not successful only thanks to the opposition of the directors expressed by the minority shareholders and made clear the conflict of interest between the first shareholder of the Company and the rest of the shareholders.

The Board of Directors in office has repeatedly acted contrary to the corporate interest and presented a list of candidates of its own, which does not represent either the market or the management but serves to dissimulate the presence of a shareholder who acts against other shareholders.

Therefore, the majority shareholder did not hesitate to infringe the market rules in order to maintain the control of Generali. Reference is made, in particular, to the securities lending transaction carried out by Mediobanca to strengthen its position in support of the Board's list, even before its content was disclosed.

In fact, the Bank of England, the Financial Conduct Authority and the International Securities Lending Association – ISLA ⁽¹⁾, of which Mediobanca itself is a party,

⁽¹⁾ The *International Securities Lending Association* is a leading non-profit industry association representing the common interests of securities lending and financing market participants across Europe, Middle East and Africa. Its geographically diverse membership of over 170 firms from 22 countries includes institutional investors, asset managers, custodial banks,

qualify every lending transaction aimed at obtaining or exercising votes at a certain shareholders' meeting as contrary to international best practices concerning sustainability and corporate governance.

At the same time, DeAgostini, who acted in support of Mediobanca's strategy, despite having already divested its shareholding in the Company, reserved itself the possibility to vote in the Shareholders' Meeting of April 29th, to the declared goal of supporting the Board's list.

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The current business plan is insufficient and is entrusted to an inadequate Board.

The incumbent directors presented their own list in order to protect Mediobanca's presence in the Company's management.

This is confirmed by the fact that the shareholder's chief executive officer stated without embarrassment that Mediobanca would have obtained representation on the board regardless of the entity of shareholders' consent that the Board list will achieve. This means that he knew in advance that a member of the majority shareholder would have been placed in the top three of the list, long before it was made public.

Handing over the management of the Company to the candidates of the list presented by the Board of Directors in office means keeping unaltered the serious critical issues affecting the Company and above all supporting the Industrial Plan presented on 15 December 2021, which is not capable of counteracting the competitive and strategic decline of the Company.

In fact:

- the business mix is over-oriented towards Life (68% of premiums compared to peers ranging from 23% to 34%), which contributes to a limited extent to profitability in the current context of low interest rates. The Investor Day Plan does not include any "bold" moves to rebalance the portfolio towards non-life business line, which is more profitable and less subject to market's swings;
- Asset Management is undersized (where the masses of third parties are 20% of the total compared to 44% of AXA IM and 68% of Allianz GI). The expected growth of the Investor Plan in Asset Management is even lower than that of the last 3 years (+ € 250M revenues on the new Plan vs + € 320M actual revenues 19-21);
- the Plan does not fully consider the objective of optimizing the geographic footprint of Generali, where over 15 countries create managerial complexity and costs but contribute to less than 15% of the operating result, and the presence in Asia is undersized (4% of the operating result for Generali vs 11% of peers on average);

prime brokers and service providers (among the members are Bank of America Merrill Lynch, Morgan Stanley, BlackRock, J.P. Morgan and, in Italy, Mediobanca).

- there is no dedicated focus on the performance of Italy, even if this market represents over 35% of the operating result and this result is slightly higher in 2021 than 2017 only thanks to the acquisition of Cattolica (the operating result CAGR would have been less than 0% without the acquisition);
- the M&A approach is sub-optimal, made up of many small acquisitions that have led to an absence of transformation for the Group: the plan provides for an even lower liquidity available for M&A compared to the previous Plan (+2.7 billion euros vs +3 billion euros), despite the higher total cash generation forecasted;
- the Company is completely marginal in the new digital services and fintech markets. The current management has so far neglected the investments in technological modernization that are now essential to adapt to the constant changes in the competitive scenario and to create an innovative offer. The Company lacks serious and detailed strategies that make it possible to responsibly face the challenges and opportunities imposed by digitization. The business plan proposed by the current CEO lacks in fact concrete objectives of diversification towards the new markets, of technological optimization of corporate processes, of investment in innovation. The amount is also unsatisfactory: Generali is planning to allocate only 7% of total cash available 22-24 to “internal redeployment”, while Allianz – for instance – is allocating here 17% as per their latest Plan.

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How to awake the Lion.

Today it is urgent to embark on a path of change, which can help developing the full potential of the Company and of its management, that looks with great confidence at our project.

The Plan that our list is able to implement provides an ambitious strategy for the next years aiming to an EPS CAGR of over 14% of which over 11% organically, against 6-8% of the “Lifetime Partner 24” plan. It will start with: (a) a rationalization of the geographic footprint, (b) a profound cost reduction by leveraging organizational simplification, (c) a thorough managerial push on management in some countries in order to enhance their commercial and technical results. The additional resources that will be generated will be able to support much stronger investments in technology and data analytics and a renewed M&A strategy, which will focus on a few large transactions capable of really impacting the strategic transformation of the Generali Group.

This project can only be implemented in a radical discontinuity with the choices of the past and, for this reason, the list proposes individuals endowed with the professionalism, experience and independence necessary to achieve its objectives and effectively strengthen the governance of the Company. Starting from the Chief Executive Officer, who is the most reputed manager in the Company and enjoys unanimous respect also in the market.

To this end, we commit to:

- rebalancing the powers between the CEO and the other corporate bodies of the Company;
- appointing a Lead Independent Director who will also chair the Related Party Transactions committee; whose procedures will be significantly strengthened;
- making sure that our candidates provide their in-depth skills in all the sectors most necessary for Generali, so as to ensure what Generali needs most, *i.e.* repositioning in the asset management field, technological transformation, ESG differentiation, M&A expertise.

The purpose of the letter is to ask, should you agree with this, to support our proposal with your vote and to take an active role in building the future strategic direction of the Company.

For further information, please refer to our website www.awakeningthelion.com

We thank you for your trust and send our best regards.

VM 2006 S.R.L.



for Caltagirone Group

PROFILES OF THE CANDIDATES

- **Francesco Gaetano Caltagirone**, non-independent - One of Italy's best-known entrepreneurs, he leads the Caltagirone Group, which he founded and which today consists of several listed companies operating in various sectors, including real estate, cement production, publishing, large-scale construction and finance. Between 2010 and 2022, he was Deputy Vice-Chairman of Assicurazioni Generali. In 2006, he was appointed “Cavaliere del Lavoro” (Italian State honour) of the Italian Republic. He brings to the Slate entrepreneurial vision and extensive knowledge in insurance, finance, asset management and governance at listed companies.
- **Marina Brogi**, independent - Italian economist with 20 years of experience in research and education in banking and finance. She has pursued an academic career at several Italian and international universities and business schools (including Bocconi, Cà Foscari, LBS, BI Norwegian School of Business). She is member of the Board of Directors of MFE MediaforEurope NV. She has held multiple positions on the Boards of Directors of listed companies, which, together with her field of study, have made her a great expert in governance, with strong skills in control and risk.
- **Flavio Cattaneo**, independent - He was CEO of Terna, TIM and NTV and since 2021 founder and majority shareholder of Itabus. Recognised as one of Italy's top managers, with strategic vision and strong skills in restructuring, relaunch and development, he has worked in complex environments and in companies internationally. He brings expertise in finance, listed company governance, technology and innovation.
- **Roberta Neri**, independent - Manager of public and private Italian companies, she was Chief Executive Officer of ENAV, where she successfully managed the listing on the stock exchange of the above-mentioned company. She previously served as CFO of ACEA. She holds numerous positions on the Boards of Directors of Italian listed and non-listed companies. She brings recognised financial expertise, excellent visibility and a network of international investors as well as extensive ESG experience.
- **Claudio Costamagna**, independent, listed as candidate for the role of **Chairman of the Board of Directors** - He was at Goldman Sachs for many years, first becoming Head and then Chairman of the Investment Banking

Division for EMEA after stints at Citibank and Montedison. After Goldman Sachs, he created his own M&A boutique, executing numerous financial transactions for Italian and international clients and at the same time sitting on the Boards of Luxottica, Bulgari, Autogrill, Richard Branson's Virgin Holding, Breakingviews and is still on the Board of FTI Consulting, a company listed on the NYSE. He was also Chairman of Salini Impregilo from 2012 to 2015; of Cassa Depositi e Prestiti from 2015 to 2018; of AAA, a French biotech company listed on the Nasdaq in 2015 and sold to Novartis in 2018; of REVO and Elba Assicurazioni until March 2022. Today he sits in the Board of Directors of Ferragamo Finanziaria, Finarvedi and Gruppo API.

- **Luciano Cirinà**, non-independent, listed as candidate for the role of **Chief Executive Officer**. He had managed for many years all Eastern Europe for the Generali Group (Czech Republic, Slovakia, Hungary, Poland, Romania, Bulgaria, Serbia, Slovenia, Croatia + Austria), a complex region due to the range of legislation, currencies and languages. This geographical area, under his leadership, has been the fastest-growing over recent years. Born in Trieste, Cirinà brings 30 years of insurance experience and is considered by many within the Company to be the successor to the current Chief Executive Officer and is held in particular esteem and respect by all staff.
- **Alberto Cribiore**, independent - International banking and financial world personality, he was a member of the Board of Directors and Global Chairman of Merrill Lynch and was Vice President of Citi's Institutional Clients Group. As a member of the Senior Advisory Group, he has served Citi's largest and most important clients, interfacing with Boards of Directors of global corporations, Governments and Central Banks. He brings significant financial and asset management expertise to the slate.
- **Maria Varsellona**, independent - From April 1, she will be General Counsel Global of Unilever. She served until the end of February as General Counsel, Secretary of the Board and member of ABB's Executive Committee. She was previously at Nokia where she served as Head of Legal and President of Nokia Technologies. She has also been a Director at Alcatel Lucent, Nordea Bank and Nokia Shanghai Bell. She brings relevant and international experience in legal, compliance and governance, as well as extensive experience in technology.

- **Paola Schwizer**, independent - Full Professor of Economics of Financial Intermediaries at the University of Parma where she teaches Risk Management and Affiliated Professor at SDA Bocconi School of Management in Milan. She holds several scientific positions in primary Italian Universities. Member of the Steering Committee of the Jean Monnet Center of Excellence for Sustainable Finance, she has held multiple positions on the Boards of Directors of listed companies, such as, for example, TIM and Credem, due to such positions, she has acquired a great expertise in governance. She is currently a member of the Board of HERA and of Ferrovie dello Stato.
- **Andrea Scrosati**, independent - Currently CEO Continental Europe and global COO of Freemantle, a Bertelsmann Group company, world leader in branded and digital entertainment. He is one of the Country's leading communication experts, having held top positions in Sky Italia, developing the company and relaunching its content. Internationally recognised, he is a manager who brings strategic vision and great experience in the world of innovation and digital.
- **Stefano Marsaglia**, independent - Bringing more than 30 years of experience in investment banking (Rothschild, Barclays), with different roles in M&A, IPO and Debt across EMEA, Asia and America, his focus has particularly been on the financial institutions sector. He was also Executive Chairman Corporate and Investment Banking of Mediobanca. He is now CEO of Azzurra Capital, a private equity firm, he is also a member of the Advisory Board of Affinity, a multinational company engaged in the field of AI. He brings expertise in insurance, asset management and digital technology.
- **Nicoletta Montella**, independent - She is currently Head of the Legal and Compliance Department at NTV, after many years of previous experience in roles of responsibility in the Legal Department of TIM, where she was Head of Legal Operations. She has been Director of Nordcom Spa, Telecom Italia Trust Technologies, Timvision Srl. She brings experience in the legal and governance field of listed companies to the slate.
- **Patrizia Michela Giangualano**, independent - Governance expert, she sits on the Boards of several internationally-focused Italian listed companies such as Leonardo, Ferragamo and Saipem. She was previously a Director at UBI. She is a consultant in the field of sustainability (ESG) and Secretary of the

Italian Alliance for Sustainable Development (ASVIS). Previously an Associate Partner at PWC in financial services, she has extensive insurance and financial industry knowledge, particularly in the area of control and risk.

WHO WE ARE

Founded in 1982, Caltagirone Group started in the construction sector and then diversified into the industrial, publishing and finance sectors to become a leading group of the Italian private entrepreneurship, characterized by financial solidity, strong geographical expansion and coverage of the relevant economic sectors.

