



Tax Strategy

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1 THE TAX STRATEGY IN THE FRAMEWORK OF THE TAX RISK MANAGEMENT MODEL

The Tax Strategy is a fundamental element of the Tax Control Framework (TCF) to define how to implement a sound and prudent management of the tax variable. The TCF is based on the principles described in the “Code of Conduct” of Generali Group, which defines the rules of conduct and the relevant disciplinary sanctions for employees and members of management bodies of Group companies.

2 STRATEGIC OBJECTIVES IN TAX MANAGEMENT

Assicurazioni Generali S.p.A., as parent company of the Generali Group, has defined a strategy for the management of compliance with tax provisions with a view to pursuing the long-term growth of corporate assets and protecting the corporate reputation over the time, in the interest of its shareholders.

The tax strategy has the following objectives:

Tax Requirements

To promptly guarantee compliance with any requirements and the relevant payment of taxes, not having to necessarily select the most burdensome solution:

- as a *taxpayer*, Generali Investments Holding S.p.A. has a duty towards the Government and the community to pay its taxes, as required in the relevant regulations;
- as a *company*, Generali Investments Holding S.p.A. has a duty towards its shareholders and stakeholders, not to pay more taxes than required pursuant to the applicable regulations, achieving any legitimate tax saving and leveraging on any available legal tax advantages.



Tax Risks

To mitigate and control the tax risk: Generali Investments Holding S.p.A. is committed to manage and mitigate the risk of breaching tax provisions or abusing any principles or aims of the applicable tax regulations.

3 THE PRINCIPLES OF THE TAX STRATEGY

- **Values.** Generali Investments Holding S.p.A. business is based on the values of honesty and integrity in the tax management, as the tax income, both from direct taxes and as withholding agent, is one of the main sources contributing to economic and social development.
- **Legality.** Generali Investments Holding S.p.A. complies with any local regulations of the countries in its market and it interprets them so as to responsibly manage the tax risk to serve the interests of its stakeholders and to produce a positive impact on its reputation.
- **Tone at the top.** The Generali Investments Holding S.p.A. Board of Directors has the task to define the tax strategy, performing its role and responsibility to ensure its implementation and promote a corporate attitude based on the principles of honesty, integrity and legality. The top management is involved in major and complex tax issues to ensure full awareness of the management of tax risk.
- **Transparency.** Generali Investments Holding S.p.A. has a cooperative and transparent attitude with tax authorities, so that they can be fully aware of the events justifying the application of tax provisions.
- **Shareholders' Value.** Taxes are costs in the ordinary course of business for Generali Investments Holding S.p.A. and they are considered as such, in compliance with the principle of legality, with a view to protecting the corporate assets and to pursuing the primary interests of value creation for its shareholders in the mid-long term.



4 GUIDELINES FOR THE IMPLEMENTATION OF THE TAX STRATEGY

With a view to ensuring the proper implementation of the above general principles, the following guidelines apply:

1. **Proper application of tax regulations:** in line with the principle of legality, Generali Investments Holding S.p.A. applies any local tax regulation of the countries of its market, ensuring compliance with the spirit and the aims of such regulations or systems. Should there be any doubt on the interpretation or any issues in the application, Generali Investments Holding S.p.A. will apply a reasonable interpreting approach based on the principles of legality, also with the support of external advisers and the relevant tax authorities.
2. **Agree to disagree:** in its own interest and in the interest its shareholders, Generali Investments Holding S.p.A. finds it legitimate to support – also in the event of any dispute – the reasonable interpretation of the applicable regulations in case of any interpretation differences with the competent tax authorities.
3. **Full cooperation with tax authorities:** Generali Investments Holding S.p.A. relations with tax authorities are based on transparency and fairness. Generali Investments Holding S.p.A. applies the provisions on transfer pricing documentation, in line with OECD Transfer Pricing Guidelines, to further enhance transparency with tax authorities.
The approach based on openness and transparency with tax authorities aims at ensuring accurate and prompt disclosure. Should any mistake be identified, Generali Investments Holding S.p.A. will proactively provide any relevant explanations and define a proper solution.
4. **Tax Planning:** Generali Investments Holding S.p.A. does not implement any conduct or operations resulting into merely artificial constructions which do not reflect its business and which may reasonably produce any illegitimate tax advantages that are contrary to the aims and the spirit of the relevant tax regulations or system or they may cause double deduction, deduction/non-inclusion or double non-taxation, also as a result of differences



between taxation systems of the relevant jurisdictions. Additionally, Generali Investments Holding S.p.A. does not offer its customers, employees or any third parties any products or transactions that are contrary to the provisions of the relevant tax systems. If the applicable system includes any tax benefit, Generali Investments Holding S.p.A. will leverage on such opportunities, provided these tax benefits are consistent with its business objectives.

5. **Tax Management:** In Generali Investments Holding S.p.A. a Tax Risk Management model has been implemented on the tax risk (Tax Control Framework) in line with OECD guidelines, as transposed by the Italian Tax Agency (*Agenzia delle Entrate*). Roles and responsibilities in the tax management process are clearly defined, in compliance with the principles of segregation and escalation of decisions. The Tax Unit must have the necessary (human, material and financial) resources in terms of organisation to implement its tasks. Proper technology solutions maximise quality and accuracy of data supporting tax management and the relevant reporting.
6. **Soft Controls:** Generali Investments Holding S.p.A. promotes the dissemination of the company culture and values of the correct application of tax regulations, also with training sessions for all employees, including employees from other units. On a yearly basis, a report is submitted to the Board of Directors on the outcomes of the reviews on the Tax Control Framework together with the remedy measures on the relevant issues. No reward mechanism applies to managers on the achievement of any tax burden reduction, if such targets are clearly contrary to the applicable legislative provisions.
7. **Intercompany transactions:** Cross-border infra-group relations are regulated, for tax purposes, on the basis of the principle of free competition (arms' length principle), as defined by the OECD (Model Tax Convention and Transfer Pricing Guidelines), with a view to aligning, as fairly as possible, conditions and transfer prices with value-creation locations in the countries of the market of Generali Investments Holding S.p.A. not applying OECD rules, policies on transfer pricing have a twofold objective: on one hand,



to ensure consistency between the value-creation country and the taxation country and, on the other, to avoid double taxation.

5 ADOPTION, APPLICATION, PUBLICATION, VALIDITY AND UPDATE

The Tax Strategy requires the approval of the Board of Directors, which is in charge of its dissemination and application together with the promotion of its approach and principles. The tax strategy takes effect from the first day following the date on which it is approved by the Board of Directors and adequately promoted. The Tax Unit is in charge of its interpretation and update, in line with the related Group tax strategy.