



UNIPOL GRUPPO FINANZIARIO S.p.A.

**DIRECTORS' REPORTS
ON THE MOTIONS
TO BE PUT TO THE ORDINARY AND EXTRAORDINARY
SHAREHOLDERS' MEETINGS
TO BE HELD ON 27 - 28 - 29 APRIL 2010**

*drawn up in accordance with Article 3 of Ministerial Decree 437 of
5 November 1998, Articles 72 and 73 and of Appendix 3A of the Regulation adopted
by CONSOB in its Ruling 11971 of 14 May 1999 and subsequent amendments*



**ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETINGS
TO BE HELD ON 27 - 28 - 29 APRIL 2010**

AGENDA

ORDINARY PART

1. To approve the accounts for the year ended 31 December 2009; to hear the report of the Board of Directors; to hear the reports of the Board of Statutory Auditors and the Auditors; to determine the destination of the operating profit and distribution of the dividend; to consider related and subsequent resolutions.
2. To appoint the Board of Directors for the 2010 – 2011 – 2012 financial years, once the number of components and relative allowance have been determined; to consider related resolutions.
3. To appoint the Board of Statutory Auditors for the 2010 – 2011 – 2012 financial years and to determine the relative allowance; to consider related resolutions.
4. To authorise taking out an insurance policy to cover the civil responsibility of the corporate bodies; to consider related resolutions.
5. To purchase and sell own shares and shares in the holding company; to consider related and subsequent resolutions.

EXTRAORDINARY PART

1. The revocation of the unused part of the authorisation under Article 2443 of the Civil Code granted to the Board of Directors by the Extraordinary Shareholders' Meeting held on 29 August 2005, an increase in the share capital for payment of a maximum of €400,000,000, including any price above par, to be carried out not necessarily all in one go, by issuing new ordinary and preference shares, with no nominal value and cum coupon, to be offered as an option to the holders of ordinary and preference shares respectively, in accordance with Article 2441 of the Civil Code, with paired ordinary and preference warrants at a ratio of 1 (one) ordinary warrant and 1 (one) preference warrant respectively for every new share issued in the same category, and at the same time an increase in the share capital for payment of a maximum of €100,000,000, including any price above par, to be carried out not necessarily all in one go, by issuing ordinary and preference shares for the benefit of exercising the respective warrants; request for the admission and listing of the ordinary and preference warrants and approval of the relative regulations; subsequent modification of Article 5 (Capital) of the By-Laws; to consider related and subsequent resolutions.



MOTIONS TO BE PUT TO THE SHAREHOLDERS' MEETING

ITEM 1 OF THE AGENDA

To approve the accounts for the year ended 31 December 2009; to hear the report of the Board of Directors; to hear the report of the Board of Statutory Auditors and the Auditors; to determine the destination of the operating profit and distribution of the dividend; to consider related and subsequent resolutions.

Dear Shareholders,

Further information relating to the first item on the agenda of the Shareholders' Meeting is contained in the accounts documents deposited as provided for by law and in particular in the management report drawn up by the undersigned executive body, together with the reports of the Board of Statutory Auditors and the Auditors.

The draft annual accounts submitted for your approval show a profit of €128,819,303.

The Board of Directors hereby submits the following proposal for allocating the operating profits and distributing a dividend to the Shareholders' Meeting.

Motion

The Ordinary Shareholders' Meeting of Unipol Gruppo Finanziario S.p.A.,

- *having examined the Company's draft annual accounts for the year ended 31 December 2009;*
- *having heard the report of the Board of Directors;*
- *having heard the report of the Board of Statutory Auditors and the report of the Auditors KPMG S.p.A.;*

resolves

- (i) *to approve the annual accounts of Unipol Gruppo Finanziario S.p.A. for the year ended 31 December 2009, together with the Directors' Report, which showed an operating profit of €128,819,303;*
- (ii) *to allocate the profit of €128,819,303 as follows:*
 - *to the extraordinary provision* *€28,422,249.36*
 - *the rest of the profits, amounting to 77.94% of the total, to the dividend,*



as follows:

- to the dividend on Preference Shares	€32,997,759.37
(911,540,314 x 0.0362)	
- to the dividend on Ordinary Shares	€45,876,459.37
(1,479,885,786 x 0.0310)	
- to a further dividend	
Ordinary and Preference Shares:	€21,522,834.90
(2,391,426,100 x 0.0090)	

- (iii) therefore, by allocating the profit outlined above, to approve the distribution of a dividend of €0.0400 per Ordinary Share, a dividend of €0.0452 per Preference Share and total dividends of €100,397,053.64;
- (iv) to fix 27 May 2010 as the date to start paying the dividend (coupon to be detached on 24/05/2010).



ITEM 2 OF THE AGENDA

To appoint the Board of Directors for the 2010 – 2011 – 2012 financial years, once the number of components and relative allowance have been determined; to consider related resolutions.

Dear Shareholders,

Once the accounts for the year ended 31 December 2009 have been approved the three-year term of office of the Board of Directors appointed by the shareholders' meeting held on 24 April 2007 expires.

Therefore we invite you to appoint, in accordance with current legislation, regulations and by-laws, the Board of Directors for the years 2010, 2011 and 2012, i.e. until the Shareholders' meeting called to approve the accounts for the year ended 31 December 2012, and to:

- fix the number of members of the Board of Directors, bearing in mind that under Article 10 (Executive Body) of the current By-Laws this number must be between 15 and 25;
- fix the remuneration to be paid to the Board of Directors for each year in office;
- authorise members of the Board of Directors, if necessary, to carry out activities of a competitive nature, in accordance with Article 2390 of the Civil Code,

in accordance with the procedures referred to in Article 10 of the Company's By-Laws, which provides for a system of list voting that, as provided for in current legislation, would allow a director to be elected by a minority.

You will also recall that, in accordance with Article 10 of the Company's By-Laws, Directors are appointed for three years and are eligible for reelection.

We should therefore like to point out that in accordance with that article in the By-Laws the lists containing the names of the candidates must be deposited at the Company's registered office at least fifteen days before the date fixed for the Shareholders' Meeting in first call by shareholders who, alone or in combination with other shareholders who are jointly submitting the list, hold a total of at least 2% of the share capital with voting rights at an ordinary shareholders' meeting.

You are also reminded that, under Article 10 of the Company's By-Laws, Shareholders, Shareholders belonging to a relevant shareholders' agreement under Article 122 of Legislative Decree 58 of 24 February 1998 (the '**TUF**'), the holding company, the subsidiary companies and companies that are jointly controlled in accordance with Article 93 of the TUF may not submit nor participate in submitting



more than one list, even through an intermediary or trust company, nor may they vote for lists other than the one that they have submitted or participated in submitting, even through an intermediary or trust company, and in order to be eligible each candidate may appear on only one list. Members' support and votes cast in violation of this ban will not be allocated to any list.

In accordance with a combination of Article 10 of the Company's By-Laws and the relevant legislation, shareholders who intend to submit a list must deposit at the Company's registered office, at the same time and along with each list, (i) information on the identity of the members who have submitted the list and of their percentage total holdings and a certificate issued by a legally authorised intermediary proving that they own the number of shares required for the submission of lists, (ii) the declarations with which individual candidates accept nomination for office and state that there is no reason why they are ineligible or incompatible and that they fulfil the requirements for taking on the various roles and (iii) a curriculum vitae containing the personal and professional profile of each candidate with any indication of his/her suitability to be deemed to be independent, in accordance with the Code of Corporate Governance for Listed Companies and Article 147-ter of the TUF.

You are also reminded that candidates for the post of Director of UGF must adhere to the provisions contained in the Regulation '*Limits on the number of posts that may be held by the directors of Unipol Gruppo Finanziario S.p.A.*' adopted by UGF's Board of Directors on 26 June 2009, which may be seen on the Company's website www.unipolgf.it in the Corporate Governance section.

Shareholders who present a 'minority list' are also addressees of the recommendations formulated by CONSOB in its notification DEM/9017893 of 26 February 2009.

You will recall that, in accordance with current legislation and with Article 10 of the Company's By-Laws, at least two Members of the Board must comply with the requirements for independence laid down for the Auditors in Article 148, para. 3, of the TUF and that therefore in order to be valid each list must include at least two candidates who comply with these requirements for independence, they must be indicated separately and one of them must appear first on the list.

In the event that only one list is submitted or no list is submitted, the results of the voting at the Shareholders' Meeting will comply with the majorities laid down in law.



ITEM 3 OF THE AGENDA

To appoint the Board of Statutory Auditors for the 2010 – 2011 – 2012 financial years and to determine the relative allowance; to consider related resolutions.

Dear Shareholders,

Once the accounts for the year ended 31 December 2009 have been approved the three-year term of office of the Board of Statutory Auditors appointed by the shareholders' meeting held on 24 April 2007 also expires.

Therefore we invite you to appoint, in accordance with current legislation, regulations and by-laws, the Board of Statutory Auditors and its Chairman for the years 2010, 2011 and 2012 (i.e. until the Shareholders' meeting held to approve the accounts for the year ended 31/12/2012) subject to the remuneration to be paid to the Board having been fixed.

You will recall that the Company's By-Laws provide that the Board of Statutory Auditors be made up of three statutory and three alternate auditors.

You will also recall that in accordance with Article 17 of the Company's By-Laws the Board of Statutory Auditors is elected on a list basis and the candidates are listed by serial number, thus enabling the post of Chairman of the Board of Statutory Auditors to be allocated to the statutory member elected by a minority, as provided for by current legislation.

The list is divided into two sections: one for candidates for the post of Statutory Auditor and the other for candidates for the post of Alternate Auditor. Shareholders who, alone or in combination with others, hold a total of at least 2% of the total of shares with voting rights are entitled to submit lists.

Members, Members belonging to a relevant shareholders' agreement under Article 122 of the TUF, the holding company, subsidiary companies and companies that are jointly controlled in accordance with Article 93 of the TUF may not submit nor participate in submitting more than one list, even through an intermediary or trust company, nor may they vote for lists other than the one that they have submitted or participated in submitting, even through an intermediary or trust company, and in order to be eligible each candidate may appear on only one list. Members' support and votes cast in violation of this ban will not be allocated to any list. Each shareholder may vote for only one list. Each candidate may appear on only one list. The lists submitted must reach the Company's registered office at Via Stalingrado 45, Bologna, where they will be available for consultation by members, at least 15 days before the date fixed for the Shareholders' Meeting in first call. The lists may not contain candidates who are ineligible or incompatible nor who do not fulfil the professional requirements and the requirements relating to trustworthiness laid



down by the relevant legislation and by the By-Laws, nor those who do not comply with the limits on the total number of posts that may be held laid down in law and by the Company's By-Laws. The following must be deposited along with each list by the deadline mentioned above: (i) information on the identity of the shareholders who have presented the lists, with an indication of the total percentage held and a certificate issued by a legally authorised intermediary proving ownership of the number of shares required for the submission of lists; (ii) declarations in which the individual candidates accept nomination for office and affirm that they are eligible and compatible and fulfil the requirements for taking on the various roles, including in respect of the limits on the number of posts established under the legislative provisions and regulations in force; (iii) the curriculum vitae of each candidate covering his/her personal and professional profile and (iv) in the event of lists presented by different shareholders from the controlling shareholder, a declaration from them stating the absence of any connection relationships pursuant to Article 144-quinquies of the Issuers' Regulation with the controlling shareholder.

Lists that are submitted without these provisions being observed are deemed not to have been submitted.

Shareholders who present a 'minority list' are also addressees of the recommendations formulated by CONSOB in its notification DEM/9017893 of 26 February 2009.

In the event that only one list is submitted or no list is submitted, the results of the voting at the Shareholders' Meeting will comply with the majorities laid down in law.



ITEM 4 OF THE AGENDA

To authorise taking out an insurance policy to cover the civil responsibility of the corporate bodies; to consider related resolutions.

Dear Shareholders,

We hereby propose a motion to authorise the taking out of an insurance policy to cover the third-party liability risks that the members of UGF's corporate bodies (Board of Directors, Board of Statutory Auditors) might incur vis-à-vis third parties if they were to infringe their commitments while carrying out the duties arising out of their roles. This insurance would cover the cost of taking legal and other expert advice incurred by the policyholders but would exclude their liabilities arising out of fraudulent acts and any administrative penalties imposed by the Supervisory Bodies, since they are not insurable.

This motion is drawn up in view of the importance and particular complexity of the duties allocated to corporate bodies by current legislation, which imposes ever greater and more onerous personal liability on those who represent businesses.

The total annual cost of the policy, providing maximum cover of €50m, is not expected to exceed €250K, including tax.



ITEM 5 OF THE AGENDA

To purchase and sell own shares in the holding company; to consider related and subsequent resolutions.

Dear Shareholders,

The Shareholders' Meeting held on 22 April 2009 authorised the Board of Directors to purchase and/or sell own shares and shares in the holding company Finsoe S.p.A., in accordance with Article 2357, 2357-ter and 2359-bis of the Civil Code, for a period of 18 months following the shareholders' meeting.

The authorisation given by that Shareholders' Meeting will therefore lapse on 22 October 2010.

The Board of Directors deems it useful for authorisation to be granted for a further period of 18 months from the date on which the Shareholders' Meeting passes the resolution concerned, for the reasons and in accordance with the procedures and terms mentioned below.

The acquisition of own shares fulfils the following objectives, which are in the interest of the Company and in accordance with current legislation and the principle of treating shareholders equally:

- intervening direct, or through intermediaries, to limit anomalous movements of prices and to regularise trends in trading and rates in order to cope with distortions linked to excessive volatility or to a lack of exchange liquidity;
- using own shares for the purpose of any share incentivisation schemes reserved for Directors and/or employees and/or anyone else working for the Company or the companies in the UGF Group; and
- using own shares as an investment in order to ensure that the liquidity generated by the Company's core business is used efficiently.

It must be pointed out that the aim of the request for authorisation to purchase own shares is not at the moment to reduce the Company's share capital by cancelling own shares purchased.

However, authorisation to sell own shares is deemed appropriate in order that they can be used not only for any of the incentivisation schemes mentioned above but also for maximising the value that could derive from market trends – and therefore also for trading purposes – or for the purpose of any strategic operations of interest to the Company.

However, authorisation to purchase or sell shares in the holding company Finsoe S.p.A. is requested in order to allow the Company to grasp strategic opportunities and to fulfil any contractual obligations.



In accordance with Articles 2357 et seq. of the Civil Code, the number of own ordinary and preference shares held in the portfolio, including the shares owned by the subsidiary companies, must not exceed one fifth of the shares that make up the share capital, which currently amounts to €2,391,426,100.00 and is divided into 2,391,426,100 shares with no nominal value, 1,479,885,786 of which are ordinary shares and 911,540,314 preference shares.

In accordance with Article 2359-bis of the Civil Code, the shares in the holding company held in the portfolio must not exceed one tenth of the share capital of the latter, which currently amounts to €772,785,000 and is divided into 2,146,625,000 shares each with a nominal value of €0.36, including the shares owned by the holding company itself and by its subsidiaries.

In this regard it must be pointed out that on the date this report was drawn up: (i) the Company held 83,693 own shares, including 36,132 held via the subsidiary UGF Assicurazioni S.p.A., but no shares in the holding company Finsoe S.p.A.; (ii) the latter held 184,016,500 own shares, representing 8.572% of the share capital.

Also on the date of this report €51,794.00 of the Fund for the purchase of own shares, which originally stood at €100m, had been used; there was still €45m in the Fund for the purchase of shares in the holding company.

The shares must be purchased in accordance with the provisions of Article 132 of Legislative Decree 58/1998, Article 144-bis of the Regulation approved by CONSOB Ruling 11971 of 14 May 1999 as amended (the 'Issuer Regulation') and any other provision, including the regulations referred to in EC Directive 2003/6 and the relative Community and national regulations for implementation, if applicable.

Own shares must be purchased and sold in accordance with the operating procedures referred to in Article 144-bis, para. 1, a), b), c) and d), of the Issuer Regulation, at a price not more than 15% higher nor 15% lower than the price of the security recorded on the Stock Exchange trading day preceding each individual operation. These are deemed to be the appropriate values between which purchase and sale of the shares is in the Company's interest.

It is deemed appropriate keep the purchase and selling prices of the shares in the Holding Company at a maximum of €1.30 and a minimum of €1.00.

We therefore submit the following motion for your approval:

"The Ordinary Shareholders' Meeting of Unipol Gruppo Finanziario S.p.A.,

- *noting the motion submitted by the Board of Directors;*
- *bearing in mind the provisions of Articles 2357, 2357-ter and 2359-bis of the Civil Code;*
- *noting that the Company holds 83,693 own shares, including those held by subsidiary companies;*



- *also noting that the Company holds no shares in the holding company Finsoe S.p.A. whilst the latter holds 184,016,500 own shares;*

resolves

- (i) *to revoke the previous resolution to authorise the purchase and/or sale of own shares and of shares in the holding company, which was passed by the Shareholders' Meeting held on 22 April 2009;*
- (ii) *to authorise the Board of Directors to purchase and/or sell own shares, in accordance with Article 2357 and Article 2357-ter of the Civil Code and depending on the level of the Fund for the purchase of own shares, for a period of 18 months after this motion is passed at this shareholders' meeting, in accordance with the procedures specified below.*

In the event of the purchase of one or more tranches of own ordinary and/or preference shares:

- *the number of shares purchased must not exceed one fifth of the total number of shares that make up the Company's share capital. These purchases and sales of shares must be carried out in the ways specified and in accordance with the procedures and within the limits provided for by the relevant legislation;*
 - *in the case of both purchase and sale the unit price shall be determined by reference to the price of the security recorded on the Stock Exchange trading day preceding each individual operation and must not vary by more than 15% either way. In any case the amount paid must not exceed any limits provided for by the applicable legislation;*
 - *purchases must be carried out in accordance with the procedures referred to in Article 144-bis, para. 1 a), b), c) and d), of the Regulation approved by CONSOB Ruling 11971 of 14 May 1999 as amended (the 'Issuer Regulation'), and in any case in accordance with the provisions of Article 132 of Legislative Decree 58/1998, Article 144-bis of the Issuer Regulation and any other provision, including the regulations referred to in EC Directive 2003/6 and relative Community and national regulations for implementation, if applicable;*
- (iii) *to top up the level of the Fund for the purchase of own shares by paying in €99,948,206.00;*
 - (iv) *to authorise the Board of Directors, and through it the Chairman and Chief Executive Officer separately, to purchase and/or sell own shares on the conditions and within the limits resolved above and to implement the above resolutions, possibly by using legal representatives, including but not limited to delegating these tasks to qualified intermediaries, their actions being hereby validated and ratified;*



- (v) *to authorise the Board of Directors to purchase and/or sell one or more tranches of shares in the holding company Finsoe S.p.A., in accordance with Article 2359-bis of the Civil Code and depending on the level of the Fund for the purchase of shares in the holding company, for a period of 18 months after this motion is passed at this shareholders' meeting, on the following terms:*
- *in each case the total value of shares purchased must not exceed one tenth of the share capital of the holding company when any shares owned by it and by its subsidiary companies are taken into account;*
 - *minimum unit price for both sales and purchases: €1.00 (one Euro 00 cents);*
 - *maximum unit price for both sales and purchases: €1.30 (one Euro 30 cents);*
- (vi) *to top up the current level of the Fund for the purchase of shares in the holding company by paying in the sum of €45m;*
- (vii) *to authorise the Board of Directors, and through it the Chairman and Chief Executive Officer separately, to purchase and/or sell shares in the holding company on the conditions and within the limits resolved above and to implement the above resolutions, possibly by using legal representatives, their actions being hereby validated and ratified.*



MOTIONS TO BE PUT TO THE EXTRAORDINARY SHAREHOLDERS' MEETING

ITEM 1 OF THE AGENDA

The revocation of the unused part of the authorisation under Article 2443 of the Civil Code granted to the Board of Directors by the Extraordinary Shareholders' Meeting held on 29 August 2005, an increase in the share capital for payment of a maximum of €400,000,000, including any price above par, to be carried out not necessarily all in one go, by issuing new ordinary and preference shares, with no nominal value and cum coupon, to be offered as an option to the holders of ordinary and preference shares respectively, in accordance with Article 2441 of the Civil Code, with paired ordinary and preference warrants at a ratio of 1 (one) ordinary warrant and 1 (one) preference warrant respectively for every new share issued in the same category, and at the same time an increase in the share capital for payment of a maximum of €100,000,000, including any price above par, to be carried out not necessarily all in one go, by issuing new ordinary and preference shares for the benefit of exercising the respective warrants; request for the admission and listing of the ordinary and preference warrants and approval of the relative regulations; subsequent modification of Article 5 (Capital) of the By-Laws; to consider related and subsequent resolutions.

Dear Shareholders,

At its meeting on 25 March 2010 UGF S.p.A's Board of Directors (hereinafter referred to as 'UGF' or the 'Company') called an Extraordinary Shareholders' Meeting to consider the motion in item 1 on the agenda to increase the Company's share capital, as an option and for payment, described in this report, in accordance with the provisions of Article 72 and Appendix 3A of the Regulation adopted by CONSOB Resolution 11971 of 14 May 1999 and subsequent amendments and additions.

The operation provides for an increase in the share capital for payment of a maximum of €400,000,000 including any price above par, to be carried out by 31 December 2010, not necessarily all in one go, by issuing new ordinary and preference shares, with no nominal value and cum coupon, to be offered as an option to the holders of ordinary and preference shares respectively, in accordance with Article 2441 of the Civil Code, in proportion to the number of shares held by



them, with the Board of Directors being asked to determine the subscription price, the number of new shares in each category to be issued and the option ratio shortly before the option offer is made, in accordance with the information provided in this report (see below under 'Capital Increase').

In accordance with the provisions of Article 5, paras 7 and 8, of UGF's By-Laws, the shares to be issued will be offered to holders of ordinary and preference shares in proportion to the number of shares in these categories.

In addition each new ordinary share will be accompanied by a free 'Unipol 2010-2013 ordinary share warrant' at a ratio of 1 (one) warrant for each new ordinary share, whilst each new preference share will be accompanied by a free 'Unipol 2010-2013 preference share warrant' at a ratio of 1 (one) warrant for each new preference share (the Unipol 2010-2013 preference share warrants and the Unipol 2010-2013 ordinary share warrants together being referred to hereinafter as the 'Warrants'). For the purpose of the issue and therefore of any exercise of the Warrants, the operation provides for a simultaneous increase in the share capital for payment, not necessarily all in one go, of a maximum, including any price above par, of a further €100,000,000 by issuing new ordinary and preference shares with no nominal value and cum coupon on the date of issue (hereinafter referred to as the 'Capital Increase for the purpose of the Warrants'). As in the case of the Capital Increase, the Board of Directors is asked to determine, shortly before the option offer is made, the maximum number of new shares in each category to be issued for the purpose of the Warrants, the ratio in which they may be exercised and the subscription price for the shares, in accordance with the information provided in this report.

1. REASONS FOR THE PROPOSED OPERATION AND PURPOSE OF THE CAPITAL INCREASES

The aim of the Capital Increase proposed and described in this report is to strengthen the equity structure and increase the financial flexibility of the Company and the UGF Group (hereinafter referred to as the 'Group' or the 'UGF Group') and consequently improve the solvency ratio, in line with their main competitors (as specified in paragraph 4).

Against a background of economic instability and volatility in the financial markets, a consequence of the serious global crisis over the last two years – which led to major crises for banks and insurance companies, often resolved by having huge amounts of taxpayers' money pumped into them – any increase in insurance and banking activity is dependent on paying greater attention to levels of capital and reserves and having tools for monitoring and controlling risks, in line with Supervisory Authority guidelines and the expected amendments to legislation governing these types of business ('Solvency II' and 'Basel III').



Against such a background, 'financial strength' is a distinctive and increasingly competitive factor in markets that are now even more selective when evaluating operators in the insurance, lending and supplementary pensions sectors and in sectors providing individuals and businesses with protection and security in general.

This strengthening of the asset base will also help the UGF Group to achieve the objectives included in its new 2010-2012 business plan (currently being drawn up), an integral part of which is the plan to acquire and expand the ARCA Insurance Group.

However, not only is the aim of the operation to allocate Warrants linked to new shares to ensure the successful outcome of the Capital Increase, since it is intended to encourage UGF's shareholders to subscribe the Capital Increase, but it also enables holders of the Warrants to benefit from any future increase in the price of UGF shares when the 2010-2012 business plan is implemented. In fact the Warrant conversion period will be some time in the second half of 2013, once the UGF Group's results on conclusion of the business plan are known.

The Shareholders' Meeting is therefore asked to vote for the Capital Increase and the associated Capital Increase for the purpose of the Warrants, as provided for below.

The motion on the operation to strengthen the asset base described here is put to this Shareholders' Meeting in order that the Company may benefit from the positive context and from the reopening of the capital market, as demonstrated by recent capital increase operations carried out by leading financial and industrial groups, both Italian and foreign.

2. FEATURES OF THE CAPITAL INCREASE AND THE CAPITAL INCREASE FOR THE PURPOSE OF THE WARRANTS

2.1. General features of the Capital Increase

As mentioned at the beginning of this agenda item, the operation presented for the approval of the Extraordinary Meeting of UGF Shareholders combines a Capital Increase and a Capital Increase for the purpose of the Warrants.

The Capital Increase is an increase in the share capital for payment of a maximum of €400,000,000 including any price above par, to be carried out, not necessarily all in one go, by 31 December 2010. In accordance with Article 2441 of the Civil Code and Article 5, paras 7 and 8, of the Company's By-Laws the Capital Increase will be implemented by issuing new ordinary and preference shares, with no nominal value and cum coupon, to be offered as an option on shares in the same category in proportion to the number of shares in those categories.

At a meeting to be held shortly before the option offer is made the Board of Directors will fix the subscription price for the shares and consequently the exact



number of shares in each category to be issued, which will be in proportion to the number of shares in those categories at the time of the shareholders' resolution on the Capital Increase, and the option ratio. (For further details on the criteria for ascertaining the subscription price see paragraph 2.5 below.)

It is expected that once the entire Capital Increase has been subscribed the current proportion of the total number of ordinary shares and the total number of preference shares will remain unchanged. The new shares will be cum coupon and will confer the same rights on their holders as those in circulation.

Under the option ordinary shareholders will be offered new ordinary shares in proportion to the number of ordinary shares held whilst preference shareholders will be offered new preference shares in proportion to the number of preference shares held.

Under the motion submitted to the Extraordinary Meeting of UGF Shareholders the Board of Directors will be instructed to establish procedures, deadlines and conditions for the Capital Increase, within the limits laid down in the resolution and shown here, and therefore to determine, shortly before the option offer is launched:

- (i) the subscription price for the new shares in each category, including any price above par, taking account, inter alia, of the criteria specified in paragraph 2.5 of this report below, and
- (ii) the exact number of ordinary and preference shares to be issued and the option ratio.

The new shares must be subscribed by exercising the option rights through authorised intermediaries belonging to the Monte Titoli S.p.A. centralised management scheme.

The securities will be made available to those entitled to them through authorised intermediaries belonging to Monte Titoli S.p.A.

The bid price for the shares must be paid in full when the new shares are subscribed.

2.2. General features of the Capital Increase for the purpose of the Warrants

Under the Capital Increase:

- (i) each new ordinary share will be accompanied by a free 'Unipol 2010-2013 ordinary share warrant' at a ratio of 1 (one) warrant for each new ordinary share, and
- (ii) each new preference share will be accompanied by a free 'Unipol 2010-2013 preference share warrant' at a ratio of 1 (one) warrant for each new preference share.

For the purpose of the issue and therefore of any exercise of the Warrants by holders, the Extraordinary Meeting of UGF Shareholders called to approve the



Capital Increase is also called upon to approve the Capital Increase for the purpose of the Warrants under the same item on the agenda and therefore an increase in the share capital for payment, not necessarily all in one go, of a maximum of a further €100,000,000 including any price above par by issuing, by 31 December 2013, possibly in several tranches, new ordinary and preference shares with no nominal value and cum coupon on the date they are issued, to be reserved for exercising the Warrants.

The Warrants may circulate separately from the shares to which they are linked, will be listed on the Mercato Telematico Azionario, the automated stock exchange organized and managed by Borsa Italiana S.p.A., subject to the required permits being obtained from the relevant Authorities, and will be governed by the provisions of the regulations relating to the Warrants appended to this report, these provisions being finally approved by the Extraordinary Shareholders' Meeting that scrutinises the regulations relating to the Warrants.

The meeting of the Board of Directors called to approve the subscription price and the number of shares to be issued under the Capital Increase will also be instructed to fix the subscription price and the maximum number of new shares (ordinary and preference) issued under the Capital Increase for the purpose of the Warrants and the maximum number of Warrants to be linked to the new shares (ordinary and preference).

The subscription price for the new ordinary and preference shares issued under the Capital Increase for the purpose of the Warrants will be determined by applying the same criteria as those laid down for ascertaining the subscription price for the new shares for the Capital Increase, as described in paragraph 2.5 of this report below.

2.3. Possible placement and/or underwriting consortium

It is expected that the Capital Increase will be backed by a guarantee issued by Mediobanca – Banca di Credito Finanziario S.p.A. acting as Global Coordinator, Guarantor and Bookrunner, since it has undertaken to guarantee, on the conditions and terms usual for this type of operation, to underwrite any portion of the Capital Increase that has not been taken up when the offer on the stock exchange closes net of the option offered to Finsoe S.p.A., the Company's majority shareholder (as mentioned in paragraph 2.6 below).

2.4. Other forms of placement

As it is an option the shares will be offered by the Company direct and there is no provision for other forms of placement.

2.5. Criteria for ascertaining the subscription price

As mentioned in paragraph 2.1 above, under the motion submitted to the Extraordinary Meeting of UGF Shareholders the Board of Directors will be



instructed, inter alia, to fix, shortly before the option offer is launched, the subscription price for the new shares in each category, including any price above par, taking into account, inter alia, the list prices of the Company's shares, the market conditions at the time, the equity and financial position of the Company and the Group and market procedures for similar operations.

The subscription price for the new ordinary and preference shares issued under the Capital Increase for the purpose of the Warrants will be determined by applying the same criteria as those laid down for ascertaining the subscription price for the new shares for the Capital Increase, as described above.

It is also proposed, in connection with the Capital Increase and the Capital Increase for the purpose of the Warrants, that the Board of Directors be authorised to fix the proportion of the price to be allocated to capital and the proportion of the price, if any, to be allocated to the price above par.

2.6. Shareholders who have expressed interest in subscribing the Capital Increase

Finsoe S.p.A., UGF's majority shareholder, has expressed interest in taking part in the above-mentioned Capital Increase, subject to the approval of the relevant corporate bodies.

2.7. Period for implementing the Capital Increase

It is expected that, subject to all the preparatory procedures being completed and the relevant Authorities issuing any authorisation required and depending on how long CONSOB takes to authorise publication of the prospectus, the option offer will be launched during the first half of 2010 and that in any case the Capital Increase will be implemented by 31 December 2010.

The Capital Increase for the purpose of the Warrants will be partly or fully subscribed and carried out, based on applications from holders of the Warrants, in several tranches, by 31 December 2013.

2.8. Rights enjoyed by the new shares

Both the new shares issued under the Capital Increase and the new shares issued under the Capital Increase for the purpose of the Warrants will be cum coupon and will confer on their holders the same rights as the Company's shares in the same category in circulation on the date they are issued.

3. INFORMATION ON LAST YEAR'S RESULTS AND THIS YEAR'S BUSINESS PERFORMANCE

The Shareholders' Meeting called to vote on this motion will meet after the



companies' individual draft accounts and UGF's consolidated accounts for the year ended 31 December 2009 are made available to the public at the Company's registered office, at Borsa Italiana S.p.A. and on the website www.unipolgf.it. Therefore you are referred to those documents for information on the financial year 2009 and the business outlook.

4. EFFECTS OF THE CAPITAL INCREASE ON EQUITY AND INVESTMENTS

As already mentioned, the aim of the Capital Increase is to strengthen the equity structure of the Company and the UGF Group.

As a result of the Capital Increase of a maximum of €400,000,000 including any price above par, the capital and reserves of the Company and of the UGF Group (including the shareholders' equity belonging to minority interests) as at 31 December 2009 would have amounted to €4,859.7m and €4,226.2m respectively.

The following table shows the proforma effects of a Capital Increase for this maximum total amount on the equity ratios as at 31 December 2009.

<i>(values in €bn)</i>	UGF Group as at 31/12/2009 ^(*)	UGF Group as at 31/12/2009 pro-forma
Elements that make it up	3.0	3.4
Prudent requirements	(2.2)	(2.2)
Surplus capital	0.8	1.2
<i>Hedging index</i>	1.4	1.5

^(*) Internal estimates

5. DILUTION OF THE SHARE VALUE

As the capital increase is offered as an option there is no dilution of the holdings of the Company's shareholders who decide to take it up. In particular, the Capital Increase gives each Company shareholder an option right which may be traded separately from the ex-rights share as from the date the option offer is launched. At the moment it is not possible to estimate the price at which the option rights will be traded since it is impossible to foretell what the market situation will be at the time the operation is finalised.

The holdings of shareholders who not exercise their option rights following the share issue will be diluted.

6. AMENDMENTS TO THE BY-LAWS

If the motion for the Capital Increase and the Capital Increase for the purpose of



the Warrants referred to in this report is passed, Article 5 of the Company's By-Laws will have to be amended by (i) deleting paragraphs 3, 4 and 5 as a result of the revocation of the unused part of the authorisation under Article 2443 of the Civil Code granted to the Board of Directors by the Extraordinary Shareholders' Meeting held on 29 August 2005 and (ii) inserting a new paragraph to take account of the resolution passed by the Extraordinary Shareholders' Meeting as follows. The By-Laws will be also updated since the current provisions will not apply once the extraordinary operations are concluded.

Current text	Proposed new text
(Article 5 – Capital)	(Article 5 – Capital)
<p>The share capital is €2,391,426,100 (two billion three hundred and ninety-one million four hundred and twenty-six thousand one hundred euro), divided into 2,391,426,100 registered shares, with no nominal value, 1,479,885,786 of which are registered ordinary shares and 911,540,314 registered preference shares.</p> <p>The legislation governing the nominal value of the shares applies to the number of shares in relation to the total number of shares issued.</p> <p>Under Article 2443 of the Civil Code the Extraordinary Shareholders' Meeting held on 29 August 2005 authorised the Board of Directors, for a period of five years as from that date, to increase the share capital for payment in one or more tranches by a maximum of €2.6bn (two billion six hundred million euro) and consequently to determine from time to time the number and the issue price of the new shares, including any price above par, and the enjoyment, procedures, deadlines, timescales and conditions for the capital increase.</p> <p>On 12 September 2005 the Board of Directors used the power delegated to it</p>	<p>The share capital is €2,391,426,100 (two billion three hundred and ninety-one million four hundred and twenty-six thousand one hundred euro), divided into 2,391,426,100 registered shares, with no nominal value, 1,479,885,786 of which are registered ordinary shares and 911,540,314 registered preference shares.</p> <p>The legislation governing the nominal value of the shares applies to the number of shares in relation to the total number of shares issued.</p> <p>Under Article 2443 of the Civil Code the Extraordinary Shareholders' Meeting held on 29 August 2005 authorised the Board of Directors, for a period of five years as from that date, to increase the share capital for payment in one or more tranches by a maximum of €2.6bn (two billion six hundred million euro) and consequently to determine from time to time the number and the issue price of the new shares, including any price above par, and the enjoyment, procedures, deadlines, timescales and conditions for the capital increase.</p> <p>On 12 September 2005 the Board of Directors used the power delegated to it under Article 2443 of the Civil Code by</p>

under Article 2443 of the Civil Code by the Shareholders' Meeting held on 29 August 2005 to resolve to increase the share capital for payment by a maximum of €2.6bn, not necessarily all in one go, postponing the decision on the number and issue price of the new shares, the ratio between shares offered under the option and shares in circulation and the option period to a subsequent Board meeting.

On 6 October 2005, using the power delegated to it under Article 2443 of the Civil Code by the Shareholders' Meeting held on 29 August 2005 and in accordance with the resolutions passed at the meeting of the Board of Directors held on 12 September 2005, the Board of Directors resolved to increase the share capital for payment, not necessarily all in one go, by a maximum of €1,394,630,783.00 by issuing a maximum of 863,037,227 ordinary shares at €2.05 each and a maximum of 531,593,556 preference shares at €1.56 each to be paid as follows:

- in the case of each new ordinary share, €1.00 (one euro) for the capital increase and €1.05 (one point zero five euro) to be allocated to the provision for share premium;
- in the case of each new preference share, €1.00 (one euro) for the capital increase and €0.56 (zero point five six euro) to be allocated to the provision for share premium,

to be offered as an option to shareholders at a ratio of 13 (thirteen) new ordinary and/or preference shares for every 9 (nine) ordinary and/or preference shares owned.

~~the Shareholders' Meeting held on 29 August 2005 to resolve to increase the share capital for payment by a maximum of €2.6bn, not necessarily all in one go, postponing the decision on the number and issue price of the new shares, the ratio between shares offered under the option and shares in circulation and the option period to a subsequent Board meeting.~~

~~On 6 October 2005, using the power delegated to it under Article 2443 of the Civil Code by the Shareholders' Meeting held on 29 August 2005 and in accordance with the resolutions passed at the meeting of the Board of Directors held on 12 September 2005, the Board of Directors resolved to increase the share capital for payment, not necessarily all in one go, by a maximum of €1,394,630,783.00 by issuing a maximum of 863,037,227 ordinary shares at €2.05 each and a maximum of 531,593,556 preference shares at €1.56 each to be paid as follows:~~

- ~~– in the case of each new ordinary share, €1.00 (one Euro) for the capital increase and €1.05 (one point zero five Euro) to be allocated to the provision for share premium;~~
- ~~– in the case of each new preference share, €1.00 (one euro) for the capital increase and €0.56 (zero point five six euro) to be allocated to the provision for share premium,~~

~~to be offered as an option to shareholders at a ratio of 13 (thirteen) new ordinary and/or preference shares for every 9 (nine) ordinary and/or preference shares owned.~~

The Extraordinary Shareholders' Meeting held on [...] April 2010 voted: (i) to increase the share capital for payment by a maximum of €400,000,000, not necessarily all in one go, by issuing ordinary and preference shares with no nominal value, cum coupon, to be offered as an option to the holders of ordinary

<p>Subsequent amendments to the By-Laws may create categories of share with various rights.</p> <p>If the share capital is increased by means of an increase in the number of shares, the increase will take place by means of the simultaneous issue of shares in the categories in existence at the time and in proportion to the number of shares in those categories.</p> <p>The shares to be issued in each category will be reserved as an option on shares in the same category.</p> <p>Capital increases may also be made by providing goods in kind or granting loans.</p> <p>The option right does not apply to new shares that, in accordance with the resolution on the increase, must be paid in whole or in part by providing goods in kind.</p> <p>A maximum of ten per cent of the preexisting share capital may be denied the option right on new shares, provided that the issue price corresponds to the market value of the</p>	<p>and preference shares respectively in accordance with Article 2441 of the Italian Civil Code by 31 December 2010 and (ii) to increase the share capital still further for payment by a maximum of €100,000,000, not necessarily all in one go, by issuing ordinary and preference shares with no nominal value, cum coupon, to be reserved for exercising the ordinary and preference warrants linked free to the ordinary and preference shares respectively issued following the capital increase referred to in point (i) above, by 31 December 2013.</p> <p>Subsequent amendments to the By-Laws may create categories of share with various rights.</p> <p>If the share capital is increased by means of an increase in the number of shares, the increase will take place by means of the simultaneous issue of shares in the categories in existence at the time and in proportion to the number of shares in those categories.</p> <p>The shares to be issued in each category will be reserved as an option on shares in the same category.</p> <p>Capital increases may also be made by providing goods in kind or granting loans.</p> <p>The option right does not apply to new shares that, in accordance with the resolution on the increase, must be paid in whole or in part by providing goods in kind.</p> <p>A maximum of ten per cent of the preexisting share capital may be denied the option right on new shares, provided that the issue price corresponds to the market value of the shares and that that is confirmed in a</p>
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<p>shares and that that is confirmed in a report drawn up by the Auditors.</p> <p>Under current legislation the Extraordinary Shareholders' Meeting may also vote to make capital increases that are restricted to company employees or that are restricted to company employees and employees of holding companies and subsidiaries.</p> <p>Any amendment to these By-Laws that involves a change to the existing ratio between ordinary shares and preference shares or to the various property or administrative rights must also be approved by a Special Meeting of the holders of shares in the category or categories concerned, as provided for by law.</p>	<p>report drawn up by the Auditors.</p> <p>Under current legislation the Extraordinary Shareholders' Meeting may also vote to make capital increases that are restricted to company employees or that are restricted to company employees and employees of holding companies and subsidiaries.</p> <p>Any amendment to these By-Laws that involves a change to the existing ratio between ordinary shares and preference shares or to the various property or administrative rights must also be approved by a Special Meeting of the holders of shares in the category or categories concerned, as provided for by law.</p>
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7. RIGHT TO WITHDRAW

Under Article 2437 of the Civil Code the proposed amendments to the By-Laws do not give members who do not vote in favour of them at the Shareholders' Meeting the right to withdraw.

8. MOTIONS TO BE PUT TO THE EXTRAORDINARY SHAREHOLDERS' MEETING

We therefore submit the following **motions** for your approval:

The Ordinary Shareholders' Meeting of UGF S.p.A.,

- having examined and discussed the contents of and the arguments set out in the Board of Directors' report,
- having noted the declaration made by the Board of Statutory Auditors that the current share capital of €2,391,426,100, represented by 2,391,426,100 registered shares with no nominal value, 1,479,885,786 of which are ordinary shares and 911,540,314 preference shares, is fully subscribed and paid up,

resolves

1. to revoke the so far unused part of the powers under Article 2443 of the Civil Code by which the Extraordinary Shareholders' Meeting held on



29 August 2005 authorised the Board of Directors, for five years as from the date mentioned, to increase the share capital for payment by a maximum of €2.6bn (two billion six hundred million euro) in one or more tranches;

2. to increase the share capital for payment by a maximum of €400,000,000, including any price above par, not necessarily all in one go. Under Article 2441, para. 1, of the Civil Code the capital will be increased by issuing new ordinary and preference shares, with no nominal value and cum coupon, to be offered as an option to the holders of the Company's ordinary and preference shares respectively, in accordance with Article 2441 of the Civil Code;

3. to authorise the Board of Directors to establish procedures, deadlines and conditions for the capital increase within the limits mentioned above, including but not limited to: (i) fixing the subscription price for the shares, including any price above par, distinguishing between ordinary shares and preference shares and taking into account, inter alia, the list prices of the Company's shares, the market conditions at the time, the equity and financial position of the Company and the Group and market procedures for similar operations; (ii) as a result of fixing the subscription price under (i), determining the number of new ordinary and preference shares and the option ratio, in compliance with the ratio between the categories of share at the time this Capital Increase is approved; (iii) fixing the timescale for implementing the resolutions relating to the capital increase, in particular for launching the option rights offer and for the subsequent offer on the Stock Exchange of any rights not taken up at the end of the option period, in accordance with the deadline of 31 December 2010, provided that, if the capital increase has not been fully subscribed by the deadline of 31 December 2010, the capital is deemed to have increased by the amount of the subscriptions collected by that date; (iv) fulfilling all the relevant requirements of current legislation, including but not limited to all those associated with publishing the Prospectus and, in general, dealing with the option offer and the option rights that are not exercised;

4. to issue a free warrant for each new share referred to in points 2) and 3) above – and in particular a Unipol 2010-2013 ordinary share warrant for each new ordinary share and a Unipol 2010-2013 preference share warrant for each new preference share – and to specify that these warrants may circulate separately from the shares to which they are linked. The warrants may be validly exercised by 31 December 2013, on the conditions and in accordance with the procedures laid down in the warrant regulations referred to below;

5. consequently to increase the share capital for payment by a maximum of €100,000,000 (including any price above par), not necessarily all in one go, by issuing ordinary and preference shares with no nominal value and cum coupon, possibly in several tranches, to be reserved for exercising the warrants referred to in point 4) above, provided that, if the capital increase has not been fully subscribed by the deadline of 31 December 2010, the capital is deemed to have increased by the amount of the subscriptions collected by that date;



6. to approve the text of the 'Unipol 2010-2013 ordinary share Warrant Regulation' and the 'Unipol 2010-2013 preference share Warrant Regulation', which are attached to the minutes of the Shareholders' Meeting;
7. to specify that the resolutions referred to in points 4) and 5) above be irrevocable until the final date for exercising the warrants laid down in the Warrant Regulation referred to in point 6) above;
8. to apply to Borsa Italiana S.p.A. for the Unipol 2010-2013 ordinary share warrants and the Unipol 2010-2013 preference share warrants to be traded on the Mercato Telematico Azionario, the automated stock exchange organised and managed by Borsa Italiana S.p.A., and to authorise the Board of Directors, and through it the Chairman and the Chief Executive Officer separately, to do anything useful or required to ensure that the warrants are accepted for trading;
9. to authorise the Board of Directors to establish procedures, deadlines and conditions for the capital increase for the purpose of the Warrants within the limits mentioned above, including but not limited to: (i) fixing the subscription price for the new shares for the purpose of the Unipol 2010-2013 ordinary share Warrants and the Unipol 2010-2013 preference share Warrants, on the basis of the criteria specified in point 3) above; (ii) fixing the maximum number of Unipol 2010-2013 ordinary share warrants and Unipol 2010-2013 preference share warrants to be issued and the maximum number of new ordinary and preference shares to be issued for the purpose of these warrants (and consequently the ratio), in compliance with the ratio between the categories of share on the date of this resolution on the Capital Increase; (iii) determining the timescale for implementing the resolutions on the capital increase, in compliance with the deadlines; (iv) ascertaining any factors, including major factors, regarding the exercising of the Unipol 2010-2013 ordinary share warrants and Unipol 2010-2013 preference share warrants that have not already been ascertained, and making any insertions, amendments and deletions to the 'Unipol 2010-2013 ordinary share Warrant Regulation' and the 'Unipol 2010-2013 preference share Warrant Regulation' deemed appropriate or necessary, including any required by the relevant Authorities; (v) drawing up and depositing with the relevant Authorities any document or deed required for the resolution to issue the Unipol 2010-2013 ordinary share warrants and Unipol 2010-2013 preference share warrants to be implemented; (vi) in general, fulfilling all the relevant requirements of current legislation relating to implementing the above resolutions;
10. to amend Article 5 of the Company's By-Laws as follows, as a result of the above resolutions:

New proposed text

(Article 5 – Capital)

The share capital is €2,391,426,100 (two billion three hundred and ninety-one



million, four hundred and twenty-six thousand one hundred) divided into 2,391,426,100 registered shares, without nominal value, 1,479,885,786 of which are registered ordinary shares and 911,540,314 are registered preference shares.

The law provisions referring to the nominal value of shares are applied in relation to the ratio between the number of shares and the total issued shares.

The Extraordinary Shareholders' Meeting held on [...] April 2010 voted (i) to increase the share capital for payment by a maximum of €400,000,000, not necessarily all in one go, by issuing ordinary and preference shares with no nominal value, cum coupon, to be offered as an option to the holders of ordinary and preference shares in accordance with Article 2441 of the Italian Civil Code by 31 December 2010 and (ii) to increase the share capital still further for payment by a maximum of €100,000,000, possibly in separate tranches, by issuing ordinary and preference shares with no nominal value, cum coupon, to be reserved for exercising the ordinary and preference warrants linked free to the ordinary and preference shares respectively issued following the capital increase referred to in point (i) above, by 31 December 2013.

By means of a subsequent amendment to the By-Laws, categories of shares associated with different rights may be created.

If the share capital is increased by means of an increase in the number of shares, the increase will involve the simultaneous issue of shares in the categories existing from time to time and in the proportions already pertaining between said categories.

The shares to be issued in each category will be booked to reserves as an option on shares in the same category.

The capital may also be increased by granting benefits in kind or receivables.

The option right does not apply to the newly-issued shares which, in accordance with the resolution to make the increase, must be paid up in full or in part by granting benefits in kind.

The option right may not be granted on newly-issued shares, subject to a limit of ten percent of the pre-existing share capital, provided that the issue price corresponds to the market value of the shares and that this is confirmed in an appropriate report from the company in charge of auditing the accounts.

The Extraordinary Shareholders' Meeting may also, in accordance with current legislation, resolve to increase share capital reserved for the Company's employees or even for the employees of parent and subsidiary companies.

Any amendment to these By-Laws involving a change to the ratio of ordinary shares to preference shares, or to the related property or administrative rights, must also be approved by a Special Meeting of the category or categories concerned, as required by the law;



11. to give immediate authorisation to the Chairman of the Board of Directors and the Chief Executive Officer, separately and with authority to delegate their powers, to carry out the formalities required by law and to make any formal amendments and/or insertions to the resolutions passed at the Shareholders' Meeting required by the relevant authorities in addition to any amendments required for registration and, in general, to do anything required for implementing the resolutions in full, with all the powers required and appropriate for this purpose, with no exceptions, including but not limited to full power to implement the resolutions relating to capital increases, full power to do anything required and express authority, inter alia, to do whatever is required or appropriate for implementing them and in particular for (i) laying down the deadlines for the offer on the Stock Exchange of the rights not taken up in accordance with Article 2441, para. 3, of the Civil Code and for placing the ordinary and preference shares that are still not subscribed after the Stock Exchange offer referred to above, including with third parties, (ii) drawing up and submitting all the documents required for the purposes of the operation resolved, including the Prospectus for the share option offer and the application for the warrants to be listed for trading and (iii) approving any amendment to the warrant regulations referred to in point 6) above that are required and/or appropriate prior to the warrants being issued.

Bologna, 25 March 2010

for the BOARD OF DIRECTORS

THE CHAIRMAN

(Pierluigi Stefanini)

Annexes: Unipol 2010-2013 ordinary share Warrant Regulation
Unipol 2010-2013 preference share Warrant Regulation



ANNEX

'UNIPOL 2010 – 2013 ORDINARY SHARE WARRANT' REGULATION

Article 1 – Unipol 2010-2013 Ordinary Share Warrants

The Ordinary Shareholders' Meeting of Unipol Gruppo Finanziario S.p.A. ('UGF' or the 'Issuer'), held on [•] April 2010, voted, inter alia, *(i)* to increase the share capital for payment by a maximum of €400,000,000 including any price above par, not necessarily all in one go, by issuing ordinary and preference shares with no nominal value and cum coupon, possibly in several tranches, to be offered as an option to the holders of ordinary and preference shares respectively in accordance with Article 2441 of the Civil Code, along with free ordinary and preference warrants at a ratio of 1 (one) ordinary warrant or 1 (one) preference warrant for each new share in the same category (the '**Unipol 2010-2013 Ordinary Share Warrants**' and the '**Unipol 2010-2013 Preference Share Warrants**' respectively) and *(ii)* simultaneously to increase the share capital for payment by a maximum of €100.000.000 including any price above par, not necessarily all in one go, by issuing ordinary and preference shares for the purpose of exercising the various warrants.

The Unipol 2010-2013 Ordinary Share Warrants will entitle their holders (the '**Holders of the Unipol 2010-2013 Ordinary Share Warrants**') to subscribe, in accordance with the procedures and the deadlines specified in this regulation (the '**Regulation**'), [•] new ordinary share(s) (the '**Ordinary Conversion Shares**') for each [•] Unipol 2010-2013 Ordinary Share Warrant exercised, at €[•] for each Ordinary Conversion Share (the '**Exercise Price**'), unless otherwise provided for in Article 3 below.

Under Legislative Decree 213 of 24 June 1998 the Unipol 2010-2013 Ordinary Share Warrants are admitted to the Monte Titoli S.p.A. centralised management scheme, which is currently being dematerialised.

The Unipol 2010-2013 Ordinary Share Warrants are bearer warrants and may be freely negotiated and traded separately from the shares to which they are linked as from the date they are issued.



Article 2 – Procedures for exercising the Unipol 2010-2013 Ordinary Share Warrants

- I) Holders of Unipol 2010-2013 Ordinary Share Warrants may apply to subscribe the Ordinary Conversion Shares at any time between 1 July 2013 and 15 December 2013 (the '**Exercise Period**') unless otherwise provided for in point V below; and in particular for each [●] Unipol 2010-2013 Ordinary Share Warrant(s) held [●] Ordinary Conversion Share(s);
- II) subscription applications (the '**Exercise Applications**') will be valid if submitted during the Exercise Period to the intermediary belonging to Monte Titoli S.p.A. with whom the Unipol 2010-2013 Ordinary Share Warrants are deposited. Unipol 2010-2013 Ordinary Share Warrants will come into effect, including for the purposes mentioned in point III below, by the tenth day of Stock Exchange trading in the month following that in which the Exercise Application is submitted, apart from Exercise Applications submitted between 1 December 2013 and 15 December 2013, which will come into effect on 31 December 2013. On the date the Unipol 2010-2013 Ordinary Share Warrants come into effect UGF will issue the Ordinary Conversion Shares subscribed and make them available to those entitled to them through Monte Titoli S.p.A.;
- III) the Ordinary Conversion Shares subscribed will be entitled to the same dividends as the Unipol ordinary shares traded on the Stock Exchange on the date the Unipol 2010-2013 Ordinary Share Warrants come into effect and will therefore bear the coupons current on that date;
- IV) the Exercise Price for each Ordinary Conversion Share must be paid in full when the Exercise Application is submitted and Holders will not have to pay any commission or expenses;
- V) the Exercise Period must be deemed to be automatically suspended from the date any meeting of the Issuer's shareholders is called until and including the day of the meeting, including in any calls subsequent to the first, and in any case until and including the day the coupons for any dividends approved by the Shareholders' Meeting are detached.

Exercise Applications submitted while the Exercise Period is suspended will be deemed to be received on the day after the Exercise Period resumes, provided it still falls within the Exercise Period.
- VI) Unipol 2010-2013 Ordinary Share Warrants that are not submitted for exercise before the deadline of 15 December 2013 will lose all rights and become invalid for all purposes;
- VII) when Exercise Applications are submitted, as well as providing the usual information required Holders of Unipol 2010-2013 Ordinary Share Warrants must:
 - (A) take note of the fact that (a) neither the Unipol 2010-2013 Ordinary



Share Warrants nor the Ordinary Conversion Shares have been or will be registered in the United States under the 1933 '*United States Securities Act*' and (b) neither the Unipol 2010-2013 Ordinary Share Warrants nor the Ordinary Conversion Shares are admitted for trading on a US Stock Exchange nor otherwise registered with any US Body, Organisation and/or Authority;

- (B) declare (a) that they are not a '*U.S. Person*' as defined in '*Regulation S*' of the '*Securities Act*', (b) that they have never at any time sold or traded Unipol 2010-2013 Ordinary Share Warrants and/or Ordinary Conversion Shares in the United States, either direct or indirectly, and that they do not intend to do so in the future, (c) that they have never offered, sold or traded Unipol 2010-2013 Ordinary Share Warrants and/or Ordinary Conversion Shares in dealings with a '*United States Person*' and that they will not do so (either on their own behalf or on behalf of third parties) in the future and (d) that neither the Unipol 2010-2013 Ordinary Share Warrants nor the Ordinary Conversion Shares have been acquired on behalf of a '*United States Person*'.

No Ordinary Conversion Share subscribed will be allocated to Holders of Unipol 2010-2013 Ordinary Share Warrants who do not comply with the conditions described above.

Article 3 – Rights of Holders of Unipol 2010-2013 Ordinary Share Warrants in the event of operations on UGF's share capital

If operations are carried out on UGF's capital between the date the Unipol 2010-2013 Ordinary Share Warrants are issued and 31 December 2013, subject to the provisions of point V) of Article 2 above, the Issuer may adjust the exercise ratio and the Exercise Price. In particular:

- a) if capital increases for payment are carried out by issuing new shares to be offered as an option to those entitled to them, including for the purpose of warrants valid for subscribing them, or by issuing convertible bonds, direct or indirect, or bonds with warrants, or if any other operation is carried out that involves detachment of a tradable right, the Exercise Price will be decreased by an amount, rounded down to the nearest thousandth of a euro, of:

$$(P_{cum} - P_{ex})$$

where

- P_{cum} represents the simple arithmetic average of the five most recent official 'cum right' prices of Unipol ordinary shares recorded on the



Mercato Telematico Azionario, the automated stock exchange organized and managed by Borsa Italiana S.p.A. ('**Borsa Italiana**');

- P_{ex} represents the simple arithmetic average of the first five official 'ex right' prices of Unipol ordinary shares recorded on the Mercato Telematico Azionario, the automated stock exchange organised and managed by Borsa Italiana.

In no case following application of this formula may the Exercise Price be increased (even if P_{ex} is greater than P_{cum});

- b) if the capital is increased by allocating new free shares, the number of Ordinary Conversion Shares that may be subscribed will be increased in proportion to the number of free shares allocated. In these cases the Exercise Price will be reduced proportionally because of the scrip issue;
- c) if the share capital is increased free without new shares being issued or if the share capital is reduced because of losses without shares being cancelled, both the number of Ordinary Conversion Shares that may be subscribed and the Exercise Price will remain unchanged;
- d) if the shares are grouped or split up, the number of Ordinary Conversion Shares that may be subscribed and the Exercise Price will be changed in proportion to the grouping or splitup ratio;
- e) if any amendments are made to UGF's By-Laws relating to profit-sharing or incorporation of another company, both the number of Ordinary Conversion Shares that may be subscribed and the Exercise Price will remain unchanged;
- f) if the capital is increased by issuing shares with no option right in accordance with Article 2441, paras 4, 5, 6 and 8, of the Civil Code, both the number of Ordinary Conversion Shares that may be subscribed and the Exercise Price will remain unchanged;
- g) in the event of mergers or splits in which the Issuer is not the surviving entity nor the beneficiary, the number of Ordinary Conversion Shares that may be subscribed will consequently be changed commensurate with the exchange or allocation ratios.

If any operation other than those mentioned above is carried out and is likely to have similar effects, the number of Ordinary Conversion Shares that may be subscribed, and/or if necessary the Exercise Price, may be adjusted in accordance with generally accepted procedures.

If the Exercise Application is submitted before the new Exercise Price following an operation referred to in point a) of this article has been announced, to be exercised after the right has been detached, any overpayment made when the Exercise Application is submitted, based on the Exercise Price before the adjustment referred to in point a) of this article, will be returned to the subscriber on the date



on which the new Exercise Price is announced, without interest.

If the provisions of this article result in there not being a whole number of Ordinary Conversion Shares available for exercising the 2010-2013 Unipol Ordinary Share Warrants, Holders of Unipol 2010-2013 Ordinary Share Warrants will be entitled to subscribe a whole number of Ordinary Conversion Shares rounded down and will have no rights over the fraction.

Article 4 – Persons Responsible

The Unipol 2010-2013 Ordinary Share Warrants must be exercised through authorized intermediaries belonging to the Monte Titoli S.p.A. centralised management scheme.

Article 5 – Deadline

In order to be valid the Unipol 2010-2013 Ordinary Share Warrants must be exercised by the deadlines and in accordance with the procedures referred to in Article 2 of this Regulation.

Article 6 – Listing

The Issuer will apply for the Unipol 2010-2013 Ordinary Share Warrants to be accepted for trading on a regulated market organised and managed by Borsa Italiana.

Article 7 – Taxation of capital gains on the sale of Unipol 2010-2013 Ordinary Share Warrants

Under current legislation, if not made while carrying out a trade, a profession or a business, capital gains on the sale for a consideration of warrants for subscribing shareholdings in companies established in Italy with shares traded on regulated markets are treated as miscellaneous investment income and are taxable in the same way as capital gains arising out of the sale of shareholdings (Article 67 et seq. of Presidential Decree 917 of 22 December 1986, hereinafter referred to as 'TUIR'). Sales of 'securities or rights by means of which shareholdings may be acquired' (such as warrants) are in fact comparable to sales of shareholdings and are taxed in the same way as sales of shareholdings.

Thus taxation of capital gains varies depending on the party making the sale; in particular:



(A) if the capital gain is made by a natural person resident in Italy not in the course of carrying out a business, by informal partnerships and by similar parties:

- the capital gain is subject to 12.50% substitute tax if the sale of the warrants relates to a 'non-qualifying' holding (as defined below). In addition in this case the seller may opt for the capital gain to be taxed on the basis of a declaration, of managed savings or assets under management, in accordance with Articles 5, 6 and 7 of Legislative Decree 461 of 21 November 1997 respectively;
- 49.72% of the capital gain forms part of taxable income and is assessed on a progressive scale if the sale of the warrants relates to a 'qualifying' holding (as defined below) in accordance with Article 68, para. 3, of TUIR and of the Ministerial Decree of 2 April 2008.

For the purposes of the provisions in question a holding is deemed to be 'qualifying' if, in the case of listed companies, it represents more than 2% of the voting rights that may be exercised at an Ordinary Shareholders' Meeting or more than 5% of the capital or stock. In order to determine whether these minimum percentages have been exceeded account must also be taken of the securities or rights by means of which qualifying shareholdings may be acquired (for instance subscription and acquisition warrants, options to acquire shareholdings, option rights referred to in Article 2441 and Article 2420-bis of the Civil Code and convertible bonds). Therefore it is also possible for a qualifying holding to be sold when the only securities or rights sold are those that, separately or in combination with the other shareholdings sold, represent a percentage of voting rights and holdings higher than those specified. Percentages of voting rights and holdings relate to all sales carried out over twelve months; therefore at the time of each sale account must be taken of all the sales carried out by the same party that have taken place in the twelve months from the date of the sale, even if they fall within different tax periods.

Therefore under this accumulation rule, if a party makes a first non-qualifying sale but then makes other sales over the following twelve months that bring the percentages of voting rights or holdings over the limit, it is considered that a qualifying holding has been sold.

However, the rule that all sales carried out over twelve months must be taken into account is conditional upon the taxpayer owning a holding that exceeds the percentages mentioned above for at least one day;

(B) if the capital gain is made by non-residents with no permanent establishment in Italy:

- provided the legal requirements are fulfilled the capital gain from the sale of Unipol 2010-2013 Ordinary Share Warrants is exempt from taxation in Italy if in addition the warrants (i) are traded on regulated



markets and (ii) permit subscription of a 'non-qualifying' holding in the capital or stock of a company based in Italy listed on regulated markets, in accordance with the interpretation provided by the Ministry of Finance in Circular 207 of 26 October 1999;

- under Article 68, para. 3, of TUIR and the Ministerial Decree of 2 April 2008 49.72% of the capital gain from the sale of the warrants is taxable (the rate depending on whether the party concerned is a natural person or a company or organisation) if it relates to a 'qualifying' holding traded on regulated markets.

However, the capital gain is not taxable in Italy if the seller is established in a State that has a double-taxation agreement with Italy under which tax is levied only in the State where the seller is established (in accordance with the provisions of Article 13, para. 5, of the Model Double-Taxation Agreement drawn up by the OECD).

In addition capital gains on the sale of warrants that relate to non-qualifying shareholdings are not taxable in Italy provided that the seller is resident in one of the States referred to in Article 6 of Legislative Decree 239 of 1 April 1996.

In certain cases exemption from capital gains tax is granted only if documentation certifying that the conditions have been fulfilled is submitted.

The above is only a summary of the tax regime relating to buying, holding and selling warrants applicable under current Italian tax legislation to some specific (and not all) categories of investor and is not intended to be a thorough analysis of all the possible tax consequences of buying, holding and selling these securities. For further references and details of how this income is treated for tax purposes you are referred to Legislative Decree 461 of 21 November 1997, as amended, the TUIR and the other legislative and administrative provisions concerned. Investors must therefore consult their advisers about their tax position relating to buying, holding and selling Unipol 2010-2013 Ordinary Share Warrants.

Article 8 – Miscellaneous

If not otherwise provided for by law all UGF's communication with Holders of Unipol 2010-2013 Ordinary Share Warrants will be carried out by means of a notice published in at least one national daily newspaper and on UGF's website (www.unipolgf.it).

Possession of Unipol 2010-2013 Ordinary Share Warrants implies full acceptance of all the conditions laid down in this Regulation.

This Regulation is governed by Italian law.

In the event of any dispute relating to Unipol 2010-2013 Ordinary Share Warrants and to the provisions of this Regulation the Court in Bologna will have exclusive



jurisdiction or, if the Holder of the Unipol 2010-2013 Ordinary Share Warrants is a consumer in the sense of Article 1469-bis of the Civil Code, the court where he/she is resident or elects to be domiciled.



ANNEX

'UNIPOL 2010 – 2013 PREFERENCE SHARE WARRANT' REGULATION

Article 1 – Unipol 2010-2013 Preference Share Warrants

The Ordinary Shareholders' Meeting of Unipol Gruppo Finanziario S.p.A. ('UGF' or the 'Issuer'), held on [●] April 2010, voted, inter alia, **(i)** to increase the share capital for payment by a maximum of €400,000,000 including any price above par, not necessarily all in one go, by issuing ordinary and preference shares with no nominal value and cum coupon, possibly in several tranches, to be offered as an option to the holders of ordinary and preference shares respectively in accordance with Article 2441 of the Civil Code, along with free ordinary and preference warrants at a ratio of 1 (one) ordinary warrant or 1 (one) preference warrant for each new share in the same category (the '**Unipol 2010-2013 Ordinary Share Warrants**' and the '**Unipol 2010-2013 Preference Share Warrants**' respectively) and **(ii)** simultaneously to increase the share capital for payment by a maximum of €100.000.000 including any price above par, not necessarily all in one go, by issuing ordinary and preference shares for the purpose of exercising the various warrants.

The Unipol 2010-2013 Preference Share Warrants will entitle their holders (the '**Holders of the Unipol 2010-2013 Preference Share Warrants**') to subscribe, in accordance with the procedures and the deadlines specified in this regulation (the '**Regulation**'), [●] new ordinary share(s) (the '**Preference Conversion Shares**') for each [●] Unipol 2010-2013 Preference Share Warrant exercised, at €[●] for each Preference Conversion Share (the '**Exercise Price**'), unless otherwise provided for in Article 3 below.

Under Legislative Decree 213 of 24 June 1998 the Unipol 2010-2013 Preference Share Warrants are admitted to the Monte Titoli S.p.A. centralised management scheme, which is currently being dematerialised.

The Unipol 2010-2013 Preference Share Warrants are bearer warrants and may be freely negotiated and traded separately from the shares to which they are linked as from the date they are issued.



Article 2 – Procedures for exercising the Unipol 2010-2013 Preference Share Warrants

- I) Holders of Unipol 2010-2013 Preference Share Warrants may apply to subscribe the Preference Conversion Shares at any time between 1 July 2013 and 15 December 2013 (the '**Exercise Period**') unless otherwise provided for in point V below; and in particular for each [●] Unipol 2010-2013 Preference Share Warrant(s) held [●] Preference Conversion Share(s);
- II) subscription applications (the '**Exercise Applications**') will be valid if submitted during the Exercise Period to the intermediary belonging to Monte Titoli S.p.A. with whom the Unipol 2010-2013 Preference Share Warrants are deposited. Unipol 2010-2013 Preference Share Warrants will come into effect, including for the purposes mentioned in point III below, by the tenth day of Stock Exchange trading in the month following that in which the Exercise Application is submitted, apart from Exercise Applications submitted between 1 December 2013 and 15 December 2013, which will come into effect on 31 December 2013. On the date the Unipol 2010-2013 Preference Share Warrants come into effect UGF will issue the Preference Conversion Shares subscribed and make them available to those entitled to them through Monte Titoli S.p.A.;
- III) the Preference Conversion Shares subscribed will be entitled to the same dividends as the Unipol preference shares traded on the Stock Exchange on the date the Unipol 2010-2013 Preference Share Warrants come into effect and will therefore bear the coupons current on that date;
- IV) the Exercise Price for each Preference Conversion Share must be paid in full when the Exercise Application is submitted and Holders will not have to pay any commission or expenses;
- V) the Exercise Period must be deemed to be automatically suspended from the date any meeting of the Issuer's shareholders is called until and including the day of the meeting, including in any calls subsequent to the first, and in any case until and including the day the coupons for any dividends approved by the Shareholders' Meeting are detached.

Exercise Applications submitted while the Exercise Period is suspended will be deemed to be received on the day after the Exercise Period resumes, provided it still falls within the Exercise Period.
- VI) Unipol 2010-2013 Preference Share Warrants that are not submitted for exercise before the deadline of 15 December 2013 will lose all rights and become invalid for all purposes;
- VII) when Exercise Applications are submitted, as well as providing the usual information required Holders of Unipol 2010-2013 Preference Share Warrants must:
 - (A) take note of the fact that (a) neither the Unipol 2010-2013



Preference Share Warrants nor the Preference Conversion Shares have been or will be registered in the United States under the 1933 '*United States Securities Act*' and (b) neither the Unipol 2010-2013 Preference Share Warrants nor the Preference Conversion Shares are admitted for trading on a US Stock Exchange nor otherwise registered with any US Body, Organisation and/or Authority;

- (B) declare (a) that they are not a '*U.S. Person*' as defined in '*Regulation S*' of the '*Securities Act*', (b) that they have never at any time sold or traded Unipol 2010-2013 Preference Share Warrants and/or Preference Conversion Shares in the United States, either direct or indirectly, and that they do not intend to do so in the future, (c) that they have never offered, sold or traded Unipol 2010-2013 Preference Share Warrants and/or Preference Conversion Shares in dealings with a '*United States Person*' and that they will not do so (either on their own behalf or on behalf of third parties) in the future and (d) that neither the Unipol 2010-2013 Preference Share Warrants nor the Preference Conversion Shares have been acquired on behalf of a '*United States Person*'.

No Preference Conversion Share subscribed will be allocated to Holders of Unipol 2010-2013 Preference Share Warrants who do not comply with the conditions described above.

Article 3 – Rights of Holders of Unipol 2010-2013 Preference Share Warrants in the event of operations on UGF's share capital

If operations are carried out on UGF's capital between the date the Unipol 2010-2013 Preference Share Warrants are issued and 31 December 2013, subject to the provisions of point V) of Article 2 above, the Issuer may adjust the exercise ratio and the Exercise Price. In particular:

- a) if capital increases for payment are carried out by issuing new shares to be offered as an option to those entitled to them, including for the purpose of warrants valid for subscribing them, or by issuing convertible bonds, direct or indirect, or bonds with warrants, or if any other operation is carried out that involves detachment of a tradable right, the Exercise Price will be decreased by an amount, rounded down to the nearest thousandth of a euro, of:

$$(P_{cum} - P_{ex})$$

where

- P_{ex} represents the simple arithmetic average of the first five official 'ex right' prices of Unipol ordinary shares recorded on the Mercato



Telematico Azionario, the automated stock exchange organised and managed by Borsa Italiana S.p.A. (**'Borsa Italiana'**).

In no case following application of this formula may the Exercise Price be increased (even if P_{ex} is greater than P_{cum});

- b) if the capital is increased by allocating new free shares, the number of Preference Conversion Shares that may be subscribed will be increased in proportion to the number of free shares allocated. In these cases the Exercise Price will be reduced proportionally because of the scrip issue;
- c) if the share capital is increased free without new shares being issued or if the share capital is reduced because of losses without shares being cancelled, both the number of Preference Conversion Shares that may be subscribed and the Exercise Price will remain unchanged;
- d) if the shares are grouped or split up, the number of Preference Conversion Shares that may be subscribed and the Exercise Price will be changed in proportion to the grouping or splitup ratio;
- e) if any amendments are made to UGF's By-Laws relating to profit-sharing or incorporation of another company, both the number of Preference Conversion Shares that may be subscribed and the Exercise Price will remain unchanged;
- f) if the capital is increased by issuing shares with no option right in accordance with Article 2441, paras 4, 5, 6 and 8, of the Civil Code, both the number of Preference Conversion Shares that may be subscribed and the Exercise Price will remain unchanged;
- g) in the event of mergers or splits in which the Issuer is not the surviving entity nor the beneficiary, the number of Preference Conversion Shares that may be subscribed will consequently be changed commensurate with the exchange or allocation ratios.

If any operation other than those mentioned above is carried out and is likely to have similar effects, the number of Preference Conversion Shares that may be subscribed, and/or if necessary the Exercise Price, may be adjusted in accordance with generally accepted procedures.

If the Exercise Application is submitted before the new Exercise Price following an operation referred to in point a) of this article has been announced, to be exercised after the right has been detached, any overpayment made when the Exercise Application is submitted, based on the Exercise Price before the adjustment referred to in point a) of this article, will be returned to the subscriber on the date on which the new Exercise Price is announced, without interest.

If the provisions of this article result in there not being a whole number of Preference Conversion Shares available for exercising the 2010-2013 Unipol Preference Share Warrants, Holders of Unipol 2010-2013 Preference Share



Warrants will be entitled to subscribe a whole number of Preference Conversion Shares rounded down and will have no rights over the fraction.

Article 4 – Persons Responsible

The Unipol 2010-2013 Preference Share Warrants must be exercised through authorized intermediaries belonging to the Monte Titoli S.p.A. centralised management scheme.

Article 5 – Deadline

In order to be valid the Unipol 2010-2013 Preference Share Warrants must be exercised by the deadlines and in accordance with the procedures referred to in Article 2 of this Regulation.

Article 6 – Listing

The Issuer will apply for the Unipol 2010-2013 Preference Share Warrants to be accepted for trading on a regulated market organised and managed by Borsa Italiana.

Article 7 – Taxation of capital gains on the sale of Unipol 2010-2013 Preference Share Warrants

Under current legislation, if not made while carrying out a trade, a profession or a business, capital gains on the sale for a consideration of warrants for subscribing shareholdings in companies established in Italy with shares traded on regulated markets are treated as miscellaneous investment income and are taxable in the same way as capital gains arising out of the sale of shareholdings (Article 67 et seq. of Presidential Decree 917 of 22 December 1986, hereinafter referred to as 'TUIR'). Sales of 'securities or rights by means of which shareholdings may be acquired' (such as warrants) are in fact comparable to sales of shareholdings and are taxed in the same way as sales of shareholdings.

Thus taxation of capital gains varies depending on the party making the sale; in particular:

- (A) if the capital gain is made by a natural person resident in Italy not in the course of carrying out a business, by informal partnerships and by similar parties:
 - the capital gain is subject to 12.50% substitute tax if the sale of the warrants relates to a 'non-qualifying' holding (as defined below). In addition in this case the seller may opt for the capital gain to be



taxed on the basis of a declaration, of managed savings or assets under management, in accordance with Articles 5, 6 and 7 of Legislative Decree 461 of 21 November 1997 respectively;

- 49.72% of the capital gain forms part of taxable income and is assessed on a progressive scale if the sale of the warrants relates to a 'qualifying' holding (as defined below) in accordance with Article 68, para. 3, of TUIR and of the Ministerial Decree of 2 April 2008.

For the purposes of the provisions in question a holding is deemed to be 'qualifying' if, in the case of listed companies, it represents more than 2% of the voting rights that may be exercised at an Ordinary Shareholders' Meeting or more than 5% of the capital or stock. In order to determine whether these minimum percentages have been exceeded account must also be taken of the securities or rights by means of which qualifying shareholdings may be acquired (for instance subscription and acquisition warrants, options to acquire shareholdings, option rights referred to in Article 2441 and Article 2420-bis of the Civil Code and convertible bonds). Therefore it is also possible for a qualifying holding to be sold when the only securities or rights sold are those that, separately or in combination with the other shareholdings sold, represent a percentage of voting rights and holdings higher than those specified. Percentages of voting rights and holdings relate to all sales carried out over twelve months; therefore at the time of each sale account must be taken of all the sales carried out by the same party that have taken place in the twelve months from the date of the sale, even if they fall within different tax periods.

Therefore under this accumulation rule, if a party makes a first non-qualifying sale but then makes other sales over the following twelve months that bring the percentages of voting rights or holdings over the limit, it is considered that a qualifying holding has been sold.

However, the rule that all sales carried out over twelve months must be taken into account is conditional upon the taxpayer owning a holding that exceeds the percentages mentioned above for at least one day;

(B) if the capital gain is made by non-residents with no permanent establishment in Italy:

- provided the legal requirements are fulfilled the capital gain from the sale of Unipol 2010-2013 Preference Share Warrants is exempt from taxation in Italy if in addition the warrants (i) are traded on regulated markets and (ii) permit subscription of a 'non-qualifying' holding in the capital or stock of a company based in Italy listed on regulated markets, in accordance with the interpretation provided by the Ministry of Finance in Circular 207 of 26 October 1999;
- under Article 68, para. 3, of TUIR and the Ministerial Decree of 2 April 2008 49.72% of the capital gain from the sale of the warrants



is taxable (the rate depending on whether the party concerned is a natural person or a company or organisation) if it relates to a 'qualifying' holding traded on regulated markets.

However, the capital gain is not taxable in Italy if the seller is established in a State that has a double-taxation agreement with Italy under which tax is levied only in the State where the seller is established (in accordance with the provisions of Article 13, para. 5, of the Model Double-Taxation Agreement drawn up by the OECD).

In addition capital gains on the sale of warrants that relate to non-qualifying shareholdings are not taxable in Italy provided that the seller is resident in one of the States referred to in Article 6 of Legislative Decree 239 of 1 April 1996.

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Article 8 – Miscellaneous

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This Regulation is governed by Italian law.

In the event of any dispute relating to Unipol 2010-2013 Preference Share Warrants and to the provisions of this Regulation the Court in Bologna will have exclusive jurisdiction or, if the Holder of the Unipol 2010-2013 Preference Share Warrants is a consumer in the sense of Article 1469-bis of the Civil Code, the court where he/she is resident or elects to be domiciled.