

**ORDINARY MEETING
OF SHAREHOLDERS**

30 April 2013 in single call

BOARD OF DIRECTORS' EXPLANATORY REPORT

AGENDA

ORDINARY SHAREHOLDERS' MEETING

1. To approve the financial statements for the year ended 31 December 2012; to hear the report of the Board of Directors; to hear the Reports of the Board of Auditors and the Independent Auditors. To vote on the related and consequent motions.
2. To appoint the Board of Directors for 2013 – 2014 – 2015, subject to the number of members and their remuneration being fixed. To vote on the related and consequent motions.
3. To appoint the Board of Auditors for 2013 – 2014 – 2015 and fix their remuneration. To vote on the related and consequent motions.
4. To hear the Remuneration Report drawn up in accordance with Article 12-3 of the Consolidated Finance Act. To vote on the related and consequent motions.
5. To approve the remuneration scheme based on financial instruments in accordance with Article 114-2 of the Consolidated Finance Act. To vote on the related and consequent motions.
6. Purchase and sale of treasury shares and shares in the holding company. To vote on the related and consequent motions.

TO HEAR THE DIRECTORS' REPORT TO THE SHAREHOLDERS' MEETING ON ITEM 2 ON THE AGENDA

To appoint the Board of Directors for 2013 – 2014 – 2015, subject to the number of members and their remuneration being fixed. To vote on the related and consequent motions.

Dear Shareholders,

The term of office of the Board of Directors appointed by the Shareholders' Meeting held on 29 April 2010 expires with the approval of the financial statements for the year ended 31 December 2012.

Therefore, in accordance with current legislation, regulations and by-laws, we invite you to appoint, the Board of Directors for the years 2013, 2014 and 2015, i.e. until the Shareholders' meeting called to approve the accounts for the year ended 31 December 2015.

In order to do so the Shareholders' Meeting must:

- fix the number of members of the Board of Directors, remembering in this respect that under Article 10 (Executive Body) of the current By-Laws members must not number less than 15 nor more than 25;
- fix the remuneration to be paid to the Board of Directors for each year in office.

You will recall that under Article 10 of the Company's By-Laws Directors are appointed for three years or for a shorter period established at the time of their appointment by the Shareholders' Meeting and are eligible for reelection.

Members of the Board of Directors are elected on the basis of lists submitted by those Members who at the time they are submitted are entitled to vote at the Shareholders' Meeting concerned. The candidates on each list must be listed by means of a serial number.

Care must be taken to ensure that there is a balance between the sexes on the Board of Directors in accordance with current legislation and regulations. In particular in the case of the current renewal – the first renewal following the date on which the provisions of Law 120 of 12 July 2011 came into effect – at least one fifth of the members of the Board of Directors must be of the sex that is in the minority, rounded up in the event of a fraction; therefore in order to be valid each list containing three or more candidates must include both sexes in such a way that there are at least the minimum number of candidates of the sex that is in the minority.

In order to be valid each list must include at least two candidates who comply with current legal and regulatory requirements relating to independence; they must be indicated separately and one of them must appear first on the list.

We should also like to point out – with reference to the Bylaws for any matter not specified here – that:

- as stated in the notice of the Shareholders' Meeting the lists must reach the Company by the twenty-fifth day preceding the date of the Shareholders' Meeting and the Company will make them available to the public at the registered office, on its website and in any other ways required by current legislation and regulations at least twenty-one days before the date fixed for the Shareholders' Meeting, and the same deadline applies to the documentation proving entitlement to submit lists;
- Members who, alone or in combination with other Members, represent at least 2.5% of the share capital are entitled to submit lists. Ownership of the shareholding required for submitting lists is based on the shares registered to the Member(s)/proxy(ies) on the day on which the lists are deposited with the Company;
- No member; member belonging to a relevant shareholders' agreement under Article 122 of Legislative Decree 58 of 24 February 1998 ('TUF'); nor the holding company; subsidiary companies or companies that are jointly controlled in accordance with Article 93 of the TUF may submit or 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 together with each list:

- i) declarations in which the individual applicants accept nomination for office and state that they know of no reason why they might be ineligible and that they fulfil the requirements for the post concerned;
- ii) each candidate's CV covering their personal and professional profile and stating that they fulfil the requirements for independence; and
- iii) the additional information required by legislation and regulations, which will be included in the notice of the Shareholders' Meeting.

You are also reminded that candidates for the post of Director 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 Unipol's Board of Directors on 25 June 2009 (as amended on 14 February 2013), which can be consulted in the Corporate Governance Section of the Company's website www.unipol.it.

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

The attention of members submitting a 'minority list' is drawn to the recommendations issued by CONSOB in its communication DEM/9017893 of 26 February 2009. In particular Members who intend to submit a 'minority list' must submit, along with the

list, a declaration that they have none of the links, even indirect links, referred to in Article 147-3, para. 3, of the Consolidated Finance Act and Article 144-5 of the Issuer Regulation, with the controlling shareholder.

If only one list is submitted or no list is submitted, the above procedure will not be observed and the results of the voting at the Shareholders' Meeting will comply with the majorities laid down in law, but the ratio between the sexes provided for in current legislation and regulations must be observed.

Finally, in accordance with the Code of Corporate Governance for Listed Companies (1.C.1.1 h) - which is incorporated into the Group Code of Corporate Governance - before the new Board of Directors is appointed the current Board of Directors, assisted by the Appointments and Corporate Governance Committee, takes account of the outcomes of the annual assessment of the size, composition and performance of the Board and its Committees ('Board Performance Appraisal') and provides Shareholders with its opinion on the professionals whose presence on the Board is deemed appropriate.

Therefore, having examined and considered the results of the Board Performance Appraisal, the current Board of Directors, supported by the Appointments and Corporate Governance Committee, has provided guidance on the size and optimum composition of the executive body to be appointed as an appendix to this Report.

Bologna, 21 March 2013

The Board of Directors

Appendix: Guidelines for Shareholders on the size and composition of the new Board of Directors

GUIDELINES FOR SHAREHOLDERS ON THE SIZE AND COMPOSITION OF THE NEW BOARD OF DIRECTORS

Introduction

In accordance with the Code of Corporate Governance for Listed Companies (the 'Code') (1.C.1.1 h) - which is incorporated into the Group Code of Corporate Governance - before the new Board of Directors is appointed the current Board of Directors, assisted by the Appointments and Corporate Governance Committee (the 'Committee'), takes account of the outcomes of the annual assessment of the size, composition and performance of the Board and its Committees ('Board Performance Appraisal') and provides Shareholders with its opinion on the professionals whose presence on the Board is deemed appropriate.

According to the Code these guidelines are intended to help Shareholders, when submitting lists and hence appointing the executive body, to take the candidates' personal characteristics, experience, including managerial experience, and gender into account in view of the size of the company, complexity and specific nature of the sector in which it operates and size of the Board of Directors.

Therefore, having examined and considered the results of the Board Performance Appraisal the current Board, with the assistance of the Appointments and Corporate Governance Committee, provides Shareholders with the following information to help them to determine the size and optimum composition of the executive body to be appointed.

Size of the Board of Directors

Under the provisions of Article 10 ('Executive Body') of the current By-Laws the Board of Directors must be made up of between a minimum of 15 and a maximum of 25 members. As resolved by the Shareholders' Meeting held on 29 April 2010 the current Board has 25 members, the same as the previous executive body.

The Board's opinion on the suitability of the current size of the new board, or on a particular number of members at the top of the range provided for in the Company's by-laws, is based on the outcome of the Board Performance Appraisal and the opinion of the Committee, which expresses the hope that the size of the executive body will be appropriate for the way the Group is structured and managed, especially in the current and future context, since the way it operates will be very complex and varied once the merger of the Premafin-Fondiaria Group is completed. This is especially important in view of the strategic guidelines that the Board will be called upon to issue, the need to decide how the work of carrying out analysis and providing advice and suggestions is allocated to the Internal Committees and the need to ensure that they operate effectively.

Qualitative composition of the Board of Directors

The Board of Directors,

bearing in mind the outcome of the Board Performance Appraisal, the Committee's opinion and the contents of the Code, according to which (i) when the composition of the board is being considered, it should be ensured that the professional and managerial skills, including those gained internationally, are sufficiently represented in relation to the work carried out by the issuer as well as by the various members (executive, non-executive, independent), and also account should be taken of the benefits that can arise from the presence on the Board of members of different sexes, in different age brackets and with different lengths of service, (ii) non-executive directors bring to the table a wealth of both general strategic and specific technical expertise obtained outside the company, (iii) these skills make it possible to analyse the various topics discussed from different perspectives and therefore help to enrich the debate that is the distinguishing feature of a considered and informed decision made by a committee and (iv) the contribution made by the non-executive directors is particularly useful if the interests of the executive directors and those of the shareholders do not coincide, such as executive directors' remuneration and the internal-auditing and risk-management system,

considers that the professional skills represented on the executive body complement one another, thus ensuring the optimum composition of the Board as a whole and of the Committees on which some of its members sit, especially in view of the level of operational complexity and diversity that is a feature of the Group in the current context, as mentioned above.

The Board of Directors therefore trusts that bearing in mind the size of the Board the lists submitted by Shareholders will represent an appropriate level of diverse business experience, operational skills, professional backgrounds and balance between the sexes and will include independent candidates, in such a way that the Board Members can bring to their roles a wide variety of professional expertise as well as experience and knowledge of the way the financial and insurance system works and the ability to provide strategic guidelines on administrative and financial matters, staff organization and management, communication, internal control and risk management. The presence of these varied skills and experience will thus ensure that the professional profiles are complementary, thereby encouraging dialogue and ensuring that the Board operates effectively.

Bologna, 21 March 2013

The Board of Directors

MANAGEMENT REPORT TO THE SHAREHOLDERS' MEETING ON ITEM 3 ON THE AGENDA

To appoint the Board of Auditors for 2013 – 2014 – 2015 and fix their remuneration. To vote on the related and consequent motions.

Dear Shareholders,

Once the accounts for the year ended 31 December 2012 have been approved the three-year term of office of the Board of Auditors appointed by the shareholders' meeting held on 29 April 2010 also expires.

Therefore we invite you to appoint, in accordance with current legislation, regulations and the By-Laws, the Board of Auditors and its Chairman for the years 2013, 2014 and 2015, i.e. until the Shareholders' meeting held to approve the accounts for the year ended 31 December 2015.

The Shareholders' Meeting must also fix the remuneration to be paid to the Board of Auditors for each year of office.

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

Under Article 17 of the Company's By-Laws the Board of Auditors is elected on a list basis, on which the candidates are listed by serial number, thus enabling the post of chairman of the Board of 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.

The composition of the Board of Auditors must be such that there is a balance between the sexes in accordance with current legislation and regulations. In particular in the case of the current renewal – the first renewal following the date on which the provisions of Law 120 of 12 July 2011 came into effect – at least one fifth of the members of the Board of Auditors must be of the sex that is in the minority, rounded up in the event of a fraction. Therefore, in order to be valid each section of each list containing three or more candidates must include both sexes in such a way that there is at least the minimum number of candidates of the sex that is in the minority.

We should also like to point out – with reference to the Bylaws for any matter not specified here – that:

- lists must reach the Company's registered office, as stated in the notice of the Shareholders' Meeting, by the twenty-fifth day preceding the date of the Shareholders' Meeting and the Company will make them available to the public at its registered office, on its website and in any other ways required by current legislation and regulations at least twenty-one days before the date fixed for the Shareholders' Meeting, and the same deadline applies to the documentation proving entitlement to submit lists;
- Members who, alone or in combination with other Members, represent at least

2.5% of the share capital are entitled to submit lists; the shareholding required for submitting lists is based on the shares registered to the Member(s)/proxy(ies) on the day on which the lists are deposited with the Company;

- Each and every Member belonging to a shareholders' agreement under Article 122 of Legislative Decree 58 of 24 February 1998 ('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.

In accordance with a combination of Article 17 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 together with each list:

- i) the declarations in which the individual candidates accept nomination for office and state that they know of no reason why they might be ineligible and that they fulfil the requirements for the post concerned, including compliance with the limits on the total number of posts that may be held laid down in current legislation and regulations;
- ii) each candidate's CV containing a detailed personal and professional profile;
- iii) the additional information required by legislation and regulations, which will be included in the notice of the Shareholders' Meeting.

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

The attention of members submitting a 'minority list' is drawn to the recommendations drawn up by CONSOB in its communication DEM/9017893 of 26 February 2009. In particular Members who intend to submit a 'minority list' must submit, along with the list, a declaration that they have none of the links, even indirect links, referred to in Article 144-5 of the Issuer Regulation with the controlling shareholder.

If 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, but the ratio between the sexes provided for in current legislation and regulations must be observed.

Bologna, 21 March 2013

The Board of Directors