

**Directors' Reports and proposals on the items of the agenda of
the Shareholders' Meeting**

2019

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Report of the Board of Directors to the Shareholders' Meeting on item no. 5 on the agenda of the ordinary part

Remuneration policies pursuant to IVASS Regulation no. 38/2018 and Remuneration Report pursuant to Art.123-*ter* of the Consolidated Law on Finance. Related and consequent resolutions.

Dear Shareholders,

IVASS Regulation no. 38 of 3 July 2018 (the "IVASS Regulation") - which replaced, in the field of remuneration, the previous ISVAP Regulation no. 39 of 9 June 2011 - introduced, also with reference to the ultimate Italian parent company (i.e. Unipol Group S.p.A., hereafter "Unipol" or the "Company") the shareholders' meeting competence for the approval of remuneration policies, including the group's.

In this regard, Article 93, Paragraphs 1 and 2, of the IVASS Regulation states that the administrative body of the ultimate Italian parent company "*shall define, consistently with the strategies and the risk management policy of the group, with the risk appetite and the limits of risk tolerance of the group, the remuneration policies of the group, assuring that they are adequately calibrated with respect to the characteristics of the group companies*", further specifying that these policies "*shall also apply to those who perform administration, management and control functions at the ultimate Italian parent company, to principals and to the personnel of the highest level of the fundamental functions of the group and to the additional relevant personnel, identified by the ultimate Italian parent company*."

Article 41 of the IVASS Regulation, referenced for groups by Article 93, Paragraph 5, of the Regulation, further states, in this case, too, innovating with respect to the past, that the Bylaws of the ultimate Italian parent company "*prescribe that the ordinary shareholders' meeting [...] shall approve the remuneration policies in favour of the corporate bodies and of relevant personnel*". For this purpose, among the proposed bylaws amendments per the sole agenda item of the extraordinary session of the present Shareholders' Meeting, is also included the introduction of this specific competence of the shareholders' meeting.

The remuneration policies of the Unipol Group (the "Group Policies" or the "Policies") also include those of the Company. They also define the principles and the guidelines on which the remuneration policies of Unipol subsidiaries are based, in relation to the sector in which they operate, in order to assure the overall consistency of the remuneration policies and practices within the Group.

At the same time, Article 123-*ter* of Italian Legislative Decree no. 58 of 24 February 1998 (the "Consolidated Law on Finance") prescribes that companies with listed shares shall publish, at least twenty-one days before the date set for the Ordinary Shareholders' Meeting called for approval of the financial statements, a report on the remuneration policies adopted in favour of the members of the administration and control bodies, the General Managers and Key Managers.

This regulatory framework is also supplemented by the remuneration standards and criteria recommended by the Code of Conduct for listed companies, with which the Company complies.

For this purpose, the Board of Directors of Unipol approved the Remuneration Report of the Company, prepared in accordance with Article 59 of the IVASS Regulation, referenced by Article 93, Paragraph 6, of the Regulation, and with Article 123-*ter* of the Consolidated Law on Finance (the "Report"), which consists of the following two sections:

- the First Section illustrates the Group Policies, which include, as stated, also the remuneration policies of the Company - with particular reference to the members of the administration and control bodies, to Key Managers and to the additional relevant personnel - for the year 2019, as well as the procedures used for their adoption and implementation;
- the Second Section provides an adequate representation of each of the items that comprise the remuneration paid in 2018 and illustrates, individually by name for the members of the administration and

control bodies and, in aggregate form, for the Key Managers of Unipol, the compensation paid by the Company in the year 2018 for any reason and in any form. Lastly, information is provided about the shareholdings held at 31 December 2018, by the aforementioned persons, in the listed companies and in their subsidiaries.

The Chief Risk Officer and Compliance Functions examined the Group Policies. The outcome of the audit activities confirmed (i) with reference to the Compliance Function, the Policies' compliance with the regulatory requirements, the adequate calibration with respect to the characteristics of the different companies to which they are applicable and the overall consistency at the Group level and (ii) with regard to the Chief Risk Officer Function, the consistency of the objectives and of the principles of the Policies and of their articulation with the risk appetite of the Group and of the company that comprise it, in accordance with the current regulatory provisions.

The Board of Directors therefore hereby submits the following resolution proposal to the Ordinary Shareholders' Meeting.

Proposal

"The Ordinary Shareholders' Meeting of Unipol Gruppo S.p.A. (the "Company"),

- in view of Articles 41, 59 and 93 of IVASS Regulation no. 38 of 3 July 2018 (the "IVASS Regulation");*
- in view of Articles 123-ter of Italian Legislative Decree no. 58 of 24 February 1998 (the "Consolidated Law on Finance") and 84-quater of CONSOB Regulation no. 11971 of 14 May 1999 as amended;*
- having acknowledged the Report of the Board of Directors and the related annexes,*

hereby resolves

to approve the first section of the Remuneration Report drawn up pursuant to Articles 41, 59 and 93 of IVASS Regulation and to Art. 123-ter of the Consolidated Law on Finance, which illustrates the remuneration policy of the Unipol Group and of the Company for the current year.

Bologna, 14 March 2019

The Board of Directors

Annex: Remuneration Report of Unipol Gruppo S.p.A., prepared pursuant to the IVASS Regulation no. 38 of 3 July 2018 and of article 123-ter of Italian Legislative Decree no. 58 of 24 February 1998

Disclaimer to the English Translation

This remuneration report (the "Remuneration Report") contains an unofficial and courtesy English language translation (the "Translation") of the Remuneration Report of Unipol Group S.p.A. pursuant to Articles 41, 59 and 93 of IVASS Regulation No. 38 of 03 July 2018 and Article 123-ter of the Consolidated Law on Finance published on the website of Unipol Group S.p.A. (www.unipol.it) under the Governance/Shareholders' Meetings/2019/Ordinary and Extraordinary Shareholders' Meeting 18 April 2019 Section.

In the event of any ambiguity about the meaning of certain translated terms or of any discrepancy between the Remuneration Report in Italian and the Translation, the Italian version of the Remuneration Report shall prevail.

Remuneration Policies of the Unipol Group

Remuneration Report of Unipol Group S.p.A.

***prepared pursuant to Articles 41, 59 and 93 of IVASS Regulation No. 38
of 03 July 2018***

and Article 123-ter of the Consolidated Law on Finance



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GLOSSARY

In addition to any further definitions contained in other parts of this document, for the purposes thereof, the capitalised terms and expressions stated below shall have the meaning attributed to them below, in all contexts in which they are used and regardless of whether used in singular or plural form:

Supplementary Company Agreements	second-level agreements with company trade union representatives on economic and/or legal issues.
Accrual Year	each calendar year according to which the Three-Year Period is divided and in relation to which the achievement of the <i>performance</i> for determining the Variable Incentive is verified.
Shareholders' meeting	the Ordinary Shareholders' Meeting of Unipol Group S.p.A.
Shares	all Unipol and UnipolSai Shares, assigned to the Beneficiaries, according to the terms and conditions established by the UPM System for the provision of short-term incentives (STI) and long-term incentives (LTI).
Unipol Shares	the ordinary shares representing the share capital of Unipol Gruppo S.p.A.
UnipolSai Shares	the ordinary shares representing the share capital of UnipolSai Assicurazioni S.p.A.
STI Bonus or STI	Short-Term Incentive: the amount of the short-term variable compensation relating to the performance performances of a given Accrual Year, subject to the achievement of the objectives relating to the Accrual Year, which is paid after the end of the Accrual Year.
LTI Bonus	Long-Term Incentive: the amount of the long-term variable compensation relating to the performance performances in the Three-Year Accrual Period, subject to the achievement of the objectives relating to the Three-Year Accrual Period, which is paid after the end of the Three-Year Accrual Period.
Actual Bonus	the amount actually accruing of the Variable Incentive connected to the UPM System. Depending on the context in which it is mentioned, it is equal to the sum of the STI Bonus and the LTI Bonus or to only one of the two.
Potential Bonus	the maximum amount of the Variable Incentive linked to the Incentive System. Depending on the context in which it is mentioned, it is equal to the sum of the maximum amount of the STI Bonus and maximum amount of the LTI Bonus or only one of the two.
Claw-back	clause that provides for the repayment - fully or in part - of the STI and/or LTI Bonus paid to the Beneficiary, if certain conditions defined in the Group Remuneration Policies are met.
Code of Conduct	Code of Conduct of listed companies adopted by the Committee for the Corporate Governance of listed companies and promoted by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria, updated to 2018.
Unipol Banking Business or Banking Business	Unipol Banca S.p.A. and the subsidiary Finitalia S.p.A.
Fixed component or fixed remuneration	the part of remuneration that is stable and irrevocable, calculated and paid based on pre-specified criteria and independently from the Group and/or Company and/or individual performance. It may include RAL, indemnities paid for various reasons, monetisation of social security components, compensation paid for the holding of administrative offices and/or for the participation in board committees.

Variable Component	the part of compensation that is not stable and irrevocable, the awarding or disbursement of which may be modified according to the performance of the Group and/or Unipol and/or the individual or other parameters and is calculated and paid based on the conditions specified in the Group Remuneration Policies.
Particularly high Variable Component	pursuant to IVASS Guidelines, the variable remuneration paid to the Managing Director - Group CEO and General Manager and to Executives was identified as a particularly high amount of variable remuneration.
Recipient	the party to which the provisions of the Remuneration Policies adopted by Unipol apply and who, unless otherwise provided, takes part in a Plan of Variable Incentive.
Deferral	time period between the end of the measurement of the performances on which the accrual of the Variable Incentive depends and its actual disbursement.
IDD Directive	Directive (EU) 2016/97 of the European Parliament and Council of 20 January 2016 on insurance distribution.
Key Managers	the individuals who hold power and responsibility, whether directly or indirectly, over the planning, management and oversight of Unipol's activities as a listed company. They are identified by the Governance, Legal Affairs and Human Resources General Managers of Unipol, with the approval of the Chairman and the Managing Director - Group CEO and General Manager of Unipol itself.
Bank of Italy provisions or Supervisory Provisions	Bank of Italy Circular No. 285 of 17 December 2013 carrying "Supervisory provisions for Banks", Part 1, Title IV, Chapter 2, Section I ("Policies and practices of remuneration and incentive").
Bracket	classification method for Unipol Group Managers related to the relevance and complexity of their role and position.
Fundamental Functions and/or Company Control Functions	The function of assessment of the compliance with the rules (Compliance and Anti-Money Laundering), the risk management function (Chief Risk Officer), the internal audit function (Audit), as well as, for the insurance companies and the Parent Company, the actuarial function (Actuarial Function) and, for the companies of the Banking Business, the Anti-Money Laundering function and the compliance function ¹ , if required by the applicable supervisory regulations.
Insurance Group	Unipol and the companies controlled by this that are part of the Unipol Insurance Group, entered under no. 046 in the Register of Parent Companies held by IVASS.
Unipol Group or Group	Unipol and its subsidiaries.
Holding Period	time period during which the Shares assigned as Variable Incentive are subject to a restriction on sale.
Variable Incentive	generically indicates a financial return accrued in proportion to Group, corporate and individual performance performances.
Individual Performance Level	for each Accrual Year, an amount between 0% and 100%, which expresses the level of achievement of individual targets. The Individual Performance Level helps to determine the amount of the Variable Incentive.
Malus	clause that provides for the possibility of reducing or cancelling the Variable Incentive already accrued but still to be paid, if the conditions specified in the Group Remuneration Policies are met.
IVASS Guidelines	the Letter to the Market issued by IVASS on 5 July 2018 entitled "IVASS Guidelines on the application of the proportionality principle in the corporate governance system for insurance and reinsurance companies and groups".

¹ The activities characteristic of the compliance function are carried out by the relevant unit within the Risk Management Function.

Pay-mix	the ratio, usually expressed in percentage, between the different components in the remuneration package of the Beneficiary: fixed remuneration, variable remuneration paid as STI Bonus, and variable remuneration paid as LTI Bonus.
Pay-out	the ratio, usually expressed as a percentage, of Actual Bonus to Potential Bonus.
Relevant Personnel	Beneficiaries whose activity may have a significant impact on the company's risk profile, identified on the basis of the criteria established by the relevant regulations, including the Managing Director-Group CEO and General Manager of Unipol and the Key Managers.
Variable Incentive Plan	the set of rules that regulate the conditions to benefit from variable incentives.
Group Business Plan	the Unipol Group's business plan for 2019-2021 three-year period.
Group Remuneration Policies or Group Policies	the 2019 Group Remuneration Policies, specified by the Parent Company pursuant to Article 71, Par. 2(n) and Article 93 of IVASS Regulation 38, which lay out the principles and guidelines followed by the companies of the Unipol Group for the remuneration of the Corporate Bodies and their personnel.
Unipol Remuneration Policies or Unipol Policies	the 2019 Unipol Remuneration Policies for the members of the management and control bodies, the Managing Director - Group CEO and General Manager, the Key Managers, the other Relevant Personnel and the other Managers of Unipol, drafted pursuant to Article 42 and 93 of IVASS Regulation 38.
Remuneration Policies	The Unipol Policies together with the Group Policies.
GAR	the fixed Gross Annual Remuneration, excluding Severance pay, any provision or payment of any nature and/or for social security purposes borne by the employer, and any variable component, whether this is paid as a <i>una tantum</i> amount or on an ongoing basis, repeated or deferred, excluding any <i>bonus</i> , travel indemnity and monetisation of social security components. It constitutes the main reference for the calculation of the Variable Incentive: for this purpose, its amount at 31 December of the Accrual Year is considered.
Issuers' Regulation	CONSOB Regulation n. 11971 of 14 May 1999 and subsequent amendments and integrations.
IVASS Regulation	Regulation no. 38 of 3 July 2018 issued by the Institute for Insurance Supervision (IVASS), with particular reference to Part Two, Chapter VII ("Remuneration and Incentive Policies") and Part Three, Chapter VII ("Group Remuneration Policies").
Remuneration Report (or "Report")	document drafted pursuant to Article 123-ter of the Consolidated Law on Finance for listed companies, approved by the pertinent corporate bodies and submitted to the Shareholders' Meeting, which (i) in the first Section describes the 2019 Remuneration Policies and (ii) in the second Section provides information on the application of 2018 Remuneration Policies.
Variable Remuneration	this generically indicates the compensation paid in a non-recurring manner upon the satisfaction of the conditions set forth in this document.
UPM System	the name of the variable incentive system adopted for the Managerial Staff of all the Companies of the Group.
Solvency II	the metrics referred to by the provisions of Directive 2009/138/EC on access to and performance of insurance and reinsurance activities (known as <i>Solvency II Directive</i>).
Severance Pay	Severance pay
Three-Year Accrual Period	the period of observation and measurement of the performances for determining the LTI Bonus. The period is the same as the three-year Group Business Plan (2019-2020-2021).

Unipol or Parent Company or the Company	Unipol Group S.p.A.
UnipolSai	UnipolSai Assicurazioni S.p.A.
Consolidated Gross Profits	Gross Profits related to the consolidated financial statements of the Parent Company Unipol.
Welcome Bonus	<i>one-off</i> monetary compensation, not linked to the achievement of performance targets, agreed at the time of entry in the company and only during the first year of employment. It cannot be awarded more than once to the same person.

INTRODUCTION

This Report, approved by the Board of Directors of Unipol on 14 March 2019, after hearing opinion of the Remuneration Committee, for the purposes of the Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2018

- describes:
 - the 2019 Group Remuneration Policies, specified by the Parent Company pursuant to Article 71, Par. 2(n) and Article 93 of IVASS Regulation 38, which lay out the principles and guidelines followed by the companies of the Unipol Group for the remuneration of the Corporate Bodies and their Relevant Personnel;
 - the 2019 Remuneration Policies of Unipol for the members of its administration and control bodies ("Corporate Bodies"), the Managing Director-Group CEO and General Manager, the Key Managers, other Relevant Personnel and other Managers of Unipol, drafted pursuant to Article 42 and 93 of IVASS Regulation 38; and
- represents the Unipol Remuneration Report pursuant to Article 123-Ter of Legislative Decree No. 58, 24 February 1998, Consolidated Law on Finance ("TUF") and in accordance with the models contained in Annex 3A, Schedules 7-bis and 7-ter of the "Issuers' Regulation";

The Unipol Remuneration Policies comply with the recommendations on remuneration provided in the Code of Conduct of listed companies, in its latest version (2018), which Unipol abides to.

During its meeting held on 14 March 2019, the Board of Directors of Unipol, pursuant to Article 93 of the aforementioned IVASS Regulation n. 38 and as the ultimate Italian controlling company as specified in Article 210 of the Private Insurance Code, approved, among other things, the Remuneration Policies of Group, carrying the principles and guidelines of the Remuneration Policies applicable to the Unipol Group, which will be submitted, pursuant to the afore-mentioned Regulation n. 38, to the approval of the Shareholders' Meeting of the Parent Company called for 18 April 2019.

This Report has two sections:

- **First Section: 2019 Remuneration Policies**
The first Section describes together with the Group Policies, the Remuneration Policies adopted, at the individual level, by Unipol and the procedures used for their adoption and implementation, with particular reference to the members of the Corporate Bodies, Managing Director-Group CEO and General Manager and the Key Managers, as well as other Relevant Personnel and other Managers of Unipol.
- **Second Section: Implementation of 2018 Remuneration Policies**
The second Section describes the result of the application of the Unipol Remuneration Policies in place in 2018. Notably, it provides an appropriate representation of each item included in the remuneration. The compensation paid in 2018 at any title and in any form by the Company is described for each of the components of the Corporate Bodies, for the Managing Director-Group CEO and General Manager and, in aggregate form, for the Key Managers of Unipol.

The Report also provides information on the investments held, by the aforementioned persons, in Unipol and its subsidiaries.

The Shareholders' Meeting approves the Group Policies and the Remuneration Policies of Unipol; the result of voting is made available to the public pursuant to Article 125-quater, Par. 2, of the TUF.

As envisaged by CONSOB Regulation no. 17221 of 12 March 2010 regarding related party transactions, as later amended and assimilated in the "Procedure for Transactions with Related Parties" ("Procedure"), adopted by the Unipol and available on its website (www.unipol.it), in the Governance/Related Party Transactions Section, the approval of the Remuneration Policies by the Shareholders' Meeting exonerates Unipol from the application of the Procedure in the resolutions of the Board of Directors regarding the remuneration of Directors and Key Managers, in accordance with the further conditions set forth in Article 13, Par. 3(b) of the cited Regulation.

This Report is made available to the public at the registered office of Unipol, in Bologna, Via Stalingrado, 45, as well as on Unipol's website at www.unipol.it, in the Governance/Shareholders' Meetings/2019/Ordinary and Extraordinary Shareholders' Meeting 18 April 2019 Section, in accordance with the regulatory provisions in force.









Pursuant to Article 123-ter, Par. 5, of the Consolidated Law on Finance, the documentation related to the compensation plans based on financial instruments, prepared pursuant to Article 114-bis of the Consolidated Law on Finance, are available on the Unipol's website www.unipol.it, in the Section Governance/Shareholders' Meetings/2019/Ordinary and Extraordinary Shareholders' Meeting – 18 April 2019.

FIRST SECTION

2019 REMUNERATION POLICIES

EXECUTIVE SUMMARY:

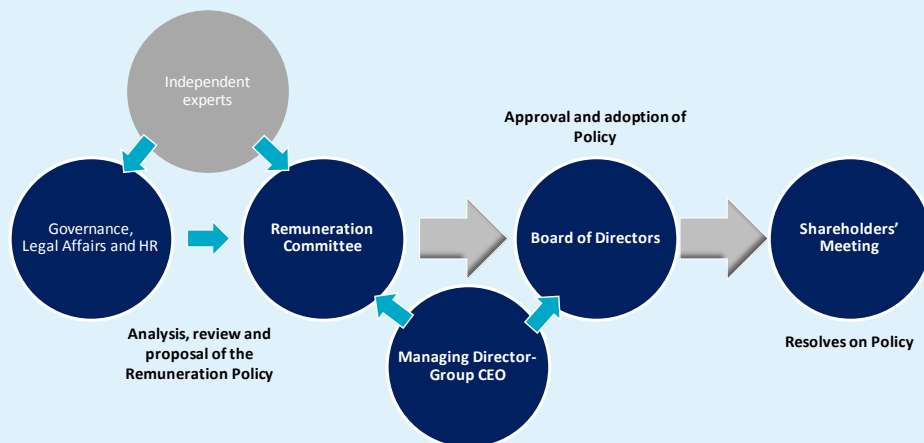
Unipol approach to the Remuneration Policies of Group

 <p>Values and mission</p>	<p>Our Core Values</p> <ul style="list-style-type: none"> • <i>Accessibility</i> • <i>Farsightedness</i> • <i>Respect</i> • <i>Solidarity</i> • <i>Responsibility</i> 	<p>Our Core Values are expressed in our Charter of Values and outlined in the Code of Ethics as standards of conduct towards the different stakeholders. These principles, conducts and objectives, characteristic of the corporate culture, are articulated also in the Remuneration Policies of the Group, which are defined by considering both quantitative and qualitative aspects. The Group implements a management that is efficient, profitable and sustainable over time, based on the contribution and professional development of its employees. This statement not only provides important guidance for the general formulation of the Remuneration Policies, which emphasize a long-term sustainable approach, but also highlight its aim to be an important tool for professional development.</p>	 <p><i>Guidelines</i> page 18</p>
 <p>Objectives and principles</p>	<p>To guarantee that the remuneration is fair, appropriate to the role, responsibilities, professional competences and abilities, in compliance with the provisions of laws, regulations and by-laws, as well as any Code of Ethics and consistent with the need for sustainable performance.</p>	<p>The focus on the interests of all Stakeholders of the Unipol Group, particularly Shareholders and Investors, Employees, Agents and Professionals, Future Generations, who enjoy the benefits of a remuneration policy that seeks to attract, reward and empower the best professional competences in a fair, adequate and ongoing manner:</p> <ul style="list-style-type: none"> • a sound and prudent risk management and control system; • internal fairness; • meritocracy; • benchmarking with the reference markets. 	 <p><i>Objectives, principles</i> page 19</p>
 <p>Compliance with laws and regulations</p>	<p>The Remuneration Policies are drafted in compliance with the relevant provisions specified by the Italian and EU laws for the sector, the regulatory provisions concerning issuers and the Code of Conduct for listed companies.</p>	<p>In particular:</p> <ul style="list-style-type: none"> • Code of Conduct, with particular reference to the Application Criterion 6.C.1 • IVASS Regulation n. 38 of 3 July 2018, Article 93 	 <p><i>page 17</i></p>
 <p>Link between performances and remuneration</p>	<p>The incentive systems are based on variable components of the remuneration linked to the achievement of short and medium-long term targets specified <i>ex-ante</i>, of which a part is significantly deferred, and maintain a strict balancing between monetary and share-based component, both short and long-term.</p> <p>The reference model on which the architecture of the remuneration systems is designed is based on the correlation between the following elements:</p> <ul style="list-style-type: none"> • the performance of the Unipol Group; • the performance of the operating area of which the Beneficiary is in charge; • the individual <i>performances</i>. 	<p>It is ensured through:</p> <ul style="list-style-type: none"> • the appropriate balancing between the fixed and the variable component of the remuneration and the linking of the latter to predefined and measurable performance criteria; • the appropriate balancing between the variable remuneration paid in monetary form and that paid in the form of financial instruments; • a correct balance between short and long-term efficiency criteria, through the deferred payment of the variable component; • inclusion of <i>malus</i> and <i>claw-back</i> clauses, which provide for the partial or total repayment of the variable component, if certain conditions are met, and of clauses aimed at preventing tax evasion by Relevant Personnel; • ex-ante setting of limits for the variable component; • the deferral of a significant part of the variable remuneration; • the specification, with reference to the parts paid in financial instruments, of a period of non-availability; • the different impact on the risk profiles of the Group, according to the office held and responsibilities assigned. 	 <p><i>Purposes of the different remuneration components</i> page 20</p>

Governance process

The main parties involved are:

- The Board of Directors
- The Ordinary Shareholders' Meeting of the Parent Company
- Remuneration Committee
- Managing Director
- Unipol Governance, Legal Affairs and Human Resources General Manager of the Parent Company
- Fundamental Functions of Unipol



Decision-making processes on Remuneration Policies
page 25

Elements of the compensation package of the Beneficiaries

The elements included in the compensation package of the Beneficiaries of the Policies are summarised in the diagram.

	ELEMENTS OF REMUNERATION PACKAGE			
	FIXED COMPONENT**	VARIABLE		Benefit
Beneficiaries		STI	LTI	
Non-Executive Directors	●			●
Executive Directors	●	●	●	●
GM, KM, RP and Managers*	●	●	●	●

Note

*GM: Group CEO and General Manager- DRS: Key Managers - RP: Relevant Personnel

** to be understood as Fee and/or Gross Annual Remuneration

Remuneration Policies of Corporate Bodies
page 28

Remuneration Policies of the Key Managers, Relevant Personnel and other Managers
page 31

Fixed Component

The fixed remuneration component provides compensation for the skills, capabilities, roles and, in particular, responsibilities relating to the role. Reasons of internal fairness, competitiveness, attractiveness, meritocracy or the allocation of greater responsibilities may result in fixed indemnities being awarded.

The fixed remuneration component is set not only pursuant to the provisions of the applicable National Collective Labour Agreements, but also according to the following key parameters:

- importance of the assigned position;
- complexity of the role covered;
- significance of the responsibilities attributed;
- the qualitative weight of the skills possessed and acquired;
- alignment with sector-related market benchmarks.

Variable component

The variable component is regulated by Unipol Performance Management

The variable component rewards performances achieved in the short and medium/long-term, expressed not only in the form of economic revenue, but also as attention to risks and qualitative performance. The UPM System provides for a Potential Bonus, articulated by Bracket: all Managers of the companies of the Unipol Group are divided into four Brackets, according to the weight of the organisational position and the importance and complexity of the role and position. The Potential Bonus consists of an STI Bonus, which is

Variable Incentive

Incentive System (UPM System), which applies to all Executive Personnel.

paid out according to the performance achieved over the year, and an LTI Bonus, which is paid out according to the performance achieved over a three-year period (2019-2021).

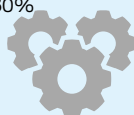
The bonus opportunities are described below:

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Potential Bonus					
Beneficiaries	% maximum vs GAR	of which: (% maximum vs GAR)		Weight % with respect to Total Bonus	
		STI	LTI	STI	LTI
Group CEO and General Manager of Unipol	200%	80%	120%	40%	60%
Executive Bracket Managers	125%	50%	75%	40%	60%
1st Bracket Managers	100%	50%	50%	50%	50%
2nd Bracket Managers	70%	35%	35%	50%	50%
3rd Bracket Managers	40%	20%	20%	50%	50%

Two Group gates
STI: 4 Individual Targets, threshold 60% as sum of individual achievement levels
LTI: 4 Targets, threshold for the opening of the gates: 80%

- Unipol Consolidated Gross Profits as for 2019 budget:
 - for the Managing Director-Group CEO and General Manager, other Key Managers and for other Relevant Personnel, the achievement of at least 90% of the target;
 - for other Beneficiaries, achievement of at least 80% of the target.
- a Unipol consolidated coverage ratio (balance sheet strength), calculated using Solvency II metrics, equal to target set for 31 December 2019 by the pertinent decision-making bodies, is condition for the full pay-out of the Actual Bonus, while a value between 100% and 80% of the target, provided the result was not below 1.0, reduces the Actual Bonus by 25%. The Actual Bonus is zero if said value is below 80% of the target.



Access to the System by Managers working within the Fundamental Functions is not conditional on the achievement of the Consolidated Gross Profits condition.

The STI Bonus is linked to the achievement of four individual targets awarded annually to the Beneficiary, which are given the following weights:

- First individual quantitative target (weight: 30%);
- Second quantitative individual target (weight: 30%);
- Qualitative individual target (weight: 20%).
- Management skill development target (weight: 20%).

The minimum performance threshold to be reached for the bonus to be paid out is equal to 60%. The Individual Performance level is related to the disbursement of the STI Bonus, in percentage of its maximum value:



Conditions for access to the UPM System – Short-term Company Performance page Errore. Il segnalibro non è definito.

Conditions for access page Errore. Il segnalibro non è definito.

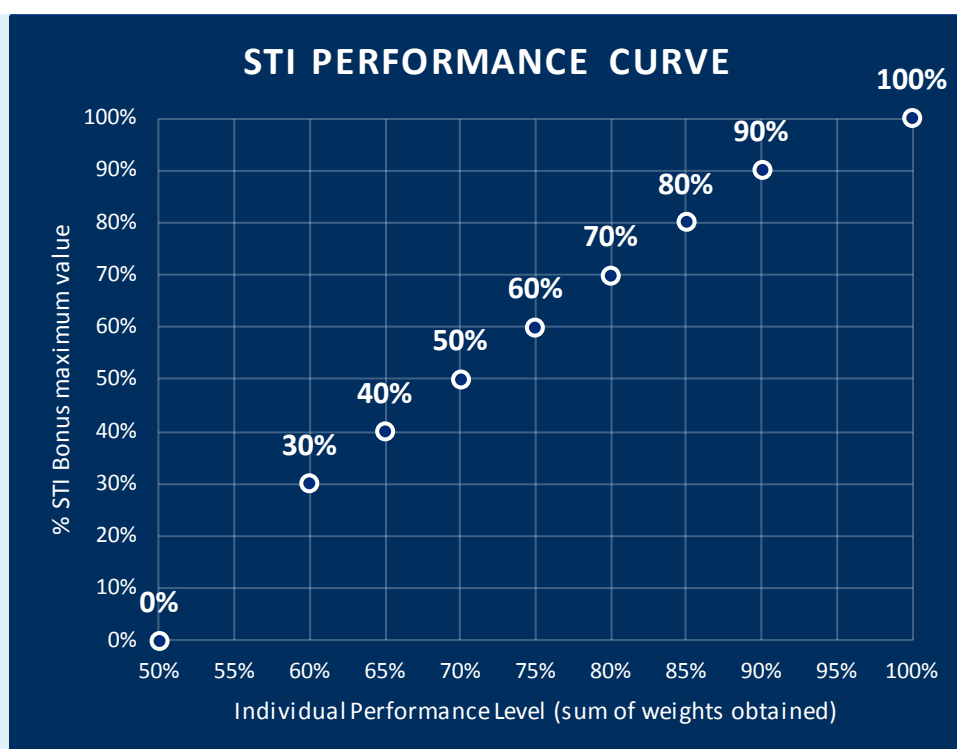
Short-term incentive (STI) page Errore. Il segnalibro non è definito.

Individual Short-term targets page Errore. Il segnalibro non è definito.

Long-term Incentives (LTI) page Errore. Il segnalibro non è definito.

Long-Term Targets page Errore. Il segnalibro non è definito.

Upm
Conditions for access to UPM System and KPI



The LTI Bonus for the Beneficiaries that do not work within the Fundamental Functions is calculated according to the achievement, joint or separate, of the following indicators, which are assigned a weight:

⚖️ 45%	⚖️ 30%	⚖️ 20%	⚖️ 5%
Consolidated Gross Profits Unipol Group cumulated on the years 2019, 2020 and 2021	Unipol capital solvency requirement target at the end of Three-Year Period	Positive ratio between average value of Unipol Share in the first two months of 2022 and the average value in the first two months of 2019	Reputational Profile of the Unipol Group in the Three-Year Accrual Period above that recorded, in the same period, by the Financial-Insurance Sector as a whole (calculated and measured using RepTrak® model of Reputation Institute)
0% <80% of target	0% <100% of target	0% Equal or negative ratio	0% Equal or lower value
45% ≥80% of target	30% ≥100% of target	20% Positive ratio	5% Higher value

KPI and LTI thresholds for Functions other than Fundamental Functions

The LTI Bonus for the Beneficiaries that work within the Fundamental Functions is calculated according to the achievement, joint or separate, of the following indicators, which are assigned a weight:

⚖️ 60%	⚖️ 35%	⚖️ 5%
Achievement of an average Individual Performance over the Three-Year Accrual Period not below 80%, on condition that both individual quantitative targets are fully reached in at least two of the three financial years;	Unipol capital solvency requirement target at the end of Three-Year Period	Reputational Profile of the Unipol Group in the Three-Year Accrual Period above that recorded, in the same period, by the Financial-Insurance Sector as a whole (calculated and measured using RepTrak® model of Reputation Institute)
0% <80% of target	0% <100% of target	0% Equal or lower value
60% ≥80% of target	35% ≥100% of target	5% Higher value

KPI and LTI thresholds for Fundamental Functions



A Group policy articulated by "Business"



Main changes made with respect to 2018

The Group Policies are adopted by all Companies of the Group. The Companies of the Group, besides adopting the Group Remuneration Policies and the corresponding principles and guidelines, integrate, through "Business" or "Business Sector" Remuneration Policies, the necessary regulatory and/or operating adjustments characteristic of its sector of activity.

	PERIMETER	SECTOR REGULATIONS	SPECIFIC CHARACTERISTICS OF BUSINESS VS GROUP POLICIES
	All Companies of the Group	IVASS Regulation 38/2018	
1. Insurance Business	Insurance Companies Insurance Instrumental Companies	IVASS Regulation 38/2018	<ul style="list-style-type: none"> Additional access conditions for UPM System Special provisions for payment of variable compensation to non-executive personnel
2. Banking Business	Unipol Banca, Finitalia	Circular 285, Bank of Italy – with proportionality	<ul style="list-style-type: none"> Additional access conditions for UPM System Existence of Bonus Pool STI component payment Definition PHA Claw-back time horizon Tax evasion clause application perimeter Special provisions for payment of variable compensation to non-executive personnel
3. UnipolSai Investimenti SGR	UnipolSai Investimenti SGR	Joint Regulation CONSOB/Bank of Italy, 27 April 2017 – with proportionality	<ul style="list-style-type: none"> Additional access conditions for UPM System Existence of Bonus Pool STI component payment Claw-back time horizon Tax evasion clause application perimeter Special provisions for payment of variable compensation to non-executive personnel
4. UnipolReC and Unipol Reoco	UnipolReC and Unipol Reoco	--	<ul style="list-style-type: none"> Additional access conditions for UPM System
5. Other Companies	Gruppo Una, Tenute del Cerro	--	<ul style="list-style-type: none"> Additional access conditions for UPM System

- Relevant Personnel is identified in line with Group Guidelines and based on specific sector regulations.
- Independently from the opening of Group gates, the failure to open the individual Company gates results in the Bonus being set to zero.

- UPM System 2019/-2021: CASH AND EQUITY BALANCING**
 - The UPM System for 2019-2021 provides for both the portions paid out as STI, and the portions paid out as LTI to be paid out 50% in cash and 50% in equity;
 - The LTI component is paid out as part of a new 2019-2021 closed plan;
 - The structure and KPIs of the UPM System remain unchanged.
- DEFINITION «PHA» (Particularly High Amount of variable remuneration)**
 - As for requirement, the particularly high amount of the variable component was identified, for the application of stricter criteria with regard to deferment (60% of the bonus, 5 years);
 - The component is identified in terms of percentage incidence with respect to the fixed compensation; currently this category includes the Managers in the Executive Bracket, as well as the Group CEO and General Manager.
- DEFERMENT OF LTI COMPONENT**
 - The LTI component will be subject to three years of deferment with respect to the end of the period of observation of the performance. The 2019-2021 plan will be therefore paid out in three pro-quota tranches, from 2023. For the PHA population, it will be subject to an additional deferment: the 2019-2021 plan will be therefore paid out in five tranches pro-quota, from January 2023.
- MANAGER BRACKET**
 - Based on the weight of the position, all managers of the Group are placed in one of four Brackets: a new Bracket was introduced with respect to 2018, the Executive Bracket.
- SPECIFIC CLAUSES FOR VARIABLE COMPONENT**
 - Three-year time horizon for claw-back clause was introduced;
 - A 12-months Holding Period clause on equity payments was added, on 100% of the bonus, net of the portions sold to deal with the tax effect;
 - As for requirement, Hedging clause on the variable remuneration was introduced.

* Particularly High Amount of variable remuneration

INTRODUCTION

Through a Remuneration Policy structured and based on clear and sustainable principles, in line with legal and regulatory provisions, the Unipol Group wants to support and leverage the best skills, building remuneration packages able to appropriately remunerate the most capable and qualified resources.

The consistency with the medium- and long-term *business* strategies of Unipol and the Group, the focus on quality and competitiveness of the service to customers and the constant alignment with the interest of the reference Shareholders inspire the Remuneration Policies, turning them into a real tool to support the growth of the company.

The subsidiaries of the Unipol Group that fall in the perimeter of application of the Group Policies are divided, according to the specific *business* segment or the similar regulatory context in which they operate, in the following reference businesses or sectors ("Business Policies"):

- the Insurance Business of the Unipol Group, which includes the relevant insurance companies and instrumental companies of the Unipol Insurance Group;
- the Unipol Banking Business, only for Unipol Banca S.p.A. and its subsidiary Finitalia S.p.A.;
- UnipolSai Investimenti SGR S.p.A.

- 4) UnipolReC S.p.A. – Unipol Reoco S.p.A., operating in the non-performing credit collection sector;
- 5) other relevant companies of the Unipol Group.

Each company approves its Remuneration Policies, adopting the Business Policies for the business it belongs to, that integrate the principles and guidelines of the Group Policies with the necessary regulatory and/or operating adjustments characteristic of the business/company.

The Group Policies concern the remuneration of the Corporate Bodies, the General Managers, if appointed, the Key Managers of listed companies, the other Relevant Personnel), as specified and identified for each company pursuant to the business regulations in force, as well as of all Managers of the Unipol Group.

The Group Remuneration Policies confirm the principle according to which the incentive systems are based on variable components of the remuneration linked to the achievement of short and medium-long term targets specified *ex-ante*, of which a part is significantly deferred, and maintain a strict balancing of monetary and share-based components, both short and long-term. In fact, Unipol is convinced that this aspect of the Remuneration Policies is also able to encourage, as an indirect but no less important result, the dissemination of a professional culture directed towards creating sustainable value over time and direct participation in the performances, therefore creating joint responsibility for and real involvement in business objectives.

*** **

The Remuneration Policies of Unipol, besides complying with the principles and criteria of which to Article 6 of the Code of Conduct of listed companies which Unipol abides, follow, *inter alia*, the changes in regulations in this area² and also comply with the new provisions of the Regulation IVASS 38 as ultimate Italian controlling company pursuant to Article 210 of the Private Insurance Code; apart from the considerations made below, they ensure continuity and consistency with the Remuneration Policies specified for the previous years, confirming the objective of contributing to guarantee corporate performances, also in the medium-long term, in line with the expectations of the *stakeholders* and with an approach of prudent risk management and cost sustainability, within a competitive market in line with international standards.

1. Guidelines

As it was last year, the Group Policies and the Remuneration Policies of Unipol are inspired to some key elements, common to all Companies of the Group:

- the Mission of the Unipol Group, illustrated in the Charter of Values, which states, *inter alia*: “The Group pursues business management that is efficient, profitable and sustainable over time, based on the contribution and empowerment of our people.” This statement provides important guidance regarding not only the general formulation of Remuneration Policies, which seek to pursue a long-term sustainable approach, but also highlight its vocation to be an important tool for professional development;
- the Values of the Unipol Group, which include Far-sightedness, Respect and Responsibility, give the Remuneration Policies a perspective that is also based on qualitative and not only quantitative aspects;
- the focus on the interests of all Stakeholders of the Unipol Group, particularly Shareholders and Investors, Employees, Agents and Professionals, Future Generations, who enjoy the benefits of a remuneration policy that seeks to attract, reward and empower the best professional competences in a fair, adequate and ongoing manner;

² In particular, the following legal and regulatory provisions should be mentioned: (i) Article 114-bis and Article 123-ter of Legislative Decree 24 February 1998 n. 58, with the corresponding implementing provisions, regulating, respectively, the compensation plans based on financial instruments and the remuneration report; (ii) Article 84-bis and Article 84-quater of Resolution n. 11971, 14 May 1999, which has adopted the regulation concerning the issuers in implementation of Legislative Decree n. 58, 24 February 1998, and subsequent amendments, with the corresponding reference annexes, regulating, respectively, the information on the awarding of financial instruments and the remuneration report.

It should also be mentioned Article 7 of IVASS Regulation 44/2019, by virtue of which Unipol has adopted instruments to promote and disseminate an internal control culture to monitor the risk of money-laundering and to avoid corporate policies and remuneration practices that conflict with the purposes of preventing this risk.

Lastly, the remuneration principles as specified in the Directive IDD should be mentioned.

- the business strategies of the Unipol Group, based on Sustainability, and as such encouraged in the Group's Business Plan, which guides Remuneration Policies from a time horizon and operational perspective, projecting the effects and the benefits towards sustainable milestones;
- the Unipol Group's Corporate Governance system which, by virtue of a corporate and organisational model that pursues prompt and constant compliance with rules and regulations, respect of the correct distribution of powers between governance bodies and corporate structures, and the observance, the adequacy and the control of the risk management system, facilitates not only the full legal compliance of the Remuneration Policies, but also guarantees the development of an adequate internal training process and its coherence with wider management policies.

2. Objectives, principles and comparison with previous year

As it was last year, the primary objective of the Remuneration Policies is to guarantee fair remuneration, adequate to the role, responsibilities, professional competences and individual skillset, in compliance with the provisions of laws, regulations and by-laws, as well as any Code of Ethics and consistent with sustainable performances requirements.

The remunerations do not jeopardise the ability of the company to maintain capital levels appropriate and the agreement of remuneration with the service providers do not encourage excessive risk-taking, taking into account the risk management strategy of the company.

Personnel is informed of the consequences of violations of laws and regulations or Codes of Ethics through appropriate internal communication channels.

The following principles are the essential parameters for the determination of remuneration:

- a sound and prudent risk management policy, in line with the long-term strategic objectives, profitability and balance of Unipol and the Group, articulated taking into account the different sector characteristics, avoiding Remuneration Policies based exclusively or prevalently on short-term results that could be an incentive to excessive risk exposure;
- internal fairness, so that remuneration is consistent with the position held and the connected responsibilities, with the role assigned, experience, skillset, capacities demonstrated and actual performance;
- meritocracy, so that the performances achieved and the conduct engaged in to achieve them are rewarded;
- dialogue with reference markets, in order to create competitive pay packages, learning of the trends, guidance and best practices so as to sustain health competition fairly and effectively.
- the level of risk monitoring, differentiated both in regard to Unipol and on the basis of the business line in question, for the purpose of basing Remuneration Policies on sound and prudent risk management.

As described in the introduction, with respect to the Remuneration Policies adopted in the previous year, in the specification of the current policies, Unipol has taken into account the new provisions introduced by the IVASS Regulation, based on which the compensation plan based on financial instruments and, more in general, the entire remuneration set-up of the Group Policies adopted by the companies of the Group involved, as well as in the Remuneration Policies adopted at the business and company level were also revised.

The Remuneration Policies and the afore-mentioned Plan, at the beginning of the 2019-2021 three-year period covered by the new Group Business Plan, are in line with the Remuneration Policies adopted by the Unipol Group in recent years, also adopting the aforementioned regulatory updates, which have essentially confirmed the principles already set forth in the regulations previously in force, but provided for certain rules of greater and/or more specific scope.

The main changes are as follows:

- the application also by Unipol, as ultimate Italian controlling company of the Insurance Group Unipol, of the Group Policies, pursuant to Article 93 Par. 2 of the IVASS Regulation 38;
- the achievement threshold for the gross profit target resulting from the consolidated financial statements of the Parent Company has been raised and is now set, for the short-term component, at 90% for Relevant Personnel and at 80% for the other Remuneration Policy Beneficiaries and, for the long-term component, at 80% for all personnel;

- correspondingly, the achievement threshold of the IAS separate gross profit target for the Insurance Business companies and of the Individual Gross Profits for the Banking Business companies has been raised and is now set at 90% for Relevant Personnel and at 80% for the other personnel;
- the balancing also for the Managing Director-Group CEO and General Manager of Unipol of the short-term portion of the variable component to the extent of 40% and of the long-term portion to the extent of 60%, as for the members of the Executive Bracket;
- an average reputational *performance* target for the Unipol Group in the Three-Year Accrual Period has been introduced, contributing proportionally to the pay-out of the long-term incentive;
- short-term variable incentives are also now paid partly in monetary form and partly in the form of financial instruments (Unipol and UnipolSai Shares);
- a ban has been introduced on the sale of financial instruments assigned by virtue of variable incentives for a period of one year;
- the deferral preceding the payment of any long-term incentive accrued has been set at three years, starting from the end of the period of measurement of short-term performances;
- the identification, pursuant to IVASS Guidelines and Supervisory Provisions, of the "particularly high variable remuneration amount" threshold, beyond which stricter timing and economic conditions are applied to the variable incentive (i.e. 40% in the short term and 60% in the long term, the latter in turn diluted in five years rather than in three);
- the inclusion, in the *claw-back* clause, of a maximum period of years three (five for the Remuneration Policies of the Banking Business) within which this clause may be exercised;
- It is no longer possible to receive an Additional Bonus, previously allowed if the long-term targets were significantly exceeded.

To specify the Remuneration Policies applicable to itself, Unipol has not used Remuneration Policies of other companies as reference.

2.1. Purposes of the different remuneration components

The fixed remuneration component provides compensation for the skills, capabilities, role and, in particular, the responsibilities relating to the role. It provides for a fixed base remuneration, specified by the applicable collective labour agreements, as well as by the Supplementary Company Agreements, by other any bilateral agreement and by specific internal regulations, and differs according to the category and seniority. Reasons of internal fairness, competitiveness, attractiveness, meritocracy or the allocation of greater responsibilities may result in the awarding of fixed economic supplements, consolidating them over time.

The variable remuneration component is based on two main objectives:

- rewarding performances achieved in the short and medium/long-term, expressed not only in the form of economic revenue, but also in the form of attention to risks and qualitative performance;
- developing professional skills while enacting an effective retention policy.

The incentive systems provide for variable remuneration components linked to the achievement of pre-specified short and medium-long term performances, of which a part is significantly deferred, and maintain a strict balancing of monetary and share-based component, both short and long-term.

The following principles, therefore, represent specific Remuneration Policy parameters for the Beneficiaries, if variable components are included, identified for the purposes of encouraging the Managing Director -Group CEO and General Manager, the Key Managers, other Relevant Personnel and the other Managers to pursue the long-term interest of Unipol:

- adequate balance between the fixed and variable components, and the linking of the latter to predefined and measurable performance criteria, to strengthen the correlation between performance and remuneration;
- the provision, with regard to the variable component of the remuneration, of an appropriate balancing of payments in monetary form and payments in the form of financial instruments;
- long-term sustainability through a correct balance between the criteria of short and long-term efficiency, on which the remuneration is conditional, through the deferred payment of the variable component; this sustainability is strengthened by the inclusion of malus and claw-back

clauses, which provide for the full or partial elimination of the bonus and/or the repayment of this component if certain conditions are met;

- establishment of limits for the variable component;
- the deferment of a significant part of the variable remuneration for a period no less than the requirements of the applicable laws and regulations, differentiating the length of this deferral according to the incidence of the variable remuneration;
- the inclusion of a period of non-availability of length annual with reference to the parts paid in financial instruments;
- the prohibition to use hedging strategies ³ or specific insurance policies against risk of a downward adjustment in the remuneration that may alter or nullify the uncertainty arising from the disbursement of deferred bonuses and payments in the form of financial instruments;
- a different impact on the risk profiles of Unipol and the Group depending on the position held and the responsibilities assigned.

The reference model on which the architecture of the remuneration systems is designed is based on the correlation between the following elements:

- performance of the Unipol Group (included the performances in terms of attention to risk);
- the performance of the reference company;
- the performance of the operating area of which the Beneficiary is in charge;
- the individual performances.

2.2. Hedging

Pursuant to Article 275, Par. 2(g) of the EU Delegated Regulation 35/2015, Relevant Personnel and in general the Beneficiaries are not allowed to use personal hedging strategies or insurance relating to remuneration and liabilities that would undermine the risk alignment effects embedded in the respective remuneration arrangement.

3. Relevant companies – identification criteria and process

The process of identification of the significance of the companies, independently from whether they belong to the Insurance Group Unipol, in line with the principles articulated in Article 70, Par. 3, of IVASS Regulation 38, is based on the assessment “of the activity by these carried out, of their risk profile, of the contribution to the risk of the Group, of the association or control relationship, of the status as regulated companies, of the listing or location in another country, if any”; this assessment is carried out by Unipol as the ultimate Italian controlling company.

For the execution of the afore-mentioned process, a process of “expert judgement” was activated to identify the companies to be included in the definition of relevant companies. This assessment is carried out once a year.

The outcome of the identification process is justified and formalised.

4. Recipients of the Group Policies

The Remuneration Policies apply to the Corporate Bodies, the Managing Director - Group CEO and General Manager of Unipol, the General Director if any, the Key Managers of listed companies, the Relevant Personnel as *infra* specified, as well as all the Executive personnel of the companies.

³ By way of an example and not limited to, taking out with third parties option contracts or forward contracts with underlying financial instruments object of incentive.

5. Relevant Personnel - Identification and potential exclusion process

5.1. Relevant Personnel of the Insurance Business

The Relevant Personnel of the Insurance Business is identified based on the criteria and principles specified in Article 2, Par. 1(m) of IVASS Regulation 38.

Relevant Personnel therefore include (besides the General Managers if appointed, the Key Managers of listed companies, the Heads and senior management of the Fundamental Functions) the other personnel categories the activities of which may have a significant impact on the risk profile of the company, identified as described below.

The process of identification of the other Relevant Personnel takes into account:

- the organisational roles placed at the top of each business area, in accordance with the map of the main risk categories to which the company is exposed;
- the organisational roles that have been assigned the greatest powers, in accordance with the system of delegation adopted by the Company;
- any person for whom the weight of the organisational position places them in a higher bracket. The weight of the organisational positions is measured with a methodology certified by major companies specialised and recognised at the international level as well as according to the metrics adopted for industry remuneration surveys, and provides for the allocation of an indicator aimed at identifying consistently similar positions, gathering them into brackets;
- the managers in charge of essential or important activities.

5.2. Relevant Personnel of Unipol

Unipol applies the criteria and the process specified in Par. 5.1 above for the purposes of the identification of its Relevant Personnel.

5.2.1. Key Managers

Note that the Relevant Personnel identified for IVASS purposes includes all Key Managers of Unipol⁴, as identified by the Chairman and Managing Director-Group CEO and General Manager of Unipol on proposal of the Governance, Legal Affairs and Human Resources General Manager of the Parent Company, who at the date of publication of this Report are:

- the Administration, Controlling and Operations General Manager;
- Unipol Governance, Legal Affairs and Human Resources General Manager;
- the Business Development and Corporate Communication General Manager;
- Insurance Business General Manager;
- Banking Business General Manager;
- IT Services Director;
- Chief Investment Officer;
- Group Global Counselor;
- Chief Strategic Planning and Organisation Officer;
- Head of Group Management Control;
- Chief Risk Officer;
- Head of the Audit Function

⁴ The Key Managers and the Relevant Personnel fall in the Executive Bracket, 1st Bracket and 2nd Bracket and therefore the Remuneration Policies as *below* specified apply.

- Head of the Compliance and Anti-Money Laundering Function;
- the Head of the Actuarial Function.

5.2.2. Other parties whose activities may have a significant impact on the risk profile

In addition, the Board of Directors of the company has identified, according to the above described criteria, the other parties whose activities may have a significant impact on the risk profile of UnipolSai, in particular the Heads of essential or important Functions/Activities, if they are not already designated as Key Managers.

All parties identified in Par. 5.2.1. and in this paragraph fall in the Manager category.

Unipol in order to rigorously comply with the provisions of the laws and regulations in force and at the same time to guarantee equal remuneration for equal level in the organisation, applies to all “Manager” personnel the Remuneration Policies, as described below, regardless of their identification as Relevant Personnel.

5.3. Relevant Personnel of the Banking Business

The Relevant Personnel of the Banking Business is identified in compliance with the Supervisory Provisions to the Part I, Title IV, Chapter 2, Section I, Par. 6. The corresponding process of identification is based on the identification and assessment of the corporate officers who are able to affect on the risk profile of this business, in line with the criteria specified by Delegated Regulation (EU) of 4 March 2014, No. 604 (“Regulation EU/604”). This assessment is carried out at least once a year.

With reference to the companies of the Banking Business, the Relevant Personnel is identified in application of the afore-mentioned Regulation EU/604, independently from whether they are subject to the corresponding provisions on an individual basis, also to ensure the overall consistency of the process of identification for the same business.

The process of identification of the Relevant Personnel takes place with the following steps:

- Analysis 1: identification of the corporate officers that meet the qualitative criteria specified by Regulation EU/604;
- Analysis 2: identification of the corporate officers that meet the quantitative criteria specified by Regulation EU/604;
- Analysis 3: activation of an expert judgement process, aimed at identifying, based on the activities carried out, their significance and their contribution to the business processes, other parties, besides those identified as a result of the previous analysis, to be included in the definition of Relevant Personnel of the Banking Business companies of the .

The outcome of the identification process must be justified and formalised and contain information on the number of employees identified as Relevant Personnel, including the number of those identified for the first time, the individual names or details, the roles and the responsibilities of this personnel; the potential comparison with the outcome of the identification of the previous year. The same information concern the personnel potentially excluded and the personnel for which an exclusion notification or demand was presented or will be presented, as specified in Par. 5.3.2.

5.3.1. Derogation to the limit of 1:1 for the ratio between the variable and the fixed component of the Relevant Personnel of Unipol Banca S.p.A.

The Shareholders’ Meeting of Unipol Banca S.p.A., pursuant to Article 8 of the by-laws of the and with the methods specified by the Bank of Italy Circular of 17 December 2013 n. 285, may raise the limit of 1:1 to the ratio between the variable and the fixed component of the Relevant Personnel belonging to the Executive Bracket.

5.3.2. Procedure for the exclusion of the Relevant Personnel of the Banking Business

Pursuant to the afore-mentioned supervisory provisions, if Unipol Banca believes that the personnel identified in application of the quantitative criteria specified by Article 4, Par.1, of Regulation EU/604 may not be considered as Relevant Personnel:

- a) timely, and in any case within six months by the end of the previous year, it sends to the Bank of Italy the notification, as specified by Article 4, Par. 4 of Regulation EU/604, of the exclusions that concern the personnel with total remuneration amount equal or above Euro 500,000 in the previous year and below Euro 750,000. The exclusion lasts one year and concerns the year after the one in which the notification is sent, except for the exclusions notified for the first time, which extend also to the year in which the notification is presented⁵;
- b) timely, and in any case within six months from the end of the previous year, it sends to the Bank of Italy the prior authorisation request, pursuant to Article 4, Par. 5 of Regulation EU/604, of the exclusions that concern the personnel with total remuneration amount equal to or above Euro 750,000 or personnel that falls in the 0.3% of personnel that was awarded the highest total remuneration in the previous year. The authorisation lasts one year and concerns the year after the one in which the request is sent, except for the exclusions authorised for the first time, which extend also to the year in which the request is presented

5.4. Relevant Personnel of UnipolSai Investimenti SGR

The Relevant Personnel is identified in the Joint Bank of Italy/CONSOB Regulation issued on 27 April 2017 (the "Joint Regulation") according to the following criteria:

- i. executive and non-executive members of the bodies of the Company with strategic supervision and management functions, according to its legal structure, such as: directors, managing directors, executive and non-executive partners;
- ii. general director and heads of the main business lines, corporate functions or geographical areas, as well as those who report directly to the bodies with strategic supervision, management and control functions;
- iii. personnel of the Control Functions;
- iv. other parties that, individually or jointly, take significant risks for the Company or for the AIF managed (other Relevant Personnel). The identification of these parties is carried out by the Company according to the criteria described below; if their activity has or may have a significant impact on the risk profile of the manager or the AIFs managed, the following are included in the Relevant Personnel category:
- v. any party whose total remuneration is in the same remuneration bracket of the categories sub ii) and iv) indicated above.

The process of identification and update of the Relevant Personnel specified in under iv) above is based on a series of criteria in line with the provisions of Par.3, Annex 2 to the Joint Regulation, which consider the following aspects, which may be observed jointly or separately for the individual party:

- party classified as top-level management of a *business function*;
- party who has been granted powers of attorney;
- party who, independently from the classification, falls in the highest remuneration bracket in respect to the position in the organisation;
- party classified as top-level management of a non-business function, but whose

⁵ No new notification is made for personnel already excluded in the previous year, provided that Unipol Banca has established that the assumptions based on which the exclusion had been made still apply.

assessments may affect the calculation of the value of the AIFs managed.

5.5. Relevant Personnel of UnipolReC, Unipol Reoco and of the other relevant companies of the Group

Within the process of identification of Relevant Personnel at UnipolReC, Unipol Reoco and at the other relevant companies of the Group, the following must be identified:

- the organisational roles placed at the top of each business area, in accordance with the map of the main risk categories to which the companies are exposed;
- the organisational roles that have been assigned the greatest powers, in accordance with the system of delegation adopted by the Company;
- any person for whom the weight of the organisational position places them in a higher bracket. The weight of the organisational positions is measured with a methodology certified by major companies specialised and recognised at the international level as well as according to the metrics adopted for industry remuneration surveys, and provides for the allocation of an indicator aimed at identifying consistently similar positions, gathering them into brackets;

6. Decision-making processes on Remuneration Policies

The *Governance* process adopted by the Unipol Group specifies positions, powers and responsibilities in the process for the approval of the Remuneration Policies, also in compliance with the applicable legal and regulatory provisions, in line with the operating governance structure of the different companies.

At the Group level, the main parties involved in this process are:

6.1. The Board of Directors

The Board of Directors of the Parent Company, which:

- (i) defines, after reviewing the proposals of the Remuneration Committee, the Group Policies, as well as the Remuneration Policies of Business;
- (ii) is in charge of their correct application at the Group level. In addition, if events take place that could impact elements constituting the incentive system adopted by the Company (including, for example but not limited to, extraordinary transactions or transactions on the share capital regarding Unipol and/or the Unipol Group, mergers, regulatory amendments or amendments to the scope of the Company and/or the Unipol Group), or in the event of significant market discontinuity (such as material changes in domestic and/or international macroeconomic conditions or monetary policy), the Board of Directors has the right to make the amendments deemed necessary or appropriate to the incentive system and/or the Pay policies in order to keep their substantial and economic content unchanged - within the limits allowed by regulations applicable over time - in order to maintain the fairness and overall consistency of the incentive system and/or Pay policies as a whole;

The Boards of Directors of the companies, which (i) define and regularly review, after reviewing the proposals of the Remuneration Committee, if appointed, the Business Remuneration Policies, adopting the Group Remuneration Policies; (ii) are in charge of their correct application.

6.2. Shareholders' Meeting

The Ordinary Shareholders' Meeting of the Parent Company that, besides setting the annual Remuneration due to the members of the bodies appointed by this, approves the Group Policies, including remuneration plans based on financial instruments.

The ordinary shareholders' meetings of the companies which, if required by the applicable sector regulations, approve the Remuneration Policies, including remuneration plans based on financial instruments.

6.3. The Remuneration Committee

The Remuneration Committee set up at the Parent Company supports the Board of Directors by exercising advisory functions and making proposals as follows:

- submitting proposals to the Board of Directors on the Group Remuneration Policies and Business Remuneration Policies;
- making proposals to the Board of Directors for the remuneration of the Managing Director-Group CEO and General Manager of Unipol and of the other Directors who perform specific duties, as well as for the setting of the performance targets linked to the variable component of this remuneration, in line with the Group Policies;
- monitoring of the application of the decisions adopted by the Board of Directors, verifying, in particular, the actual achievement of the performance targets of the Managing Director - Group CEO and General Manager of Unipol;
- regularly assessing the adequacy, overall consistency and correct application of the general policies for the remuneration of the Directors, the General Manager and the Key Managers (including the Managers of the Fundamental Functions) of Unipol, availing itself, in this last regard, of the information provided by the Managing Director - Group CEO of Unipol and submits proposals to the Board of Directors on these matters;
- identifies potential conflicts of interest and the measures taken to manage them;
- producing appropriate information for the Board of Directors on the effective operation of the Remuneration Policies.

The tasks described above are carried out by the Remuneration Committee of the Parent Company also in the interest of the companies that have given to this role based on the applicable sector regulations.

The Remuneration Committee set up at UnipolSai exercises, with the appropriate changes, corresponding advice and proposal functions towards its Board of Directors.

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In 2019, at the date of publication of this Report, the Remuneration Committee had met:

- on 27 February 2019, to review, validate, assess and make proposals on the guidelines and objectives for 2019 Remuneration Policies;
- on 12 March 2019 to make proposals on the payment of the variable component of the short-term remuneration accrued in 2018 and long-term accrued in the three-year period 2016-2018 for the Executive personnel of the Group; verify the level of achievement of the targets assigned to the Managing Director - Group CEO and General Manager and make proposals on the payment for the awarding to this of the variable component of the short-term remuneration accrued in 2018 as well as long-term accrued in the three-year period 2016-2018; review the Remuneration Policies of Group and all companies of the Group for the three-year period 2019-2021 and review this Report.

Further information on the work carried out and the main issues discussed by the Remuneration Committee in 2018 can be found in the Annual Report on corporate governance and ownership structures, available in the Governance/Shareholders' Meetings/2019/Ordinary and Extraordinary Shareholders' Meeting - 18 April 2019 Section of Unipol's website www.unipol.it.

6.4. The Managing Director-Group CEO and General Manager of Unipol

The Managing Director-Group CEO and General Manager of Unipol, in conjunction with the Chairman:

- provides to the Remuneration Committee indications for the formulation of proposals to be submitted to the Board of Directors concerning the Group Policies and the Business Policies;
- formulates to the Board of Directors, pursuant to Group Policies, proposals on the remuneration of the General Manager of Unipol, as well as the calculation of the corresponding financial package, setting the performance targets for the variable component of such remuneration;

- defines the remuneration of Key Managers of Unipol, setting the performance targets related to the variable component, in accordance with the Group Remuneration Policies and without prejudice to the responsibilities of the Unipol Control and Risk Committee with reference to the Managers of the Fundamental Functions.
- provides indications to the competent bodies of the Companies on the remunerations of the Managing Directors, of the General Managers if appointed and of the other Key Managers (including the Managers of the Fundamental Functions), as well as the assignment of performance targets linked to any variable component of said remuneration, in line with the Group Policies and without prejudice to the powers of the Control and Risk Committee with regard to the Managers of the Fundamental Functions.

If the Managing Director-Group CEO and General Manager of Unipol is in a situation of potential conflict of interests in exercising the functions listed above, they are exercised, in his stead, by the Deputy Chairman.

6.5. Governance, Legal Affairs and Human Resources General Manager of the Parent Company

The Governance, Legal Affairs and Human Resources Manager of the Parent Company is in charge of establishing and overseeing the formulation of the proposals concerning the Remuneration Policies and sees to its implementation, involving the other functions where necessary and/or appropriate.

6.6. Fundamental Functions

In compliance with the applicable sector regulations, the Fundamental Functions are involved, in the areas within their respective competence, both in the *ex-ante* definition of the Remuneration Policies and in the *ex-post* assessment.

To this purpose, among other things:

- the Chief Risk Officer Function helps ensuring the consistency of the Remuneration Policies with the risk appetite, also by identifying appropriate risk indicators and assessing their correct use;
- the Compliance and Anti-Money Laundering Function carries out the control of compliance with the objective of respect of the corporate governance codes as well as of the laws and regulations in force and reports to the pertinent bodies on the performances of the assessments, indicating any corrective action required;
- the Audit Function verifies the correct application of the Remuneration Policies to ensure efficiency and to safeguard the assets of the company, reporting to the pertinent bodies on the performances of its assessments and on any corrective action to be taken.

The Remuneration Policies of each business report, if any, the specific features concerning the decision-making processes of each company of the Group.

6.7. Independent experts

Unipol makes use of the advice of independent experts for the performance of its activities on remuneration issues. In particular, the Company has been supported by consultants in the definition of its Remuneration Policies, in the assessment of the remuneration best practices in its business sector and in the execution of an external competitiveness analysis on market benchmarks for companies of the sector believed to be comparable. For 2019, Unipol made use of the consulting company Mercer.

7. Remuneration Policies of Corporate Bodies

7.1. Remuneration of Non-executive Directors

The annual compensation of non-executive Directors is fixed. In addition to this, they may be refunded the expenses incurred for the performance of their function and receive attendance fees for their participation in board meetings and shareholders' meetings. The company of which they are Directors also bears the cost of the insurance coverage related to the civil liability towards third parties deriving from the legal and contractual obligations arising from the Director position and the related legal counsel expenses.

The Board of Directors may award to the Directors who sit on Board Committees a fee for the participation in the meetings of these Committees.

No variable remuneration component is awarded to non-executive Directors; vice versa, the executive Directors, after hearing the opinion of the Board of Statutory Auditors, may be awarded a short- and/or long-term variable remuneration component, applying the criteria specified by the incentive system of the Companies of which they are Directors.

The Managing Director - Group CEO and General Manager of Unipol - as main party in charge of the promotion of the management policies and guidelines of the Unipol Group, in Italy and abroad, as well as of the coordination and oversight of the operating management of the Group - is awarded the variable component remuneration applying the criteria specified by the incentive system of the Managers of the Group, as better described in Par. 7.2.1.

The Board of Directors may award to Directors who hold specific offices an additional fixed compensation, after hearing the opinion of the Statutory Auditors; these Directors may also be awarded additional benefits such as accommodation and/or the use of company cars.

The payment of an indemnity to Directors is not envisaged in the event of their resignation, revocation of mandate/appointment or termination due to a takeover bid.

7.2. Remuneration of the Control body

The annual compensation of the Auditors is fixed and is differentiated between Effective Auditors and Chairman of the Statutory Auditors. In addition to this, Auditors are refunded the expenses incurred for the performance of their function. The company also bears the cost of the insurance coverage related to the civil liability towards third parties deriving from the legal and contractual obligations arising from the Statutory Auditor function and the related legal counsel expenses.

Statutory auditors are not allowed to receive variable remuneration.

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The Unipol Shareholders' Meeting on 28 April 2016, which appointed the Board of Directors in office, also resolved to provide insurance coverage for risks related to third party liability arising from the legal and contractual obligations arising from the Director and Statutory Auditor position and the related legal counsel expenses, at the Company's expense. In this regard, we note that the Unipol, in line with the other companies of the Unipol Group, has subscribed to the Group D&O Policy stipulated by the Parent Company.

The conditions of the policy, with a yearly duration from 20 November 2018, envisage a limit, at Group level, of a total of Euro 75 million to the benefit of the insured parties.

The total cost of the policy is shared among all Unipol Group companies, applying a percentage to the same that corresponds to the weighted average of the relation between the following economic-capital ratios of each company and those of the Group: (i) Balance Sheet Assets; (ii) Shareholders' equity; (iii) revenue calculated on the basis of the criteria of the Antitrust Authority.

At 31 December 2018, the Parent Company bore a cost of around Euro 278,000.

7.2.1. The remuneration of the Managing Director - Group CEO and General Manager

The 2019 Remuneration Policy ensures continuity with what was approved for 2018 for the Managing Director - Group CEO and General Manager of Unipol and is in line with the medium-long term corporate strategy.

To this purpose, therefore, the remuneration package is balanced to ensure the consistency between the growth targets in the short term and the sustainability of the creation of value for the Shareholders in the medium-long term. In particular, the criteria specified for the remuneration of the Managing Director - Group CEO and General Manager pursue, also in line with the provisions of the Code of Conduct, the objective of growth in the value of the Unipol Shares, while also aligning the economic interest of the Managing Director - Group and General Manager of Unipol with that of the Shareholders.

The remuneration, in line with the best market practice includes a fixed component, a variable component and *benefits* as described below.

■ Fixed Component

The Fixed Component of the remuneration provides compensation for the skills, capabilities, the role and, in particular, responsibilities, the complexity, the experience required. The Fixed Component is set taking also into account the values of internal fairness and market *benchmarks*.

In addition, in line with the recommendations of the Code of Conduct, the Fixed Component is defined so as to be:

- adequately balanced with respect to the variable component according to the strategic targets and of the risk management policy of Unipol, taking also into account the sector of activities in which it operates and the characteristics of the business activity carried out in practice;
- sufficient to remunerate the services provided in the event the variable component is not paid out due to the failure to achieve the performance targets indicated by the Board of Directors.

■ Variable Component

The variable component of the remuneration is meant to reward performances achieved in the short and medium/long-term and the creation of sustainable value for the Shareholders of Unipol.

The performance targets - that is, the economic performance and any other specific target to which is linked the payment of the variable components - are predefined, measurable and linked to the creation of value for the Shareholders in the medium-long term; also, the payment of a significant portion of the variable component of the remuneration is deferred of an appropriate period of time with respect to the time of the accrual. The size of this portion and the length of the deferment are consistent with the position held.

The variable remuneration of the Managing Director - Group CEO and General Manager of Unipol is regulated by the UPM System which involves the entire Executive Personnel and is aimed at developing a sustainable performance culture by linking the performances of the Group and the individual company with the individual performance.

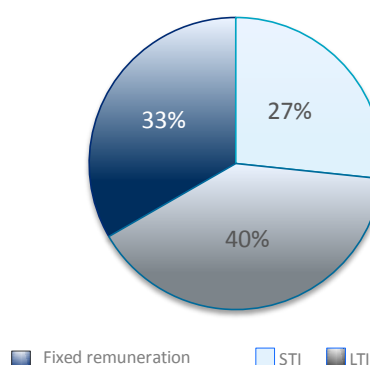
The annual Potential Bonus awarded to the Managing Director - Group CEO and General Manager of Unipol is articulated, as for all beneficiaries of the UPM System, in the following components:

- (i) an STI component, which is paid out 50% in monetary form and 50% in the form of financial instruments;
- (ii) an LTI component, which is paid out 50% in monetary form and 50% in the form of financial instruments.

As better specified here, maximum limits have been set for the variable components. We provide below a disclosure on the theoretical *Pay-Mix*, calculated considering the maximum Potential Bonus, as from Table 1.

Table 1 – Potential Bonus					
Beneficiaries	% maximum vs GAR	of which: (% maximum vs GAR)		Weight % with respect to Total Bonus	
		STI	LTI	STI	LTI
Unipol Managing Director-Group CEO and General Manager	200%	80%	120%	40%	60%

Target pay-mix



Pursuant to the IVASS Guidelines, the variable remuneration paid to Managing Director-Group CEO and the General Manager, represents a “particularly high variable remuneration amount” due to its incidence with respect to the fixed remuneration.

The STI component is paid out fully in the year after the Accrual Year, 50% in financial instruments and 50% in cash.

As better described in Par. 8.4.2.8, the LTI component will be paid out from 2023, in five *tranches pro-quota*, 50% in financial instruments and 50% in cash.

There are also contractual agreements that allow the company to demand the full or partial repayment of variable components of the remuneration paid out (see Par. 8.4.2.10).

There is a Holding Period clause for the equity paid out as variable remuneration as better specified in Par. 8.4.2.11.

With regard to the indemnities related to the termination of the employment relationship, as Director, payment is not envisaged in the event of their resignation, revocation of mandate/appointment or termination due to a takeover bid, while as General Manager the provisions applicable to the Executive personnel continue to apply (refer to Par. 8.4.4).

■ Benefit

Refer to Par. 8.3.

8. Remuneration Policies of the Key Managers, Relevant Personnel and other Managers of the Group

The remuneration of the Key Managers, of the other Relevant Personnel and of the other Managers of the Unipol Group includes a fixed component, a variable component and *benefit* in the terms and the conditions specified below.

8.1. Fixed remuneration component

The fixed remuneration component is set not only pursuant to the provisions of the applicable National Collective Labour Agreements, but also according to the following key parameters:

- importance of the assigned position;
- complexity of the role covered;
- significance of the responsibilities attributed;
- the qualitative weight of the skills possessed and acquired;
- alignment with sector-related market benchmarks.

In any event, this component is determined in an adequate manner in order to remunerate Recipients even if the same do not receive variable incentives.

8.2. Indemnity for the office for the General Director of listed companies

The Board of Directors of listed companies of the Group may award to the General Director, except for the Managing Director - Group CEO and General Manager of Unipol, an indemnity ("indennità di carica"), which may be considered for the purposes of the calculation of the variable component to be calculated as described in Par. 8.4.

8.3. Benefits

Non-monetary *benefits*, relevant also for the purpose of the calculation of social security contributions and taxes, represent an important component of the remuneration package, both in terms of appreciation by the Recipients and in terms of total remuneration, as a supplementary and/or alternative element to payment in cash, which has proved to be advantageous in establishing effective Remuneration Policies, while ensuring optimal economic impact.

The benefits change according to the category of Recipients both by type and by overall value, and mostly regard supplementary pension schemes and health assistance for employees and their respective families.

The assignment of a company car for personal and business use is envisaged for the Chairman and the Managing Director - Group CEO and General Manager, also to the Managers in the Executive Bracket, 1st and 2nd Bracket.

Special arrangements are made for access to loans/mortgages to purchase, renovate or build a home, as well as for personal loans.

Executives have the option to subscribe to both a Pension Fund and to a Welfare Fund, the contributions of which are borne by the companies of the Unipol Group for which the work activity has been provided. As regards the Pension Fund, the manager has the option of contributing by paying from his/her severance indemnity.

The Pension Fund covers the subscriber in the event of death or permanent invalidity resulting from a non work-related accident, as well as in the event of permanent invalidity due to illness and in the event of death for any reason.

Said coverage provided to managers is valid until termination of employment.

The benefits provided by the Welfare Fund to subscribers and beneficiary family members take the form of insurance arrangements, and most regard healthcare advice and information over the

phone, reimbursements for admission to hospital, surgery, dentist treatment, specialist medical check-ups, diagnostic checks and treatment.

In addition, insurance cover provided by the Welfare Fund is envisaged for the reimbursement of healthcare expenses in the event that the manager or the spouse is not self-sufficient.

8.4. Variable remuneration component

8.4.1. Allocation of Managers to Brackets

All managers of the companies of the Unipol Group are placed in one of four Brackets, according to the weight of their position in the organisation and the importance and complexity of the role and position. The “weight” is assigned using a method certified by leading specialist companies recognised at the international level.

Following the analysis of a series of quantitative and qualitative metrics that influence the individual organisational position, this method entails allocating a numeric indicator which, when suitably compared in a standard ranking, provides an objective positioning parameter, also as regards remuneration.

Starting from an analysis of the organisational complexity based on the type of business, the stages of the value chain monitored and the main size elements, the process calls for the evaluation of all organisational positions on the basis of different factors, which measure not only the professional and management skills required to properly fulfil the role, the qualitative/quantitative characteristics of the team through which they are exercised and the corresponding geographical area of application, but also the type and level of contribution to the business, the type of communication and the context of the interlocutors typically managed by this role, as well as the degree of innovation required within the improvement and development of procedures, services and products and the levers available to achieve this.

In particular:

- the Executive Bracket includes the Top Executives of the Group (the General Managers of Group Areas, as well as other Managers, identified each time, who hold positions of special organisational importance);
- the 1st Bracket includes the holders of positions of high strategic complexity and organisational importance;
- the 2nd Bracket includes the holders of positions of special organisational importance for the Group;
- the 3rd Bracket includes the remaining holders of other positions.

The allocation to the Brackets is made on proposal of the Governance, Legal Affairs and Human Resources General Manager of Unipol, who makes use of the most appropriate methods to weigh the positions on the market as specified above, and with the approval of the Managing Director-Group CEO and Unipol General Manager. The allocation to the Brackets is updated and revised at least once a year.

The allocation to a Bracket results in different and differentiated approaches to the Remuneration Policies, including the different articulation related to the Variable Incentive as described below.

Within each Bracket, the articulation and individual allocation of short- and long-term incentives is made on the basis of:

- comparable market references;
- the professional category to which the resource belongs;
- retention requirements.

8.4.2. Variable Incentive System

The awarding of the variable component of the remuneration is regulated by the Unipol Performance Management Incentive System (“UPM System”), which involves the entire Executive Personnel and is aimed at developing a sustainable performance culture by

linking the performances of the Group and the single companies with the individual performance.

The UPM System adopted by Unipol and implemented by the companies of the Group, bases itself on the logic of the self-financing. An essential requirement for the payment of the incentives there specified, aside from continuing positive actual economic performances and minimising risk factors, is therefore the existence of a Dividend Capability, that is, the satisfaction of the conditions, in terms of economic result and minimum solvency requirements of Unipol, for any distribution of dividends to the Unipol shareholders, in accordance with the provisions of the By-Laws and of the law applicable on each occasion.

In line with the requirements of the laws and regulations in force on Remuneration Policies, the UPM System follows the following principles:

- the performances based on which the remuneration is awarded include not only on economic performance but also the risk profiles of the Group and companies of the Group and a focus on quality (e.g. compliance to external and internal regulations);
- where applicable, the Fundamental Functions should be involved, each according to the respective powers and according to legal and regulatory provisions, in the assessment of the consistency of the UPM System and its application to the Remuneration Policies;
- the variable component of the remuneration of the Heads and senior management of the Fundamental Functions should be independent from the performances achieved by the operating units under their control and depend instead on the achievement of targets related to the effectiveness and quality of the control activity, provided these are not source of conflicts of interest;
- greater independence from bonuses linked to short-term financial performances;
- a substantial part of the Actual Bonus should be awarded in the form of financial instruments, structured in way to ensure that the corresponding economic benefits are achieved gradually over time;
- a significant part of the Actual Bonus should be deferred;
- a one-year *Holding Period* should be introduced for the portion of Variable Incentive awarded in the form of financial instruments, whether paid as STI or LTI;
- appropriate clauses should be introduced, to make it possible:
 - (i) to withhold, fully or in part, the compensation if the pre-specified targets have not been reached or if there was a significant deterioration in the economic and financial position of the Group and/or the individual company;
 - (ii) to demand the full or partial repayment of the compensation paid if the performance is found to not be sustainable or real, triggering claw-back provisions.

The UPM System sets conditions and criteria for the Potential Bonus to be paid out: the maximum annual amount of the Potential Bonus is calculated as a percentage of the GAR of the Beneficiary at 31 December of the Accrual Year, a percentage that is differentiated according to the position held by the Beneficiary.

All Managers of the Unipol Group are Beneficiaries of the UPM System, in service for at least six months in the Accrual Year, applying "pro quota" the effects of the participation in the UPM System.

The UPM System sets terms, conditions and methods for the payment of a variable short-term and long-term component.

The UPM System is applied according to criteria that are differentiated according to:

- (i) whether the Beneficiary is qualified as a Key Manager or not, provided this qualification was given to the Beneficiary for most of the Accrual Year;
- (ii) the position of the Beneficiary (and.g. working at the Fundamental Functions), provided the position was held for most of the Accrual Year.

The actual applicability of the UPM System to the individual Beneficiary depends on the professional services actually and mainly provided by the Beneficiary in a company (also

under “secondment”): for the purposes of the UPM System, it is not relevant whether the Beneficiary contractually belongs to a different company of the Unipol Group.

The seconding company specifies the individual targets together with the host company(ies).

The seconding company allocates, monitors and verifies the achievement of the individual targets together with and on behalf of the host company(ies), from which it receives special power of attorney and to which it charges, as is custom, the corresponding expenses. The power of attorney must specify all elements necessary to define a process for the awarding and final verification of targets able to take into account also the interest of the seconding company.

8.4.2.1. Potential Bonus

For each Manager Bracket, the Potential Bonus, as described in Table 2, is articulated as follows:

- (i) an STI component, which is paid out 50% in monetary form and 50% in the form of financial instruments;
- (ii) an STI component, which is paid out 50% in monetary form and 50% in the form of financial instruments;

Table 2 – Potential Bonus					
Beneficiaries	% maximum vs GAR ⁶	of which: (% maximum vs GAR)		Weight % with respect to Total Bonus	
		STI	LTI	STI	LTI
Managing Director-Group CEO and General Manager of Unipol	200%	80%	120%	40%	60%
Executive Bracket Managers	125%	50%	75%	40%	60%
1st Bracket Managers	100%	50%	50%	50%	50%
2nd Bracket Managers	70%	35%	35%	50%	50%
3rd Bracket Managers	40%	20%	20%	50%	50%

For the Beneficiaries whose Potential Bonus represents a particularly high portion of total remuneration⁷, the LTI component is equal to 60% of the Total Bonus Boards and it is deferred for at least five years

8.4.2.2. Particularly high Variable Component

Pursuant to the IVASS Guidelines, the variable remuneration paid to the Managing Director - Group CEO and General Manager of Unipol and to Managers in the Executive Bracket was identified as a particularly high variable remuneration amount as it potentially exceeds 100% of the fixed remuneration.

⁶ For the Relevant Personnel of the Company Control Functions of the Banking Business, the highest amount of the Variable Component may not exceed 1/3 of the Fixed Component. For Beneficiaries to whom the provisions in 8.4.2.2 do not apply, the amount of the Variable Component is divided equally between STI Bonus and in LTI Bonus; for Beneficiaries to whom the provisions in 8.4.2.2 apply, the amount of the Variable Component is divided as follows: 40% STI Bonus and 60% LTI Bonus.

⁷ Point 2, letter g) Par. 2 of Annex to IVASS Guidelines – see Par. 8.4.2.2

For the Banking Business – as better specified in the related business policy – the particularly high amount is identified by the supervisory provisions, independently from role and/or Bracket of the Beneficiary.

8.4.2.3. Conditions for access to the UPM System – Short-term Company Performance

Access to the UPM System is conditional to the achievement of performance targets that also take into account the current or future risks connected with the pre-specified performance of the Group and the company.

In particular, there are:

- two conditions for access related to Group performance targets (see par. 8.4.2.4) that apply to Unipol and all companies in the perimeter;
- Additional access conditions for each of the companies in the perimeter, other than the Parent Company, that reflect the respective regulatory requirements and self-financing capacity; these conditions are articulated in the Business Policies.

8.4.2.4. Conditions for access related to Group performance targets

Access to the UPM System is conditional to the achievement of a given percentage of the Consolidated Gross Profits target of Unipol as indicated in the 2019 budget approved by the Parent company, and more precisely:

- for the General Managers, Key Managers and for other Relevant Personnel, the achievement of at least 90% of the Consolidated Gross Profits target;
- for other Beneficiaries, at least 80% of the Consolidated Gross Profits target;

In addition, also to ensure a more precise compliance with the provisions issued by the pertinent Supervisory Authorities on sound and prudent risk management, the full pay-out of the Actual Bonus is conditional on the achievement by Unipol of a consolidated coverage ratio (solvency ratio), calculated using Solvency II metrics⁸, equal to the target set for 31 December 2019 by the pertinent bodies. A value between 100% and 80% of the target, provided the result is not less than 1.0, reduces the Actual Bonus by 25%. The Actual Bonus is zero if said value is below 80% of the target.

Access to the System by Managers working within the Fundamental Functions is not conditional on the achievement of the Consolidated Gross Profits condition.

8.4.2.5. Short-term incentive (STI)

The UPM System provides for an STI Bonus, the amount of which is calculated (as described here) according to the individual performance achieved and Bracket to which the Beneficiary belongs.

⁸ Solvency Ratio defined as part of the Risk Appetite Statement approved by the Administrative Body. Indicator and value defined in accordance with current provisions and subject to discounting / revision in the event of changes in the relevant law in force at the time.

Without prejudice to any malus and/or claw-back provision, the STI Bonus may be paid to the Beneficiaries, in the amount calculated at the end of all steps specified by the assessment and final measurement process as specified in Par. 8.4.2.6 below.

The reference Bracket is the Bracket in which the Beneficiary was placed for most of 2019.

8.4.2.6. Individual Short-term targets

Every year, each Beneficiary is assigned four individual targets, both qualitative and quantitative, each of which is given a “weight” that represents the significance with respect to the total of the individual targets.

The first two are quantitative objectives related to the area of which the Beneficiary is in charge. Such targets are structured in line with the strategic objectives of the Group and consistent with the risk profiles established for the Group itself.

The four individual targets are thus articulated:

- First quantitative individual target (weight: 30%;
- Second quantitative individual target (weight: 30%;
- Qualitative individual target (weight: 20%).
- Management skill development target (weight: 20%).

The final measurement of each individual target is carried out applying the following percentage values to the relative weight of the target:

- Not reached = 0% of the weight of the individual target
- Partly reached = 50% of the weight of the individual target
- Reached = 100% of the weight of the individual target.

The overall Individual performance level is obtained by adding the performance values of the individual objectives calculated as above, as shown by the summary diagram below.

An Individual Performance Level of less than 60% of the sum of the weights of the individual objectives achieved performances in a Total Bonus of zero.

In the event of failure to achieve even just one of the two quantitative objectives, even if the result calculated as shown above generates a value equal to or over 60%, the Total Bonus will be zero.

Table 3 – Summary diagram Individual Performance level			
Individual targets	Weights given		
	Not reached	Partly reached	Reached
First quantitative target	0%	15%	30%
Second quantitative target	0%	15%	30%
Qualitative target	0%	10%	20%
Management skill development target	0%	10%	20%
<ul style="list-style-type: none"> • Threshold of total performance to access to the disbursement of the Actual Bonus: 60% • In the event of a failure to achieve one of the two quantitative objectives, the Actual Bonus will be zero. 			

Table 4 shows the Pay-out curve for the STI Bonus according to the individual performance calculated as described above:

Table 4 – Individual Performance Level / STI Pay-out	
Individual Performance Level	STI Bonus
60%	30% of STI Bonus maximum value
65%	40% of STI Bonus maximum value
70%	50% of STI Bonus maximum value
75%	60% of STI Bonus maximum value
80%	70% of STI Bonus maximum value
85%	80% of STI Bonus maximum value
90%	90% of STI Bonus maximum value
100%	STI Bonus maximum value

Any disbursement is carried out by May of the year after the Accrual Year.

The STI Bonus is paid in two parts: a part, equal to 50% of its amount, in monetary form; the other part, equal to the remaining 50%, in Shares: to the latter part, the provisions of paragraph 8.4.2.11 apply.

The number of Shares due is calculated dividing the value of 50% of the STI Bonus in two equal parts. One part is related to the average value of the Unipol Share recorded in January of the Accrual Year, while the other part is related to the average value of the UnipolSai Share also recorded in the same month.

8.4.2.7. Long-term Incentives (LTI)

The UPM System provides also, after the end of the Three-Year Accrual Period, for the disbursement of an LTI Bonus, the amount of which is calculated (as described *below*) in proportion to the Actual STI Bonus.

The Long-Term incentive is awarded by virtue of a new closed plan articulated on the Three-year Business Plan period (2019-2020-2021).

8.4.2.8. Long-Term Targets

The amount of the LTI Bonus for the Beneficiaries who do not work within the Fundamental Functions is calculated according to the achievement, joint or separate, of the indicators shown in Table 5.

Table 5 – LTI targets for non-Fundamental Functions	
Indicator	Contribution to LTI Bonus amount
Achievement of at least 80% of the result of the Unipol Group, measured based on the cumulative Consolidated Gross Profits for the years 2019, 2020 and 2021 of the values as established each year by the pertinent corporate bodies	45%
Achievement, at the end of the Three-Year Accrual Period, of the capital solvency requirement target of Unipol as specified by the pertinent corporate bodies	30%
Positive ratio between the average value of the Unipol Share in the first quarter 2022 and the average value in the first quarter 2019	20%
Reputational Profile of the Unipol Group in the Three-Year Accrual Period (understood as the average of monthly measurements) exceeding the one recorded, in the same period, by the Financial-Insurance Sector as a whole ⁹ .	5%

The amount of the LTI Bonus for the Beneficiaries who work within the Fundamental Functions depends on the achievement, joint or separate, of the indicators shown in Table 6.

Table 6 – LTI targets for Fundamental Functions	
Indicator	Contribution to LTI Bonus amount
Achievement of an average Individual Performance Level over the Three-Year Accrual Period not below 80%, on condition that both individual quantitative targets are fully reached in at least two of the three financial years;	60%
Achievement, at the end of the Three-Year Accrual Period, of the capital solvency requirement target of Unipol as specified by the pertinent corporate bodies	35%
Reputational Profile of the Unipol Group in the Three-Year Accrual Period (understood as the average of monthly measurements) exceeding the one recorded, in the same period, by the Financial-Insurance Sector as a whole ¹⁰ .	5%

For the Beneficiaries, to whom the provisions of paragraph 8.4.2.2. do not apply,, the annual amount of the LTI Bonus is equal to one-third of the sum of the Actual LTI Bonuses accrued in the Three-Year Accrual Period and is proportional to the achievement of the Long-Term Targets. Any disbursement is made proportionally, by the end of January of each of the years 2023 -2024 -2025.

For the Beneficiaries to whom the provisions of paragraph 8.4.2.2 apply, the annual amount of the LTI Bonus is equal to one-fifth of the sum of the Actual Bonuses accrued in the Three-Year Accrual Period and is proportional to the achievement of the Long-Term Targets. Any

⁹ Amount calculated and measured based on the RepTrak® model of the Reputation Institute.
See previous note.

disbursement is carried out proportionally in January of each of the 2023, 2024, 2025-2026-2027 years.

The LTI Bonus is paid in two parts: a part, equal to 50% of its amount, in monetary form; the other part, equal to the remaining 50%, in Shares: the provisions of paragraph 8.4.2.11 apply to the latter part.

The number of Shares due is calculated by dividing the value of 50% of the LTI Bonus into two equal parts. One part is related to the average value of the ordinary Unipol share recorded in January 2019, while the other part is related to the average value of the ordinary UnipolSai share recorded in the same month.

8.4.2.9. The process for the assignment, assessment and measurement of the targets

The process for the assignment, assessment and final measurement of the targets involves the direct hierarchical supervisor of the Beneficiary, the Head of his/her Department, the Managing Director-Group CEO and the General Manager of Unipol.

The Governance, Legal Affairs and Human Resources General Managers of Unipol and the Managing Director-Group CEO and General Manager of Unipol oversee the entire process, including on the merits.

The target-setting stage provides for the delivery to each Beneficiary of the Remuneration Policies that apply to the Beneficiary. By signing off for this purpose, the Beneficiary declares knowledge of the contents and acceptance of the mentioned documentation.

The Group Remuneration Policies and the Business Policies are in any case disclosed to all Beneficiaries through publication on the company intranet.

In the final measurement process, the aforesaid bodies shall also duly take into account the total individual contribution provided for the good operation of the entity, in a broader framework of consistency and overall stability of the corporate system.

In the final measurement process, the contribution of the Chief Risk Office and Group Management Control functions is used for the ex-ante and ex-post verification of the quantitative indicators.

The size of the STI and LTI Bonuses to be paid shall be defined at the end of all the steps prescribed by the assessment and final measurement process.

In the event that the Beneficiary is affected during the year by organisational modifications also involving the change of his or her direct Supervisor, it will be the responsibility of the previous Supervisor to share the goals already assigned with the new Supervisor, thereby also sending all the necessary documentation. The new supervisor shall oversee the evaluation, together with the parties stated above, of the appropriateness of assigning different goals to those previously assigned, thereby repeating the process accordingly. In this case, the final measurement must occur proportionately on a "pro rata" basis according to the achievement of the previous and new goals and, in the actual measurement process, the previous supervisor will be required to evaluate the part under his or her responsibility.

If events take place that could impact elements constituting the UPM System and Remuneration Policies (including, for example but not limited to, extraordinary transactions or transactions on the share capital regarding the individual company in the perimeter and/or the Group, mergers, regulatory amendments or amendments to the scope of Unipol and/or the Group), or in the event of significant market discontinuity (such

as material changes in domestic and/or international macroeconomic conditions or monetary policy), the Board of Directors of Unipol is delegated the power to make the amendments deemed necessary or appropriate to the UPM System and/or the Remuneration Policies in order to keep their substantial and economic content unchanged - within the limits allowed by regulations applicable over time - in order to maintain the fairness and overall consistency of the UPM System and/or Remuneration Policies as a whole.

8.4.2.10. Conditions for non-payment or reduced payment of the incentives

The Beneficiary object of disciplinary measure of suspension from the service shall lose the right to receive the short and/or long-term variable compensation.

Clauses are envisaged on the basis of which no bonus is paid out, in terms of:

a. *Malus*

The Bonuses envisaged by the incentive system will not be paid if the trend of performances of the Group and/or the company, adjusted for risks, deteriorates, and if the Beneficiary does not comply with regulatory or supervisory provisions, the consequence of which has entailed a disciplinary sanction against the Beneficiary in question, or if the Fundamental Functions discover that the Beneficiary has behaved in such a way so as to commit a serious infringement of internal or external provisions or the applicable standards of conduct.

b. *Claw-back*

The companies in the perimeter shall request the return of any compensation that may have been paid if the relevant supervisory provisions have been infringed or if the Beneficiary has acted fraudulently and/or has committed wilful misconduct or gross negligence with regard to the performance of his/her duties, and this had led to a deterioration of the risk profiles and/or the performances of the Group and/or the company itself, as well as violations of the Code of Ethics and/or conduct that does not comply with legal, regulatory or statutory provisions, based on the provisions of the regulations, without prejudice to any further action.

The length of the period over which the clause is applied is three years, starting from the payment of the individual part (STI or LTI) of variable remuneration.

8.4.2.11. *Holding Period*

The Shares are subject to a sales ban for a year.

This holding period is believed to be appropriate to the characteristics of the performance measurement systems with which risk is taken in the different business units, including the risk-adjustment mechanisms.

The Holding Period starts from the time the Shares become physically available to the Beneficiary.

8.4.3. Other components of remuneration

Remuneration may also include:

- a one-off amount, paid in monetary form and up-front, and in accordance with the following conditions:
 - (i) occurrence of objective circumstances that are completely exceptional and unforeseeable which have required a particularly significant professional commitment, meant to obtain a result of strategic importance for the Group and/or the company;
 - (ii) calculation of the amount in compliance with the principles of proper balancing between the fixed component and the variable component of remuneration, as set forth in the laws in force;
 - (iii) award on approval of the Board of Directors.
- Welcome bonus provided in exceptional cases when new personnel is hired to make up for documented pay disadvantages arising from the loss of benefits offered by the previous employer, to be recognised on a one-off basis. It cannot be awarded more than once to the same person;
- seniority bonuses, amounts paid on the completion of a given year of service, according to the provisions of the CCNL of reference applied;
- compensation paid based on a minimum duration guarantee clause ("patti of stabilità"), for a period usually not exceeding three years, awarded to guarantee continuity of the employment relationship, ensure greater corporate stability and contribute to further enhance the quality of the professional services of some Key Managers and/or other resources believed to be in any case relevant.

8.4.4. Indemnities related to the termination of the employment relationship

For retention purposes, to encourage the achievement of targets of governance, growth and development of the Group, loyalty bonuses may be awarded to Managers who have provided their services to the individual company in the perimeter or the Group for a given number of years. The amount of said bonuses, which will be paid on the termination of employment, cannot exceed the amount of five years of total compensation, calculated for the variable part as envisaged by Article 2121, no. 2 of the Italian Civil Code ("Total compensation").

Any payment of a pre-determined amount in the event of dismissal not supported by just cause, or resignation for just cause or on the request of the reference Shareholder, a circumstance applicable only in the presence of specific supplementary agreements to the contract of employment, may not, in any event, exceed five years of Total Compensation. Moreover, the individual company in the perimeter may request beneficiaries to return all or part of the afore-mentioned amount paid to the same, if, within five years of the date of termination of employment, serious measures of these beneficiaries should emerge with wilful misconduct resulting in damage to the individual company in the perimeter, both circumstances (measures and wilful misconduct) ascertained with a later ruling in the courts.

9. The Remuneration Policies of the Non-executive Personnel

Besides a Fixed Component, the remuneration of non-executive personnel may provide for also a variable component, as described below.

The fixed remuneration component provides compensation for the skills, capabilities, role and, in particular, the responsibilities relating to the role. It provides for a fixed base remuneration, specified by the applicable collective labour agreements, as well as by the Supplementary Company Agreements, by other any bilateral agreement and by specific internal regulations, and differs according to the category and seniority. Reasons of internal fairness, competitiveness, attractiveness, meritocracy or the allocation of

greater responsibilities may result in the awarding of fixed economic supplements, consolidating them over time.

The collective labour agreements in force, applicable to the personnel operating at the companies, provide, among other things, for the disbursement of a "Corporate Productivity Bonus" ("VAP" – CCNL ABI) or of a "Variable Company Bonus" ("PAV" – CCNL ANIA), which represents a variable component of the remuneration.

The variable remuneration component is based on two main objectives:

- rewarding performances achieved in the short and medium/long-term, expressed not only in the form of economic revenue, but also in the form of attention to risks and qualitative performance;
- developing professional skills while enacting an effective retention policy.

The variable remuneration may also include:

- a one-off amount, paid in monetary form and up-front, on the occurring of objective circumstances that have demanded a professional commitment of particular significance;
- cash bonus deriving from the achievement of objectives awarded as a result of the participation in annual or infrannual incentive systems;
- Welcome bonus provided in exceptional cases when new personnel is hired to make up for documented pay disadvantages arising from the loss of benefits offered by the previous employer, to be recognised on a one-off basis. It cannot be awarded more than once to the same person.
- seniority bonuses, amounts paid on the completion of a given year of service, according to the provisions of the reference CCNL applied;
- compensation paid based on a minimum duration guarantee clause ("patti of stabilità"), for a period not exceeding three years, awarded to guarantee continuity of the employment relationship, ensure greater corporate stability and contribute to further enhance the quality of the professional services of resources believed to be relevant.

SECOND SECTION

PART ONE

INFORMATION ON THE IMPLEMENTATION OF THE REMUNERATION POLICIES OF UNIPOL GROUP S.P.A. ADOPTED FOR 2018

ARTICULATION

This Section of the Report consists of two parts:

- part one, which provides a description of the compensation of the Recipients of the Unipol Remuneration Policies relating to 2018;
- part two, which illustrates said compensation in the form of tables, as well as the investment held by the recipients of the Unipol Remuneration Policies again relating to 2018.
- part three, which illustrates in summary form the assessments pertaining to the Fundamental Functions (Chief Risk Officer and Compliance and Anti-Money Laundering).

PART ONE

Remuneration of Directors

The Ordinary Shareholders' Meeting of 28 April 2016 has, inter alia, appointed the Board of Directors of the Company, consisting of 22 members, giving them a mandate of three years and, therefore, up to the Shareholders' Meeting called to approve the 2018 financial statements.

Said Shareholders' Meeting resolved - consistent with the Remuneration Policies approved by Unipol's Board of Directors at the board meeting held on 10 March 2016 and illustrated in the First Section of the remuneration report published in 2016 - an annual gross fixed remuneration of Euro 50,000 for each Director as well as the payment of a gross attendance fee of Euro 1,000 for each board meeting or shareholders' meeting attended, reduced to Euro 500 in case of participation through telephone or audio-visual connection. Furthermore, in addition to the reimbursement of expenses incurred with relation to the office held, in continuity with the past, insurance coverage is provided at the expense of the Company for risks related to third party liability arising from the legal and contractual obligations associated with the office of director and the associated legal and economic protection, in compliance with the law in force.

The Board of Directors' meeting held on 30 June 2016, after consultation with the Remuneration Committee and the Board of Statutory Auditors, then defined the remuneration of the Chairman, Deputy Chairman and the Managing Director -Group CEO and General Manager with regard to said offices; lastly, the members of Board committees were awarded a further fixed fee for attendance of each respective Committee meeting, corresponding to Euro 1,000, reduced to Euro 500 in case of participation through telephone or audio-visual connection.

In 2018, therefore, Non-Executive Directors were not acknowledged any variable remuneration component linked to results or based on financial instruments, without prejudice to what is specified in relation to the acknowledgement to the Managing Director-Group CEO and General Manager of a short- and long-term remuneration component.

Details of the compensation paid to the members of the Board of Directors in 2018 are shown in Table 1 below; in this regard, note that, in the column relating to "Non-monetary benefits", the benefits relating to insurance cover for risks related to third party liability, stipulated in favour of Directors, the costs of which are borne by the Company, could not be broken down ad personam. With reference to what already illustrated in Part One of this Report, this inability to break down the benefits was also due to the fact that: (i) the subjective scope of the insured parties benefiting from the policy does not coincide with that of the parties for which information must be provided in this Section of the Report, as it is much wider (it extends, in general, to any person considered the equivalent of a member of the administration, management and control bodies, including therein parties to whom proxies have been awarded and members of the supervisory bodies pursuant to Italian Legislative Decree 231/01) and that (ii) said scope is subject to change during the validity of said policy.

Moreover, said benefits are not considered fringe benefits and do not contribute to the formation of the income of the beneficiaries.

Remuneration of the Control body

The above-mentioned Shareholders' Meeting of 28 April 2016 also re-appointed the Board of Statutory Auditors, consisting of three Statutory Auditors and two Alternate Auditors, which will remain in office until the Shareholders' Meeting called to approve the financial statements at 31 December 2018.

In accordance with the Remuneration policies adopted by the Company in the last year and this year, the annual compensation of the Statutory Auditors has been established as a fixed amount and differs between Standing Auditors and the Chairman of the Board of Statutory Auditors, corresponding to Euro 50,000 and Euro 75,000 respectively; in addition, the same will be reimbursed for the expenses incurred in relation to the office held, and will also be provided with insurance coverage at the expense of the Company for risks related to third party liability arising from the legal and contractual obligations associated with the office of Statutory Auditor and the associated legal and economic protection, in compliance with the law in force.

Statutory Auditors are paid no variable remuneration.

Details of the compensation paid to the members of the Board of Statutory Auditors in 2018 are shown in Table 1 below; the same considerations illustrated above with regard to the lack of breakdown of benefits relating to insurance cover for risks related to third party liability also apply here.

Remuneration of the General Manager, Key Managers and other Executives

The Unipol Remuneration Policies for the year 2018 envisaged, in line with the past, the application for the General Manager, Key Managers and other Executives of Unipol of a pay system consisting of a fixed component and a variable component, the latter recognised by means of the activation of a specific incentive system, aiming to develop a culture of sustainable performance which correlates Company results with individual performance.

The year in question saw the presence of 15 people in the category of Key Managers, of which, of which 14 partially seconded to the subsidiary UnipolSai Assicurazioni S.p.A. (and eligible as Key Managers also of the latter) and 1 partially seconded at the subsidiary Unipol Banca S.p.A. In this regard, please note that such Executives received the fixed component of their remuneration from the Company, as well as the variable component; in any event, the subsidiaries UnipolSai and Unipol Banca returned the relative cost incurred by Unipol as consideration for the partial secondment.

For details regarding the extent of said fee, please refer to the Tables below.

Fixed remuneration component

The fixed component is comprised of the items of the CCNL and by remuneration from individual contracts; the GAR is also established and excludes Severance pay, any provision or payment relating to social security contributions borne by the employer, and any variable component, whether the same is paid as a one-off amount or on a continuative basis, repeated or deferred, and excluding any bonus, travelling indemnity and any other indemnity.

Variable remuneration component

The variable remuneration component, also in 2018, could be represented by the following items:

- monetary incentives and incentives in the form of financial instruments, to be paid on the basis of the incentive system dedicated to Executives of Unipol;
- a one-off amount, paid in monetary form and up-front, and in accordance with the following conditions:
 - (i) occurrence of objective circumstances that are completely exceptional and unforeseeable which required a particularly significant professional commitment, meant to obtain a result of strategic importance for the Company and/or the Group;
 - (ii) calculation of the amount in compliance with the principles of proper balancing between the fixed component and the variable component of remuneration, as set forth in the laws in force;
 - (iii) recognition on approval of the Company's Board of Directors, after obtaining the opinion of the Remuneration Committee;
- seniority bonuses: amounts paid after reaching the 25th and 35th year of actual service with the same company, equal to 8% and 16%, respectively, of the GAR.

Implementation of the 2013-2015 incentive system

At the board meeting held on 12 May 2016, the Board of Directors ascertained full satisfaction of the conditions for the recognition of the long-term incentive pursuant to the 2013-2015 System, as implemented by the relative compensation plan based on financial instruments for 2013-2015 (the "2013-2015 Plan").

As a result of this positive final measurement, in execution of the Regulation of the 2013-2015 Plan, it was therefore possible to proceed with the allocation to the beneficiaries of the three tranches of Unipol Shares, of which the last one was paid on 2 July 2018. In particular, Unipol awarded to the Managing Director - Group CEO and General Manager and the other Key Managers entitled the third tranche of shares equal to 1/3 of the total accrued at the end of the vesting period, which correspond respectively, to 103,821, 415,286 and 809,835 Unipol ordinary shares for a total of 1,328,942 Unipol ordinary shares. In this regard, please recall that the share value used as a reference for the calculation of the number of shares due to each recipient of the above-mentioned Plan is the average Stock Exchange value recorded by the ordinary Unipol share in May 2013, equal to Euro 2.7451.

Please note that Table below was not completed with the data relating to the implementation of the 2013-2015 Plan, as its monetary effects were exhausted in previous years and the equity effects, noted above, refer to vested financial instruments at the end of the 2013-2015 three-year period, the disbursement of which in 2018 depended exclusively on the recipient remaining employed by the Unipol Group.

Implementation of the 2016-2018 incentive system

With reference to the incentive system adopted by Unipol for 2016-2018 period (the "2016-2018 System"), note that during its board meeting held on 22 March 2018, the Board of Directors, having acknowledged the satisfaction of conditions for access to the above-mentioned system for the year 2017, resolved to proceed with the disbursement of short-term monetary incentives, which were actually paid to those entitled with their May 2018 wages.

For the details on the extent of the STI incentives for the year 2017 disbursed in 2018, please see Table 3B below (Column 3B).

During its meeting held on 14 March 2019, Unipol's Board of Directors, after favourable opinion of the Remuneration Committee, discussed the arguments and reasons underlying the satisfaction of the conditions of access to the UPM System for the year 2018, resolving to proceed with the disbursement of the short-term monetary incentives, which will be paid with the April 2019 wages.

For the details on the extent of the STI incentives for the year 2018 payable this year, please see Table 3B below (Column 2B).

In view of the end of the vesting period, the Board of Directors at the meeting held on 14 March 2019 also acknowledged the satisfaction of the conditions of the long-term targets of the UPM System for 2016-2018 period, and resolved to proceed, subject to the assessment of the average value of the Unipol ordinary share in the first quarter of 2019, to the disbursement of the corresponding incentive, by awarding Unipol and UnipolSai Shares, starting from April 2019, in proportion to one-third of the LTI Bonus accrued, and for the two following years 2020 and 2021. The Board of Directors, after acknowledging that the conditions set by the 2016-2018 UPM System for the disbursement of the Additional Bonus had not been met, resolved not to proceed with the payment of the Additional Bonus.

For details on the size of the LTI incentives for 2016-2018 period, which are payable starting from the current year, we refer to the Table 3A below (Columns 10 and 11). In Column 9 we have indicated the number of financial instruments no longer due as the conditions specified by the 2016-2018 Plan for the Additional Bonus have not been met; in Column 12 of the same Table we have indicated the fair value, at 31 December 2018, of the maximum number of Shares, which may be awarded in April 2021, provided the beneficiary remains in the employment of the Unipol Group

Information documents on Remuneration Plans based on financial instruments

Detailed information regarding the 2013-2015 Plan and the 2016-2018 Plan is contained in the Information Documents, prepared pursuant to Article 114-bis of the TUF and Article 84-bis of the Issuers' Regulation, and published on the Company's website at www.unipol.com, in the Governance/Shareholders' Meetings Section.

Other components of remuneration

Remuneration may also include:

- benefits, on which social security and tax contributions are also calculated, which may include assets such as company cars and the use of lodgings;
- compensation paid for minimum duration guarantee clause ("patti di stabilità");
- welcome bonuses provided in exceptional cases when new personnel is hired to make up for documented pay disadvantages arising from the loss of benefits offered by the previous employer, to be recognised on a one-off basis.

Agreements granting compensation in the case of early termination of employment.

There are no agreements between the Company and the Directors providing for compensation in the event of resignation, revocation of mandate/appointment or cessation of this following a takeover bid.

There are no agreements providing for the assignment or the maintenance of non-monetary benefits for persons who have ceased their position or the conclusion of consulting contracts for a period subsequent to the termination of employment. There are no non-compete agreements providing compensation for compliance.

Compensation earned on termination of employment is calculated, lacking specific agreements, on the basis of what is set forth in the Collective Agreement for Executives of insurance companies.

Based on the above, in 2018, the remuneration in favour of Directors, Statutory Auditors, the Managing Director – Group CEO and General Manager and the other Key Managers of Unipol is consistent with the principles set forth in pay policies in force in 2018.

PART TWO

Compensation paid in 2018

Table 1 – Remuneration paid to members of the Administration and Control Bodies, the General Manager and other Key Managers (amounts in Euro)

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2021)	Compensation for end of office or termination of employment
							Bonus and other incentives	Profit sharing					
STEFANINI Pierluigi	Chairman	1/1 - 31/12/2018	2018 Financial Statements										
	Director												
	Chairman of the Chairman's Committee												
	Chairman of the Nomination and Corporate Governance Committee												
	Member of the Sustainability Committee												
Compensation from the company that draws up the financial statements				1,060,000.00		16,000.00			3,002.23		1,079,002.23		
Compensation from subsidiaries and associates				0.00	(1)								
TOTAL				1,060,000.00		16,000.00	0	0	3,002.23	0	1,079,002.23	0	

(1) Compensation totalling Euro 251,000.00 for the offices held in the subsidiary UnipolSai Assicurazioni S.p.A., compensation not received but paid directly to Unipol Group S.p.A., is not shown.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees		Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2021)	Compensation for end of office or termination of employment			
								Bonus and other incentives	Profit sharing								
CIMBRI Carlo	Chief Executive Officer	1/1 - 31/12/2018	2018 Financial Statements														
	Director																
	Member of the Chairman's Committee																
	General Manager		Until revoked														
Compensation from the company that draws up the financial statements		Chief Executive Officer		560,000.00		7,000.00		375,000.00	(1)				942,000.00	689,285.56	(2)		
		General Manager		1,999,999.96				1,499,999.97	(1)		29,303.03			3,529,302.96	2,757,140.55	(2)	
Compensation from subsidiaries and associates				0.00	(3)												
TOTAL				2,559,999.96		7,000.00		1,874,999.97		0.00	29,303.03		0.00	4,471,302.96	3,446,426.11		0.00

(1) Amount of the STI for the year 2017, disbursed in 2018.

(2) *Fair value* at 31 December 2018 of 1/3 of the maximum number of ordinary shares of Unipol Group and UnipolSai that may be allocated as third and last tranche in 2021 at the end of the vesting period (2016-2018), subject to the achievement of the performance conditions of the 2016 - 2018 Plan.

(3) Compensation totalling Euro 950,000.00 for the offices held in the subsidiary UnipolSai Assicurazioni S.p.A. is not shown. Compensation not received but paid directly by the respective companies to Unipol Group S.p.A.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees	Variable non-equity compensation			Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2021)	Compensation for end of office or termination of employment	
							Bonus and other incentives	Profit sharing							
PASQUARIELLO Maria Antonietta	Vice Chairman	1/1 - 31/12/2018	2018 Financial Statements												
	Director														
	Member of the Chairman's Committee														
Compensation from the company that draws up the financial statements				260,000.00	(1)	7,000.00	(1)						267,000.00		
Compensation from subsidiaries and associates													0.00		
TOTAL				260,000.00		7,000.00		0.00		0.00	0.00		267,000.00	0.00	0.00

(1) Compensation not received but repaid to the company of origin totalling Euro 237,000.00.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees		Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2021)	Compensation for end of office or termination of employment	
								Bonus and other incentives	Profit sharing						
BALDUCCI Gianmaria	Director	1/1 - 31/12/2018	2018 Financial Statements												
	Member of the Chairman's Committee														
Compensation from the company that draws up the financial statements				59,000.00	(1)	4,000.00	(1)						63,000.00		
Compensation from subsidiaries and associates													0.00		
TOTAL				59,000.00		4,000.00		0.00		0.00		0.00	63,000.00	0.00	0.00

(1) Compensation not received but repaid to the company of origin.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees		Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2021)	Compensation for end of office or termination of employment		
								Bonus and other incentives	Profit sharing							
BERARDINI Francesco	Director	1/1 - 31/12/2018	2018 Financial Statements													
	Member of the Chairman's Committee															
Compensation from the company that draws up the financial statements				60,000.00		7,000.00							67,000.00			
Compensation from subsidiaries and associates				69,000.00	(1)								69,000.00			
TOTAL				129,000.00		7,000.00		0.00		0.00	0.00		0.00	136,000.00	0.00	0.00

(1) Compensation for the offices held in UnipolSai Assicurazioni S.p.A. and SIAT S.p.A.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees		Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2021)	Compensation for end of office or termination of employment	
								Bonus and other incentives	Profit sharing						
CANDINI Silvia Elisabetta	Director	1/1 - 31/12/2018	2018 Financial Statements												
	Member of the Nomination and Corporate Governance Committee														
	Member of the Remuneration Committee														
Compensation from the company that draws up the financial statements				59,500.00		10,000.00						69,500.00			
Compensation from subsidiaries and associates												0.00			
TOTAL				59,500.00		10,000.00		0.00		0.00		0.00	69,500.00	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees		Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2021)	Compensation for end of office or termination of employment	
								Bonus and other incentives	Profit sharing						
CATTABIANI Paolo	Director	1/1 - 31/12/2018	2018 Financial Statements												
	Member of the Chairman's Committee														
Compensation from the company that draws up the financial statements				52,000.00	(1)	2,000.00	(1)						54,000.00		
Compensation from subsidiaries and associates				42,500.00	(2)								42,500.00		
TOTAL				94,500.00		2,000.00		0.00		0.00		0.00	96,500.00	0.00	0.00

(1) Compensation not received but repaid to the company of origin.

(2) Compensation for the office held in UnipolSai Assicurazioni S.p.A.; compensation not received but repaid to the company of origin.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees		Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2021)	Compensation for end of office or termination of employment	
								Bonus and other incentives	Profit sharing						
DALLERIVE Ernesto	Director	1/1 - 31/12/2018	2018 Financial Statements												
	Member of the Chairman's Committee														
Compensation from the company that draws up the financial statements				60,000.00		7,000.00							67,000.00		
Compensation from subsidiaries and associates				49,000.00	(1)								49,000.00		
TOTAL				109,000.00		7,000.00		0.00		0.00		0.00	116,000.00	0.00	0.00

(1) Compensation for the office held in UnipolSai Assicurazioni S.p.A.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees		Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2021)	Compensation for end of office or termination of employment	
								Bonus and other incentives	Profit sharing						
DE LUISE Patrizia	Director	1/1 - 31/12/2018	2018 Financial Statements												
	Member of the Nomination and Corporate Governance Committee														
	Member of the Ethics Committee														
Compensation from the company that draws up the financial statements				57,500.00		6,000.00						63,500.00			
Compensation from subsidiaries and associates												0.00			
TOTAL				57,500.00		6,000.00		0.00		0.00		0.00	63,500.00	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees		Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2021)	Compensation for end of office or termination of employment	
								Bonus and other incentives	Profit sharing						
DESIDERIO Massimo	Director	1/1 - 31/12/2018	2018 Financial Statements												
	Members of the Control and Risk Committee														
	Member of the Related Party Transactions Committee														
	Member of the Supervisory Board														
Compensation from the company that draws up the financial statements				59,500.00		34,000.00						93,500.00			
Compensation from subsidiaries and associates												0.00			
TOTAL				59,500.00		34,000.00		0.00		0.00		0.00	93,500.00	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees		Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2021)	Compensation for end of office or termination of employment	
								Bonus and other incentives	Profit sharing						
FERRABOLI Anna Maria	Director	1/1 - 31/12/2018	2018 Financial Statements												
	Member of the Control and Risk Committee														
	Member of the Related Party Transactions Committee														
	Member of the Supervisory Board														
Compensation from the company that draws up the financial statements				56,500.00		25,000.00						81,500.00			
Compensation from subsidiaries and associates												0.00			
TOTAL				56,500.00		25,000.00		0.00		0.00		0.00	81,500.00	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees		Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2021)	Compensation for end of office or termination of employment	
								Bonus and other incentives	Profit sharing						
FERRE' Daniele	Director	1/1 - 31/12/2018	2018 Financial Statements												
	Member of the Chairman's Committee														
Compensation from the company that draws up the financial statements				60,000.00	(1)	7,000.00	(1)						67,000.00		
Compensation from subsidiaries and associates													0.00		
TOTAL				60,000.00		7,000.00		0.00		0.00		0.00	67,000.00	0.00	0.00

(1) Compensation not received but repaid to the company of origin.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees		Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2021)	Compensation for end of office or termination of employment	
								Bonus and other incentives	Profit sharing						
GUALTIERI Giuseppina	Director	1/1 - 31/12/2018	2018 Financial Statements												
	Chairman of the Ethics Committee														
	Chairman of the Remuneration Committee														
Compensation from the company that draws up the financial statements				60,000.00		6,000.00						66,000.00			
Compensation from subsidiaries and associates												0.00			
TOTAL				60,000.00		6,000.00		0.00		0.00		0.00	66,000.00	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees		Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2021)	Compensation for end of office or termination of employment	
								Bonus and other incentives	Profit sharing						
LEVORATO Claudio	Director	1/1 - 31/12/2018	2018 Financial Statements												
Compensation from the company that draws up the financial statements				50,000.00									50,000.00		
Compensation from subsidiaries and associates													0.00		
TOTAL				50,000.00		0.00		0.00		0.00		0.00	50,000.00	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees		Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2021)	Compensation for end of office or termination of employment	
								Bonus and other incentives	Profit sharing						
MORARA Pier Luigi	Director	1/1 - 31/12/2018	2018 Financial Statements												
	Chairman of the Related Party Transactions Committee														
	Member of the Remuneration Committee														
Compensation from the company that draws up the financial statements				59,000.00		14,500.00						73,500.00			
Compensation from subsidiaries and associates												0.00			
TOTAL				59,000.00		14,500.00		0.00		0.00		0.00	73,500.00	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees		Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2021)	Compensation for end of office or termination of employment	
								Bonus and other incentives	Profit sharing						
MUNDO Antonietta	Director	1/1 - 31/12/2018	2018 Financial Statements												
	Member of the Sustainability Committee														
Compensation from the company that draws up the financial statements				59,500.00		2,000.00						61,500.00			
Compensation from subsidiaries and associates												0.00			
TOTAL				59,500.00		2,000.00		0.00		0.00		0.00	61,500.00	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees		Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2021)	Compensation for end of office or termination of employment		
								Bonus and other incentives	Profit sharing							
PACCHIONI Milo	Director	1/1 - 31/12/2018	2018 Financial Statements													
	Member of the Chairman's Committee															
Compensation from the company that draws up the financial statements				60,000.00	(1)	7,000.00	(1)						67,000.00			
Compensation from subsidiaries and associates				167,600.00	(2)					14,351.00			181,951.00			
TOTAL				227,600.00		7,000.00		0.00		0.00	14,351.00		0.00	248,951.00	0.00	0.00

(1) Compensation not received but repaid to the company of origin.

(2) Compensation for the offices held in Pegaso Finanziaria S.p.A. and Assicoop Modena and Ferrara S.p.A.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees		Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2021)	Compensation for end of office or termination of employment	
								Bonus and other incentives	Profit sharing						
TROVO' Annamaria	Director	1/1 - 31/12/2018	2018 Financial Statements												
	Member of the Sustainability Committee														
	Member of the Ethics Committee														
Compensation from the company that draws up the financial statements				56,500.00	(1)	4,000.00	(1)						60,500.00		
Compensation from subsidiaries and associates													0.00		
TOTAL				56,500.00		4,000.00		0.00		0.00	0.00		60,500.00	0.00	0.00

(1) Compensation not received but repaid to the company of origin.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees		Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2021)	Compensation for end of office or termination of employment	
								Bonus and other incentives	Profit sharing						
TURRINI Adriano	Director	1/1 - 31/12/2018	2018 Financial Statements												
	Member of the Chairman's Committee														
Compensation from the company that draws up the financial statements				55,000.00	(1)	5,000.00	(1)						60,000.00		
Compensation from subsidiaries and associates													0.00		
TOTAL				55,000.00		5,000.00		0.00		0.00		0.00	60,000.00	0.00	0.00

(1) Compensation not received but repaid to the company of origin.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2021)	Compensation for end of office or termination of employment			
							Bonus and other incentives	Profit sharing								
ZAMBELLI Rossana	Director	1/1/ - 31/12/2018	2018 Financial Statements													
	Chairman of the Control and Risk Committee															
	Chairman of the Supervisory Board															
	Member of the Related Party Transactions Committee															
Compensation from the company that draws up the financial statements				60,000.00		39,000.00						99,000.00				
Compensation from subsidiaries and associates												0.00				
TOTAL				60,000.00		39,000.00		0.00		0.00		0.00	99,000.00	0.00		0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2021)	Compensation for end of office or termination of employment	
							Bonus and other incentives	Profit sharing						
ZINI Carlo	Director	1/1 - 31/12/2018	2018 Financial Statements											
Compensation from the company that draws up the financial statements				59,000.00	(1)							59,000.00		
Compensation from subsidiaries and associates												0.00		
TOTAL				59,000.00		0.00		0.00		0.00		59,000.00	0.00	0.00

(1) Compensation not received but repaid to the company of origin.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees		Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2021)	Compensation for end of office or termination of employment	
								Bonus and other incentives	Profit sharing						
ZUCCHELLI Mario	Director	1/1 - 31/12/2018	2018 Financial Statements												
	Member of the Chairman's Committee														
Compensation from the company that draws up the financial statements				60,000.00		7,000.00						67,000.00			
Compensation from subsidiaries and associates				50,000.00	(1)						200,000.00	250,000.00			
TOTAL				110,000.00		7,000.00		0.00		0.00	0.00	200,000.00	317,000.00	0.00	0.00

(1) Compensation for the offices held in Gruppo UNA S.p.A.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees		Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2021)	Compensation for end of office or termination of employment	
								Bonus and other incentives	Profit sharing						
CIVETTA Mario	Chairman of the Board of Statutory Auditors	1/1 - 31/12/2018	2018 Financial Statements												
Compensation from the company that draws up the financial statements				75,000.00									75,000.00		
Compensation from subsidiaries and associates													0.00		
TOTAL				75,000.00		0.00		0.00		0.00		0.00	75,000.00	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees		Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2021)	Compensation for end of office or termination of employment	
								Bonus and other incentives	Profit sharing						
CHIUSOLI Roberto	Statutory Auditor	1/1 - 31/12/2018	2018 Financial Statements												
Compensation from the company that draws up the financial statements				50,000.00									50,000.00		
Compensation from subsidiaries and associates				72,678.09	(1)								72,678.09		
TOTAL				122,678.09		0.00		0.00		0.00		0.00	122,678.09	0.00	0.00

(1) Compensation for the offices held in: Gruppo Una S.p.A., Compagnia Assicuratrice Linear S.p.A., Consorzio Castello, Unipol Investment S.p.A., Unipol Finance S.r.l., Siat S.p.A., Casa di Cura Villa Donatello S.p.A., UnipolPart S.p.A. in liquidation, UnipolPart I S.p.A., Florance Centro di Chirurgia Amb.le S.r.l., UnipolSai Servizi Consortili S.c.r.l. and Alfaevolution Technology S.p.A.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees		Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2021)	Compensation for end of office or termination of employment	
								Bonus and other incentives	Profit sharing						
BOCCI Silvia	Statutory Auditor	1/1 - 31/12/2018	2018 Financial Statements												
Compensation from the company that draws up the financial statements				50,000.00									50,000.00		
Compensation from subsidiaries and associates				78,643.84	(1)								78,643.84		
TOTAL				128,643.84		0.00		0.00		0.00		0.00	128,643.84	0.00	0.00

(1) Compensation for the offices held in Centro Oncologico Fiorentino in liquidation, Casa di Cura Villa Donatello S.p.A. and UnipolSai Assicurazioni S.p.A.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2021)	Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
GATTO Massimo	Alternate Auditor	1/1 - 31/12/2018	2018 Financial Statements									
Compensation from the company that draws up the financial statements												
Compensation from subsidiaries and associates												
TOTAL				0.00		0.00		0.00	0.00		0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2021)	Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
RAGAZZI Chiara	Alternate Auditor	1/1 - 31/12/2018	2018 Financial Statements									
Compensation from the company that draws up the financial statements												
Compensation from subsidiaries and associates												
TOTAL				0.00		0.00		0.00	0.00		0.00	0.00

Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees		Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2021)	Compensation for end of office or termination of employment			
							Bonus and other incentives	Profit sharing								
KEY MANAGERS (15)	1/1 - 31/12/2018															
Compensation from the company that draws up the financial statements			5,299,570.37	(1)	30,000.00		2,486,176.37	(2)		339,187.45	(3)		8,154,934.19	3,930,127.37	(4)	
Compensation from subsidiaries and associates			0.00	(5)	42,769.18								42,769.18			
TOTAL			5,299,570.37		72,769.18		2,486,176.37		0.00	339,187.45		0.00	8,197,703.37	3,930,127.37		0.00

(1) Euro 4,618,730.04 of this amount is incurred by subsidiaries to which the Key Managers of the Company are partially seconded.

(2) Part of that amount was incurred for Euro 2,039,736.48 by subsidiaries to which the Key Managers of the Company are partially seconded.

(3) Euro 285,813.33 of this amount was incurred by subsidiaries to which the Key Managers of the Company are partially seconded.

(4) *Fair value* at 31 December 2018 of 1/3 of the maximum number of ordinary shares of Unipol Group and UnipolSai that may be allocated as third and last tranche in 2021 at the end of the vesting period (2016-2018), subject to the achievement of the performance conditions of the 2016 - 2018 Plan. Part of this amount, for a maximum of Euro 3,319,138.64, will be incurred by subsidiaries to which the Key Managers of the Company are partially seconded.

(5) Compensation totalling Euro 681,366.41 is not shown for offices held in the subsidiaries and associates. Compensation not received but paid directly by the respective companies to Unipol Group S.p.A.

Table 2 - Stock options assigned to members of the Management body, General Managers and other Key Managers

[Table 2 is not completed as there are no stock option based incentive plans].

Table 3A - Incentive plans based on financial instruments other than stock options, for members of the Administration Body, General Managers and other Key Managers

			Financial instruments allocated in previous years not vested during the year	Financial instruments allocated during the year						Financial instruments vested during the year and not allocated	Financial instruments vested during the year and allocable		Financial instruments relating to the year
(A)	(B)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Surname and Name	Office held	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	<i>Fair value on allocation date</i>	Vesting period	Allocation date	Market price on allocation	Number and type of financial instruments	Number and type of financial instruments	Value on maturity date	Fair value (referred to the maximum number of shares that may potentially be allocated at April 2021)
(I) Compensation from the company that draws up the financial statements													
CIMBRI Carlo	Chief Executive Officer	LTI 2016 - 2018									288,604 Ord. Shares Unipol Gruppo 533,428 Ord. UnipolSai Shares	Euro 2,067,856.67	Euro 689,285.56
	General Manager	LTI 2016 - 2018									1,154,414 Ord. Shares Unipol Gruppo 2,133,713 Ord. UnipolSai Shares	Euro 8,271,421.64	Euro 2,757,140.55
Other Key Managers (15)		LTI 2016 - 2018								974,561 Ord. Shares Unipol Gruppo 1,801,288 Ord. UnipolSai Shares	1,645,544 Ord. Shares Unipol Gruppo 3,041,470 Ord. UnipolSai Shares	Euro 11,790,382.12	Euro 3,930,127.37 (*)
(III) Total												Euro 22,129,660.43	Euro 7,376,553.48

Column (9): number of Shares potentially accrued for the LTI component of the Additional Bonus at the end of the 2016-2018 Plan, no longer payable given the failure to meet the conditions specified for the disbursement of the Additional Bonus. The Managing Director/General Director was not awarded the Additional Bonus.

Column (10): estimated maximum number of Shares that may be allocated, in three tranches starting from 2019, subject to the completion of the final measurement of the conditions of the 2016-2018 Plan.

Column (11): value at 31 December 2018 of the estimated maximum number of Shares that may be allocated in three tranches starting from 2019, subject to the completion of the final measurement of the conditions of the 2016-2018 Plan.

Column (12): Column (12): *fair value* at 31 December 2018 of 1/3 of the maximum number of ordinary shares of Unipol Group and UnipolSai that may be allocated in 2021 at the end of the vesting period (2016-2018), subject to the achievement of the performance conditions of the 2016 - 2018 Plan.

Column (12)(*): part of this amount, for a maximum of Euro 3,319,138.64, will be incurred by subsidiaries to which the Key Managers of the Company are partially seconded.

Table 3B - Monetary incentive plans for members of the Administration Body, General Managers and other Key Managers

		(1)	(2)			(3)			(4)
Surname and Name	Office held	Plan	Annual bonus			Bonus in previous years			Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			To be Paid / Paid	Deferred	Deferral period	No longer payable	To be Paid / Paid	Still deferred	
(I) Compensation from the company that draws up the financial statements									
CIMBRI Carlo	Chief Executive Officer	STI 2016-2018		Euro 375,000.00			Euro 375,000.00		
	General Manager	STI 2016-2018		Euro 1,499,999.97			Euro 1,499,999.97		
Other Key Managers (15)		STI 2016-2018		Euro 2,590,683.70 (*)		Euro 4,121,354.93	Euro 2,486,176.37 (**)	Euro 283,750.01	
(III) Total				Euro 4,465,683.67			Euro 4,361,176.34		

Column (2)(B): maximum amount of the IBT incentive pertaining to 2018, which will be paid out in April 2019.

Column (2)(B) (*): part of that amount, for a maximum of Euro 2,184,204.75, that will be incurred by subsidiaries at which some Key Managers are partly seconded.

Column (3)(A): IBT amount of the Additional Bonus component accrued for the 2016-2018 Plan that is no longer payable as the conditions specified for the disbursement of the Additional Bonus were not met. Note that the Managing Director/General Director was not awarded the Additional Bonus.

Column (3)(B): IBT amount for 2017, paid out in 2018.

Column (3)(B)(**): part of that amount was incurred for Euro 2,039,736.48 by subsidiaries to which the Key Managers of the Company are partially seconded.

Column (3)(C): amount related to the part of the IBT compensation accrued in previous years which will be paid to the Key Manager partly seconded at Unipol Banca S.p.A. , in 2019 and 2020 in compliance with the incentive system adopted by the banking business of the Unipol Group; amount that, for maximum Euro 253,106.57, will be paid by Unipol Banca.

Investments of members of the Administration and Control Bodies, the General Manager and Key Managers

TABLE 1: Investments of members of the Administration and Control Bodies and of General Managers										
Surname and Name	Office held	Investee company	Class of shares	Number of shares held at the end of the previous year		Number of shares purchased		Number of shares sold		Number of shares held at the end of the current year
CIMBRI Carlo	Managing Director and General Manager	Unipol Gruppo	ORD	706,355		519,107	(*)	223,216	(**)	1,002,246
PACCHIONI Milo	Director	UnipolSai Assicurazioni	ORD	17,930		0		17,930		0
ZINI Carlo	Director	Unipol Gruppo	ORD	2,500	(a)	0		0		2,500 (a)

(*) Assignment free of charge, on 2 July 2018, of Unipol shares, as set forth in the Compensation Plan based on financial instruments (Performance Share type), intended for the managers of the Company for 2013-2015 (third and last tranche).

(**) Shares sold on 3-5 July 2018, to pay tax expenses connected to the assignment of shares in accordance with the compensation plans based on financial instruments (performance share type), assigned on 2 July 2018.

(a) Shares held through the spouse.

TABLE 2: Investments of other Key Managers									
Number of Key Managers	Investee company	Class of shares	Number of shares held at the end of the previous year	Number of shares purchased		Number of shares sold		Number of shares held at the end of the current year	
15	Unipol Gruppo	ORD	989,902	913,421	(1)	409,074	(2)	1,494,249	(3)
	UnipolSai Assicurazioni	ORD	1,100	0		0		1,100	(4)

(1) Assignment free of charge, on 2 July 2018, of Unipol shares, as set forth in the Compensation Plan based on financial instruments - performance share type, intended for the managers of the Company for 2013-2015 (third and last tranche).

(2) of which 392,770 shares sold on 3-5 July 2018, to pay tax expenses connected to the assignment of shares in accordance with the compensation plans based on financial instruments - performance share type, assigned on 2 July 2018.

(3) of which 105 shares held by spouse.

(4) Shares held by spouse.

PART THREE

Assessment of Fundamental Functions

Pursuant to the Regulation IVASS 38 (Articles 58 and 93), the Group Policies, including those of Unipol, are assessed, within their areas of competence, by the Fundamental Functions.

Being understood that the Audit Function will carry out its own assessments on the execution of the 2018 Policies at the time of the Shareholders' Meeting called to approve the financial statements as at 31 December 2019, the activities and the outcome of these assessments carried out ex ante with regard to the Remuneration Policies for 2019 are summarised below.

Ex-ante assessments of the Chief Risk Officer and Compliance and Anti-Money Laundering Functions

The Chief Risk Officer and Compliance and Anti-Money Laundering Functions have reviewed the Remuneration Policies of the Group that will be submitted to the approval of the Shareholders' Meeting of Unipol convened to approve the 2018 financial statements.

The results of these assessment activities have confirmed, (i) as regards the Compliance and Anti-Money Laundering Function, the compliance of said Remuneration Policies with the reference legislative framework, the appropriate calibration with respect to the characteristics of the different companies to which they are applicable and the overall consistency at Group level and, (ii) as regards the Chief Risk Officer Function, the consistency of the objectives, principles and application of the Policies with the risk appetite of the Company and the Group, as envisaged by the regulations in force.



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