



**Report on corporate governance
and ownership structures for the 2017 financial year**

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UNIPOL GRUPPO S.p.A.

**ANNUAL REPORT ON CORPORATE GOVERNANCE
AND OWNERSHIP STRUCTURES
FOR THE 2017 FINANCIAL YEAR**

Bologna, 22 March 2018

This Report is available in the Governance Section of the Company's website www.unipol.it

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DEFINITIONS

For the purposes of this Report and in addition to the definitions provided in the text below, the expressions and / or words capitalised have the following meaning:

Appointed Director: the Director appointed by the Board of Directors to oversee the operation of the internal control and risk management system.

Bank of Italy: Central Bank of the Italian Republic.

Integrated Report: document that supplements the financial results with sustainability results, prepared on the basis of the content of the International Integrated Reporting Framework, issued by the International Integrated Reporting Council (IRCC)¹ in September 2015.

Private Insurance Code, CAP: Legislative Decree no. 209 of 7 September 2005, with subsequent amendments.

Code of Conduct: the Code of Conduct for listed companies approved in March 2006 and subsequently amended (most recently in July 2015) by the Committee for Corporate Governance and promoted by Borsa Italiana S.p.A., with subsequent amendments, available on the website of the latter www.borsaitaliana.it.

Board of Statutory Auditors: the controlling body of the Company.

Board of Directors, the Board: the Board of Directors of the Company.

Financial Reporting Officer: Manager charged with preparing company's financial reports, pursuant to Art. 154-*bis* of the TUF.

Financial Year, Year: the financial year ended 31 December 2017.

Company Control Functions, Control Functions: the Audit, Compliance and Risk Management Functions of the Company.

Group, Unipol Group: Unipol Gruppo S.p.A and its Subsidiaries (as defined below).

Banking Group: the Unipol Banking Group, entered in the Register of Banking Groups.

Insurance Group: the Unipol Insurance Group registered to the parent company register to the number 046.

Instructions to Stock Exchange Regulations: the Instructions to the Regulations of the Markets organised and managed by Borsa Italiana S.p.A..

ISVAP, IVASS or Authority: the Insurance Sector Regulator (which changed its name to IVASS with effect from 1 January 2013).

Plan, Business Plan, 2016-2018 Business Plan: the Business Plan for 2016-2018 approved on 12 May 2016 by the Board of Directors of Unipol.

Internal Dealing Procedure: the procedure adopted by the Company for the reporting of transactions on its

¹ IRCC: global entity consisting of regulatory bodies, investors, businesses, legislative entities, professionals operating in the accounting sector and NGOs.

shares or other financial instruments linked to them.

Shareholders' Meetings Regulation: Regulation approved by the Shareholders' Meeting, aimed at regulating the orderly and efficient conduct of General Meetings, ordinary and extraordinary.

Stock Exchange Regulations: Regulations of the markets organised and managed by Borsa Italiana S.p.A..

Issuers' Regulation: Regulation issued by CONSOB with resolution no. 11971 of 1999 on issuers, with subsequent amendments.

Market Regulation: Regulation on markets issued by CONSOB with Resolution no. 16191 of 2007, with subsequent amendments, most recently made with CONSOB Resolution no. 20249 of 28 December 2017, which incorporate the new European regulations on the provision of investment services and markets in financial instruments, as defined by the MiFID2 directive (2014/65/EU) and the MiFIR regulation (600/2014).

Report: this report, containing information about joining the Code of Conduct and corporate governance and ownership structures that Unipol Gruppo, as issuer of listed shares on the regulated market, are required to draw up under Art. 123-*bis* of the TUF (as defined below) and 89-*bis* of the Issuers' Regulation.

Company's website: www.unipol.it.

Finsoe: Finsoe S.p.A. Finanziaria dell'Economia Sociale.

Subsidiaries: the companies controlled, directly or indirectly, by Unipol, pursuant to Article 2359 of the Italian Civil Code.

Parent Company, Unipol: Unipol Gruppo S.p.A.

Solvency II: the set of laws and regulations introduced as a result of the adoption of Directive 2009/138/EC of the European Parliament and the Council of 25 November 2009, on the taking-up and pursuit of the insurance and reinsurance business, in force since 1 January 2016, with subsequent amendments.

Consolidated Law on Banking, TUB: Legislative Decree no. 385 of 1 September 1993 (Consolidated Law on Banking), with subsequent amendments.

Consolidated Law on Finance, TUF: Legislative Decree no. 58 of 24 February 1998, with subsequent amendments.

INTRODUCTION

Unipol, in adopting, since March 2001, the recommendations contained in the Code of Conduct, publishes annually this Report containing information on corporate governance and the ownership structure, in accordance with Art. 123-*bis* of the TUF, as well as the additional information recommended by the Code of Conduct.

The Report consists of three parts:

- Section I, which contains summary data on the profile of the Company and the Unipol Group;
- Section II, which provides the main information required by the aforementioned Art. 123-*bis* of the TUF;
- Section III, which contains information on the governance structure and the principles, rules and procedures adopted pursuant to the Code of Conduct and revised to keep into account the developments of the relevant legislation, as well as any additional information required by Art. 123-*bis* of the TUF and not provided in Section II.

Unless otherwise indicated, the information contained in this Report refers to the closing of the 2017 financial year.

COMPLIANCE

Unipol complies with the Code of Conduct encouraged by Borsa Italiana S.p.A. (available on the website of the latter, in the section of the Committee for Corporate Governance at <http://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm>).

In the Year, the corporate governance structure of Unipol was not affected by the provisions of non-national laws.

SECTION I

THE ISSUER AND THE UNIPOL GROUP

Profile of the Company and the Group

Unipol is a company with shares listed on the Computerised Stock Market managed by Borsa Italiana S.p.A. and included, at the date of this Report, in the FTSE MIB index, which contains the securities of the companies with the highest level of capitalisation.

The Extraordinary Shareholders' Meeting of 28 April 2017, *inter alia*, resolved to change the company name from Unipol Gruppo Finanziario S.p.A. to "Unipol Gruppo S.p.A.", leaving the abbreviated form of the company name unchanged as "Unipol S.p.A.", in order to more precisely specify the activity of the Company.

Indeed, Unipol is the holding company for the investments of both the Unipol Insurance Group, one of the leading Italian insurance groups, and the Unipol Banking Group.

As a result of the global spin-off of the former holding company, Finsoe S.p.A., which will be described in more detail below, Unipol became, for all intents and purposes, the "ultimate Italian holding company" pursuant to the provisions set forth in the Private Insurance Code and the relative implementing provisions, maintaining the role of Parent Company of the Unipol Insurance Group as well as of the Unipol Banking Group. It also took on, in place of Finsoe, the role of the company heading up the Unipol Financial Conglomerate, largely insurance, under Legislative Decree no. 142 of 30 May 2005, with subsequent amendments.

The Unipol Group operates in the following business areas:

- a) insurance, divided into the following sectors:
 - *insurance*, in which the Group operates historically in the branches Non-Life and Life; and
 - *bank-insurance*;
- b) banking, in which the Group provides traditional banking, portfolio management services and other investment services, consumer credit and collective management of savings;
- c) real estate;
- d) other activities, in which it provides secondary management services in the hotel, agricultural and medical segments.

During the Year, in line with the 2016-2018 Business Plan, the Company pursued the priority objective of ensuring sustainable profitability over time through an action programme aiming to strengthen the leadership of the Unipol Group in the Italian insurance market. In this regard, please recall that the Plan is based on four key areas (innovative and distinctive offer, simplified customer and agent experience, more effective physical distribution and excellence of the business operating mechanism) which highlight, amongst other things, the expertise of the Group in the provision of insurance services and in the application of on-line services to insurance products, leveraging the fact that it has the largest agent distribution network in the insurance business in Italy.

In line with the previous year, the review of the organisational structures of the Unipol Group was continued,

aimed to achieve greater efficiency and effectiveness while respecting the prerogatives of the different companies and their specificity in terms of positioning of their business.

In this context, please note that:

- at the meeting held on 10 May 2017, the Company's board of directors approved, *inter alia*, the launch of activities in preparation for the definition of a project to streamline the Unipol Group's insurance sector (the "Project"), aiming to aggregate all of the Group's insurance business under the control of UnipolSai Assicurazioni S.p.A.;
- within the scope of the Project, at the meeting held on 29 June 2017, the board approved transfers in favour of UnipolSai of the investments held by Unipol in UniSalute S.p.A. and Compagnia di Assicurazione Linear S.p.A. ("Linear"), applying on a voluntary basis the procedures for transactions with related parties and with associated parties adopted by the Company and with the support of dedicated advisors, in accordance with what has been disclosed to the market, in particular, through the publication on 30 November 2017 of the relative information document, pursuant to regulations in force on significant disposal transactions;
- after obtaining approval from IVASS, such transfers were completed on 16 November 2017; in particular, Unipol transferred to UnipolSai an investment amounting to 98.53% of the share capital of UniSalute as well as the entire share capital of Linear;
- also within the scope of the Project, at its meeting on 22 March 2018 (date of this Report), the Board of Directors approved the sale to UnipolSai of the controlling interest (equal to 63.39%) held in Arca Vita S.p.A., which in turn controls, *inter alia*, the company Arca Assicurazioni S.p.A. and Arca Vita International DAC, also in this case applying on a voluntary basis the procedures for the most significant transactions with related parties and with associated parties and with the support of dedicated advisors. The disposal is expected to be completed by the end of the first half of this year, subject to obtaining the necessary authorisations from IVASS.

In addition, at the start of this year, the Unipol Group banking sector restructuring plan, approved by the Company's Board of Directors on 27 July 2017, was implemented. In particular:

- on 1 February 2018, with the authorisation of the Bank of Italy, the proportional spin-off of Unipol Banca in favour of a newly established beneficiary company named UnipolReC S.p.A. (or the "Newco"), which carries out debt collection activities, became effective;
- the shares of UnipolReC were assigned to each Shareholder of Unipol Banca - i.e., Unipol and UnipolSai S.p.A. - in proportion with their stakes held in the Bank;
- the spin-off in question was carried out through the assignment of part of the assets of Unipol Banca in favour of Newco, with the attribution of part of the carrying amount of the Bank's shareholders' equity. In particular, the assets transferred to Newco included the Bank's entire portfolio of bad and doubtful loans at the date of approval of its statement of financial position at 30 June 2017 (i.e., at 2 August 2017), with the exclusion of those deriving from loans for leases and unsecured commitments, for a book value of roughly Euro 2.9 billion, gross of value adjustments, and around Euro 587 million net of such adjustments, inclusive of contracts, guarantees and all other legal relationships relating to it; the transferred assets also included the 100% stake in the share capital of

Unipol Reoco S.p.A., whose activity consists of repossessing real estate securing bank loans;

- also on 1 February 2018, the competent Bologna Police Headquarters issued a licence to UnipolRec to carry out out-of-court debt collection activities, pursuant to Art. 115 of Italian Royal Decree no. 773 of 18 June 1931 (TULPS).

With the separation of the bad and doubtful loans of Unipol Banca into a separate company specialised in the collection of such positions, it will be possible:

- for the Bank to concentrate on its core activities with a solid financial position and a reduced risk profile, necessary conditions to guarantee potential growth in profitability for the benefit of all stakeholders;
- to bring Unipol Banca risk indicators (NPL ratio) to excellent levels within the scope of the domestic banking system;
- to boost the efficiency of the process of managing credit positions subject to transfer from the Bank to Newco, maximising their economic return while maintaining within the Unipol Group the value linked to their future valorisation, thus facilitating the pursuit of all possible strategic options that may arise within the process of streamlining and concentration of the Italian banking system.

During the Year additional Group policies were adopted and updated, in line with current European and national industry regulations.

The governance system

The Unipol Group is characterised by an internal organisational and functional model which gives the Company a role of direction and coordination, intrinsic to its role as a holding company, which is intended to achieve, *inter alia*, effective strategic monitoring of the evolution of the different areas of activity in which the Group operates and the related risks.

The governance structure of Unipol is based on the traditional system of administration and control. Its main bodies are: the Shareholders' Meeting, the Board of Directors (operating with the support of the Board Committees, which submit advice and proposals) and the Board of Statutory Auditors.

In the context of the governance and the internal control and risk management system of the Group, some internal committees have been established by the Board of Directors, or the Chief Executive Officer and Group CEO, mainly consisting of the Heads of the Local Departments of Unipol, with functions of support to the Chief Executive Officer and Group CEO in the implementation and supervision of the policies of direction, coordination and operational strategy defined by the Board of Directors and specified by Top Management.

The statutory audit is allocated to PricewaterhouseCoopers S.p.A., pursuant to the current legal provisions on the matter.

The role and powers of the above bodies are discussed in Section III.

Considerations on the Annual Report of the Committee for Corporate Governance on the application of the Code of Conduct

Please recall that guiding principle VII of the Code of Conduct for listed companies (the "Code") adopted by Borsa Italiana S.p.A. attributes to the Italian Committee for Corporate Governance, consisting of business

associations (ABI, ANIA, Assonime and Confindustria) and associations of professional investors (Assogestioni), as well as Borsa Italiana itself (the “Borsa Italiana Committee”), the task of monitoring the status of application of the Code by the listed companies that declare that they follow it. In compliance with such guiding principle, the Borsa Italiana Committee approves an Annual Report on the application of the Code of Conduct, which in 2017 reached its fifth edition (the “Report”). In line with what took place in 2015 and in 2016, on 13 December 2017 the Borsa Italiana Committee sent the Report to the Chairmen of the administration and control bodies of all listed companies, highlighting the activity carried out and the main areas for improvement that emerged. As required by the Borsa Italiana Committee, the recommendations made by the Committee itself were brought to the attention of the Directors and Statutory Auditors of the Company by sending the Report to each of them.

In addition, the Nomination and Corporate Governance Committee and the Remuneration Committee, each for the topics within its purview, analysed the main areas for improvement highlighted by the Borsa Italiana Committee in the Report, evaluating in that respect the Company’s conduct until that point, deeming it substantially aligned with what is laid out in the Report.

Unipol and social responsibility

The Company has sought to envisage corporate social responsibility a deeply integrated strategy in all corporate choices, based on the definition of the identity, governance and management of the entire business, from business to personnel issues and from relations with suppliers to those with the community; all this in a path that leads progressively, and on the basis of continuous improvement, to the development of a coherent corporate policy of sustainability, understood as the ability to combine efficient economic management with attention to persons in a spirit of social responsibility and environmental protection.

In this context, the sustainability guidelines and the Key Performance Indicators (KPI) that contributed to the same Plan were identified when preparing the 2016-2018 Business Plan. Furthermore since 2016, the Group, in order to more effectively show the entire organisation’s commitment to this point, deemed it appropriate to supplement the planning and economic-financial reporting tools with actions, objectives and description of the results achieved by preparing, with reference to the Year 2017, the first Group’s Integrated Financial Statements, pursuant to Legislative Decree no. 254/2016.

Among the non-financial objectives identified, worth noting is the Group’s commitment to achieving and maintaining a sound reputation, through an integrated approach which aims (i) on the one side, to identify and mitigate the risks deriving from events that may negatively affect the reputation and, therefore, the value of the Unipol Group and, (ii) on the other, to contribute to the growth of this value, starting from the measurement and analysis of the current reputation all the way to implementing an action plan aligned with the Group’s needs and objectives and able to consolidate such reputation.

In Unipol, the reputation management operating model is also characterised by its breadth of analysis (there are seven groups of stakeholders from which perceptions and expectations are periodically collected: public opinion, employees, customers, agents, financial community, journalists and institutions), an internal/external perspective that makes it possible to compare internal perceptions and expectations (top management and employees) with those external to the company (other public groups) and lastly a strategic alignment with which the various corporate functions are called upon to contribute to the achievement of reputational objectives (creation and protection), based on a work dashboard and shared actions.



Unipol is the leading Italian company in terms of reputation in the financial sector (banking and insurance) with a score of 69/100 according to the 2017 Italy RepTrak® ranking (based on public opinion) reported by the Reputation Institute.

Over three years, the Unipol Group has gained nearly 10 reputational points (from 59.9 in 2014 to 69 in 2017): this growth outpaces the sector average, enabling the Group to rise to the top of the ranking in the insurance sector. Significant contribution to the development of the sustainability strategy of Unipol also comes from the projects and activities carried out by the Fondazione UNIPOLIS, the corporate foundation of the Unipol Group.

The Group adopted the Group's Charter of Values and Code of Ethics, described in Paragraph 7.5 below, in 2008 and 2009, respectively.

SECTION II

INFORMATION ON OWNERSHIP STRUCTURES

(Section drafted also pursuant to Art. 123-bis of TUF)

1. SHARE CAPITAL STRUCTURE

1.1 Composition

At the date of the 31 December 2017 and of this Report, Unipol's share capital, fully subscribed and paid up, amounts to Euro 3,365,292,408.03, divided into 717,473,508 ordinary registered shares all without nominal value.

The share capital and its composition were not subject to change during the Year and as at the date of the Report.

This composition is summarised in the following table:

Type and name of shares	No. Shares	Market
Unipol ordinary shares	717,473,508	MTA

1.2 Rights of classes of shares

At the date of this Report there are no categories of shares with special financial rights, as the share capital consists only of ordinary shares.

1.3 Power to increase share capital and authorisations to the purchase of treasury shares and shares of the Parent Company

1.3.1 Powers to increase share capital

At the date of this Report, no powers have been conferred on the Board of Directors to increase the share capital.

1.3.2 Authorisation to the purchase of treasury shares and shares of the Parent Company

The Ordinary Shareholders' Meeting called on 28 April 2017 authorised the Board of Directors to purchase and sell of treasury shares pursuant to Arts. 2357 and 2357-ter of the Italian Civil Code, as well as of shares of the former holding company Finsoe, for a period of 18 months from the Shareholders' Meeting resolution.

During 2017 the Company did not carry out purchases of treasury shares.

On 3 July 2017 the Chief Executive Officer and Group CEO, the General Manager and the other Managers of the Company were jointly allocated 2,006,741 ordinary treasury shares in the context of the compensation plans based on financial instruments, of the share performance type, approved for the years 2013-2015 by the Shareholders' Meetings on 30 April 2013, pursuant to Art. 114-bis of the TUF.

On the date of this Report, the Company holds a total of 5,283,465 ordinary treasury shares, of which

2,753,466 directly and 2,529,999 indirectly, through its subsidiaries UnipolSai (2,374,398), UniSalute S.p.A. (15,690), Compagnia Assicuratrice Linear S.p.A. (14,743), Arca Vita S.p.A. (5,962) and Arca Assicurazioni S.p.A. (18,566), SIAT S.p.A. (31,384), UnipolSai Servizi Consortili S.c.r.l. (20,258), Popolare Vita S.p.A. (24,728), Auto Presto & Bene S.p.A. (5,462) and Finitalia S.p.A. (18,808).

As regards Finsoe, please note that on 20 October 2017, as a result of the exercise of the option existing on its shares held by JP Morgan Securities Ltd, Unipol became the owner of 30,646,000 Finsoe shares, representative of 1% of the share capital of Finsoe. As a shareholder of Finsoe, Unipol participated in its global Spin-off (described in more detail herein) and, as a result, it holds the entire share capital of one of the newly established beneficiary companies, named Unipolpart S.p.A., to which as a result of the above-mentioned Spin-off 2,259,773 Unipol shares, *inter alia*, were assigned, equal to 0.31% of the share capital. These shares were sold in February 2018.

Given that the above-mentioned Shareholders' Meeting authorisation will expire on 28 October 2018, the Board of Directors on 22 March 2018 voted to propose its renewal, limited to the acquisition and disposal of treasury shares, at the Ordinary Shareholders Meeting called to approve the 2017 financial statements, for a period of additional 18 months.

The acquisition and disposal of treasury shares, in the interests of the Company and in compliance with applicable regulations and accepted market practices, pursues the following objectives:

- to intervene, directly or through intermediaries, to promote the smooth conduct of trading, against distortions due to an excessive volatility or insufficient market liquidity;
- to take the opportunity to maximise the value that can be derived from market trends - and thus also by pursuing trading objectives - or connected with any strategic transactions of interest for the Company;
- to use treasury shares as a form of investment for the efficient use of the liquidity generated by the core activity of the Company and/or for the allocation of the shares for the purposes of the compensation plan based on financial instruments of the performance share type, in accordance with and pursuant to Art. 114-*bis* of the TUF;
- to use these shares to ensure, if necessary, the overall consistency of transactions that create the need to place fractional shares of the capital of the Company.

The proposal to the Shareholders' Meeting of 24 April 2018 provides for the purchase and sale of treasury shares in the quantities and with the procedures set out below:

- (i) the acquisition may be carried out up to the maximum amount permitted by law and allowed by market practice, in the manners provided for by Art. 132 of the TUF and Art. 144-*bis*, Paragraph 1, lett. a), b), c) and d-*ter*) of the Issuers' Regulation, as well as by any other provision, including the rules laid down in Regulation (EU) 569/2014 and its implementing rules, both national and European, where applicable;
- (ii) the disposal may be made pursuant to the law, even carrying out, one or more times, subsequent transactions of purchase and sale, until the expiry of the term of the authorisation;

- (iii) both the purchase and the sale may be made at a price of no more than 15% above and no less than 15% below the reference price recorded on the trading day before the date of each transaction, with a maximum spending limit for purchases of Euro 200 million.

1.4 Share transfer restrictions, ownership limits and acceptance clauses

The existing By-Laws of Unipol set no restrictions on the transfer of shares, nor limits to their ownership, nor acceptance clauses.

2. SHAREHOLDER BASE

The total number of Shareholders of Unipol, as shown by the Register of Shareholders at the date of this Report, is approximately 71 thousand.

2.1 Global spin-off of Finsoe and Shareholder agreements

As mentioned previously, on 15 December 2017, the non-proportional global spin-off became effective of the former holding company Finsoe (the "Finsoe Spin-off") in favour of as many beneficiary companies - established during the spin-off - as there were Finsoe shareholders at the effective date, each of which became 100% owner of the share capital of just one of the beneficiary companies. On 13 December 2017, a large majority of the beneficiary companies entered into - along with the respective former Finsoe shareholders (all signatories, jointly, the "Parties to the Agreement") and as of the effective date of the Finsoe Spin-off - a shareholders' agreement pursuant to Art. 122 of the TUF (the "Unipol Shareholders' Agreement"), which is classified as a voting and lock-up agreement on the Unipol shares restricted by it, assigned proportionally to the beneficiary companies following the Finsoe Spin-off, representing the 30.053% of the share capital of Unipol with right to vote. The Unipol Shareholders' Agreement substantially re-proposes the governance of the former Finsoe, without any of the Parties to the Agreement having control, either individually or jointly, over Unipol.

The essential information relating to the Unipol Shareholders' Agreement can be found on the www.unipol.it website, *Investors/Shareholders/Shareholders' Agreement* section.

Some of the former Finsoe shareholders that are Parties to the Agreement hold additional stakes in Unipol not covered by the Unipol Shareholders' Agreement, equal to a total of 18.18% of the share capital.

2.2 Relevant shareholdings in the share capital

Taking into account the Finsoe Spin-off, on the basis of the entries in the Register of Shareholders, the communications received pursuant to the statutory requirements and other information available at the date of 21 March 2018, the Shareholders who directly or indirectly, through an intermediary or trust companies, have holdings exceeding 3% of the share capital with voting rights are shown in the following table:

Registrant	Direct Shareholder	% on the share capital
<u>Coop Alleanza 3.0 Soc. Coop.</u>		
	Coop Alleanza 3.0 Soc. Coop.	9.614%
	Alleanza 3.0 2 S.p.A. (*)	12.535%
<u>Holmo S.p.A.</u>		
	<u>Holmo S.p.A. (*)</u>	<u>6.665%</u>
<u>Nova Coop Scarl</u>		
	Nova Coop Soc. Coop.	4.068%
	Novafins S.p.A. (*)	1.928%
<u>Cooperare S.p.A.</u>		
	Cooperare S.p.A.	1.031%
	Cooperare tre S.p.A. (*)	2.751%
<u>Coop Liguria Soc. Coop. di Consumo.</u>		
	Coop Liguria Soc. Coop. di Consumo.	1.430%
	Ligurpart 3 S.p.A. (*)	2.139%

(*) equity investment covered by the Unipol Shareholders' Agreement

2.3 Special control rights

No securities conferring special control rights have been issued.

2.4 Mechanism for the exercise of voting rights in the system of employee shareholding

The regulations of the Compensation plan based on financial instruments do not provide for the exercise of voting rights by persons other than the employees who have been assigned shares.

2.5 Restrictions on voting rights

There are no restrictions on voting rights.

2.6 Change of control clauses

Unipol has not concluded loan agreements which include clauses giving the parties a right to change or terminate those agreements in the event of a change of control of the Company.

As regards the Subsidiaries of Unipol, UnipolSai has concluded distribution agreements for insurance products with the Unicredit Group that may lapse in the event of change of control of UnipolSai itself.

With respect to what was specified in this regard in the 2016 Report, please note that in the course of the Year the distribution agreement existing between the indirect subsidiary Popolare Vita S.p.A. and Banco BPM S.p.A. was terminated; UnipolSai also exercised the put option available to it on the basis of the shareholders' agreement with Banco BPM, concerning the investment held by the insurance company in Popolare Vita, equal to 50% of its share capital plus one share. This disposal is expected to take place in the first half of this year.

Other financing agreements signed by some Subsidiaries provide for the repayment and/or withdrawal of the lender in the event of direct and sometimes indirect ownership changes.

2.7 Controlling entity and co-ordination and direction activities

As a result of the above-mentioned Finsoe Spin-off, Unipol is no longer controlled by any party, either individually or jointly.

Under Art. 2497-*bis* of the Italian Civil Code, the Subsidiaries of Unipol have indicated the latter as exercising direction and coordination on the same.

Since 5 October 2011, Unipol has been the Parent Company of the Unipol Insurance Group, entered in the Parent Company Register under no. 046, as referred to in Art. 210-*ter* of Legislative Decree no. 209 of 7 September 2005 and IVASS Regulation no. 22 of 1 June 2016; furthermore, as notified by Bank of Italy on 1 August 2015, Unipol is the Parent Company of the Unipol Banking Group, and it is entered in the Register of banking groups under no. 20052.

3. OTHER INFORMATION

3.1 Compensation of Directors

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. For more detailed information on this subject, reference is made to the Remuneration Report under Art. 123-*ter* of the TUF, available on the Company's website.

3.2 Rules concerning the operation of the Shareholders' Meeting

The call and operation of the Shareholders' Meeting are governed by Art. 8 and 9 of the By-Laws and the rules of the Shareholders' Meetings Regulation approved by the General Meeting itself. For a brief description of these rules, reference is made to Chapter 1, Section III, of this Report.

3.3 Rules concerning the composition, appointment and operation of the governing body

The composition, appointment and operation of the Board of Directors are governed by Art. 10, 11 and 12 of the By-Laws. For a brief description of these rules, reference is made to Chapter 2, Section III, of this Report.

3.4 Rules on the amendments of the By-Laws

Amendments to the By-Laws are resolved by the Extraordinary Shareholders' Meeting or, with restriction to

the changes made for adjustment to regulations, by the Board of Directors.

3.5 Main features of the internal control and risk management system in regard to financial reporting

The description of the main features of the internal control and risk management system in regard to the financial reporting of Unipol is given in Paragraph 7.3, Section III, of this Report.

SECTION III

GOVERNANCE SYSTEM AND INFORMATION ON THE IMPLEMENTATION OF THE PROVISIONS OF THE CODE OF CONDUCT

(Section drafted also pursuant to Art. 123-bis of TUF)

1. SHAREHOLDERS' MEETING

1.1 Shareholders' Meeting

The Shareholders' Meeting is the body that expresses the will of the Company through its resolutions; resolutions taken in accordance with the law and the By-Laws are binding on all Shareholders, even if absent or dissenting.

Despite the broad diversification of methods to communicate with the Shareholders, the Board of Directors considers the Shareholders' Meeting an important moment for a fruitful dialogue between Directors and Shareholders, always in compliance with the regulations on the so-called price sensitive information.

Pursuant to the By-Laws, as allowed by current laws, the General Meeting is called in a single call, with application of the constitutive and deliberative quorum under the provisions of the law, without prejudice to the possibility of setting in the notice of meeting calls following the first one, for a different day, pursuant to the provisions of Art. 2369, Paragraph 1, of the Italian Civil Code.

The Shareholders' Meeting is chaired by the Chairman of the Board of Directors, or in his/her absence, by the Deputy Chairman, or in his/her absence by a Director, failing that, by a person elected by the majority of the capital represented.

According to the By-Laws, the Board of Directors may stipulate, in relation to individual Meetings and in compliance with the existing legislation on the subject, that the exercise of the intervention and voting rights be exercised remotely, also by electronic means of communication, provided that the necessary requirements for the identification of the entitled parties and the security of communications are met. The notice of call must in this case specify the procedures for participating in the business of the Shareholders' Meeting, including by reference to the Company's website.

During the Meeting, all those entitled to vote are allowed to speak on any topic under discussion and to make comments and proposals. Those wishing to speak must apply to the Chairman; the Chairman oversees the debate, giving the floor for those who have asked for it, according to the chronological order of the requests, or else according to the alphabetical order of the surnames of the applicants, in the case of multiple simultaneous requests.

The Company may identify for each Meeting a designated representative to whom Shareholders may grant delegation with voting instructions on all or some of the proposals on the agenda; the identity of the representative and the procedures and time limits for the conferral of powers are set out in the notice of call of the Meeting.

The Board of Directors ensures the Shareholders receive adequate information by making available to the public, under the terms and conditions of the law, explanatory reports on the proposals for consideration by the Meeting.

The members of the Board of Directors must attend the Shareholders' Meetings.

The Regulations of the Shareholders' Meeting, approved by the Shareholders' Meeting and available on the Company's website in the Section *Governance/Shareholders' Meetings*, govern the operation of the Shareholders' Meeting.

2. BOARD OF DIRECTORS

Number of meetings during the Year: 10.

Average length of meetings: about 2 hours.

Average participation: 85.45%.

Number of meetings planned for 2018: 9 (of which 2 already held as at the date of this Report).

2.1 Role, responsibilities and operation

The Board of Directors is invested with the broadest powers for the ordinary and extraordinary management of the Company. It therefore has the right to perform all acts, including disposals, which it considers desirable for the achievement of the purpose of business, excluding only those that the law expressly assigns to the Shareholders' Meeting.

In line with the above principle of the centrality of the Board of Directors, Art. 13 of the By-Laws allocates to the competence of this all resolutions concerning:

- i) merger and demerger with subsidiaries, in cases permitted by legislation;
- ii) reduction of the share capital, should a Shareholder withdraw;
- iii) amendment of the By-Laws to comply with legal provisions;
- iv) the issuing of non-convertible bonds;
- v) the acquisition and disposal of shareholdings resulting in changes of composition of Unipol Banking Group;
- vi) determining the criteria for the coordination and management of companies of the Unipol Banking Group, as well as the criteria for the implementation of the instructions issued by the Bank of Italy.

Pursuant to the law, the By-Laws and the internal policies in force, the Board, *inter alia*:

- a) reviews and approves the strategic, financial and business plans of the company and the Group, regularly monitoring their implementation;
- b) defines:
 - the system of corporate governance, the corporate structure and the governance models and guidelines of the Group itself. In that regard, it defines the tasks and responsibilities of the corporate bodies and the Company Control Functions, as well as information flows, including their timing, and the nature and frequency of the reports among these Functions

and corporate bodies and the method of coordination and collaboration, if the control remits have areas of potential overlap or make it possible to create synergies;

- the business model, being aware of the risks to which this model exposes the Company and understanding the ways in which the risks are observed and assessed, ensuring that the structure of the Company is consistent with the activity carried out and with the business model adopted avoiding the creation of complex structures not justified for operating purposes;
- the nature and level of risk consistent with the strategic objectives of the Group, including in its valuations all the risks that may assume importance in light of the medium to long term sustainability of the Company's and Group's business;

- c) evaluates the adequacy of the organisational, administrative and accounting structure of the Parent Company and the Subsidiaries of strategic importance, particularly with regard to the internal control and risk management system. This assessment takes place on the basis of the regular reports of the Chief Executive Officer and Group CEO, the Control and Risk Committee and of the Company Control Functions;
- d) appoints one or more Directors responsible for the internal control and risk management system chosen among its members;
- e) after hearing the opinion of the Control and Risk Committee:
 - identifies the guidelines of the internal control and risk management system, so that the main risks for the Company and its Subsidiaries are correctly identified as well as adequately measured, managed and monitored, ensuring that these risks are compatible with the strategic objectives and the risk appetite agreed, as well as with risk management policies, and are able to understand the evolution of the risk and their interaction;
 - assesses, at least once a year, the current and future adequacy of the internal control and risk management system with respect to the features of the Parent Company and the Group and to the risk appetite defined, as well as its effectiveness and its ability to grasp the evolution of corporate risks and the interaction between them;
 - approves, at least once a year, after consulting the Board of Statutory Auditors and the Appointed Director the working plans prepared by the heads of the Control Functions; With reference to the banking business it also approves the multi-year plan prepared by the Audit Function;
 - describes, in this Report, the main features of the internal control and risk management system and the methods of coordination among the subjects involved in it, providing an assessment of the adequacy of that system;
 - assesses, after consulting the Board of Statutory Auditors, the conclusions set out by the statutory auditor in the letter of suggestions and report on key issues identified during the statutory audit;
- f) requires the prompt reporting of the most significant weaknesses, giving timely directions for

corrective measures, of which it later evaluates the effectiveness;

- g) appoints, replaces and revokes, on a proposal from the Appointed Director - after receiving the favourable opinion of the Control and Risk Committee and having heard the Board of Statutory Auditors - the heads of the Control Functions, while respecting the eligibility requirements for the position, in terms of reputation and professionalism, established by the company policy in this regard approved by the Unipol board of directors pursuant to regulatory provisions in force (the "Fit&Proper Policy"), ensuring that they are provided with adequate resources to carry out the tasks and defining their remuneration pursuant to the remuneration policies adopted by the Company;
- h) may establish within itself commissions and committees with proposal and advisory functions, as deemed appropriate and necessary for the proper operation and development of the Company and the Group, thereby ensuring that there is adequate and continuous interaction between them, the Top Management and the Company Control Functions;
- i) approves, ensuring adjustment to the context, the system of delegation of powers and responsibilities of the Group, taking care to avoid excessive concentration of powers in a single person and putting in place monitoring instruments on the exercise of delegated powers, resulting in the possibility of providing for adequate emergency plans (the so-called "contingency arrangements") if the administrative body decides to take over the delegated powers itself;
- j) ensures that there is an adequate and constant interaction between all internal board committees, Top Management and the Control Functions, also by intervening proactively to ensure effectiveness;
- k) defines, after assessing the proposals of the Remuneration Committee:
 - with reference to the Company, the general policies containing the guidelines for the remuneration of Directors and Key Managers, including the Heads of the Company Control Functions;
 - with reference to its subsidiaries of strategic significance, general policies containing guidelines for the remuneration of Directors, Key Managers, including the Heads of the Audit, Compliance and Risk Management Functions, and the "Risk Takers", to be approved pursuant to the applicable legislation;
- l) grants and revokes powers to the Chief Executive Officer and Group CEO, defining their limits and operating modes; it also establishes the intervals, which must not, however, be more than a quarter, at which the delegated bodies must report to the Board of Directors about the activities carried out in the exercise of the powers conferred on them;
- m) determines, after reviewing the proposals of the Remuneration Committee and consulting the Board of Statutory Auditors, the remuneration of the Chief Executive Officer and Group CEO and the Directors holding particular offices - also within the Board Committees - and, unless the Shareholders' Meeting has already taken care of it, the allocation of the global compensation payable to the members of the Board of Directors;
- n) appoints and removes the members of the Supervisory Body of the Company pursuant to Legislative Decree no. 231/2001; specifies, with the support of the Remuneration Committee, the remuneration of those members; approves, annually and on a proposal from the Supervisory Body, the estimates

of expenditure, including on an extraordinary basis, necessary for the performance of the supervisory tasks laid down by the Organisation, Management and Control Model, as well as the statement of expenditure of the previous year;

- o) assesses the general performance, taking into account, in particular, the information received from the delegated bodies, and periodically comparing the results achieved with those planned;
- p) resolves - with the support, if requested, of the Related Party Transactions Committee, on the transactions of the Parent Company and/or Subsidiaries, when these transactions have a significant strategic, economic, patrimonial or financial importance for the Company itself, paying particular attention to situations in which one or more Directors have an interest on their own or of third parties and, more generally, to related party transactions. To this end lays down general criteria to identify major transactions and take appropriate measures to require the Subsidiaries to submit for preliminary examination to the Board of Directors of the Parent Company significant transactions for it;
- q) resolves - with the support, if requested, of the appointed Related Party Transactions Committee, as described in more detail below - on the transactions with Associated Parties carried out by the Parent Company and/or Subsidiaries of the Unipol Banking Group;
- r) conducts, at least once a year, with the assistance of the Nomination and Corporate Governance Committee, an evaluation of the operation of the Board of Directors and its Committees (hereinafter the "Board Performance Evaluation"), as well as of their size and composition, taking into account also factors such as the characteristics of professional managerial experience and the gender of its members, and their seniority in office;
- s) taking into account the results of the assessment referred to in the previous paragraph, gives the Shareholders, before the appointment of the new administrative body, guidelines on the professional figures whose presence in the Board is deemed appropriate;
- t) after review by the corporate committee called Group's Risks Committee:
 - approves the guidelines and policies relevant to the Company and the Subsidiaries required by the industry regulations;
 - defines and approves the Risk Appetite Framework, ensuring it is consistent with the transactions, the complexity and the size of the Group.

Further reservations of competence to the Board of Directors are envisaged by (i) the policies adopted by the Company in relation, amongst other things, to insurance underwriting and investment, reservation and disposal of financial assets, real estate and participatory management of sources of financing and credit as well as (ii) the system of delegation of powers granted to the Chief Executive Officer and Group CEO. This legislation seeks to ensure that the Board of Directors examines and resolves on significant transactions of strategic importance and major amount.

Consistently with the recommendations laid down in the Code of Conduct - and in particular in Art. 7 of the same Code, which provides that the Board of Directors "*sets guidelines and assesses the adequacy of the system*" and "*identifies one or more directors within it, in charge of establishing and maintaining an effective system of internal control and risk management*" - the Board of Directors, lastly at the Board Meeting held on

28 April 2016, appointed as Appointed Director - by virtue of his in-depth knowledge gathered on the corporate process and the internal control and risk management system within the Unipol Group – its Chief Executive Officer and Group CEO Mr Carlo Cimbri.

Under Art. 12 of the By-Laws, the Board of Directors will meet at least quarterly and whenever the Chairman, or other person standing for the Chairman, deems it appropriate, i.e. on the written request of at least one third of the Directors in office. The Board of Directors may also be called by the Board of Statutory Auditors, or by at least one member of it, on notice to the Chairman.

The validity of the resolutions of the Board of Directors is regulated by Art. 2388 of the Italian Civil Code. In an open vote, in the case of a draw, the Chairman has the casting vote.

At the time of Board meetings held during the Year, the Chief Executive Officer and Group CEO has reported to the Board and the Board of Statutory Auditors on the general performance and foreseeable development, and on transactions which, by their size or characteristics, have had significant strategic, economic, patrimonial or financial importance for it, carried out by the its Company and its Subsidiaries.

The Chief Executive Officer and Group CEO, in particular, has reported regularly to the Board on the progress of individual business sectors of the Group, its objectives and activities undertaken, comparing them with the forward-looking plans and expected results.

For the accomplishment of its tasks, the Board has made use of the activities of Board Committees, including:

- the Chairman's Committee, the Nomination and Corporate Governance Committee, the Remuneration Committee and the Related Party Transactions Committee, which have issued supporting opinions and also formulated proposals to be submitted to the Board of Directors in relation to specific matters within their competence;
- the Control and Risk Committee, the Sustainability Committee and the Ethics Committee, which have reported regularly on the analysis and the activities carried out and on the findings and proposals for interventions and actions to be started.

The Board reviewed the adequacy of the organisational, administrative and accounting procedures and, in particular, of the internal control and risk management system of the Company and its main Subsidiaries, with the support of the Appointed Director on the basis of the regular reports of the Control and Risk Committee and the Company Control Functions (in this regard see the relevant chapter).

The explanatory report on the issues discussed is usually submitted to the Directors and Board of Statutory Auditors in the days leading up to meetings with appropriate highlighting of salient aspects of the items on the agenda (Executive Summary) except for cases of urgency and/or non-disclosure requirements. This documentation is made available electronically (Virtual Data Room): as well as allowing more efficient management both in terms of shorter times and high standards of privacy ensured, this puts in place effective measures for compliance with the requirements set in Legislative Decree no. 231/2001 and in the Code of Conduct.

The Chairman will ensure that the Directors are provided with reasonably adequate advance information on the items on the agenda and arrange for adequate space for the necessary information during the meetings, in particular whether it is not to provide the necessary information with the mentioned advance notice.

2.2 Appointment and replacement of Directors

Pursuant to the law and the By-Laws, the Board of Directors is appointed on the basis of lists submitted by Shareholders who, at the time the lists are submitted, are entitled to vote at the related Shareholders' Meetings, filed at the Company's headquarters, no later than the twenty-fifth day before the date of the Meeting. Each list that contains a number of candidates equal to or greater than 3 must ensure respect of the balance between genders at least to the minimum extent required by the legislation and regulations currently in force.

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

It is also pointed out that, pursuant to the application criterion 3.C.3 of the Code of Conduct, since the Company belongs to the FTSE MIB index (starting in September 2015), at least one third of the Board of Directors – appointed after this last date – must be made up of Independent Directors. If such a number is not an integer, it shall be rounded down.

Each entity submitting a list, the parties to a material shareholders' agreement for the purposes of Art. 122 of the TUF, regarding financial instruments issued by the Company, the Parent Company, subsidiaries and those which are subject to common control for the purposes of Art. 93 of the TUF, cannot submit nor participate in submitting more than one list, not even through a third party or a trust company, nor can vote, not even through a third party or a trust company, for lists other than the list they have submitted individually or jointly with others. Any support and votes cast in breach of such provision shall not be allocated to any list.

A candidate can appear on only one list, on pain of ineligibility.

Lists may be submitted by Shareholders who, alone or together with others, are holders of a stake determined pursuant to legal and regulatory provisions in force, as each time notified in the notice of call of the Meeting. With reference to the appointment of the Board of Directors in force by the Shareholders' Meeting of 28 April 2016, said stake, identified by CONSOB in its Resolution no. 19499 of 28 January 2016, was equal to 1% of ordinary share capital.

The lists will be accompanied by full information regarding the personal and professional characteristics of the candidates, with an indication of their suitability to qualify as independent, and are immediately published on the Company's website.

If during the year one or more Directors cease to hold office, as long as the majority is still made up of Directors appointed by the Meeting, the procedure, pursuant to Art. 2386 of the Italian Civil Code, will be as follows:

- i) the Board of Directors appoints the deputies from among the candidates belonging to the same list as the departing Directors in order starting with the first non-elected candidate, provided that, if the Deputy must meet the requirements of independence and/or must belong to the less represented gender, the first unelected independent candidate on the same list will be appointed and/or the first unelected candidate belonging to the less represented gender on the same list;
- ii) if the above list does not contain candidates not previously elected, the Board of Directors provides for the replacement of the departing Directors without observing the provisions of point i), while,

nevertheless, respecting the gender proportion laid down by the laws and regulations in force.

If there ceases to be a majority of the Directors appointed by the Meeting, the entire Board will be deemed to have resigned and the Meeting must be called without delay by the Directors still in office for the reconstitution of it according to the above schedule.

For the resolutions on the replacement of Directors pursuant to Art. 2386 of the Italian Civil Code, the Meeting acts pursuant to the legal majorities without a commitment to the list, taking care to ensure the presence on the Board of Directors of at least two members who meet the independence requirements prescribed by the applicable laws and regulations and to comply with the gender proportion laid down by the applicable laws and regulations.

2.3 Composition

The By-Laws allocate the management of the Company to a Board of Directors composed of no less than 15 and no more than 25 members, appointed by the Shareholders' Meeting, after having established the number, and meeting the requirements of professionalism, integrity and independence required by the applicable laws and regulations.

The Directors hold office for three financial years or for the minimum amount of time established by the Shareholders' Meeting in the context of the appointment and may be re-elected.

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

Under Art. 10 of the By-Laws and pursuant to current legislation and regulations, the appointment of the members of the Board of Directors took place on the basis of the lists submitted, in accordance with the Law and the By-Laws, one by the Controlling Shareholder at the time, Finsoe, and the other, jointly, by some asset management companies and institutional investors holding a stake of 1.121%. These lists were accompanied, inter alia, by the statements in which the individual candidates declared that there were no grounds for ineligibility or incompatibility, and that the requirements for their respective positions were met, and by a curriculum vitae of their personal and professional characteristics with appropriate indication of their suitability to qualify as independent under the Code of Conduct and Art. 147-ter of the TUF and the existing provisions of law. The lists with the aforementioned statements are available in the Section *Governance/Shareholder's Meetings* of the Company's website.

Furthermore, for the purpose of the mentioned appointment, the Shareholders were able to consider the "Advice for Shareholders on the size and composition of the new Board of Directors" (the "Advice"), expressed in view of said Meeting by the expiring Board of Directors, with the support of the Nomination and Corporate Governance Committee, taking into account the outcome of the annual evaluation of the size, composition and operation of the Board of Directors and its Committees ("Board Performance Evaluation"). In expressing its Advice, the outgoing administrative body also took the applicable regulations into account, according to which specific requirements of professionalism, integrity and independence must be met by the individual members of the Board and by the Board as a whole.

The mentioned Shareholders' Meetings of 28 April 2016 authorised, pursuant to Art. 2390 of the Italian Civil Code, within the limits of the law (and, therefore, in compliance with the provisions of Art. 36 of Decree-Law

no. 201 of 6 December 2011, converted with amendments by Law no. 214 of 22 December 2011 on the so-called "prohibition of interlocking") the exercise of concurrent activities by the members of the Board of Directors.

Mr. Roberto Giay, Head of Law, Shareholdings and Institutional Relations Department of the Company, has been elected pursuant to Art. 11 of the By-Laws as Secretary of the Board of Directors.

The Board of Directors, upon appointment, duly fulfilled the obligations assigned to it by law with regard to the verification that its members meet legal and statutory requirements, in terms of good repute, professionalism and independence, and absence of legal obstacles, of grounds of disqualification and incompatibility situations. This assessment was carried out in compliance with the Fit&Proper Policy and is also conducted periodically by the administrative body, on an annual basis, most recently at its meeting on 10 May 2017.

At its meeting held on 27 July 2017, the Unipol Board of Directors acknowledged the resignation as of the end of the board meeting on 3 August 2017 of the Director Mr Sandro Alfredo Pierri for professional reasons. The outgoing non-executive and independent Director was appointed by the Shareholders' Meeting of the Company on 28 April 2016 on the basis of the list that came in second in terms of number of votes; Mr Pierri was also part of the Control and Risk Committee and the Related Party Transactions Committee.

At its meeting held on 3 August 2017, the Unipol Board of Directors appointed, in accordance with Art. 2386, Paragraph 1 of the Italian Civil Code and the By-Laws in force, Mr Massimo Desiderio as non-executive and independent Director of the Company to replace Mr Sandro Alfredo Pierri. The Company's administrative body appointed the replacement from amongst the candidates included on the same list as the outgoing Director. Mr Desiderio was also asked to join the Control and Risk Committee and the Related Party Transactions Committee, also to replace Mr Pierri, and will remain in office until the Shareholders' Meeting called for 24 April 2018.

The structure, composition and any additional information required by the Code of Conduct concerning the Board of Directors are shown in tables 1 and 2 attached to this Report.

The CVs of the Directors currently in office can be found on the Company's website, in the *Governance/Boards and Officials/Board of Directors* section.

Diversity policy

In implementation of Directive 2014/95/EU on disclosure of non-financial information and diversity information by large companies and groups, Legislative Decree no. 254 of 30 December 2016 amended Art. 123-bis of the TUF, establishing the obligation for issuers to include "*a description of the diversity policies applied in relation to the composition of the administration, management and control bodies with respect to aspects such as age, gender, education and professional experience, as well as a description of the objectives, the implementation methods and the results of such policies*" within the report on corporate governance.

As regards the administrative body in particular, the Company has not yet adopted diversity policies with respect to its composition, as the term of office of the Board of Directors currently in office will come to an end with the Shareholders' Meeting for the approval of the 2018 financial statements. In any event, Unipol has started a project for the definition and adoption of such policies, at least with respect to the Directors, in

due time in view of the above-mentioned Shareholders' Meeting, to enable the outgoing administrative body, with the support of the Nomination and Corporate Governance Committee, to issue - also taking such policies into account - its guidelines to Shareholders with regard to the optimal size and composition of the new Board of Directors.

Criteria for the holding of offices in other companies

Directors accept office when they feel they can perform their duties diligently for as long as necessary, even taking into account the number of mandates as a Director or Statutory Auditor held by them in other companies listed on regulated markets (including abroad), in major financial, banking and insurance or other large companies.

The Board of Directors, starting from 2009, has adopted a specific Regulation as the guideline for the maximum number of positions of a Director or Statutory Auditor that can be considered compatible with the effective execution of the mandate of Director of the Company, pursuant to the application criteria 1.C.2. and 1.C.3. of the Code of Conduct; it provides for the verification of the number of offices held by Directors to be performed by the Board of Directors every year and disclosed in the report on corporate governance and ownership structures.

The Regulation in question (which can be consulted in the Governance section of the Company's website) defines certain general criteria, which take account of the actual role that the Unipol Director holds in other companies, as well as the nature and size of those companies and introduces different limits, respectively, for the role of Chairman, Executive Director, Non-Executive Director or independent Director of Unipol, as well as the procedure to be followed in the case of appointment and any surpassing of the limit to the number of offices held.

The text of the Regulation was changed by the Board of Directors in its meeting of 14 February 2013 for the purpose of aligning it to the prohibitions introduced by Art. 36 of Decree-Law no. 201 of 6 December 2011, converted, with amendments, by Law no. 214 of 22 December 2011 (the so-called "prohibition of interlocking positions").

The number of offices held by the Directors is verified by the Board of Directors at the time the Directors are appointed and, thereafter, once a year.

In the meeting of 10 May 2017, the Board of Directors conducted the annual assessment of the satisfaction of the requirements with regard to the overlapping of tasks for the Directors, assessing that all the members of the Board of Directors are capable of performing their duties effectively.

Lastly, no situations of so-called "cross-directorship" were identified.

Induction Program

The Company dedicates adequate attention to the training of its Directors and Statutory Auditors. Pursuant to Art. 5, letter r) of the ISVAP Regulation no. 20/2008 and for the purposes of application criterion 2.C.2. of the Code of Conduct, specific in-depth courses were carried out on some issues in order to enable the Directors and Board of Statutory Auditors members to acquire an adequate knowledge of the business sector in which the Company and the Group operate, the business dynamics and their evolution and also the regulatory reference framework.

Specifically, during the Year four induction sessions were organised, devoted to the in-depth study of issues related to reinsurance, sustainability, remuneration policies and the banking sector of the Group.

The induction sessions were developed on the basis of presentations by the top management of the Company in charge for the subject, who have described the processes object of the training, focusing on the issues of greatest interest for the corporate bodies.

2.4 Non-executive and independent Directors

The Company, in line with international best practice, placing particular attention on the requirement for substantial independence of its non-executive Directors, adopts a restrictive interpretation of the provisions contained in the Code of Conduct, in order to ensure the interests of all Shareholders, both majority and minority. Consequently, again for 2017 the Company excluded from the list of independent Directors - regardless of whether they comply or not with one or more of the requirements of application criterion 3.C.1. of the Code of Conduct - Directors who:

- i) held offices in the corporate bodies of the direct Parent Company Finsoe²;
- ii) hold offices in the corporate bodies of entities participating in shareholders' agreements for the control of the Company or nevertheless containing clauses regarding the composition of the Board of Directors of the Company, or in the corporate bodies of companies controlled by the same pursuant to Art. 2359, Paragraph 1, of the Italian Civil Code (this case, moreover, did not apply in the past, nor does it currently apply).

The current Board of Directors is composed - with the exception of the Chief Executive Officer and Group CEO - of non-executive Directors, i.e. without management powers and not holding strategic or management positions in the Company or the Subsidiaries of strategic importance, as provided for in the Code of Conduct. These roles also were not covered by Directors of the Company in Finsoe, also taking into account that the latter did not exercise direction and coordination with respect to the Company.

It is specified that the mentioned Fit&Proper Policy provides that the assessment of the independence requirement of a Director should take into account also any professional services rendered to the Company and/or Subsidiaries, exceeding 5% of the annual turnover of the Company or Entity which the Director controls or of which the same is an important representative of the Professional or Consulting Firm of which the same is a partner or shareholder or, at any rate, exceeding the amount of Euro 200,000.

The assessment by the Board of Directors of the independence requirements of the non-executive Directors in accordance with the Consolidated Law on Finance and the Code of Conduct was carried out most recently at the board meeting of 10 May 2017.

The outcome of the assessment is shown in Table 1 attached hereto, remembering in this regard that the Company is required to comply with the requirements set for the companies that are part of the FTSE MIB index.

The Board of Statutory Auditors reports on the outcome of the assessments carried out on the correct application of the assessment criteria and procedures adopted by the Board of Directors in regard to the

² Company dissolved on 15 December 2017.

independence of its members in the Statutory Auditors' report.

In compliance with the Code of Conduct, there was a meeting of the independent Directors, with the participation, at the request of said Directors, of the Chairman and the Chief Executive Officer and Group CEO. At this meeting, issues related to the strategic vision of the Company and the Group and the functioning of the Board of Directors and the board Committees were discussed, among others.

2.5 Lead Independent Director

The Chairman has not been delegated operational powers, and has no specific role in developing corporate strategies. The separation of the roles of Chairman and Chief Executive Officer and Group CEO has not necessitated the appointment of a Lead Independent Director, there not being the conditions pursuant to application criterion 2.C.3. of the Code of Conduct.

2.6 Remuneration

The Shareholders' Meeting of 28 April 2016 resolved on a gross annual remuneration for each Director of Euro 50,000, as well as payment of a gross attendance fee of Euro 1,000 for each Board or Shareholders' Meeting attended, reduced to Euro 500 in case of participation through telephone or audiovisual connection.

This Meeting also resolved to provide insurance coverage, as in the past, for risks related to third party liability arising from the legal and contractual obligations associated with the office of Director and the associated legal protection, with costs borne by the Company, conferring on the Board of Directors and, on its behalf, on the Chairman, the broadest powers for implementation of the resolution, including the power to make any changes to the insurance policy in place that may be appropriate in relation to the terms and conditions, as long as in line with the market.

The Board of Directors, after consultation with the Remuneration Committee and the Board of Statutory Auditors, in its meeting of 30 June 2016, defined the remuneration of the Chairman, Deputy Chairman and Chief Executive Officer and Group CEO for the offices held.

The Board of Directors has also approved a fixed gross fee of Euro 1,000 for the Directors for participation in each meeting of the Board Committees of which they are members, reduced to Euro 500 in case of participation through telephone or audiovisual connection.

The remuneration of non-executive Directors does not depend on the performance of the Company, nor are there any plans for share-based incentives or, in general, those based on financial instruments for members of the Board of Directors. The Chief Executive Officer and Group CEO as well as General Manager, pursuant to normal market practice and taking into account the principles of the Code of Conduct concerning the correlation between the remuneration of top management positions and company results, receives a short and long-term variable remuneration component, calculated by applying the criteria provided for in the variable remuneration system for Group Managers.

On 23 March 2017, the Board of Directors of the Company approved (i) the general policy for remuneration of members of corporate bodies and Key Managers of UGF for the year 2017, (ii) the Remuneration Report prepared pursuant to Art. 123-*ter* of the TUF and (iii) the Information Document relating to the update of the compensation plan based on financial instruments, pursuant to Art. 114-*bis* of the TUF, with the corresponding Plan Regulations; all of these documents were examined by the Shareholders' Meeting held on 28 April 2017.

On 8 February 2018, the Board of Directors defined, based on the proposal of the Remuneration Committee and substantially in line with the previous year, the general policy for remuneration of members of corporate bodies and Key Managers of Unipol for 2018, which will be presented to the Shareholders' Meeting called for the approval of the 2017 financial statements.

The same Shareholders' Meeting is also called upon to provide its opinion on the Remuneration Report prepared pursuant to Art. 123-*ter* of the TUF, approved by the Company's Board of Directors on 22 March 2018.

Please refer to that Report (which will be made available in accordance with the law in the Governance section of the Company's website) for information on the objectives pursued by the Remuneration Policy, the principles that underlie it, the criteria used to determine the relationship between the fixed and variable component, the performance objectives to which variable components are linked, the terms for the vesting of rights, as well as mechanisms to incentivise the heads of the Company Control Functions; the same document also provides detailed information on the size of the remunerations received, during the Year, by the Chairman, the members of the Board of Directors, by the Chief Executive Officer and Group CEO, as well as the General Manager and total remunerations received by the Key Managers.

Succession planning

With reference to the recommendations contained in CONSOB Communication no. DEM/110129884 of 24 February 2011 and the application criterion 5.C.2 of the Code of Code of Conduct, note that, in the meeting of 9 February 2017, the Board of Directors resolved not to adopt a Succession Planning for Executive directors, in consideration:

1. of the consolidation of the Succession Planning for the key managers of the Group;
2. of the current structure of the executive powers delegated to the first line managers of the Company, which allows the execution of the ordinary business operations of the Company;
3. of the stable structure of the control shareholding,

as conditions and instruments that are suitable to promptly face a possible phase of succession of these subjects while guaranteeing the suitable transitional running of the company management.

In this respect, it is pointed out that the Company has continued the activities aimed at implementing the Succession Planning project for Key Managers.

The activity, in line with the model of managerial skills adopted by the Group, is a continuation of the assessment processes already initiated in previous years and has the objective of identifying short, medium and long-term successors for the more prominent organisational positions. The assessment approach envisaged focuses on both the professional skills demonstrated as well as individual potential, also using the direct contribution of management, called upon - through appropriate interview methodologies - to identify a panel of successors not only in the vertical line of responsibility but also in the cross-sectional knowledge of resources belonging to other areas of the company. The methodology adopted also uses, among the reference parameters, the Job Description tool, organising the most significant information to define a clear and easy-to-use network of skills. Finally, the process also takes account not only of the importance of the position currently held by the persons identified, but also those, which could potentially be covered, considering the attractiveness in terms of retention.

2.7 Annual self-assessment

The Board Performance Evaluation activities on the size, composition and operation of the Board of Directors and Board Committees, carried out by the Nomination and Corporate Governance Committee with the support of a leading external advisor, are divided into: (i) an individual discussion with each Director and Statutory Auditor based on a self-assessment questionnaire; (ii) analysis of the information and comments emerging; (iii) discussion with the Board of a report on the main results.

It should preliminarily be recalled that the outcome of the Board Performance Evaluation referring to 2016 was examined by the administrative body in the meeting of 10 March 2017 and illustrated in the previous Annual report on corporate governance and ownership structures, to which reference is made.

With reference to the Year, the Board of Directors defined the criteria and tools for conducting the Board Performance Evaluation and, in line with what was already done in previous years, also involved the Board of Statutory Auditors, without prejudice to the support of Egon Zehnder International S.p.A., advisor of primary standing in the industry, specialised, *inter alia*, in board consulting activities and which carried out the same task for the Company also in previous years in conducting the analysis. In this regard, indeed please recall that the Board of Directors appointed the advisor for a three-year term to cover the entire term of office of the Board of Directors and, therefore, follow the evolution of the same during the period 2016-2018: an annual Board Performance Evaluation is carried out, taking into account, on the one hand, the evolution of legislation and the experience of other best practices and, on the other, the work carried out by the Board of Directors over the three years.

We note in this regard that Egon Zehnder International S.p.A. also performs the same assignment for UnipolSai.

Based on the outcome of the assessment process carried out by each Director and Statutory Auditor with the support of the advisor, the results of the Board Performance Evaluation are examined by the Nomination and Corporate Governance Committee, which, if necessary, will make observations and proposals regarding the Board of Directors, called to assess the results.

The above-mentioned activities carried out in the course of 2017, with reference to the previous year, brought to light a generally positive evaluation of the methods of functioning of the Board of Directors and the board Committees and the work they have conducted, as well as the composition of the administrative body in terms of its overall skills and experience. The main strengths to be consolidated and the most significant areas for improvement that emerged were also examined.

3. THE CHAIRMAN

The Chairman of the Company is elected, pursuant to Art. 11 of the By-Laws, by the Board of Directors from among its members, for three years or for the shorter period of office of the Board itself.

After the appointment of the new administrative body for the years 2016, 2017 and 2018, the Board of Directors, in its meeting of 28 April 2016, confirmed Mr. Pierluigi Stefanini as Chairman of the Company.

The Chairman has the power to provide impetus to the actions of the Board of Directors, ensuring the promotion of transparency in the Company's business, and taking care to represent all Shareholders.

In particular, the Chairman ensures continuity of relations between the Board and Directors holding special offices, stimulating their activity and ensuring a fruitful mutual collaboration.

The Chairman ensures that Directors and Statutory Auditors may take part, subsequent to appointment and for the duration of their term of office, in initiatives aimed at providing them with adequate knowledge of the industry in which the Company and the Group operate, corporate dynamics and evolution of the same, as well as the relevant regulatory framework.

The Chairman and Chief Executive Officer and the Group CEO, keeping constant dialogue, identify opportunities and risks of the insurance, banking and finance businesses in general, on which the Chairman keeps the Board of Directors informed, in order for it to be able to take its own decisions regarding the direction and coordination of the Company and Group. The Chairman collects the aspirations of Shareholders for these to be translated into strategic and operational guidelines for the Board of Directors. The Chairman is also responsible for ensuring that transactions, apart from the income and financial results, are qualitatively such as to produce continuity of results, competitiveness in the business and protection of resources and assets.

The Chairman has access to all information within the corporate structure, informing the Chief Executive Officer and Group CEO of information acquired from other sources, for the orderly management of the structure itself.

The Chairman, at the request of one or more Directors, may request the Chief Executive Officer and Group CEO that Managers of the Company and its Subsidiaries, responsible for the relevant corporate functions according to the subject, attend Board meetings to provide useful information on items on the agenda. During the Year, the Financial Reporting Officer took part in board meetings, also to provide, if necessary, the appropriate details on the topics for which he is responsible included on the agenda. Several Heads of the main business areas also took part.

The Chairman, in consultation with the Chief Executive Officer and Group CEO³, is also responsible mainly for:

- planning the work of the Board of Directors, put case by case on the agenda, ensuring that the documentation relating to the items on the agenda is brought to the attention of Directors and Statutory Auditors sufficiently in advance of the date of the Board meeting;
- proposing to the Board of Directors - having acquired the opinion of the Nomination and Corporate Governance Committee - nominations for the General Manager and, if applicable, Deputy General Manager of the Company;
- proposing to the Board of Directors - having acquired the opinion of the Nomination and Corporate Governance Committee - nominations for members of the Board Committees of the Company;
- proposing to the Board of Directors candidates for the positions of Director and Statutory Auditor of important companies (whether Subsidiaries with strategic importance or investees) after having

³ If the Chief Executive Officer and Group CEO is in a situation of potential conflict of interest in performing the functions that said Chief Executive Officer and Group CEO must carry out in agreement with the Chairman, these functions are exercised, instead, by the Deputy Chairman.

submitted such candidates to the Nomination and Corporate Governance Committee.

In terms of remuneration, during the Year the Chairman carried out (and continues to carry out currently) the duties described in the Remuneration Report prepared pursuant to Art. 123-*ter* of the Consolidated Law on Finance, which may be consulted within legal terms in the Governance Section of the Company's website.

The Chairman is automatically a member of the Chairman's Committee, is entitled - unless already a member - to attend meetings of the Nomination and Corporate Governance Committee, the Remuneration Committee and the Sustainability Committee and Ethics Committee and is invited to meetings of the Control and Risk Committee.

4. THE DEPUTY CHAIRMAN

The Deputy Chairman is elected, pursuant to Art. 11 of the By-Laws, by the Board of Directors from among its members, for three years or for the shorter period of office of the Board itself.

The Board of Directors, in its meeting of 28 April 2016, confirmed Ms Maria Antonietta Pasquariello as Deputy Chairman of the Company.

The Deputy Chairman, together with the Chairman, Chief Executive Officer, Group CEO and other members appointed by the Board of Directors, is a member of the Chairman's Committee. He is entitled to attend meetings of the Nomination and Corporate Governance Committee, the Remuneration Committee and the Sustainability Committee and Ethics Committee and is invited to meetings of the Control and Risk Committee.

The Deputy Chairman replaces the Chairman with the same powers in the event of absence or impediment of the latter and, in this function, may access all information within the corporate structure, informing the Chief Executive Officer and Group CEO of information acquired from other sources, for the orderly management of the structure itself.

5. CHIEF EXECUTIVE OFFICER, GROUP CEO AND GENERAL MANAGER

The Chief Executive Officer is appointed by the Board of Directors from among its members, for three financial years or for the shorter period of office of the Board itself.

Please recall that, in order to fulfil, according to the terms set by the insurance Supervisory Authorities (or the Meeting for the approval of the 2015 financial statements), the requirements relating to governance established by the same Authorities at the time of authorising the acquisition of the control over the former Premafin/Fondiaria-SAI group, and with regard to the need to make sure that positions of Chief Executive Officer of Unipol and UnipolSai cease to coincide, the Board of Directors of the latter met on 27 April 2016 to review the Company's governance structure and, delaying the appointment of a Chief Executive Officer, as such appointment was not deemed necessary, attributed the operating guidance of UnipolSai to a General Manager, in the person of Matteo Laterza.

During its meeting on 28 April 2016, the administrative body of Unipol confirmed Mr Carlo Cimbri as Chief Executive Officer of the Company, attributing him the role of Group CEO, as the main subject in charge of

promoting the managing directives and policies of the Unipol Group in Italy and abroad as well as coordinating and monitoring its business operations, giving him the tasks listed below, to be carried out consistently with the general programmatic and strategic policies defined by the Board of Directors:

- (i) ensure the implementation of the resolutions of the Board of Directors and of the Shareholders' Meeting of the Company;
- (ii) ensure the ordinary management of the corporate affairs of the Company as well as the governance, supervision and coordination of the entire activity of the Unipol Group;
- (iii) promote the corporate policies of the Company and the Unipol Group;
- (iv) formulate the proposals relating to the long-term plans and the annual budgets of the Company and the Unipol Group to be submitted to the study and approval of the Board of Directors;
- (v) ensure that the organisational, administrative and accounting structure is adequate for the Company and the Unipol Group;
- (vi) set guidelines to draw up the financial statements of the Company; prepare the proposals to be submitted to the Board of Directors on the draft separate and consolidated financial statements and on the interim financial reports.

The Chief Executive Officer and Group CEO - in his capacity as Executive Director of the Company - carries out primarily the following functions:

- a) jointly with the Chairman:
 - 1. identifies strategies regarding the structure of the Company and the Unipol Group to be submitted to the Board of Directors;
 - 2. examines in advance transactions of significant economic and financial importance, according to the criteria established by the Board of Directors, with particular reference to Transactions with Related Parties of "Greater Importance" to be submitted case by case to the Board of Directors;
 - 3. ensures that Directors can carry out their role in an informed and effective manner;
- b) ensures pursuit of the objectives defined by the Board of Directors, issuing the consequent operating directives; ensures implementation of the resolutions of the Board of Directors and operational management of corporate affairs, making recourse to the Top Management of the Company;
- c) defines the guidelines and lines of action of the Group as a whole by ensuring proper operation of the vertical relationships between the Company and the different Group entities;
- d) formulates any proposals to supplement the annual audit plan and may request specific audits not envisaged in the plan itself;
- e) identifies, in agreement with the Chairman, candidates for the position of General Manager and Deputy General Manager of the Company so that the Chairman can submit them to the Nomination and Corporate Governance Committee and propose them to the Board of Directors;
- f) identifies, in agreement with the Chairman, candidates for the offices of Director and Statutory

Auditor of important companies (whether Subsidiaries of strategic importance or investees), so that the Chairman can submit them to the Nomination and Corporate Governance Committee and propose them to the Board of Directors;

- g) supervises management of the process of appointing “key Group resources” for the main managerial positions in the different Group entities.

In terms of remuneration, during the Year, the Chief Executive Officer carried out (and continues to carry out currently) the duties described in the Remuneration Report prepared pursuant to Art. 123-*ter* of the Consolidated Law on Finance, which may be consulted within legal terms in the Governance Section of the Company’s website.

If the Chief Executive Officer and Group CEO is in a situation of potential conflict of interest, the functions listed above that are to be carried out by said Chief Executive Officer in agreement with the Chairman, are exercised, in his stead, by the Deputy Chairman.

The Board of Directors has also conferred specific executive powers on the Chief Executive Officer and Group CEO, defining the relevant methods and quantitative limits.

The Chief Executive Officer is automatically a member of the Chairman's Committee, is entitled to attend, with advisory functions, meetings of the Nomination and Corporate Governance Committee, the Sustainability Committee and Ethics Committee, as well as the Remuneration Committee and is invited to meetings of the Control and Risk Committee.

The Chief Executive Officer and Group CEO also has the position of General Manager, as resolved by the Board of Directors pursuant to Art. 15 of the By-Laws, carrying out in such capacity the function of overseeing the management of the Group's business, in line with strategic planning as defined by the administrative body.

6. THE BOARD COMMITTEES

The Board of Directors, in order to increase the efficiency and efficacy of its activities, has established specific internal Committees, with advisory and propositional functions, and has defined their relevant tasks also taking into account the criteria set forth in the Code of Conduct.

More specifically, the Board of Directors of 12 May 2016 approved the establishment of the following internal Committees:

- Chairman’s Committee;
- Nomination and Corporate Governance Committee;
- Remuneration Committee;
- Control and Risk Committee;
- Related Party Transactions Committee, which is also given the tasks and the functions specified by the regulations issued by the Bank of Italy on risk activities and conflict of interest with “Associated Parties” in its Circular Bank of Italy no. 263/2006;

- Sustainability Committee;
- Ethics Committee.

The members of each Committee were appointed by the Board of Directors and chosen among the members of the latter. The Committees are dissolved at the end of the term of office of the Board of Directors. If one or more Committee members become unavailable for any reason, the Board of Directors chooses a replacement.

In line with the integrations most recently made to the application criterion 4.C.1 of the Code of Conduct and with what was approved by the Company's Board of Directors at its meeting held on 9 February 2017, during the Year the Committees required by the Code (i.e. the Nomination and Corporate Governance Committee, the Control and Risk Committee, the Remuneration Committee and the Sustainability Committee) and the Ethics Committee informed the administrative body, during the first meeting possible, about the matters dealt with during the meetings of said Committees and any assessments made by them, also when not functional to audits or opinions requested, or in any case preparatory, for the administrative body to pass certain resolutions.

With reference to the comment to Art. 4 of the Code of Conduct as regards the supervision of the medium to long-term sustainability issues, also with the support of the purposely-established Committee, the Board of Directors of the Company, again during the above-mentioned meeting of 9 February 2017, also considered that:

- the aspects pertaining to the risk management that may become significant with respect to medium to long-term sustainability should be examined by the Control and Risk Committee, which – in accordance with the regulatory and self-regulation framework of the system of internal controls and risk management adopted by the Company and the Group to implement the regulations in the insurance sector (particularly with regard to the system of the capital requirements of solvency and assessment of the corporate risks) – is part of the framework aimed at defining the annual and forward-looking risk appetite of the Company, sharing the processes and results of the Own Risk and Solvency Assessment (so-called ORSA) and the Internal Capital Adequacy Assessment Process (so-called ICAAP);
- the aspects regarding the sustainability issues identified with regard to the interaction of the Company and the Group with their stakeholders are among the tasks of the Sustainability Committee, including that of examining the guidelines and the methodology followed to prepare and monitor the three-year sustainability Plan of the Group.

6.1 Chairman's Committee

Number of meetings held during the Year: 6.

The Chairman's Committee, appointed on 12 May 2016, is composed of the Chairman of the Board of Directors, the Deputy Chairman, the Chief Executive Officer and Group CEO and the other Directors appointed by the Board of Directors.

In 2018, the Committee met two times.

The composition of the Chairman's Committee is detailed in the following Table.

	Members	Office held	% attendance	Meetings attended
CHAIRMAN'S COMMITTEE	Stefanini Pierluigi	Chairman	100%	6/6
	Balducci Gianmaria	Member	83%	5/6
	Berardini Francesco	Member	100%	6/6
	Cattabiani Paolo	Member	83%	5/6
	Cimbri Carlo	Member	100%	6/6
	Dalle Rive Ernesto	Member	67%	4/6
	Ferrè Daniele	Member	100%	6/6
	Pacchioni Milo	Member	100%	6/6
	Pasquariello Maria Antonietta	Member	83%	5/6
	Turrini Adriano	Member	83%	5/6
Zucchelli Mario	Member	100%	6/6	

The Chairman's Committee has advisory functions and cooperates in the identification of development policies and guidelines for the strategic and operating plans to be submitted to the Board of Directors; in particular on the following topics:

- dividends and/or remuneration of the capital policies;
- transactions of an extraordinary nature under the responsibility of the Shareholders' Meeting, more specifically capital increases and issues of convertible bonds, mergers, demergers, reserves distribution, purchase of own shares and amendments to the By-Laws;
- extraordinary transactions of a relevant strategic interest, or intended to significantly affect the value or structure of the share capital or to significantly affect the price of stocks, such as acquisitions or disposal of relevant shareholdings, aggregations or alliances with other groups as well as significant changes in the structure or composition of the Group;
- multi-year strategic plans and annual budgets of the Company and the Group.

6.2 Nomination and Corporate Governance Committee

Number of meetings held during the Year: 5.

Average length of meetings: about one hour.

Number of meetings planned for 2018: 5 (of which 3 already held).

At its meeting held on 12 May 2016, the Board of Directors appointed the members of the Nomination and Corporate Governance Committee, calling three Directors, all non-executive and mostly independent, to be part of it.

The current composition of the Nomination and Corporate Governance Committee is detailed in the Table below.

	Members	Office held	Independent	% attendance	Meetings attended
NOMINATION AND CORPORATE GOVERNANCE COMMITTEE	Stefanini Pier Luigi	Chairman		100%	5/5
	Candini Silvia Elisabetta	Member	x	100%	5/5
	De Luise Patrizia	Member	x	100%	5/5

The Chairman of the Committee in question is responsible for drawing up the minutes of the meetings, with the support of the Secretary, whose functions are carried out by the Law, Shareholdings and Institutional Relations Department.

The Committee guarantees an adequate level of independence of the Directors from management, as it holds a propositional and advisory role in identifying the best composition of the Board of Directors, and in defining the corporate governance system, as a body in charge of the following:

- a) to propose to the Board of Directors the candidates for the offices of Directors in the cases of co-option, if any independent Director must be replaced;
- b) to define times and methods for performing the Board Performance Evaluation;
- c) to inform and update the Board of Directors as regards any developments in the regulations in force and the best practices referring to corporate governance.

The Nomination and Corporate Governance Committee is called upon to express opinions on the following:

- the appointment of the members of the Board Committees of the Company;
- the appointment of the General Manager and the Deputy General Manager of the Company;
- the names to be submitted for the offices of Directors and Statutory Auditors, as well as those of Chairman, Deputy Chairman, Chief Executive Officer and/or General Manager in the relevant companies (whether Subsidiaries with strategic relevance or investees). To this end, the Chairman is responsible for submitting to the Nomination and Corporate Governance Committee these candidacies, in agreement with the Chief Executive Officer and Group CEO of the Company;
- the implementation of the corporate governance system, the model and the guidelines for Group governance;
- the size and composition of the Board of Directors, along with recommendations as regards the professional roles to be held within the Board of Directors, as well as the maximum number of assignments and derogations to the non-compete clause.

The Committee in question has a budget, approved by the Board of Directors, which is adequate for the performance of its tasks.

In the Year the Nomination and Corporate Governance Committee performed, *inter alia*, the following activities:

- a) defined criteria and methods to carry out the annual Board Performance Evaluation of the Board of Directors, with reference to the year 2017;

- b) reviewed the induction plan for the Year for the Board of Directors and the Board of Statutory Auditors;
- c) issued an opinion on the assessments regarding the update of the Code of Conduct for listed companies, following the amendments made in July 2015;
- d) reviewed the Annual Report on Corporate Governance referring to 2016.

With reference to the meetings held to date in 2018, the Nomination and Corporate Governance Committee performed, *inter alia*, the following activities:

- defined criteria and methods to carry out the annual Board Performance Evaluation of the Board of Directors, with reference to the Year;
- reviewed the Annual Report on Corporate Governance referring to the Year;
- examined the Annual Report on the application of the Code of Conduct prepared by the Committee for Corporate Governance, consisting of business associations and associations of professional investors, as well as Borsa Italiana.

The meetings of the Nomination and Corporate Governance Committee were attended, if applicable, by employees of the Company and external parties, upon invitation by the Chairman, in order to provide input on the agenda items.

6.3 Remuneration Committee

Number of meetings held during the Year: 5.

Average length of meetings: about one hour.

Number of meetings planned for 2018: 5 meetings (of which 2 already held).

At the meeting of 12 May 2016, the Board of Directors appointed the members of the Remuneration Committee, all independent and two of whom with adequate knowledge and expertise in financial matters or remuneration policies, as assessed by the Board of Directors at the time of their appointment.

The composition of the Remuneration Committee is detailed in the Table below.

	Members	Office held	Independent	% attendance	Meetings attended
REMUNERATION COMMITTEE	Gualtieri Giuseppina	Chairman	x	100%	5/5
	Candini Silvia Elisabetta	Member	x	100%	5/5
	Morara Pier Luigi	Member	x	100%	5/5

The Chairman of the Committee in question is responsible for drawing up the minutes of the meetings, with the support of the Secretary, whose functions are carried out within the Human Resources and Organisation Management Department.

The meetings of the Remuneration Committee are attended, by right, and with advisory functions, by the Chairman of the Board of Directors, the Deputy Chairman and the Chief Executive Officer and Group CEO;

the Chairman of the Board of Statutory Auditors or any other designated Statutory Auditor also participates by right in the meetings.

The Remuneration Committee carries out investigative, propositional and advisory functions. In particular, it is in charge of:

- submitting to the Board of Directors proposals regarding general policies for the remuneration of the Directors and the Key Managers (including the Heads of the Company Control Functions) of the Company and of the Subsidiaries with strategic relevance;
- submitting to the Board of Directors proposals for the remuneration of the Chief Executive Officer and Group CEO and the Directors who perform specific duties, as well as for setting up performance objectives related to the variable portions of the remuneration, consistent with the general remuneration policies adopted by the Board of Directors;
- monitoring the implementation of the decisions approved by the Board of Directors, while verifying, in particular, the actual fulfilment of performance objectives;
- periodically assessing the adequacy, the overall consistency and practical application of general policies for the remuneration of the Directors and the Key Managers (including the Heads of the Company Control Functions), within the Company and within the Subsidiaries with strategic relevance, making use, to this end, of the information provided by the Chief Executive Officer and Group CEO and submitting to the Board of Directors proposals in this regard;
- formulate opinions to the Board of Directors regarding the remuneration of the Supervisory Body of the Company pursuant to Legislative Decree no. 231/2001.

The Chairman of the Remuneration Committee is in charge of gathering data and submitting it to the Committee, thus ensuring that all the different topics under examination are accompanied by the information needed to make informed decisions.

No Director or Statutory Auditor attends the meetings of the Remuneration Committee where proposals for the Board of Directors' remunerations are formulated, unless the proposals concern the remuneration of Directors or Statutory Auditors as a whole.

The Chairman and at least one Statutory Auditor of the Board of Statutory Auditors participated in every meeting of the Remuneration Committee.

To carry out the assigned tasks the Remuneration Committee may make use, under the terms and according to the economic resources allocated by the Board of Directors, of external advisers with extensive expertise in remuneration policies as long as (i) these do not provide the corporate structures in charge of human resources management, the Directors or the Key Managers with services of such a significance as to concretely damage the independence of the advisers themselves and (ii) no exceptions of incompatibility of the advisers identified within the overall corporate context are raised by the corporate structures in charge of the management of human resources or by the Chief Executive Officer and Group CEO.

The Remuneration Committee avails itself, for the performance of its tasks, of an adequate budget approved by the Board of Directors.

At the meetings held during the Year and to the date of this Report, the Remuneration Committee carried out

mainly the following activities:

- examined the management remuneration systems for comparable groups and companies, as well as the functioning of the Committee also with reference to requests from stakeholders and the market on remuneration, by consulting with Ernst&Young as the external executive compensation expert called in for this purpose, so as to verify the overall consistency of the compensation received and in general describe the main market trends on remuneration processes;
- examined IVASS Consultation Paper no. 2/2017, particularly with reference to the provisions pursuant to Section II, Part III, Chapter VII (Remuneration and incentive policies);
- reviewed and proposed to the Board of Directors the adoption of 2017 and 2018 Remuneration Policies for Unipol, the insurance subsidiaries, the significant companies that are instrumental to the Insurance Group, the companies of the banking business of the Group, the Group's significant diversified companies and the companies UnipolSai Investimenti SGR S.p.A., Unipol Reoco S.p.A. and UnipolRec S.p.A.;
- reviewed and shared the Remuneration Report prepared for Unipol, pursuant to Art. 123-ter of the TUF relating to 2016 and 2017;
- expressed a favourable opinion to the Board of Directors as regards the adoption of the Company's executive incentive plan called Unipol Performance Management ("UPM") for the 2016-2018 period and the corresponding Regulations for 2017 and for the year 2018;
- reviewed the results arising from the UPM System for the years 2016 and 2017, acknowledging the presence of the conditions for the payment of the short-term variable portion, as a consequence expressing a favourable opinion to proceed with the disbursement thereof;
- submitted to the Board of Directors proposals for establishment of the performance objectives correlated with the variable component of the remuneration of the Chief Executive Officer and Group CEO, consistent with the general remuneration policies adopted by the Board of Directors.

Also, the Committee in question made a prior assessment of the independence of the advisor from whom it had received information on market practices regarding remuneration policies.

6.4 Control and Risk Committee

Number of meetings held during the Year: 9.

Average length of meetings: about two hours.

Number of meetings planned for 2018: 10 (of which 3 already held).

At the meeting of 12 May 2016, the Board of Directors appointed the members of the Control and Risk Committee, all independent and one of whom has adequate expertise in accounting and financial matters or risk management policies, as assessed by the Board of Directors at the time of appointment.

At the meeting held on 5 October 2017, the Board of Directors called upon Mr Massimo Desiderio, independent director, to join the Control and Risk Committee to replace Mr Sandro Alfredo Pierri, who resigned from the office of Director on 27 July 2017 effective as of 3 August 2017.

The composition of the Control and Risk Committee is detailed in the following Table.

	Members	Office held	Independent	% attendance ^(*)	Meetings attended
CONTROL AND RISK COMMITTEE	Zambelli Rossana	Chairman	x	100%	9/9
	Ferraboli Anna Maria	Member	x	89%	8/9
	Desiderio Massimo ^(**)	Member	x	100%	2/2

(*) The percentage was calculated on the basis of the number of meetings attended by the individual member of the Committee, compared with the number of meetings held during the duration of office.

(**) Co-opted as director pursuant to Art. 2386, Paragraph 1 of the Italian Civil Code on 3 August 2017 and as member of the Control and Risk Committee on 5 October 2017.

The table below shows the members of the Committee whose office ended during the Year:

	Members	Office held	Independent	% attendance ^(*)	Meetings attended
CONTROL AND RISK COMMITTEE	Pierri Sandro Alfredo ^(**)	Member	x	100%	6/6

(*) The percentage was calculated on the basis of the number of meetings attended by the individual member of the Committee, compared with the number of meetings held during the duration of office.

(**) Resigned on 27 July 2017 effective as of 3 August 2017, the date on which he also ceased being a member of the Control and Risk Committee.

The Chairman is responsible for drawing up the minutes of the meetings, with the support of the Secretary, whose functions are carried out by the Law, Shareholdings and Institutional Relations Department.

The Committee in question plays a propositional, advisory, investigative and support role to the Board of Directors in relation to the Board's assessments and decisions concerning mainly the internal control and risk management system, as well as to the approval of the regular accounting reports.

As regards the performance of these activities, pursuant to the Regulations applicable to the Committee and to the policies in effect, the Control and Risk Committee carries out in particular the following tasks:

- a) expresses its opinions to the Board of Directors regarding the following:
- definition of the guidelines for the internal control and risk management system, to correctly identify, measure, manage and monitor the main risks to which the Company and its subsidiaries are exposed, thus assessing the degree of compatibility of such risks with a management of the company in line with the identified strategic objectives;
 - valuation, at least once a year, of the current and future adequacy of the internal control and risk management system with respect to the features of the company and its subsidiaries and to the risk appetite set as well as its effectiveness and its ability to grasp the evolution of corporate risks and the interaction between them;
 - approval, at least once a year, of the work plan prepared by the heads of the Company

Control Functions;

- description, in the annual report on corporate governance, of the main features of the internal control and risk management system and the coordination methods among the subjects involved in it as well as an assessment of the adequacy of that system;
 - after consulting with the Board of Statutory Auditors, assessments of the results provided by the Auditing Company in its letter of suggestions and in the report on key issues identified during the audit;
 - the appointment and removal of the Heads of the Company Control Functions, the availability of suitable resources in fulfilling their responsibility, defining their remuneration in line with the purposely adopted corporate policies (binding opinion);
- b) together with the Financial Reporting Officer, after consulting with the Auditing Company and the Board of Statutory Auditors, assesses the correct application of accounting standards and, with reference to the Consolidated Financial Statements, their consistent use at the Group level;
 - c) examines the processes of drawing up the periodic accounting documents prepared by the Group companies in order to prepare the separate and consolidated financial statements;
 - d) expresses opinions on specific issues regarding the identification of the main corporate risks; reviews the regular reports containing assessments about the internal control and risk management system, and those of particular relevance, prepared by the Control Functions;
 - e) monitors the independence, adequacy, effectiveness and efficiency of the Control Functions;
 - f) asks, if applicable, the Audit Function to carry out assessments on specific operational areas and inform, at the same time, the Chairman of the Board of Directors, the Appointed Director, the Chief Executive Officer and Group CEO and the Chairman of the Board of Statutory Auditors about such assignments;
 - g) at least every six months, at the time of the approval of the annual and half-yearly financial statements, reports to the Board of Directors on the activities performed and the adequacy of the internal control and risk management system;
 - h) establishes functional connections with the Committees created within the companies of the Group;
 - i) supports, with a suitable appraisal, the assessments and decisions of the Board of Directors relating to the management of the risks deriving from events of default that the Board of Directors is aware of.

The Control and Risk Committee, also on the basis of the powers attributed by Legislative Decree no. 39/2010, as amended by Legislative Decree no. 135 of 17 July 2016, to the Board of Statutory Auditors in its role as a committee for internal control and audit, is responsible for establishing the necessary operational coordination also with the Board in order to ensure an efficient performance of the activities shared by both bodies and in compliance with the respective areas of competence. To this end, and to contain the cost of controls, in 2017 all members of the Board of Statutory Auditors attended the meetings of the Committee.

In order to perform its tasks, the Control and Risk Committee makes use of tools and information flows

provided specifically by the Control Functions of the Company, so as to allow the Committee itself to issue the required assessments within its area of competence. The Control and Risk Committee may also:

- request to the members of the bodies of the Subsidiaries to provide all information, including documents, deemed necessary to the correct performance of the assigned tasks;
- propose, providing its reasoning, the appointment of external consultants who would support the Committee itself for the performance of tasks assigned thereto;
- propose, promote and call joint meetings to establish and maintain proper functional connections with equivalent Committees set up in the companies of the Group and establish reciprocal information flows.

The Control and Risk Committee is also identified as the body competent to examine the information – prepared by the Risk Management Function and subject to the approval of the Board of Directors – concerning intercompany transactions performed by Unipol and the insurance companies controlled by them, which cause the operating limits set in the Policy on intercompany transactions adopted pursuant to IVASS Regulation no. 30 of 26 October 2016 to be exceeded.

The Committee in question has a budget, approved by the Board of Directors, which is adequate for the performance of its tasks.

At the meetings held in 2017 and until the date of this Report, the Control and Risk Committee reviewed and evaluated, *inter alia*:

- the reports on the activities of the Audit Function, including special control activities required by the annual plan and/or outside of said plan and shared with the Committee itself, as well as the corresponding activity plan;
- the reports on the activities of the Risk Management Function and corresponding activity plan, including specific information about the plan for the alignment with the so-called Solvency II regulations;
- the reports on the activities carried out by the Compliance Function, and the corresponding activity plan;
- the reports on the activities carried out by the Anti-Money Laundering Function;
- the correct use and consistency in the application of the accounting standards used in the preparation of the consolidated financial statements, as well as the results of the assessments carried out on the internal control systems related to accounting and financial policies (Law 262/2005), through specific meetings with the Financial Reporting Officer and the Auditing Company;
- the proposals related to general policies applied to the remuneration of the Directors and Key Managers of UnipolSai, including the Heads of the Company Control Functions;
- the proposals for the annual update of the ICS Directives (as defined in the following Chapter 7), issuing specific opinions;
- the company's policies, prepared or updated pursuant to the provisions of ISVAP Regulations no. 20/2008 and Bank of Italy Circular no. 285/2013;

- the drafts of the annual Reports on corporate governance and ownership structures referring respectively to 2016 and 2017;
- the results of the audit reports of special significance.

The Committee in question also reported to the Board of Directors on its activities and their results at the time of the approval of the 2016 draft financial statements, interim financial statements as at 30 June 2017 and the 2017 draft financial statements.

The meetings of the Control and Risk Committee were attended by external parties, if applicable, invited by the Committee's Chairman to discuss specific items on the agenda.

6.5 Sustainability Committee

Number of meetings held during the Financial Year: 3.

Average length of meetings: 1.5 hours, approximately.

For the year 2018, 4 meetings are planned (2 of which were already held).

At its meeting on 12 May 2016, the Board of Directors appointed the members of the Sustainability Committee, the majority of whom are independent.

The composition of the Sustainability Committee is detailed in the Table below.

	Members	Office held	Independent	% attendance	Meetings attended
SUSTAINABILITY COMMITTEE	Stefanini Pierluigi	Chairman		100%	3/3
	Mundo Antonietta	Member	x	100%	3/3
	Trovò Annamaria	Member	x	67%	2/3

The Sustainability Committee has investigative, propositional and advisory functions, more specifically carrying out the following tasks:

- examines the sustainability issues identified during the Company's and the Group's interactions with stakeholders, proposing policies for improvement and for the reduction of ESG risks⁴;
- reviews the guidelines and the methodology adopted for the preparation and monitoring of the sustainability components laid out in the Business Plan;
- evaluates the regular updates on the main activities of preparation for the full achievement of the Group's sustainability objectives;
- periodically monitors alignment between the indicators of the Sustainability Plan and the activities of the Subsidiaries and the business of the Group;
- reviews the Group's Integrated Report and the UnipolSai Sustainability Report.

At the time of said meetings, the Sustainability Committee reviewed in particular the activities carried out within the framework of the 2016-2018 Plan and issued opinions and assessments that have contributed to

⁴ ESG Risks: environmental, social and governance risks.

the development of initiatives to improve the strategy, policies and sustainability actions of the Group from a multi-stakeholder perspective. It viewed the monitoring of the Plan KPIs, recognising compliance with the commitments made in this regard.

One topic of particular significance was the entry into force of Legislative Decree 254/16 on non-financial reporting (NFS). In this regard, the Committee evaluated the process of adjusting to regulations in terms of corporate policies as well as reporting elements.

The Committee also reviewed the Unipol Group's 2016 Integrated Report, later approved by the Board of Directors, as well as the 2016 Sustainability Report of UnipolSai Assicurazioni, later approved by the Board of Directors of the latter.

On 8 February 2018, the Sustainability Committee approved the Sustainability Policy, approved by the Board of Directors at its next meeting, and on 14 March it also examined the Integrated Report of the Unipol Group relating to 2017, pursuant to Legislative Decree 254/16, approved by the Board of Directors at its meeting of 22 March 2018.

6.6 Ethics Committee

The Ethics Committee meets at least twice per year, or every time the Chairman or at least two Committee members deem it necessary.

During 2017, the Ethics Committee met twice.

Average length of meetings: 1.5 hours, approximately.

Number of meetings planned for 2018: 2 (of which 1 already held).

At its meeting on 12 May 2016, the Board of Directors appointed the members of the Ethics Committee, all of whom are independent.

The Ethics Committee consists of at least three and at most five members, meeting the independence requirements laid out by legislative and regulatory provisions in force.

The composition of the Ethics Committee is detailed in the table below.

	Members	Office held	Independent	% attendance	Meetings attended
ETHICS COMMITTEE	Gualtieri Giuseppina	Chairman	x	100%	2/2
	De Luise Patrizia	Member	x	100%	2/2
	Trovò Annamaria	Member	x	100%	2/2

The Committee has advisory, propositional and decision-making functions. In particular, that body is given the task of:

- promotion of consistency between the principles of the Code of Ethics and the corporate policies, also interacting with the Supervisory Body, the Control and Risk Committee and the company Departments concerned;
- contributing to the definition of initiatives to promote the knowledge and understanding of the Code of Ethics;

- defining the set-up of the plan of ethics communication, knowledge and awareness-raising in collaboration with the Ethics Officer and with the company Departments concerned;
- monitoring compliance with the Code of Ethics. To this end, through the Ethics Officer, it may carry out assessments on the compliance with the Code of Ethics by the recipients of this, collecting all necessary information and documentation;
- issuing opinions on the more complex reports received by the Ethics Officer of alleged breaches of the Code of Ethics;
- submitting to the attention of the competent bodies of the Unipol Group companies the situations in which violations of the principles laid out in the Code of Ethics have been confirmed so that, in full compliance with legislative provisions and the internal procedures in force over time, such bodies may evaluate the application of any penalty proceedings against those responsible for such violations;
- receiving and reviewing the Ethics Report prepared by the Ethics Officer, handling its publication.

The Ethics Committee has adopted its own regulation for the management of activities and, in particular, as regards the investigatory activities to be carried out in exercising its functions.

The Committee in question has a budget, approved by the Board of Directors, that is adequate for the performance of its tasks.

During its meeting held on 8 February 2018, the Ethics Committee brought to the attention of the Board of Directors of the 2017 Ethics Report and the report of the Board of Directors concerning, *inter alia*, the general consistency between the principles declared in the Code and company management. The entire Ethics Report was published on the Group's institutional website and a summary version is included in the Group's Integrated Report.

In the course of 2017, a knowledge, awareness-raising and training project was launched on the ethics and values-related topics defined in the previous year by "Unica – Unipol Corporate Academy", which over the course of the three years of the Business Plan will involve all Heads (overall, roughly 1,800 managers, officers and middle managers) and, progressively, all Group employees.

The objective is for the work of the participants not to be limited to a passive understanding of the Ethics Code, instead encouraging them to develop a joint reflection on the values contained in Unipol's Charter of Values and apply them in their daily work and in relationships with colleagues, partners and customers.

At 31 December 2017, a total of 647 Heads had been involved.

6.7 Related Party Transactions Committee

Number of meetings held during the Year: 9.

Average length of meetings: 1 hour, approximately.

Number of meetings planned for 2018: 8 (of which 5 already held as at the date of this Report).

At the meeting of 12 May 2016, the Board of Directors appointed the members of the Related Party Transactions Committee, all independent and all with adequate knowledge of transactions with related parties, as assessed by the Board of Directors at the time of their appointment.

The Chairman and at least one Statutory Auditor of the Board of Statutory Auditors participated in every meeting of the Related Party Transactions Committee.

The composition of the Related Party Transactions Committee is shown in the following Table.

	Members	Office held	Independent	% attendance ^(*)	Meetings attended
RELATED PARTY TRANSACTIONS COMMITTEE	Morara Pier Luigi	Chairman	x	100%	9/9
	Desiderio Massimo ^(**)	Member	x	100%	2/2
	Ferraboli Anna Maria	Member	x	89%	8/9
	Zambelli Rossana	Member	x	67%	6/9

(*) The percentage was calculated on the basis of the number of meetings attended by the individual member of the Committee, compared with the number of meetings held during the duration of office.

(**) Appointed member of the Related Party Transactions Committee on 5 October 2017.

Members of the Committee whose office ended during the Year:

	Members	Office held	Independent	% attendance ^(*)	Meetings attended
RELATED PARTY TRANSACTIONS COMMITTEE	Pierrri Sandro Alfredo ^(**)	Member	x	100%	7/7

(*) The percentage was calculated on the basis of the number of meetings attended by the individual member of the Committee, compared with the number of meetings held during the duration of office.

(**) Resigned on 27 July 2017 effective as of 3 August, the date on which he ceased being a member of the Committee.

The Chairman of the Committee is responsible for drawing up the minutes of the meetings, with the support of the Secretary, whose functions are carried out by the Law, Shareholdings and Institutional Relations Department.

The Committee has functions of advice, discussion and proposition with respect to the Board of Directors and the corporate structures of Unipol and its Subsidiaries, on Transactions with Related Parties (“Transactions”), in compliance with the provisions of the Regulations issued by CONSOB with resolution no. 17221 of 12 March 2010, and subsequent amendments, and the internal procedure for carrying out the Transactions in question (the “Related Party Procedure”) adopted by Unipol (in this regard, see Chapter 8 below).

More specifically, the Committee:

- expresses to the Board of Directors of the Company an opinion on the methods for the establishment of the registry where the Related Parties are recorded (the “Related Party Register”);
- participates in the investigations and the stage of any negotiations concerning the Transactions of Greater Importance (as defined in the Related Party Procedures); expresses to the competent

resolving body, on the basis of complete and timely information provided by the company's structure during the investigation, and if appropriate, during negotiations, a reasoned opinion on the interest of the Company in the execution of the same Transactions of Greater Importance, as well as on the convenience and substantial correctness of all related conditions;

- expresses to the competent body a reasoned, non-binding opinion about the interest of the Company in carrying out Transactions of Lesser Importance (as defined in the Related Party Procedure), as well as about the convenience and substantial correctness of related conditions;
- expresses to the Delegated Body of Unipol (identified in the Related Party procedure as the Board of Directors or Chief Executive Officer and Group CEO, based on the respective areas of competence and/or delegated powers), required to approve Transactions of Greater and Lesser Importance carried out through the Subsidiaries, a reasoned and non-binding opinion regarding the interest of the Subsidiary and of Unipol in the completion of the Transaction, as well as on the convenience and substantial correctness of all related conditions;
- expresses to the Board of Directors an opinion on the updates made to the Related Parties Procedure.

Moreover, the Related Party Transactions Committee is assigned the tasks and the functions that the provisions of the Bank of Italy Circular no. 263/2006 on “Risk activities and conflict of interest towards related parties” give to the Independent Directors (in this regard, refer to section 8 below).

The Committee therefore carries out the functions of advice, discussion and proposition with respect to the Board of Directors, the corporate structures of Unipol and the other companies of the Banking Group controlled by the latter, on transactions with Associated Parties, in compliance with the provisions of this circular.

More specifically, the Committee:

- participates in the negotiation and in the investigation of Transactions of Greater Importance (as defined by the Associated Party Procedure);
- expresses to the competent body a reasoned, non-binding opinion on the interest of the Company in the execution of Transactions of Lesser Importance (as defined in the Associated Party Procedure), as well as on the convenience and substantial correctness of their conditions;
- expresses to the competent body, on the basis of complete and timely information provided by the company's structure during the investigation, and if appropriate, during negotiations, a favourable and reasoned opinion on the interest of the Company in the execution of Transactions of Greater Importance (as defined in the Associated Party Procedure), as well as on the convenience and substantial correctness of all related conditions;
- expresses to the body called upon to resolve on Transactions of Greater/Lesser Importance (as defined in the Associated Party Procedure) carried out by the companies of the Banking Group, with the exception of those carried out by the Bank and its subsidiaries, a reasoned, non-binding opinion on the interest of the Company in the execution of the transactions, as well as on the convenience and substantial correctness of their conditions;

- expresses to the Board of Directors a binding opinion, detailed and reasoned, at the time of substantial amendments or integrations to the Associated Party Procedure and/or the Internal Policy on controls on the risk activities and conflict of interest towards Associated Parties.

The Committee has a budget, approved by the Board of Directors, which is adequate for the performance of its tasks.

Where necessary or suitable, employees, representatives of the Subsidiaries and/or external parties, invited by the Committee's Chairman, are called to participate and deal with the specific issues on the agenda at the meetings of the Related Party Transactions Committee.

7. THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The internal control and risk management system is a key element in the overall corporate governance system. It consists of a set of rules, procedures and organisational structures aimed to ensure:

- effectiveness and efficiency of corporate processes;
- suitable limits on current and future risks;
- preventing the company's involvement, even involuntary, in illegal activities, particularly those associated with money laundering, and terrorism financing;
- the prevention and correct management of the potential conflicts of interest with Related Parties, as identified by regulatory provisions of reference;
- verification that corporate strategies and policies are implemented;
- safeguarding of company asset values, also in the medium to long-term;
- reliability and integrity of information provided to corporate bodies and the market and of IT procedures;
- adequacy and promptness of the corporate data reporting system;
- compliance of business activities with the law, supervisory regulations, corporate governance regulations and the company's internal measures.

The internal control and risk management system is defined in the related Directives (the "ICS Directives"), approved by the Unipol Board of Directors in December 2008 and periodically updated thereafter, the last update being approved on 21 December 2017⁵.

The ICS Directives define the roles and responsibilities of the parties involved in the internal control and risk management system, as well as the coordination methods and information flows between the different parties involved in this system.

The principles and processes of the risk management system as a whole are governed by the following Group policies: "Risk Management Policy", "Current and Forward-looking Risk Assessment Policy",

⁵ All companies included in the scope of application of the Directives regarding the Internal Control and Risk Management System implement these at the first available Board of Directors meeting.

“Operational Risk Management Policy” and “Group-level Risk Concentration Policy”. Also an integral part of the Risk Management System are the policies that outline the principles and guidelines on: (i) management of specific risk factors (e.g. the “Group Investment Policy” for market risk and “Credit Policy” for credit risk), (ii) management of a risk within a specific process, and (iii) mitigation of a risk and (iv) management of risk measurement models.

Risk Management System

The risk management system is the set of processes and tools used in support of the risk management strategy of the Unipol Group; it provides adequate understanding of the nature and significance of risks to which the Group and individual companies are exposed. The risk management system allows the Group to have a single point of view and a holistic approach to risk management, and is an integral part of the management of the business. Within the risk management system, the risk management process is articulated in the following stages:

- identification of risks, consisting in the identification of risks believed to be significant i.e. those the consequences of which can endanger the solvency or reputation of the Unipol or be a serious obstacle to the achievement of strategic objectives;
- current and forward-looking assessment of risk exposure, the current and forward-looking assessment of risk exposure is performed through methods envisaged in regulations and best practices as regards risks for which measurement is not regulated or defined by high-level principles. With regard to the forward-looking assessment, the Own Risk Solvency Assessment (ORSA) is used to support the strategic decisions of the company;
- monitoring of risk exposure and reporting, a system implemented on the basis of principles of completeness, promptness and disclosure efficiency - to ensure a timely and ongoing monitoring on the evolution of the Risk Profile and the compliance of the Risk Appetite identified. This system guarantees that the quality and quantity of information provided is commensurate with the needs of the different recipients and with the complexity of the business managed, in order for it to be used as a strategic and operating tool in assessing the potential impact of decisions on the company's risk profile and solvency;
- mitigation of risks, which consists in identifying and proposing actions and interventions required and/or useful in mitigating existing or prospective levels of risk not in line with the risk objectives defined at corporate level.

The risk identification, assessment and monitoring processes are performed on an ongoing basis, to take into account any changes in their nature, business volumes and market context, and the insurgence of new risks, or changes in existing risks.

These processes are carried out using methods that guarantee an integrated approach at Group level. The Parent Company ensures that the risk management policy is implemented consistently and continuously within the entire Group, taking into account the risks of each company in the scope of additional supervision and their mutual interdependencies. We continue to apply the proportionality principle, taking into account the nature, the size and the complexity of the risks characteristic of the business activity carried out by the different companies of the Group.

Risk Appetite and Risk Appetite Framework

The risk management system is designed with an Enterprise Risk Management approach, i.e. based on consideration from an integrated point of view, as shown above, of all current and forward-looking risks to which the Group is exposed, assessing the impact these risks could have on achieving the strategic objectives.

In order to pursue these high-level objectives, the approach adopted considers the need to reconcile the demands of the different stakeholders. In particular, the Risk Management System aims to reflect:

- the need to safeguard assets and reputation;
- the need for security and solvency;
- the desired rating;
- the need to diversify risks and ensure adequate liquidity.

Based on these principles and in order to pursue the assigned objectives, the risk management system is designed around a fundamental concept: Risk Appetite.

The definition of Risk Appetite is based on the following general principles:

- the objective is not to eliminate risks but to manage them in such a way as to ensure sustainable, long-term growth;
- the components of the risk profile most important to guarantee the security and protection of customers, employees and the market are: capital strength, adequate liquidity and a sound reputation;
- it is necessary to create fair relations with all the stakeholders, satisfying their demands and expectations in terms of risk management.

In line with said principles, Unipol and the Subsidiaries concerned maintain adequate levels of:

- capitalisation, to avoid revising strategic decisions;
- liquidity, to be able to meet one's commitments even in periods of stress due to company-specific or market-wide events under reasonable conditions and in a reasonable time;
- monitoring of reputational risk, to minimise the risk of negative events that can damage the image of the Company and/or the Group;
- monitoring of emerging risks to anticipate the arising of risks that can damage the capital strength, and arrange for their management;
- monitoring of operational risk, to ensure, even in the case of extreme events, the continuity of business transactions and the safeguard of the corporate capital.

The Risk Appetite can be established as a fixed target or as a range of possible values and is broken down into quantitative and qualitative elements.

In quantitative terms, the Group's Risk Appetite is determined on the basis of the following elements:

- capital at risk;

- capital adequacy;
- liquidity/ALM ratios.

Quality objectives are defined in reference to compliance, strategic, reputational, emerging and operational risks.

The Risk Appetite is formalised in the Risk Appetite Statement – with different criteria for insurance and banking business pursuant to current regulations – which indicates the risks that the Group and/or individual company intends to assume or avoid, sets the quantitative limits and the qualitative criteria to be taken into account for the management of unquantified risks.

The Risk Appetite forms part of a reference framework - called the Risk Appetite Framework (RAF). The RAF is defined in strict compliance and prompt reconciliation with the business model, the Business Plan, the Own Risk and Solvency Assessment Process (ORSA) for insurance business and the Internal Capital Adequacy Assessment Process (ICAAP) for banking business, the budget, company organisation and the internal control system. The RAF defines the Risk Appetite and other components ensuring its management, both in normal and stress conditions. These components are:

- Risk Capacity;
- Risk Tolerance;
- Risk Limits (or operational risk limits);
- Risk Profile.

The activity to set the RAF components is dynamic over time, and reflects the risk management objectives associated with the objectives of the Business Plan. Verification is performed annually as part of the process of assigning Budget objectives. Further analyses for the preventive control of Risk Appetite, and capital adequacy in particular, are performed when studying extraordinary transactions (mergers, acquisitions, disposals, etc.).

The RAF is articulated in several dimensions of analysis, with the aim of guaranteeing ongoing monitoring of risk trends. The main dimensions of the analysis are: risk category, group, subgroup and individual company.

The RAF of the Group keeps into account the specific transactions and the corresponding risk profile of each company of the Group, to ensure an integrated and consistent approach.

ORSA and ICAAP

In the risk management system, the ORSA and ICAAP processes allow the risk profile analysis of the Insurance Group and the Banking Group, whether final or forward-looking, based on strategy, the market context and business development. In addition, ORSA and ICAAP are an element of the assessments made to support the decisions of Subsidiaries as well as strategic decisions.

7.1 Articulation of control levels

The internal control and risk management system is divided into various levels:

- **line controls** (so-called “first-level controls”), aimed at ensuring transactions are carried out correctly. These are performed by the same Subsidiary structures (e.g. hierarchical, systematic and

sample controls), also through the different units which report to the heads of the Subsidiary structures, or carried out as part of back office activities; as far as possible, they are incorporated in IT procedure. The Subsidiary structures are the primary bodies responsible for the risk management process and must ensure compliance with the adopted procedures for implementing the process and compliance with the established risk tolerance level;

- **risk and compliance controls** (so-called “second-level controls”), which aim to ensure, *inter alia*:
 - the correct implementation of the risk management process;
 - the implementation of activities assigned to them by the risk management process;
 - the observance of the operating limits assigned to the different functions;
 - the compliance of company transactions with the regulations, also self-regulatory.

The functions in charge of these controls are separate from the Subsidiary functions; they help define the risk governance policies and the risk management process;

- **internal review** (so-called “third-level controls”), verification of the completeness, functionality, adequacy and reliability of the Internal Control and Risk Management System (including the first- and second-level controls) and that business operations comply with the system.

7.2 Role of the corporate bodies, the Company Control Functions (Audit, Risk Management and Compliance) and the main bodies and parties involved in the internal control and risk management system

CORPORATE BODIES

Board of Directors: the Board of Directors is ultimately responsible for the Internal Control and Risk Management System, for which it has to ensure constant completeness, function and effectiveness. In this respect, the Board approves - amongst other things - the top level organisational structure and the assignment of duties and responsibilities to the Subsidiary units, ensuring appropriate segregation of functions. Subject to the opinion of the Control and Risk Committee, it also defines the guidelines for the internal control and risk management system, performing an annual assessment of system adequacy, effectiveness and actual operations.

Pursuant to the ICS Directives, all parties involved in the Internal Control and Risk Management System exchange information flows as envisaged in current regulations and all other information that may be used to guarantee that the administrative body is fully aware of the significant corporate events and that the other parties involved have all the information needed to perform their duties.

Appointed director: the Board of Directors assigned the following functions, duties and powers to the Appointed Director, in compliance with applicable legal and regulatory measures:

- a) handling the identification of the main corporate risks, taking account of the features of the activities carried out, also as Parent Company of the Unipol Group, regularly subjecting them to review by the Board of Directors;

- b) implementing the guidelines set by the Board of Directors, overseeing the design, implementation and management of the internal control and risk management system, and constantly verifying its adequacy and effectiveness;
- c) ensuring adaptation of the internal control and risk management system to changes in the Subsidiary conditions and in the legal and regulatory framework;
- d) asking the Audit Function to perform audits on specific Subsidiary units and of compliance with internal rules and procedures in the execution of corporate transactions, reporting on these to the Chairman of the Control and Risk Committee and of the Board of Statutory Auditors;
- e) promptly informing the Control and Risk Committee and the Board of Directors of any problem and critical issue identified during his/her activities or anyway notified, so that the appropriate initiatives may be carried out by said bodies;
- f) with reference to the Managers of the Audit, Risk Management and Compliance Functions, formulating proposals to the Board of Directors, after receiving the favourable opinion from the Control and Risk Committee, for:
 - their appointment and removal;
 - the availability of suitable resources in fulfilling their responsibility;
 - defining their remuneration in line with the purposely adopted corporate policies;
- g) formulating to the Board of Directors opinions regarding the work plan prepared by the Heads of the Company Control Functions.

Top Management (*Chief Executive Officer and Group CEO, General Manager and Top Management with tasks of management oversight*⁶): supports the Appointed Director in designing and implementing the Internal Control and Risk Management System, including therein those deriving from non-compliance with the regulations, in line with the directives and the risk governance policies defined by the administrative body. Specifically, the Chief Executive Officer and Group CEO, also as body with management functions, is in charge of the execution of the strategic guidelines, the RAF and the risk management policies set by the Board of Directors and is in charge of the adoption of all measures required to ensure the compliance of the organisation and the internal control system with the principles and requirements of the regulatory provisions for the sector, providing ongoing monitoring of compliance.

COMPANY CONTROL FUNCTIONS (AUDIT, RISK MANAGEMENT AND COMPLIANCE)

Pursuant to applicable industry legislation, the Company's organisational structure requires that the Company Control Functions be separated from an organisational point of view, report directly to the Board of Directors and operate under the coordination of the Appointed Director.

With effect from 19 December 2013, the Risk Management and Compliance Functions report to the Chief Risk Officer (in turn reporting to the Chief Executive Officer - Group CEO). This structure makes it possible, by preserving the independence and separateness of the individual Company Control Functions, and

⁶ These Key Managers are those identified for the purposes of the application of the legal and regulatory provisions on intercompany transactions.

guaranteeing compliance with the principle of segregation of operating functions from control functions, to further strengthen the integrated monitoring of the risks to which the Group is exposed in the different areas in which it carries out its activity, developing synergies between the second-level control functions so that potential overlaps between control areas are avoided.

The Company Control Functions use a method and a reporting system in common, which offer maximum convergence in the description of processes, the assessment of operational risks and assessment of internal control and risk management system.

In the organisational model, designed in the ICS Directives, in addition to conducting their own activities for Unipol, the Company Control Functions set up at the Parent Company also guide and coordinate the Subsidiaries.

The previously mentioned Fit&Proper Policy also describes the procedure for assessing the eligibility requirements for the position in reference to the Heads of the Company Control Functions and the Chief Risk Officer.

Audit

The Audit Function assesses the completeness, function, reliability and adequacy of the Internal Control and Risk Management System according to the nature of the business activities and the level of risks undertaken, as well as its updating if necessary, also through support and advisory activities provided to other company functions. The methods of execution of the tasks assigned to the Audit Function are defined and formalised in the document "Audit Function Regulations", attached to the ICS Directives.

The Audit Manager, Mr Andrea Alessandri, was appointed by the administrative body and his assigned duties were defined and approved by Board of Directors resolution, which also established his powers, responsibilities and reporting methods. He is not in charge of any area of transactions.

Personnel assigned to this Function must be granted freedom of access to all company structures and to documentation relating to audit tasks, including information useful in verifying the adequacy of controls carried out by outsourced corporate functions. The structures being audited must also provide accurate and complete information.

Both continuously and in relation to specific needs, and in compliance with international standards, the Audit Function verifies the operations and suitability of the internal control and risk management system by means of an audit plan, approved by the Board of Directors, based on a structured process of analysis and prioritisation of the main risks. The 2017 plan was approved by the Board of Directors on 9 February 2017 after prior examination by the Control and Risk Committee and after consulting the Board of Statutory Auditors and the Appointed Director.

The Audit Function's duties include the following types of activity:

- process audit (insurance, operational, banking, financial and information technology);
- within its competence, the preparation of reports envisaged in regulations and the performance of related activities;
- compliance verification/audit of the insurance agencies, bank branches, financial advisors and claims settlement services;

- verification of internal fraud by employees, trustees and persons pertaining to the sales networks;
- cooperation with the Control and Risk Committee, the Auditing Company, the Board of Statutory Auditors and the Supervisory Body set up according to Legislative Decree no. 231/2001.

As part of its activities, the audits refer in particular to:

- the function of the overall internal control and risk management system as regards risks intrinsic to the processes examined and the identification of anomalous trends;
- compliance with regulations, policies and directives approved by the Board of Directors, organisational procedures and, in general, internal regulations;
- compliance with limits envisaged by delegated power mechanisms and the full and correct use of available information;
- IT system adequacy and reliability in ensuring that the quality of information on which top management bases its decisions is not compromised;
- compliance of administrative and accounting processes with the criteria of accounting accuracy and correct record keeping;
- effectiveness and efficiency of controls performed by the Subsidiaries on outsourced activities.

At the end of each audit, the corresponding report is prepared for Top Management and the parties concerned. If particularly significant or serious situations are found, these must be promptly reported to the Board of Directors, the Board of Statutory Auditors, the Control and Risk Committee and the Appointed Director, for which the half-year reports on the activity performed are prepared, as a summary of the audits carried out.

The Audit Function is assigned a budget based on its own estimation of needs which, where necessary, can also be supplemented during the year.

Risk Management

The Risk Management Function is in charge of ensuring the integrated assessment of the different risks, at the Group level, supporting the Board of Directors, the Appointed Director and the Top Management in the design and assessment of the effectiveness of the risk management system and reporting its findings to the Top Management, the Appointed Director, the Control and Risk Committee and the Board of Directors, highlighting any weaknesses and suggesting remedial measures.

In the risk management system, the Risk Management Function is required to identify, measure, evaluate and monitor on an ongoing basis the current and future risks to which the Company is or might be exposed, at the individual and aggregate level, as well as their interconnections.

In exercising its role, the Risk Management Function is in charge of the development, implementation and maintenance of the risk measurement and control systems. Among these, special relevance is given to the definition and the use of instruments to calculate the capital needed against the risks identified.

In this regard, we point out that, with measure of 7 February 2017 IVASS authorised the subsidiaries UnipolSai and Arca Vita S.p.A. to use the partial internal model for calculating the individual solvency capital

requirement with effect from 31 December 2016, in compliance with Solvency II regulation.

The Risk Management Function is also in charge of:

- monitoring data quality with special reference to the calculation of the solvency capital requirements for Solvency II purposes;
- defining the methodologies for the analysis of the IT risk, in collaboration with the IT Services Division in order to integrate the operational risk profile with the specific aspects of IT processes;
- assessing the impact of operational risk deriving from catastrophic events as specified in the Business Continuity Management Policy and for these objectives it co-operates with the function in charge of the Business Continuity Plan.

The Risk Management Function also contributes to the dissemination of a risk culture throughout the Group.

With specific reference to the banking business, the Risk Management Function takes part in the definition and execution of the RAF and of the corresponding risk management policies, through an adequate risk management process. With reference to the risk management system, in the ICAAP and in the Risk Self-Assessment the results of the assessments carried out, the improvement areas identified and the corrective actions taken are formalised and presented annually to the corporate bodies. The Function reports, within its area of competence, on the completeness, adequacy, functionality and reliability of the internal control system.

Compliance

The Compliance Function is in charge of evaluating, with a risk-based approach, the adequacy of procedures, processes, policies, and internal organisation to prevent the risk of non-compliance, i.e. the risk of incurring judicial or administrative sanctions, significant financial losses or reputational damage as a result of violations of mandatory rules (laws, regulations, rulings of Supervisory Authorities) and self-regulation (e.g. by-laws, ethics codes, self-governance codes, internal policies and corporate communications).

This risk is found at all levels of the organisation; accordingly its correct management is a major topic and deeply connected with day-to-day transactions, with particular reference to relations with clients. In particular it is strongly characterised by its pervasiveness within the Company and by the involvement of multiple organisational structures.

The Compliance Function operates through:

- the continuous identification of the applicable rules and the evaluation of their impact on business processes and procedures;
- assessing the adequacy and effectiveness of the measures adopted by the Company to prevent compliance risk, and recommending the implementation of organisational and procedural changes aimed at ensuring such risk is effectively monitored;
- the evaluation of the effectiveness of organisational adjustments (structures, processes and procedures) as a result of the suggested changes;
- the provision of direct information flows to the bodies and structures involved.

For this purpose, the methodology used involves different operational and working stages that can be distinguished as:

- *ex-ante* activities, with the aim of supporting Top Management in the adjustment activity in relation to new products/projects/processes/regulations: the Compliance Function analyses the reference regulations, the impacted corporate processes and the actions identified by management, also supporting in the identification of the most suitable actions/measures to guarantee that the compliance risk is kept within certain acceptable limits and in line with the Risk Appetite of the individual companies, where determined, and of the Group;
- *ex-post* activities that are aimed at representing the level of compliance of the procedures, the process, the policies and the internal organisation of the individual companies and of the Group to the applicable legislation and the compliance risk.

ACTUARIAL FUNCTION

As of 1 January 2016, the Company's Board of Directors established the Actuarial Function⁷ which has the responsibility of coordinating the calculation of the technical provisions and contributing to effectively applying the risk management system, particularly with reference to the modelling of risks underlying the calculation of the capital requirements, and the internal evaluation of risk and solvency, pursuant to the provisions set forth in the CAP.

The Actuarial Function reports hierarchically to the General Manager of Administration, Management Control and Operations and reports directly to the Board of Directors and enjoys the necessary independence and separation in carrying out its duties so as to avoid conflicts of interest with the Group divisions responsible for the results of technical and operational management. Any situations of potential conflict of interest are resolved through the appropriate diversification and separation of duties within the Actuarial Function itself.

In appointing the Head of the Actuarial Function, the Board of Directors evaluated his suitability for the position, applying the same criteria as those laid out in the Fit&Proper Policy for the Heads of the Company Control Functions.

FINANCIAL REPORTING OFFICER

The Financial Reporting Officer is entrusted with the task of contributing to the proper management of the company, arranging, in a strategic area such as that of correct financial information, appropriate organisational measures to ensure the achievement of this objective.

Under Art. 154-*bis* of the TUF and Art. 13 of the By-Laws, the Board of Directors appoints the Financial Reporting Officer, after consulting the Board of Statutory Auditors, choosing between those who have overall experience of at least three years in the performance of (a) administrative tasks or control or managerial tasks in companies that have registered capital of no less than Euro 10 million or consortia of companies that have a total registered capital of no less than Euro 10 million or (b) professional or academic activities of a

⁷ The Actuarial Function is exercised by an actuary registered in the professional register pursuant to Law no. 194 of 9 February 1942, or parties with sufficient mathematical, actuarial and financial knowledge with respect to the nature, extent and complexity of the risks inherent in the company's activities and proven professional experience in the relevant matters for the purpose of fulfilling these duties.

legal, economic, financial and technical-scientific nature, closely related to the activities of the Company, or (c) managerial functions in public bodies or public administrations involved in the insurance, financial and credit sectors or in activities closely related to activities of the Company or of the Group headed by the Company.

The Board of Directors has confirmed, most recently at the Board meeting of 28 April 2016, the General Manager of Administration, Management Control and Operations, Mr Maurizio Castellina, as Financial Reporting Officer, also giving him all the powers and responsibilities, which are needed to fulfil his mandate.

The Financial Reporting Officer has an independent staff structure and can request the support of any other structure of the Company and its Subsidiaries; in particular, the Audit, Compliance and Organisation Functions, in cooperation with the Board of Statutory Auditors, the Control and Risk Committee and the Supervisory Body. In addition, he may avail himself of the assistance of the appointed independent auditors for the exchange of information on the system of administrative and accounting control. Twice a year, the Financial Reporting Officer meets the Board of Statutory Auditors to share the results of the monitoring of the control system.

The Financial Reporting Officer may also intervene in respect of Subsidiaries that contribute significantly to the consolidated annual accounts, setting - subject to the independence and prerogatives of those companies - guidelines on approach and method for all functions that could significantly affect the administrative and accounting processes relevant to the statements and certificates that must be issued.

The Financial Reporting Officer attends, as a guest, the meetings of the Board of Directors that approve the separate and consolidated financial statements and other regular accounting reports.

AUDITING COMPANY

The Company has engaged PricewaterhouseCoopers S.p.A. as independent auditors. They audit both the separate and the consolidated financial statements, as well as carrying out the limited audit of the half-yearly abbreviated consolidated financial statements.

The aforesaid appointment was made, for the 2012-2020 period, by the Shareholders' Meeting of 28 April 2011.

METHODS OF COORDINATION AMONG THE SUBJECTS INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

It is essential within the internal control and risk management system that interaction is guaranteed between the subjects involved in it, together with a regular flow of information between these subjects and the corporate bodies.

The Board of Statutory Auditors, the Auditing Company, the Control Functions, the Supervisory Body pursuant to Legislative Decree no. 231/2001 and any other board and function assigned specific control responsibilities co-operate with each other, exchanging useful information to perform the tasks assigned to them. To this end, specific reports are required on the activities carried out and on the risk situation, towards the corporate bodies and the Top Management and the Board and corporate Committees, which ensure the involvement of and sharing with all the functions concerned.

In particular, mutual connections are already in place between the various Company Control Functions,

implying:

- participation in the meetings of the Control and Risk Committee and the Supervisory Body;
- disclosure and discussion about the annual planning of the activities of the same Functions;
- periodic meetings aimed at sharing the results emerged from the control activity performed and the assessment of the residual risks and the internal control and risk management system, also through a common application platform, as described below;
- information flows that imply the mutual exchange of the documents produced by the individual Control Functions (such as, for example, the results of the audits performed, the episodes of failed regulatory compliance and regular reports on complaints).

The Company Control Functions annually submit to the Board of Directors their scheduled activities planned for the reference year and also inform the administrative body every six months on the activities performed and on the main critical elements found and on any actions proposed. In performing the advisory and propositional functions concerning the internal control and risk management system, the Control and Risk Committee and the Board of Statutory Auditors receive the plan of activities and periodic information from the Company Control Functions with regard to the activities carried out.

The Group has also adopted a common application platform that is accessed by the Company Control Functions and by the other bodies/subjects with control tasks, in order to guarantee an integrated approach to the activities of mapping and analysing processes, risks and controls, for each Group company, and the continuous monitoring of any placement actions communicated to the Subsidiary structures following the analyses carried out by the same company Control Functions.

This platform thus allows the latter:

- to share the wealth of information gathered as a result of the analysis/audit activities;
- to attain synergies in order to better monitor all the corporate activities;
- to produce summary reports for the Top Management.

7.3 Main features of the current risk management and internal control systems with regard to the financial reporting process, also at the consolidated level

Unipol, in compliance with the provisions of the TUF - Section V-*bis* "Financial Information", has implemented a control model, to support the Financial Reporting Officer, for verifying the adequacy and effective application of the administrative procedures relating to accounting and financial reporting.

The "model of financial reporting risk" adopted is based on a process defined in accordance with the following reference framework, generally recognised and accepted internationally:

- I. CoSo Framework (Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Tradeway Commission), widely recognised as the standard of reference for the implementation and evaluation of internal control systems;
- II. CObiT (Control Objective for IT and Related Technology), outline of best practices developed by ISACA (Information Systems Audit and Control Association) and ITGI (IT Governance Institute) which is the standard benchmark for IT Governance.

Specifically, as regards the elements of internal control on financial information set out in the CoSo Report, the Company has adopted the following guidelines:

- control environment: this reflects the attention of the Top Management to the importance of the internal control culture within the organisation and is staffed through the documentation and evaluation of controls Group-wide and for the individual entities (Entity Level Control). In this context, the Unipol Group has also formalised, starting from the Interim Financial Report at 30 June 2008, procedures for the preparation of annual reports and interim reports (Fast Close Calendars), with identification of the persons responsible for the Subsidiary and control activities;
- risk assessment: risk analysis methods at the process level have been defined and implemented, through a preliminary Top-Down analysis, both qualitative and quantitative, which leads to the definition of the relevant processes (Scoping). For these processes an identification and analytical assessment is then carried out of the risks of failure to achieve control objectives, in respect of truthfulness, accuracy, reliability and timeliness of the financial reporting;
- control activities: the activities for proper management and mitigation of risks described earlier have been identified, documented and evaluated;
- information and communication: a process of assessment of the proper management of information flows between the different functions of the Company and the Top Management has been implemented in order to ensure that all parties belonging to the structure execute properly the tasks attributed to them. This evaluation is formalised within the analysis of the components “Control Environment” and “Control Activities”;
- monitoring: the Unipol Group has implemented a process of regular monitoring of the long-term reliability of the internal control and risk management system.

In keeping with the guidelines described above, the process of risk management and internal control of financial reporting, which is implemented by Unipol, is divided into the following stages:

Stage 1 – Definition of the perimeter of analysis: this activity is carried out every year, after the approval of the financial statements, and is articulated as follows:

- identification of significant Subsidiaries: the selection is performed on the basis of both quantitative criteria (percentage contribution by the individual company to consolidated assets and consolidated profit) and qualitative criteria, based on the risk profile of the single companies;
- identification of significant items/accounts: for the companies identified, the identification of related items and accounts is performed by defining materiality thresholds;
- matching significant items/accounts with processes: for significant accounts, through the identification of classes of supply transactions, an array of matching accounts – processes is prepared. This array is the tool through which to identify the processes subject to later analysis.

Stage 2 – Evaluation of the Control Environment: annually, the documentation is updated for Company controls (Entity Level Control - ELC) and the assessment of the level of achievement of the control objectives is performed. This analysis makes it possible to:

- verify the adequacy of the control model dimensions not covered directly through the process-level

- analysis, internal corporate information/communications, monitoring and risk assessment processes;
- draw a picture of the business context in which the internal control and risk management system operates, thus obtaining useful information to direct the subsequent stages of risk analysis/controls and tests in the context of the processes;
 - obtain an immediate picture of the monitoring level of the controls and internal regulations of the companies of the Unipol Group, to support the statements of the Financial Reporting Officer and the necessary delegated Chairman.

Stage 3 – Assessment of risks and of the chart of controls at process level: regularly, in the case of revisions of the processes of business structures as a result of organisational changes, the documentation of risks and controls related to the financial reporting process is updated. This documentation is implemented through the provision, for each process identified as relevant in Stage 1 "Definition of the scope of analysis", of the Risk and Control Arrays (Risk & Control Analysis - RCA). In particular, the Risk & Control Analysis is structured as follows:

- definition of the risks through the identification and description of the type of risk;
- identifying the control objectives associated with risk and indication of the financial assertion of the accounts affected;
- control assessment through:
 - the description of the control activities under the control objective and the risk factor identified.
 - identifying the type of control;
 - the evaluation of the adequacy and effectiveness of the audit activities, in terms of risk mitigation, on the basis of the evidence collected;
 - the assessment/presentation of the evidence of the control;
 - an overall judgement by the correlation between the effectiveness of the control and the presence of the relevant check evidence;
- the areas for improvement collected on the control in respect of improvements in control design and/or its documentation.

Stage 4 – Verification of the actual application of controls at the process level: this stage, carried out twice a year, with the annual and half-yearly abbreviated consolidated financial statements, is designed to monitor the effectiveness of the internal control system, and therefore assess its reliability over time.

The test of effectiveness of the controls consists in verifying the effective performance of all "key controls" of a manual nature by the structure involved, as well as the ways in which controls are carried out by the organisational units involved.

During the test, the following activities are carried out:

- definition of the test specimen for the key controls identified;
- performance of the tests according to three procedures, namely Observation, Analysis of evidence

and Rerunning the audit activity;

- assigning a relative weight to the issues identified and their evaluation.

The number of the selected sample takes into account the nature of the controls to be tested or types of controls (manual or automated) and frequency.

At the end of the testing phase, after the evaluation and formalisation of the reliability level found, further corrective actions can be identified aimed at improving the effectiveness of the control system.

Stage 5 – Claims release process under Art. 154-bis of the TUF: prior to the release of the statements attached to the annual financial statements and the separate half-yearly report, the annual consolidated financial statements and the half-yearly abbreviated consolidated financial statements of the Company, a Report on the internal control and risk management system is drawn up pursuant to the applicable legislation, that highlights, in depth, the features of the internal control system implemented and the findings of the verification and monitoring activities performed. The Financial Reporting Officer sends the Report to the Chairman of the Board of Directors, the Chief Executive Officer and Group CEO, the Chairman of the Board of Statutory Auditors, the Chairman of the Control and Risk Committee, the Head of the Audit Function and, for information, to the Auditing Company.

The Board of Directors, at its meeting of 22 March 2018, examined the contents of the report of the Financial Reporting Officer prepared with reference to 31 December 2017.

On the basis of the Report highlighted above and the data verification activities carried out by the administrative structures, the Chief Executive Officer and the Financial Reporting Officer will prepare the certificates laid down in Art. 154-bis of the TUF.

In the case of statements concerning communications to the market containing material accounting data, the Financial Reporting Officer, after a verification process, issues the statement of alignment of the data to the results of the accounting books and records.

7.4 The Organisation, Management and Control Model

The current Organisation, Management and Control Model (the “MOG” or the “Model”) of the Company adopted pursuant to Art. 6, Paragraph 1, letter a) of Legislative Decree no. 231 of 8 June 2001, carrying the “Rules on the administrative liability of legal persons, companies and associations with or without legal status, pursuant to Art. 11 of law no. 300 of 29 September 2000” (the “Decree 231/2001”), was approved by the Board of Directors of Unipol on 22 December 2016, in its updated version.

Unipol has identified risk areas on the basis of the following major offence categories, as set forth in Decree 231/2001, specifically:

1. offences against the Public Administration;
2. corporate offences;
3. offences and misdemeanours of abuse of information, market manipulation and market rigging;
4. receiving stolen goods, money laundering, self-money laundering and offences for the purposes of terrorism or subversion of the democratic order;
5. computer crime;

6. occupational health and safety offences;
7. organised crime and cross-border offences;
8. environmental offences;
9. infringement of copyrights;
10. offences of employment of third-country citizens without the required work permits;
11. incitement not to testify or to provide false statements to legal authorities.

The Model, for the General Part only, is available on the Company's website in the section Corporate Governance System.

Unipol has also established the Supervisory Body ("Organismo di Vigilanza" or "ODV") pursuant to Art. 6, Paragraph 1, lett. b) of the Decree 231/2001. The existing MOG provides for the Supervisory Body to consist of five members, identified as follows:

- the three members of the Control and Risk Committee, independent non-executive Directors;
- another two members, chosen among external professionals with adequate competences and professionalism or, alternatively, by Top Managers, in charge of the Audit and/or Compliance Function.

With reference to these last two members, the second alternative mentioned above was chosen. This composition was believed to be the most efficient and appropriate for the performance of the tasks that Decree 231/2001 assigns to that body.

Please note that the Supervisory Body in office was appointed by the Board of Directors at its meeting of 12 May 2016 and subsequently supplemented by the same administrative body at the meeting on 5 October 2017, after having verified that the members meet subjective requirements, in accordance with the Model and the current legislation.

The changeover in the office between Mr Vittorio Corsano and Mr Pietro Ranieri was exclusively due to the change in the role that they held in the company organisation.

The current composition also takes into account the later changes that took place in the Board.

The composition of the Supervisory Body is shown in the Table below.

	Members	Office held	Member in office since	Member in office until ⁽⁷⁾	Independent ⁽⁸⁾	% Holding ⁽⁹⁾
	Zambelli Rossana ⁽¹⁾	Chairman	12/05/2016	31/12/2018	X	100%
	Ferraboli Anna Maria ⁽¹⁾	Member	12/05/2016	31/12/2018	X	100%
SUPERVISORY BODY	Pierrì Sandro Alfredo ^{(1) (2)}	Member	12/05/2016	03/08/2017	X	100%
	Desiderio Massimo ^{(1) (3)}	Member	05/10/2017	31/12/2018	X	100%
	Alessandri Andrea ⁽⁴⁾	Member	12/05/2016	31/12/2018	X	100%
	Corsano Vittorio ⁽⁵⁾	Member	12/05/2016	05/10/2017	X	100%
	Ranieri Pietro ⁽⁶⁾	Member	05/10/2017	31/12/2018	X	100%

(1) Members of the Control and Risk Committee.

(2) Resigned on 27 July 2017, effective as of the date of the board meeting on 3 August 2017.

(3) Appointed as a Member of the Control and Risk Committee and the Supervisory Body as of 5 October 2017.

(4) Head of the Audit Function.

(5) Head of the Compliance Function until 5 October 2017; Mr Corsano was assigned as of that date to another important position within the company.

(6) Head of the Compliance Function as of 5 October 2017.

(7) The term of office of the Supervisory Body is the same as for the Board of Directors.

(8) The independence requirement foreseen in the current Organisation, Management and Control Model.

(9) The percentage was calculated on the basis of the number of meetings attended by the individual member of the Supervisory Body, compared with the number of meetings held during the duration in office.

The Body typically meets at least on a quarterly basis; in 2017, four meetings were held.

In the context of its supervision and control activities, the Supervisory Body, during 2017, has continued to:

- supervise the effectiveness of the Model, verifying the consistence between the Model adopted and the actual behaviour;
- examine the adequacy of the Model and its real ability to prevent unwanted conduct and in particular the commission of offences pursuant to Legislative Decree no. 231/2001;
- analyse that the requirements of strength and reliability of the Model are retained over time;
- dynamically update the Model as necessary by formulating specific suggestions and adjustment proposals and through subsequent checks of the implementation and effective functionality of the solutions proposed.

The Supervisory Body, in order to ensure appropriate information flows to the Board of Directors, has also prepared an adequate reporting system, to the Board itself, containing, in addition to the attendance of the

meetings held in the period:

- a description of the activity performed;
- any reports received and the consequent surveys carried out;
- any critical issues found;
- any findings to be submitted to the management body to start the actions needed to ensure that the Model is updated, effective and efficient;
- the planning of the activities scheduled in the next period;
- on an annual basis, the demand for freely usable financial means (budget) and the statement on their use made in the previous period.

7.5 Ethical and social responsibility

Since 2008, with the definition of the Charter of the Group's Values, which constituted the basis for the preparation of the Group's Code of Ethics in 2009, marked the beginning of a process aimed to give the Group a stronger, better-shared and clearer identification of values, as part of an important process of reorganisation and integration. In order to take into account the evolution of the Unipol Group in recent years and meet the highest international standards, the Charter of Values and the Code of Ethics were updated by the Board of Directors on 23 March 2017. Subsequently, the new texts were adopted with resolutions of the respective Boards of Directors by the Group Companies as well.

The Charter of Values identifies five principles for which the Group gives a day-to-day undertaking to its stakeholders:

1. *accessibility*: being open interlocutors ready and willing to provide responses and solutions;
2. *farsightedness*: developing a strategic design and organisational processes so as to guarantee continuously efficient and profitable business management, which excludes all forms of misuse and waste of resources, with a view to long-term sustainability;
3. *respect*: considering people to be part of a stable social relationship that confers dignity, while favouring and supporting listening;
4. *solidarity*: promoting a culture that protects the existence and well-being of people, families and companies and recognising reciprocal support and collaboration as foundational elements to guarantee Company efficiency and development;
5. *responsibility*: becoming individually and jointly accountable for the consequences of our actions with professionalism, transparency and rectitude, without ever betraying the relationship of trust.

The Code of Ethics is the document resulting from a shared process, which describes and summarises the Values of an organisation and the methods whereby it intends to apply them, constituting one of the instruments that orient and enhance the company's commitment of responsibility with respect to its stakeholders. As a primary instrument for promoting and spreading the corporate values, it is made available to all recipients through internal and external communication tools, in any event without prejudice to the important propositional role with respect to its content and purposes played by the Ethics Committee and the Ethics Officer, the first line of responsibility for its promotion, proper interpretation and implementation.

At the board meeting of 23 March 2017 the administrative body approved some amendments to the Code of Ethics in order to align its Mission and Vision to the key areas of the 2016-2018 Business Plan. From this perspective and in line with the other Sustainability Functions (as regards strategic decisions for sustainable development) and Communication Functions (as regards the Principles of the Identity Profile), the planned activities were carried out in the course of the year, including the continuation of the training process undertaken.

In the course of 2017, a system of policies was defined which breaks down and supplements the Code of Ethics, consisting of the Sustainability Policy which acts as a framework for the integration of specific sustainability commitments within individual business policies (underwriting, investments, loans, etc.) in order to reduce exposure to ESG risks. The policies, which strengthen ESG activity control and guidance capacity, will be approved in the course of 2018 during the annual renewals of the above-mentioned policies.

The Charter of Values and the Code of Ethics are available on the website of the Company.

8. INTERCOMPANY AND RELATED PARTY TRANSACTIONS AND DIRECTORS' INTERESTS

8.1 Related Party Transactions Procedure

The Related Party Procedure originally adopted by the Board of Directors of the Company on 11 November 2010, pursuant to CONSOB Regulation no. 17221 of 12 March 2010 and subsequent amendments (the "CONSOB Regulation"), was amended most recently on 8 February 2018 with the favourable opinion of the Related Party Transactions Committee.

The Related Party Procedure, as most recently updated, can be found in the Governance section of the Company's website.

The Related Party Procedure defines the rules, modalities and principles necessary to ensure the transparency and substantial and procedural correctness of the Transactions carried out with Related Parties of Unipol ("Related Party Transactions" or "Transactions"), directly or through Subsidiaries. In particular, this Procedure:

- a) defines the subjective scope of application of the regulation, identifying its recipients in the direct and indirect Related Parties of Unipol, to be identified on the basis of criteria specified by the CONSOB Regulation, extending the status of Related Party also to certain parties other than those specified in the list referred to in IAS 24;
- b) defines the way in which the Register of Related Parties must be created, developed and managed, as a tool to support all business structures of Unipol and its Subsidiaries, to ensure the correct and timely identification of Transactions with Related Parties significant for the purposes of the Procedure in question;
- c) defines the objective scope of application of the regulation, identifying certain categories of transactions as "Exempt", to which the rules, both procedural and informational, do not apply, fully or in part;
- d) defines the investigation and resolution process of the transactions and identifies the rules in the cases where the Company examines Transactions carried out by its own Subsidiaries, as well as the information flows within the Group, aimed at ensuring the transparency of transactions and

compliance with procedural rules;

- e) pursuant to the CONSOB Regulation, provides for the approval of Related Party Transactions to be conditional to the prior reasoned opinion of the Related Party Transactions Committee, as described earlier on, that such transactions are in the Company's interest and that the related terms and conditions are correct and represent good value for money.

The rules for the Transactions are articulated differently, both in terms of procedures and in terms of transparency, according to the value of such transactions, with a distinction between (i) "Transactions of Greater Importance", identified by transposing, without modification, the thresholds specified in the CONSOB Regulation and to which more stringent rules apply, and (ii) "Transactions of Lesser Importance", subject to less strict rules.

The approval of the Transactions of Greater Importance pertains to the Board of Directors after a favourable reasoned opinion of the Related Party Transactions Committee. The Related Party Procedure also regulates the situation in which this Committee was to express an opinion against the Transaction.

As regards the identification of Transactions of Lesser Importance, the Procedure establishes specific relevance thresholds; as regards the approval process instead:

- in the case of a negative opinion of the Related Party Transactions Committee, the power to make a decision pertains to the Board of Directors;
- in the case of a favourable opinion of this Committee, the decision is made by the competent corporate Function on the basis of the powers mandated to this.

With regard to Transactions carried out by the Subsidiaries, taking into account the presence of two listed companies in the participatory chain of the Unipol Group, each of which must comply with these rules, to avoid wherever possible the duplication of procedures, the operation of the subsidiaries of, respectively, Unipol and UnipolSai has been regulated in a coordinated manner.

The Related Party Procedure defines replacement mechanisms (equivalent devices) in the event that one or more members of the Committee is related, by stipulating that, in the case of a relationship of all members, the opinion to be given by it will be expressed by the Board of Statutory Auditors, or, if the relevant provisions cannot be applied, by an independent expert appointed by the Board of Directors.

8.2 Policy on intercompany transactions

On 22 December 2016, the Board of Directors of the Company approved, pursuant to ISVAP Regulation no. 30 of 26 October 2016 (the "IVASS Regulation"), concerning supervisory provisions on intercompany transactions and the risk concentrations according to Title XV (Group Supervision), Section III (Supervisory instruments on the group), of Legislative Decree no. 209 of 7 September 2005 – Private Insurance Code – amended by Legislative Decree no. 74 of 12 May 2015 (the "Code"), the Policy on Intercompany Transactions.

On 3 August 2017, the Company's Board of Directors conducted the annual update of that policy pursuant to the IVASS Regulation.

In compliance with the provisions contained in IVASS Regulation, the Policy defines:

- a) the internal rules, identified by the Parent Company and aimed at equipping the Group and the insurance companies that are part of it with an internal control and risk management system that includes the processes and procedures for the identification, measurement, monitoring, management and reporting of intercompany transactions;
- b) internal policies on the intercompany transactions of each company, consistently with the relevant strategies and the policies on investments, and particularly:
 - the criteria and the methods for carrying out intercompany transactions;
 - the methods of identifying and classifying intercompany parties;
 - the types of intercompany transactions that characterise company operations, the criteria of significance for their classification and the relevant decision-making and approval processes, considering the corresponding risk profiles;
 - the criteria to verify the reasonableness of the price of the different types of transactions envisaged;
 - suitable operational thresholds that are in line with the features of the different categories of intercompany transactions and relevant counterparties;
 - the management of the transactions that may cause the set limits set to be exceeded;
- c) the obligations to communicate the transactions to IVASS for the Company as the ultimate Italian parent company.

8.3 Associated Party Procedure

The Associated Party Procedure, adopted by the Board of Directors of the Company on 6 August 2015, pursuant to Bank of Italy Circular no. 263/2006, in its role as the Parent Company of the Unipol Banking Group (also the “Banking Group”), integrates the procedural and organisational control mechanisms already operating inside the Unipol Group concerning Related Party transactions and the management of the conflicts of interest.

The Associated Party Procedure, on which the Related Party Transactions Committee has expressed its favourable opinion, came into force on 1 October 2015 and can be found in the Governance section of the Company's website.

The Associated Party Procedure defines, formalises and adopts the principles and the rules that apply to Associated Party transactions in terms of investigation procedures, resolution competencies, reporting and disclosure, valid for all Companies of the Banking Group; more in detail:

- a) defines the subjective scope of application of the procedure, identifying its recipients in the companies of the Banking Group, excluding the securitisation vehicles;
- b) identifies the Transactions with Associated Parties, specifying that these are the transactions carried out by each company of the Banking Group with Associated Parties, while the transactions carried out between members of the Banking Group are instead excluded, when these are 100% held, even jointly;

- c) defines the methods to prepare and update (i) the Register of Associated Parties, as a tool that provides support to all the business structures of the companies of the Banking Group, for a correct and prompt identification of transactions; (ii) the registers of transactions, kept by Unipol and Unipol Banca S.p.A. for the respective recording of the transactions carried out;
- d) provides for the risk activities of the Banking Group in relation to Associated Parties to stay within pre-set limits as well as, for Unipol Banca, to comply with an individual limit;
- e) regulates in a unified manner the operation of the respective subsidiaries of Unipol and of Unipol Banca providing in general terms (i) the competence of the Functions and Delegated Bodies of Unipol Banca for the transactions carried out by this and its subsidiaries, (ii) the competence of the Functions and Delegated Bodies of Unipol for the transactions carried out by the Parent Company and its subsidiaries belonging to the Banking Group, excluding Unipol Banca and the subsidiaries of the latter, providing for specific processes of investigation and resolution for the different categories of transactions with Associated Parties.

Moreover, Unipol, as Parent Company of the Banking Group, has approved the internal policy on controls on the risk activities and on the conflicts of interest with Associated Parties, prepared in compliance with Title V, Chapter 5, Section IV of the Circular.

The Policy is consistent and integrates the current system of self-regulation in the Unipol Group, with special reference to the Procedure described above, and pursue the following objectives:

- ensuring the identification of the activities and the categories of economic relations in regard to which it is possible to have conflicts of interest;
- defining the levels of risk appetite consistent with the strategic profile and the organisational characteristics of the Banking Group;
- defining the organisational processes for the survey of the Associated Parties and the corresponding transactions in every stage of the relationship;
- defining the best control processes to ensure the correct measuring and management of the risks taken towards Associated Parties and verifying the correct design and effective application of internal policies;
- monitoring the potential risks of conflicts of interest with reference to the so-called “key personnel”.

9. INTERNAL DEALING

The Company has adopted a procedure which defines the rules for the fulfilment by the Managers and the Relevant Persons (as defined herein), as well as the People Closely Related to them (as defined in the Procedure) and by Unipol of the information obligations to CONSOB and to the market on purchase, sale, subscription or exchange transactions involving Unipol shares or financial instruments linked to Unipol shares carried out by such persons even through a third party (the “Internal Dealing Procedure” or the “Procedure”).

Pursuant to the Procedure:

- Managers refer to: a) the Directors, the Statutory Auditors and the General Manager of Unipol; b) the other Key Managers of Unipol (different from the persons under letter a) above) - who have regular access to privileged information directly or indirectly concerning Unipol and with the power to take management decisions that may affect the future development and the prospects of the Company - identified on the basis of the organisational roles and the respective responsibilities;
- “Relevant Persons” refers to: anyone who holds a shareholding equal to at least 10% of the share capital of Unipol, represented by shares with voting rights, as well as any other party that controls Unipol.

The Internal Dealing Procedure guarantees adequate transparency and standardisation of information on transactions which - as they were carried out by (i) Managers and Relevant Persons, as parties which actively take part in decision-making processes or who have, in any case, considerable knowledge of the company’s strategies, considering the functions performed or the fact that they are shareholders with either a significant or a controlling stake in Unipol, or (ii) the People Closely Related to them - may serve a specific “*reporting purpose*” for the market regarding the perception that such parties have on the prospects of the Company and its group.

The Internal Dealing Procedure – which is intended to block the possession by such persons of privileged information and its possible misuse (a case that constitutes the offence of insider trading) – thus represents a tool for the pursuit of adequate informational transparency to investors about the possible evolution and future prospects of the Company and its Group.

The Internal Dealing Procedure was submitted to the review of the Board of Directors:

- on 22 December 2016, in order to take into account the enforcement, in the European Union Member States – starting on 3 July 2016 and without any need for acknowledgement by the national legislators – of the new EU regulations on market abuse introduced by Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 (the so-called “Market Abuse Regulation” or the “MAR”) and the subsequent implementing Regulations;
- lastly on 10 May 2017, to take into account the supplements to EU regulation taking place in the meantime and the amendments introduced by CONSOB to the Issuers’ Regulation, in order to re-introduce the category of Relevant Persons (not envisaged in the MAR) and the relative obligations.

The system of rules laid down by the Internal Dealing Procedure includes, *inter alia*:

- (i) the criteria for the identification of the Managers, as parties that carry out Company management functions which, as they have regular access to privileged information and have the power to take management decisions that can affect the evolution and future prospects of Unipol and, accordingly, are required to carry out the communication in question;
- (ii) the definition of “People Closely Related” to the Managers and the Relevant Persons;
- (iii) the arrangements for the implementation by the Managers, the Relevant Persons and the People Closely Related to them, of communication obligations to CONSOB and to the Company of the major operations;
- (iv) the regulation of conditions for the provision by the Managers, the Relevant Persons and the People

Closely Related to them of an appropriate task for the Company for the latter to carry out, on their behalf, communications to CONSOB of the major operations carried out by them.

In order to ensure conditions which enable the Company to punctually and properly meet the information obligations as mentioned above, the Internal Dealing Procedure provides that the Managers and the Relevant Persons who have entrusted the task referred to in point (v) above must undertake to communicate to the appropriate Function of the appointed Company all major operations, of any amount, even less than the amount required by the relevant standards, carried out by themselves and/or by people closely related to them, (i) within 2 open market days starting from the date of their performance (for the Managers), (ii) by the end of the tenth day of the month subsequent to that in which the transaction is carried out (for the Relevant Persons).

In accordance with the Procedure, Relevant Transactions are all the transactions performed by or on the behalf of the Managers, the Relevant Persons or the People Closely Related to them concerning the shares or bonds of Unipol or the derivatives or the other financial instruments connected to them, excluding the transactions with a total accumulated amount, without netting, not reaching Euro 20,000 by the end of the year.

In order to prevent potential conflicts of interest and to protect the Company and the Group, the Managers are forbidden to carry out operations on financial instruments issued by Unipol (blocking period):

- in the 30 calendar days before the announcement: (i) of the preliminary results (or, when the company does not approve the preliminary results, of the draft financial statements and the consolidated financial statements) and (ii) the half-yearly report;
- in the 7 calendar days before the announcement: (a) of periodic financial information in addition to the annual and half-yearly financial report; and (b) the forecasting data.

The Procedure can be examined in the Governance section of the Company's website.

10. PROCESSING OF PRIVILEGED INFORMATION

As mentioned previously, on 3 July 2016 Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 ("MAR") came into force, subsequently supplemented by other second-level regulations, which establishes the regulatory framework concerning market abuse that is harmonised and directly applicable inside the European Union.

With the adoption of the MAR, the European legislator intended to update and strengthen the previous framework, extending its scope of application to new markets and new negotiation strategies while introducing new requirements aimed at preventing market abuse, with the objective of guaranteeing the integrity of the financial markets of the Union and intensifying the protection of investors and the trust in the market.

Pending the completion of the overall reference regulatory framework and the issue of the national reconciling legislation, the Board of Directors of Unipol thus believes that the conditions are not present to adopt a new procedure in this respect, replacing the one previously approved by the administrative body on 6 August 2014. In order to operate in compliance with the new EU legislation in any case, Unipol has given

specific Subsidiary instructions for the management and communication of privileged information (the “Instructions”) addressing the company structures of Unipol and its subsidiaries, which was reported to the Board of Directors in the meeting of 22 December 2016.

As the regulatory framework has been completed in the meantime, also taking into account the issue by CONSOB in October 2017 of a dedicated guideline for the management of privileged information, the Company is preparing a dedicated procedure on this matter, which will be subject to the approval of the Board of Directors.

In the context described above, with reference to the Year 2017, the Instructions identified, on a transitional basis, applicative measures that allow the Company to have suitable control for the company transactions to be performed in compliance with the new legislation, particularly with regard to the obligation to keep a Register of the people who possess privileged information (the “Register”). Once the reference regulatory and interpretative framework is completed, a new procedure will be submitted to the administrative body of the Company for examination.

One of the main elements introduced by the MAR concerns the identification of the moment when the obligation arises to communicate the privileged information to the public or – in case, if the requirements are met, this communication has not been made – to register in the Register those who have such information. According to the MAR, information that qualifies as privileged shall be published (barring delay, as specified below) without having to wait for another and subsequent moment set by the regulation previously in force, which means when the event the information refers to occurs. According to the Instructions in particular, the registration in the Register must take place (i) in the presence of information that qualifies as privileged according to the new legislation, based on the assessments made by the Company in accordance with the same Instructions (which, in this respect, identify the roles and responsibilities) and (ii), if not done already, the publication of such information.

The Instructions envisage the possibility for the Company, pursuant to Art. 17 of the MAR, to delay, under its responsibility, the communication to the public of privileged information when the following conditions are all met:

- a) immediate communication is likely to jeopardise the Company’s legitimate interest;
- b) the delay is not likely to have the effect of misleading the public;
- c) the issuer is able to guarantee the confidentiality of the privileged information.

The Instructions require the registration in the Register, when applicable, to be made on an “occasional” basis, which means by separate sections referring to each piece of privileged information generated, it being no longer possible to have a section for a “category” of privileged information. Benefitting from the right granted by the new reference legislation, the Instructions also envisage the addition to the Register of a supplementary section reporting the data of the people who always have access to all privileged information (the so-called “permanent insiders”). The details of permanent insiders included in the supplementary section are not mentioned in the other sections of the Register; in line with the interpretative indications given by CONSOB, the Instructions identify a very limited number of Permanent Persons, essentially limited to the top managers and those who have contacts with the media.

11. BOARD OF STATUTORY AUDITORS

Number of meetings held during the Year: 20.

Average length of meetings: 1 hour and 30 minutes.

Average participation: 100%.

Number of meetings already held in 2018: 4.

The Board of Statutory Auditors attended all meetings of the Control and Risk Committee, the Related Party Transactions Committee and the Remuneration Committee.

11.1 Role and Responsibilities

In accordance with Legislative Decree no. 39/2010, as amended by Legislative Decree no. 135/2016, on the statutory audits of the annual accounts and consolidated financial statements (that has made substantial changes to the rules governing the supervisory functions falling under the responsibility of the control body of public interest entities, in which Unipol is included), besides supervising compliance with legal provisions, By-Laws and principles of sound management, the Board of Statutory Auditors is also responsible – also while carrying out its tasks as internal control and audit committee – for:

- a) informing the administrative body of the Company about the outcome of the statutory audit;
- b) monitoring the financial reporting process and presenting the recommendations or the proposals aimed at guaranteeing its integrity;
- c) controlling the effectiveness of the systems for the internal control of the quality and management of the risk profile and internal review as regards the financial reporting of the Company;
- d) supervising the independent audit of the accounts;
- e) verifying and monitoring the independence of the audit company, especially as regards non-audit services rendered to the Company by the same independent auditors and the entities belonging to the same network;
- f) formulating the proposal of appointment for the audit to be submitted to the Meeting, based on the procedure for the selection of the independent auditors. The Board of Statutory Auditors is also responsible for the fairness of this procedure.

11.2 Appointment

Pursuant to the Law and the By-Laws, the Board of Statutory Auditors is appointed on the basis of lists submitted by the Shareholders who are entitled to vote at the related Shareholders' Meetings at the time of their presentation.

The lists, composed of two sections, one for candidates for the office of Statutory Auditor (maximum three people), the other for the candidates for the office of Alternate Auditor (two nominees) are filed at the Company's registered office by the twenty-fifth day before the date of the Meeting.

Each list that, considering both sections, contains a number of candidates equal to three must ensure compliance with the gender proportion laid down by the laws and regulations in force (mandatory legislative provisions introduced by Law no. 120 of 12 July 2011 in Articles 147-ter, Paragraph 1-ter and 148,

Paragraph 1-*bis* of the TUF and CONSOB Resolution no. 18098 in Art. 144-*undecies* of the Issuers' Regulation concerning equal access to administrative and supervisory bodies of companies listed on regulated markets).

The lists can be submitted by entitled Shareholders who, alone or together with other Shareholders, own the stake specified by the law and other regulations in force governing the appointment of the members of the management and control bodies of the companies: with reference to the appointment of the Board of Statutory Auditors in office by the Shareholders' Meeting of 28 April 2016, said stake, determined by CONSOB with Resolution no. 19499 of 28 January 2016, was equal to 1% of ordinary share capital. Those who submit a "minority list" must also be recipients of the recommendations issued by CONSOB with communication no. DEM/9017893 of 26 February 2009.

The lists will be accompanied by full information regarding the personal and professional characteristics of the candidates, a statement of the absence of causes of ineligibility and incompatibility, as well as the satisfaction of the requirements for the holding of positions, including compliance with the limits to the holding of positions established by the current regulations.

The lists, accompanied by information on the characteristics of the candidates, are published in a timely manner on the Company's website.

The election of the members takes place as follows:

1. from the list which has obtained the largest number of Shareholders' votes, according to the progressive order in which they are listed in the sections of the list, two Statutory Auditors and one Alternate Auditor are taken;
2. the remaining Statutory Auditor and the remaining Alternate Auditor are taken from the minority list that obtained in the Meeting the greatest number of votes according to the progressive order in which candidates are listed in the sections of that list. In the event of a tie between the minority lists, the candidates of the list that was submitted by the Shareholders in possession of the largest holding are elected, or, alternatively, by the greatest number of Shareholders.

The presidency of the Board of Statutory Auditors will fall to the person indicated in first place in the minority list.

In case of replacement of a member, he is replaced by the deputy member belonging to the same list, subject, however, to the gender proportion laid down by the laws and regulations in force. In cases where, in addition to the Statutory Auditor elected from the minority list, the Alternate Auditor on this list is also absent, he is replaced by the candidate placed later belonging to the same list or, failing that, the first candidate on the minority list that came in second in terms of votes, subject, however, to the gender proportion laid down by the laws and regulations in force.

With reference to the rules laid down in Art. 36 of the Decree-Law no. 201 of 6 December 2011 (converted into Law no. 214 of 22 December 2011), which provides for a ban on accepting or performing offices between companies and groups of competing undertakings operating in the credit, financial and insurance markets, the Company checks for any incompatibility of its Statutory Auditors, given that Unipol controls companies in the credit, financial and insurance markets.

11.3 Composition and operation

The Shareholders' Meeting of 28 April 2016 appointed, on the basis of the two lists presented by the Shareholders – of which one jointly presented by the majority Shareholder at the time, Finsoe, and the other, jointly, by some asset management companies and institutional investors holding a total of 1.121% of the ordinary share capital of the Company – the Board of Statutory Auditors currently in office, comprising three Statutory Auditors and two Alternate Auditors, conferring upon the same a three-year mandate and, therefore, until the Shareholders' Meeting called to approve the 2018 financial statements.

The composition of the Board of Statutory Auditors is detailed in the enclosed Table no. 3. With reference to the CVs of the full members of the Body, said documentation is published on the Company's website.

All members are entered in the register of auditors and audit companies and meet the requirements stipulated by the current law and the provisions of the By-Laws. The verification was carried out by the Board of Directors upon appointment of the control body and subsequently on a yearly basis in compliance with the Fit&Proper Policy.

The Board of Statutory Auditors, at the meeting of 4 April 2017, verified that its members meet the independence requirements set by the Code of Conduct for Directors and observed that its composition is adequate and the above requirements are met by its members.

For its part, the Board of Directors upon appointment and most recently at the meeting held on 10 May 2017 verified that the members of the control body continued to meet the requisites of suitability for the position as well as independence prescribed by Art. 148, Paragraph 3 of the TUF, pursuant to the provisions of Art. 144-*novies* of the Issuers' Regulation, with subsequent amendments by CONSOB Resolution no. 17326 of 13 May 2010.

The current By-Laws do not stipulate any limits to the cumulating of positions beyond those provided for by Art. 144-*terdecies* of the Issuers' Regulation.

The Board of Statutory Auditors meets at least every 90 days.

The members who, on their own or through third parties, have an interest in a particular Company's operation must inform promptly and thoroughly the other members and the Chairman of the Board of Directors about the nature, terms, origin and scope of that interest. In 2017 no situations arose in respect of which the members of the Board of Statutory Auditors had to file such reports.

All of the Auditors attended all meetings of the Board of Directors held in 2017.

The Board of Statutory Auditors has supervised the independence of the auditing company, especially as regards non-audit services rendered to the Company and its Subsidiaries by the same auditing company and the entities belonging to the same network.

The Board has not exercised the option to ask the Audit Function to perform checks on specific Subsidiary areas or transactions of the Company, having considered exhaustive the findings that the Board itself – in the context of its supervisory activities – was able to make, in discussion with the mentioned function, about the scope of the activities carried out and the outcome of the findings made.

During the Year, the Board of Statutory Auditors attended as invited meetings of the Control and Risk Committee, acquiring appropriate information for the purposes of coordination of the activities of the Board

with those carried out by that Committee.

Diversity policy

With reference to the provisions pursuant to Art 123-*bis* of the TUF, as amended by Legislative Decree no. 254/2016 (referred to previously in Par. 2.3) as regards the Board of Statutory Auditors, to date the Company has not adopted diversity policies with reference to the composition of the control body, considering the fact that regulations on gender balance are applied to it and that the requirements of professionalism of the members of the control body are precisely defined by applicable sector regulations.

12. RELATIONSHIPS WITH THE SHAREHOLDERS

By tradition, the Company pays particular attention to the relationships with its Shareholders and other investors, maintaining a constant dialogue with the financial markets, pursuant to the law and other regulations governing the matter, ensuring at the same time that any press release, financial and corporate documentation or presentations made to the financial community are readily available in the Investors and Governance sections of the Company's website; all of this to provide the Shareholders and the market with adequate and comprehensible information.

The Company manages relationships with its Shareholders through the following centralised offices:

- Shareholder Office, for all issues concerning the exercise of Shareholder rights;
- Investor Relations Office for relationships with the Shareholders/institutional investors (as well as with financial analysts), particularly with regard to:
 - the coordination of the process of drafting the Group's institutional presentations;
 - the organisation of dedicated occasions for dialogue with such parties.

In particular, the Investor Relations Office dialogues with shareholders/investors in various manners, including:

- face-to-face meetings which may be held at the offices (i) of the Shareholder/institutional investor, (ii) of the Unipol Group, (iii) of intermediaries that organise the event or (iv) where international conferences are taking place;
- conference calls;
- email communications.

In 2017, relations with investors – in connection with the Group's configuration, jointly with UnipolSai – were maintained mainly through meetings and conference calls, road shows and participation in conferences.

As noted above, during the year the Group was engaged in the implementation of its insurance sector streamlining and banking sector restructuring projects, as well as the process of disposing of Popolare Vita.

This strategic overhaul, along with other transactions disclosed to the market, entailed intense financial reporting activity, with respect to which meetings or conference calls were carried out with in excess of 200 institutional investors.

We also took part in 9 public conferences reserved to institutional investors, and, assisted by specialised brokers, we organised 11 road shows in the main international financial markets.

As regards the relationships with the media, the Company also facilitates the attendance of journalists and qualified experts at Shareholders' Meetings.

Relations with investors and financial analysts are managed by the team coordinated by the officer in charge of Investor Relations, Mr Adriano Donati, within the Strategic Planning, Investor Relations and M&A Department (Tel +39 051 5077063 – e-mail: investor.relations@unipol.it, on the website www.unipol.it, Investors Section, "Contacts").

Bologna, 22 March 2018

The Board of Directors

ATTACHMENTS TO THE REPORT

TABLE No. 1 – Board of Directors

Name	Office held	Date of birth	Date of first appointment	In office since	In office until	M/m List ⁽¹⁾	Exec.	Non-Exec.	Independ. d. as per Code ⁽²⁾	Independ. as per TUF ⁽³⁾	% BoD ⁽⁴⁾	Number of BoD meetings attended	Other assignments ⁽⁵⁾
Stefanini Pierluigi	Chairman	28/06/1953	27/01/2001	28/04/2016	31/12/2018	M		x			100%	10/10	1
Pasquariello Maria Antonietta	Deputy Chairman	29/08/1954	10/02/2015	28/04/2016	31/12/2018	M		x	x	x	100%	10/10	2
Cimbri Carlo	CEO/GM	31/05/1965	29/04/2010	28/04/2016	31/12/2018	M	x				90%	9/10	2
Balducci Gianmaria	Director	08/02/1975	28/04/2016	28/04/2016	31/12/2018	M		x	x	x	60%	6/10	2
Berardini Francesco	Director	11/07/1947	25/06/2009	28/04/2016	31/12/2018	M		x	(a)		100%	10/10	5
Candini Silvia Elisabetta	Director	02/07/1970	28/04/2016	28/04/2016	31/12/2018	m		x	x	x	100%	10/10	0
Cattabiani Paolo	Director	11/07/1958	20/03/2014	28/04/2016	31/12/2018	M		x	(a)		60%	6/10	3
Dalle Rive Ernesto	Director	02/12/1960	29/04/2010	28/04/2016	31/12/2018	M		x	(a)		80%	8/10	3
De Luise Patrizia	Director	02/10/1954	28/04/2016	28/04/2016	31/12/2018	M		x	x	x	100%	10/10	0
Desiderio Massimo	Director	29/05/1965	03/08/2017	03/08/2017	Shareholders' Meeting 24/04/2018	(*)		x	x	x	100%	3/10	0
Ferraboli Anna Maria	Director	05/07/1947	28/04/2016	28/04/2016	31/12/2018	M		x	x	x	80%	8/10	0
Ferrè Daniele	Director	27/02/1956	28/04/2016	28/04/2016	31/12/2018	M		x	x	x	100%	10/10	3
Gualtieri Giuseppina	Director	26/05/1957	30/04/2013	28/04/2016	31/12/2018	M		x	x	x	100%	10/10	2
Levorato Claudio	Director	15/02/1949	23/06/1995	28/04/2016	31/12/2018	M		x	(a)		0%	0/10	1
Morara Pier Luigi	Director	28/02/1955	03/05/2006	28/04/2016	31/12/2018	M		x	x	x	100%	10/10	0
Mundo Antonietta	Director	11/09/1946	28/04/2016	28/04/2016	31/12/2018	M		x	x	x	100%	10/10	0
Pacchioni Milo	Director	04/11/1950	24/02/2006	28/04/2016	31/12/2018	M		x	(a)		80%	8/10	2
Trovò Annamaria	Director	04/12/1963	28/04/2016	28/04/2016	31/12/2018	M		x	x	x	90%	9/10	0
Turrini Adriano	Director	15/11/1956	30/06/2011	28/04/2016	31/12/2018	M		x	(a)		60%	6/10	2
Zambelli Rossana	Director	05/11/1958	30/04/2013	28/04/2016	31/12/2018	M		x	x	x	90%	9/10	0
Zini Carlo	Director	04/06/1955	13/11/2014	28/04/2016	31/12/2018	M		x	(a)		90%	9/10	2
Zucchelli Mario	Director	23/01/1946	27/04/2001	28/04/2016	31/12/2018	M		x			100%	10/10	1

Directors whose office ended during the Year:

Name	Office held	Date of birth	Date of first appointment	In office since	In office until	M/m List ⁽¹⁾	Exec.	Non-Exec.	Independ. as per Code ⁽²⁾	Independ. as per TUF ⁽³⁾	% BoD ⁽⁴⁾	Number of BoD meetings attended
Pierrri Sandro Alfredo	Director	18/04/1964	28/04/2016	28/04/2016	03/08/2017	m		x	x	x	100%	7/7

(*) Director co-opted by the Board of Directors on 6 August 2017.

⁽¹⁾ This column indicates if the member was elected from a list voted with majority (M) or minority (m) votes.

As regards the appointment of the Board of Directors, two lists were submitted, one by the majority shareholder Finsoe S.p.A. and the other by some asset management companies and institutional investors.

⁽²⁾ Indicates if the Director was identified by the Board of Directors as an independent member of the Board, according to the criteria set forth in the Code of Conduct.

⁽³⁾ Indicates if the Director meets the requirements of independence established by Art. 148, Paragraph 3, of the TUF.

⁽⁴⁾ Indicates the attendance, in percentage, of the Director at the meetings of the Board of Directors (in calculating this percentage, the number of meetings attended by the Director is compared with the number of meetings held by the Board during the period or after accepting the assignment).

⁽⁵⁾ Indicates the total number of offices held in other companies listed in regulated markets (including foreign markets), or in financial, banking and insurance companies or other large companies. The list of these companies, with reference to each Director, is included in Table 2.

^(a) Director prima facie excluded from any independence assessment – aside from the requirements set forth in the Code of Conduct – since at the time of the assessment he/she held offices in the corporate bodies of the direct parent company at the time, Finsoe S.p.A. Such offices ended on 15 December 2017, following the dissolution of Finsoe after its Spin-off (see Paragraph 3.4 Section II).

TABLE No. 2 – List of relevant offices held by the Directors

As regards the provisions set forth in the Code of Conduct, following is the evidence of offices held by the Directors in companies listed in regulated markets (including foreign markets) or in financial, banking, insurance companies, or in large companies, as at the date of this report.

The symbol (*) indicates the companies belonging to the Unipol Group.

Name	Office held in Unipol	Offices held in other companies
Stefanini Pierluigi	Chairman	Deputy Chairman of UnipolSai Assicurazioni S.p.A. ^(*)
Pasquariello Maria Antonietta	Deputy Chairman	Chairman of CAMST S.c.a.r.l. Member of the Supervisory Board of Consorzio Integra Soc. Coop.
Cimbri Carlo	Chief Executive Officer/CEO/General Manager	Chairman of UnipolSai Assicurazioni S.p.A. ^(*) Director of Rizzoli Corriere della Sera Mediagroup S.p.A.
Balducci Gianmaria	Director	Chairman of Cefla S.c. Member of the Supervisory Board of Consorzio Integra Soc. Coop.
Berardini Francesco	Director	Director of UnipolSai Assicurazioni S.p.A. ^(*) Deputy Chairman of Coop Consorzio Nord Ovest S.c.a.r.l. Chairman of Coop Liguria Società Cooperativa di Consumo Director of Coop Italia Soc. Coop. Deputy Chairman of SIAT Società Italiana Assicurazioni e Riassicurazioni S.p.A. ^(*)
Candini Silvia Elisabetta	Director	--
Cattabiani Paolo	Director	Director of Coop Italia Soc. Coop. Chief Executive Officer of Alleanza Coop 3.0 Soc. Coop. Director of UnipolSai Assicurazioni S.p.A. ^(*)

Dalle Rive Ernesto	Director	Director of UnipolSai Assicurazioni S.p.A. ^(*) Chairman, Chief Executive Officer and General Manager of Nova Coop Soc. Coop. Deputy Chairman of Coop Italia Soc. Coop.
De Luise Patrizia	Director	--
Desiderio Massimo	Director	--
Ferraboli Anna Maria	Director	--
Ferrè Daniele	Director	Director of Coop Consorzio Nord Ovest S.c.a.r.l. Director of Coop Italia Soc. Coop. Chairman of Coop Lombardia Soc. Coop.
Gualtieri Giuseppina	Director	Chairman and Chief Executive Officer of TPER S.p.A. Director of Società Emiliana Trasporti Autofiloviari S.p.A.
Levorato Claudio	Director	Chairman of Manutencoop Soc. Coop.
Morara Pier Luigi	Director	--
Mundo Antonietta	Director	--
Pacchioni Milo	Director	Director of Grandi Salumifici Italiani S.p.A. Chairman and Chief Executive Officer of Assicoop Modena & Ferrara S.p.A.
Trovò Annamaria	Director	--

Turrini Adriano	Director	Director of Coop Italia Soc. Coop. Chairman and Chief Executive Officer of Coop Alleanza 3.0 Soc. Coop.
Zambelli Rossana	Director	--
Zini Carlo	Director	Chairman and Chief Executive Officer of C.M.B. Soc. Coop. Deputy Chairman Member of the Supervisory Board of Consorzio Integra Soc. Coop.
Zucchelli Mario	Director	Chairman of Gruppo Una S.p.A. (*)

TABLE No. 3 – Board of Statutory Auditors

Name	Office held	Date of birth	Date of first appointment	In office since	In office until	M/m List ⁽¹⁾	Indep. as per Code	% BoD ⁽²⁾	Number of BoD meetings attended	% Board of S.A. ⁽³⁾	Number of Board of S.A. meetings attended	Other assignments ⁽⁴⁾
Civetta Mario	Chairman	10/04/1966	28/04/2016	28/04/2016	31/12/2018	m	x	100%	10/10	100%	20/20	14
Chiusoli Roberto	Statutory Auditor	15/09/1964	24/04/2007	28/04/2016	31/12/2018	M	x	90%	9/10	100%	20/20	16
Bocci Silvia	Statutory Auditor	28/04/1967	30/04/2013	28/04/2016	31/12/2018	M	x	100%	10/10	100%	20/20	12

⁽¹⁾ This column indicates if the member was elected from a list voted with majority (M) or minority (m) votes.

As regards the appointment of the Board of Statutory Auditors, two lists were submitted, one by the majority shareholder Finsoe S.p.A. and the other by some asset management companies and institutional investors.

⁽²⁾ Indicates the attendance, in percentage, by the Statutory Auditor at the meetings of the Board of Directors (in calculating this percentage, the number of meetings attended by the Statutory Auditor was considered compared with the number of meetings held during the year or after accepting the assignment).

⁽³⁾ Indicates the attendance, in percentage, by the Statutory Auditor at the meetings of the Board of Statutory Auditors (in calculating this percentage, the number of meetings attended by the Statutory Auditor was considered compared with the number of meetings held during the year or after accepting the assignment).

⁽⁴⁾ Indicates the number of positions as Director or Statutory Auditor held by the person in other companies.

All members of the Board of Statutory Auditors meet the requirements of experience and integrity as set forth in the applicable legal and regulatory provisions. As regards the personal and professional characteristics of each Statutory Auditor, please see the information posted on the Company's website, Section *Governance/Boards and Officials/Statutory Auditors*.

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Share capital
€3,365,292,408.03 fully paid-up
Bologna Register of Companies
Tax and VAT No. 00284160371
R.E.A. No. 160304

Parent company of the Unipol Insurance Group
entered in the Register of the parent companies
at No. 046

Parent of the Unipol Banking Group
Entered in the Register of Banking Groups

unipol.it



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