

**ORDINARY
SHAREHOLDERS' MEETING**

**27 April 2012 in first call
and, if necessary, 30 April 2012 in second call**

BOARD OF DIRECTORS' EXPLANATORY REPORT

**(drawn up in accordance with Article 125-ter of Legislative Decree 58 of 24
February 1998 and Article 73 of the Issuer Regulation)**

AGENDA

ORDINARY MEETING

- 1. To approve the financial statements for the year ended 31 December 2011; to hear the report of the Board of Directors; to hear the Reports of the Board of Statutory Auditors and the Independent Auditors. To vote on the related and consequent motions.**
- 2. Composition of the Board of Directors following the resignations of a Director. To vote on the related and consequent motions.**
- 3. To hear the Remuneration Report, drawn up in accordance with Article 123-ter of the Consolidated Finance Act. To vote on the related and consequent motions.**
- 4. To approve the remuneration scheme based on financial instruments in accordance with Article 114-bis of the Consolidated Finance Act. To vote on the related and consequent motions.**
- 5. Purchase and sale of treasury shares and shares in the holding company. To vote on the related and consequent motions.**

ITEM 1 ON THE AGENDA

To approve the financial statements for the year ended 31 December 2011; to hear the report of the Board of Directors; to hear the Reports of the Board of Statutory Auditors and the Independent Auditors. To vote on the related and consequent motions.

Dear Shareholders,

Further information relating to the first item on the agenda for the Shareholders' Meeting is contained in the financial statements published as required by law as part of the Annual Report and in particular in the management report drawn up by the Board of Directors, together with the reports of the Board of Statutory Auditors and the Independent Auditors.

The draft annual financial statements submitted for your approval showed an operating loss of €358,347,966.82.

The Board of Directors therefore submits the following motion to the Shareholders' Meeting.

Motion

- *Having examined the Company's draft financial statements for the year ended 31 December 2011;*
- *having heard the report of the Board of Directors;*
- *having heard the report of the Board of Statutory Auditors and the report of the external auditors, KPMG S.p.A.,*

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

resolves

- (i) to approve Unipol Gruppo Finanziario S.p.A.'s financial statements for the year ended 31 December 2011, which are accompanied by the Directors' report and show an operating loss of €358,347,966.82;*
- (ii) to cover this €358,347,966.82 operating loss by using (i) the entire amount of €187,428,627.08 of the Extraordinary Reserve (equity), (ii) €2,626,000.00 of the Exchange Reserve and (iii) €168,293,339.74 of the Revaluation Reserve.*

ITEM 2 ON THE AGENDA

Composition of the Board of Directors following the resignations of a Director. To vote on the related and consequent motions.

Dear Shareholders,

The Board of Directors has also called this Ordinary Meeting to enable you to vote on the composition of the Board of Directors.

In a communication received by the Company on 9 March 2012 the non-executive independent Director Mr Roger Iseli, who was also a member of the Internal Control Committee, tendered his resignation as from this Ordinary Shareholders' Meeting.

This makes it necessary to reduce the number of members of the Board of Directors or to keep it the same by appointing a new Director, bearing in mind that, under Article 10 of the Company's By-Laws:

- the Board of Directors consists of no fewer than 15 and no more than 25 members and the Shareholders' Meeting held on 29 April 2010 fixed the number of members as 25;
- in view of the fact that the Director who resigned was from the only list submitted and that there are no unelected candidates left on it, any new Director will be appointed by the majorities laid down in law, not by list voting, and the Director thus appointed will remain in office until the appointment of the current Board of Directors terminates in the normal course of events, that is until the Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2012.

Subject to the foregoing, shareholders are invited to submit motions on this matter to the registered office in reasonable time before the date fixed for the Shareholders' Meeting in first call, with any nominations being accompanied by (i) declarations indicating that applicants accept nomination and personally certifying that they know of no reason why they might be ineligible or incompatible and that they fulfil the requirements for the post, (ii) the candidates' CVs covering their personal and professional profile and stating that they fulfil the requirements for independence and (iii) the additional information required by law and the regulations.

The Meeting is therefore invited to vote on this matter.

ITEM 3 ON THE AGENDA

Remuneration Report drawn up in accordance with Article 123-ter of the Consolidated Finance Act. To vote on the related and consequent motions.

Dear Shareholders,

Legislative Decree 259 of 30 December 2010, issued in implementation of Article 24 of Law 96 of 4 June 2010 (known as 'EC Law 2009') incorporating European Commission recommendations 2004/913/CE and 2009/385/CE covering remuneration paid to the directors of listed companies, introduced a new Article, 123-ter, headed 'Remuneration Report', into Legislative Decree 58 of 24 February 1998 (the '**Consolidated Finance Act**').

This article provides that companies with listed shares publish a report on remuneration policies for board members, general managers and key senior executives (the '**Report**') at least twenty-one days before the date fixed for the Ordinary General Meeting called to approve the annual financial statements.

The Report consists of two parts:

- Section One describes the remuneration policies for board members, general managers and key senior executives and the procedures for adopting and implementing them;
- Section Two provides a breakdown of the remuneration and shows the individual amounts the Company paid during the year, for whatever reason and in whatever form, to each member of the boards of directors and statutory auditors and the total paid to key senior executives. Finally, information is provided on investments in listed companies and in companies controlled by them held by the parties mentioned above.

In accordance with para. 6 of Article 123-ter of the Consolidated Finance Act, the Ordinary General Meeting is also called upon to vote to accept or reject Section One of the Report, though the result is not binding, and the outcome of the vote must be published in accordance with Article 125-*quater*, para. 2, of the Consolidated Finance Act.

Therefore the Board of Directors hereby submits the attached Remuneration Report of Unipol Gruppo Finanziario S.p.A., approved on 15 March 2012, for your attention, and in accordance with Article 123-ter, para. 6, of the Consolidated Finance Act we invite you to vote for or against Section One of the Report on the remuneration policy for board members and key senior executives and the procedures for adopting and implementing the policy.



Appendix Unipol Gruppo Finanziario S.p.A.'s Remuneration Report

UNIPOL GRUPPO FINANZIARIO S.P.A.'S REMUNERATION REPORT
IN ACCORDANCE WITH ARTICLE 123 – TER OF THE CONSOLIDATED FINANCE ACT

Introduction

This document covers the Remuneration Report (the 'Report') drawn up in accordance with Article 123-ter of the Consolidated Finance Act and based on the models contained in Appendix 3A, Schemes 7-bis and 7-ter, of CONSOB Regulation 11971 on issuers (the 'Issuer Regulation') and explains the policy adopted by Unipol Gruppo Finanziario S.p.A. ('Unipol' or the 'Company') for remunerating the members of the Company's corporate bodies and key senior executives (the 'Remuneration Policy' or the 'Policy') to the Shareholders' Meeting called to approve the 2011 financial statements (the 'Meeting').

The Company's Remuneration Policy is based on the principles and criteria referred to in Article 6 (formerly Article 7) of the version of the Code of Corporate Governance for Listed Companies approved by the Committee for Corporate Governance in March 2010.

As provided for by CONSOB Regulation 17221 of 12 March 2010 on transactions with related parties, as amended and incorporated into the 'Procedure for transactions with related parties' (the 'Procedure') adopted by the Company and available in the Corporate Governance Section of the website www.unipol.it, approval of the Remuneration Policy by the Shareholders' Meeting exonerates the Company from applying the Procedure when the Board of Directors makes decisions on the remuneration paid to directors and key senior executives, in accordance with Article 13, para. 3 b), of this Regulation.

The Report consists of two parts:

- Section One explains the Remuneration Policy for 2012 and the procedures for adopting and implementing it;
- Section Two provides a breakdown of the remuneration and shows the individual amounts the Company paid in 2011, for whatever reason and in whatever form, to each member of the boards of directors and statutory auditors and the total paid to key senior executives. Finally, information is provided on investments in the Company and in the companies controlled by it held by the parties mentioned above.

Resolutions passed by the Shareholders' Meeting on Section One of the Report are not binding; the result of voting is published in accordance with Article 125-quater, para. 2, of the Consolidated Finance Act.

The Report is made available to the public at Unipol's registered office, at Via Stalingrado 45, Bologna, and in the Corporate Governance Section of the Company's website (www.unipol.it) and is sent to CONSOB and to Borsa Italiana S.p.A. in accordance with the current regulations.

In accordance with Article 123-ter para. 5 of the Consolidated Finance Act, the Report on the remuneration scheme based on financial instruments, drawn up in accordance with Article 114-bis of the Consolidated Finance Act, is available in the Corporate Governance Section of the Company's website.

SECTION I

a) *Bodies or individuals involved in drawing up and approving the remuneration policy for the various roles and bodies or individuals responsible for implementing the policy correctly*

The following are the main bodies and/or individuals involved in drawing up and approving the Company's Remuneration Policy and their various roles and responsibilities:

- The Board of Directors: having taken account of the suggestions made by the Remuneration Committee, lays down the general policies containing the guidelines for remunerating the Directors and key Senior Executives;
- the Chief Executive Officer, in conjunction with the Chairman:
 - advises the Remuneration Committee on the wording of proposals to be submitted to the Board of Directors relating to the general remuneration policies for the Company's key Senior Executives;
 - submits to the Board of Directors, in accordance with the guidelines laid down in its general policies, proposals on the remuneration to be paid to the Company's General Manager and on determining the level of remuneration, specifying the performance targets on which the variable element of the remuneration is to be based;
 - fixes the remuneration of the Company's key Senior Executives and the performance targets on which the variable element is to be based, in accordance with the guidelines laid down in the general policies by the Board of Directors;

If the Chief Executive Officer has a potential conflict of interest, the tasks listed above that are to be carried out by the Chief Executive Officer in conjunction with the Chairman are instead exercised by the Vice Chairman.

- Human Resources and Organisation Department: is responsible for investigating and overseeing the process of formulating suggestions for the Remuneration Policy;
- Corporate Affairs: have a say in matters to do with corporate governance, where relevant.

b) Anything done by a remuneration committee or other relevant committee, description of its composition (with a distinction being drawn between non-executive and independent directors), areas of expertise and working procedures

As anticipated, drawing up the Policy involves the Remuneration Committee, set up within the Board of Directors in accordance with the provisions of the Group Code of Corporate Governance.

The Remuneration Committee attends meetings of the Board of Directors in an advisory capacity and in order to make suggestions on the following matters:

- submits proposals on the remuneration policy for the Company's Directors and key Senior Executives (including the heads of the Audit, Compliance and Risk Management departments, collectively known as the 'Control Departments') to the Board of Directors;
- submits proposals to the Board of Directors on the remuneration of the CEO and the other Directors with specific roles, and on specifying the performance targets on which the variable element of this remuneration is to be based, in line with the remuneration policy adopted by the Board of Directors;
- monitors the application of the resolutions passed by the Board of Directors, in particular ensuring that the performance targets have actually been reached;
- periodically evaluates the appropriateness, overall coherence and actual application of the general policies for remunerating the Company's Directors and key Senior Executives (including the heads of the Audit, Compliance and Risk Management Departments), using, for this last purpose, information provided by the Chief Executive Officer and submitting the relevant proposals to the Board of Directors.

The Remuneration Committee is made up of five non-executive Directors appointed by the Board of Directors, the majority of whom must comply with the requirements of independence provided for by the Code of Corporate Governance for listed companies.

c) Names of any independent experts that helped to draw up the remuneration policy

The Company did not bring in any experts to help to draw up the Remuneration Policy.

d) Purposes of the remuneration policy, principles on which it rests and any changes in the remuneration policy compared with the previous financial year

Purposes

The general lines Unipol follows with its remuneration policy draw inspiration and direction from the following key elements:

- the Unipol Group's mission statement, set out in its Charter of Values, which states, inter alia, that "*The Group's entrepreneurial strategy is effective, profitable and sustainable and is based on the contribution made by its employees and the value that they add.*" This statement not only provides an important guideline for the general implementation of the remuneration policy, which favours an approach that can be sustained over time, but also underlines its importance as a way of giving recognition to professionalism;
- the Unipol Group's values, including taking the long view, respect and responsibilities, which provide the Group's remuneration policy with not only a quantitative but also a qualitative foundation;
- attention to the interests of all the Group's stakeholders, particularly shareholders and investors, agents and future generations, who benefit from a remuneration policy designed to attract, reward and value the highest levels of professionalism fairly, appropriately and continuously;
- the Group's business strategy, based on Sustainability and as such promoted in our Business Plan, which accordingly governs the direction taken by the remuneration policy from both the time and operational points of view and steers its effects and benefits towards sustainable targets;
- the Group's system of Corporate Governance which, by adopting a corporate and organisational model that is meticulous in complying with legislation and regulations and splitting duties properly between corporate bodies and corporate structures and with ensuring that the risk management system is appropriate and is monitored, makes it easier to ensure not only that the remuneration policies comply with the law but that appropriate in-house training in them is developed and that they are in line with the broader operational policies.

Principles

The purposes the undertaking pursues through its remuneration policy are in line with the objective of ensuring fair remuneration, suitable for the role, responsibility, level of professional expertise and individual abilities, in accordance with legal requirements and the requirements for sustainability.

Therefore the following principles are the essential benchmarks for fixing remuneration:

- a healthy and prudent risk management policy, in line with the Company's long-term strategic objectives, profitability and equilibrium, avoiding a remuneration policy based solely or mainly on short-term results such as to encourage excessive exposure to risk;

- internal fairness, so as to ensure that remuneration is in line with the position held, the responsibilities of the role, experience, skills, proven ability and services carried out;
- meritocracy, so that good results and work are rewarded;
- making comparisons with the reference markets in order to offer competitive remuneration packages, taking advantage of trends in them, the guidelines under which they operate and their best procedures in order to promote healthy competition fairly and effectively.

Changes since the previous year

No changes were made to the Remuneration Policy adopted in the previous year, which already complied with the internal rules of the Code of Corporate Governance.

e) Description of policies on fixed and variable elements of remuneration, particularly as regards the proportion of total remuneration that they represent, with short- and medium-long-term variable components shown separately

Fixed remuneration

The fixed component of remuneration is payment for the skills, abilities, role and, in particular, the responsibilities related to the role. As well as a fixed basic rate of pay based on grade and years of service laid down in Labour Agreements covering specific categories of worker, Supplementary Company Agreements and any other bilateral agreements, Unipol pays fixed financial bonuses based on internal fairness, competitiveness and attractiveness, merit and responsibilities and raises them over time.

Variable remuneration

The variable element of remuneration has two principal objectives:

- to reward the achievement of short- and medium-long-term results expressed not only as profits but also as attention to risk and qualitative services;
- to develop professional skills and encourage a high level of employee retention.

As both a listed company that implements the Code of Corporate Governance and the Unipol Group's holding company working mainly in the insurance and banking sectors, which recently introduced remuneration models that place more emphasis on the variable element linked to short- and medium-long-term results, Unipol has a remuneration policy that provides an ever-greater number of individuals with access to bonus schemes based on variable components of pay linked to objectively measurable short- and medium-long-term results. Unipol firmly believes that this aspect of its remuneration policies is also capable of promoting, indirectly but no less importantly, the spread of a culture of professionalism geared towards the creation of value that is sustainable in the long term and direct 'ownership' of

the results and therefore joint responsibility and real involvement in the Company's business objectives.

The model on which the system of variable remuneration is based is the correlation between the results of the Unipol Group (including the results in terms of attention to risk), the results of the member company, the results for the operational area concerned and the individual results.

The prerequisites and criteria for awarding the variable element of remuneration to Unipol's Senior Executives (including key Senior Executives) are contained in the incentivisation scheme aimed at all the Unipol Group's senior executives, known as UPM – Unipol Performance Management (the 'UPM Scheme').

The maximum incidence on the fixed component of remuneration of the variable components, both short- and long-term, is laid down in the UPM Scheme, as described below. In particular the UPM Scheme lays down the maximum percentage of the recipient's Gross Annual Remuneration that both the short-term bonus (IBT) and the long-term incentive (LTI) can represent.

Under the UPM Scheme Senior Executives are subdivided into three brackets depending on the importance and complexity of the role and the post and on the position in the hierarchy, as follows:

- the 1st bracket includes the top executives (e.g. General Manager, Managers of the Central Departments, Managers of major business areas) with the most important roles within the organisation;
- the 2nd bracket includes those with particularly important roles within the organisation;
- the 3rd bracket includes those with other roles, who may report direct to those in the 1st or 2nd bracket.

Allocation to brackets is at the suggestion of the Group Human Resources and Organisation Department, which uses the most suitable job-weighting methods on the market, and is subject to the approval of the Chief Executive Officer. Allocation to brackets is updated and reviewed annually.

Within each bracket individual short- and medium-long-term incentives are awarded in consideration of:

- market comparisons;
- professional grouping;
- need to encourage loyalty (how critical the employee is to the Company).

The UPM Scheme is split as described in point g) below.

f) Policy on non-monetary benefits

Non-monetary benefits constitute a significant component of the remuneration package in terms of both popularity with recipients and total remuneration as an additional and/or alternative element to monetary payment, which proves advantageous when effective remuneration policies are adopted but at the same time prudent when the financial impact is to be contained. The type and total value of benefits vary according to category of recipient and consist mainly of the provision of supplementary pension and health services for employees and their families. Easy terms are granted for loans and mortgages for house purchase, renovation and construction and personal loans. Senior Executives in the 1st and 2nd brackets are provided with Company cars, which may also be used for private purposes.

g) Description of the performance targets on the basis of which the variable components are allocated, with short- and medium-long-term variable components shown separately, and information on the link between the variation in results and the variation in remuneration

The UPM Scheme governs presuppositions and criteria for paying a variable component of remuneration, partly short-term (monetary bonus as a percentage of individual gross remuneration or GAR) and partly long-term (allocation of Unipol ordinary shares), provided specific individual qualitative and quantitative targets are reached.

Access to the UPM Scheme is subject to the following objectives:

1. at least 85% of the Unipol Group's consolidated gross profit as per the approved budget to be achieved on 31 December 2012. This indicator applies to all the Senior Executives except the Senior Executives who work in the departments responsible for control;
2. the current hedging index (financial position) calculated in accordance with Solvency I to reach minimum value¹ as laid down in the 2012 Group Business Plan.

If only one of these objectives is not achieved neither short- nor long-term incentives are granted.

Short-term incentivisation scheme

Under the UPM Scheme each recipient is allocated five individual qualitative and quantitative objectives, subdivided as follows:

¹ Indicator and value as laid down in current legislation and subject to updating/review as legislation changes

1. Specific area objective
2. Objective of keeping cost down
3. Project objective
4. Qualitative objective
5. Organisational conduct objective

If the specific objective relating to the relevant organisational area is not achieved no incentive of any kind is awarded.

The percentage achievement, weighted according to whether objectives are not achieved, partly achieved or completely achieved, is known as the Individual Performance Level.

The maximum short-term bonus is 40% of Gross Annual Remuneration for Senior Executives in the 1st bracket, 30% for Senior Executives in the 2nd bracket and 20% for Senior Executives in the 3rd bracket.

The amount of the monetary bonus due depends on the objectives referred to in the above-mentioned terms for having access to the UPM Scheme being achieved, on the Individual Performance Level and on the bracket the individual Senior Executive is in and is determined when all the evaluation and recording processes have been completed.

Bonuses are paid in cash during the year following the year in which they are earned.

Long-Term Incentivisation Scheme (LTI):

The long-term variable component is based on a closed scheme for the free allocation of performance shares (Unipol ordinary shares) (the 'Scheme'), with the share component being distributed over a three-year period at the rate of 1/3 (one third) per year starting in 2014; allocation is subject to the short-term result reaching a minimum threshold during the relevant year.

The maximum bonus is 60% of Gross Annual Remuneration for Senior Executives in the 1st bracket², 40% for Senior Executives in the 2nd bracket and 20% for Senior Executives in the 3rd bracket;

The amount of the LTI bonus depends on the consolidated Group result objectives being achieved, the value of the Unipol ordinary share rising in value over three years (though these indicators do not apply to Senior executives working in Internal Control Departments, in the case of whom specific area objectives must be reached) and the performance of the indices of financial position mentioned above.

² 75% of Gross Annual Remuneration for Senior Executives in the 1st bracket belonging to the Group Executive Committee

h) Criteria used for evaluating performance objectives on the basis of which shares, options, other financial instruments or other variable components of remuneration are awarded

The evaluation and recording process is supervised by the CEO and the Human Resources and Organisation Department. The recording process also takes due account of the actual individual contribution made to the good operation of the undertaking in the broader context of the Company's overall consistency and stability.

i) Information indicating how the remuneration policy is in line with the pursuit of the company's long-term interests and with the risk management policy, if formalised

The specific benchmarks of Unipol's Remuneration Policy rest on the following principles:

- appropriate balance between the fixed component and the variable component of remuneration, the latter being linked to predetermined and measurable efficiency criteria in order to reinforce the correlation between results and remuneration;
- specifying limits for the variable component;
- long-term sustainability as a result of a proper balance between the short- and long-term efficiency criteria on which remuneration is based, by delaying payment of the variable component, specifying a minimum vesting period for awarding financial instruments, the right to demand the return of this component if the prerequisites are not fulfilled;
- transparent process of drawing up the Remuneration Policy;
- healthy and prudent risk management policy, in line with the Company's long-term strategic objectives, profitability and equilibrium, eschewing a remuneration policy based solely or mainly on short-term results that would encourage excessive exposure to risk.

j) Vesting period, any system of deferred payment, with an indication of the deferment periods and the criteria used to ascertain those periods and, if required, mechanisms for making amendments retrospectively

Under the UPM Scheme shares allocated as part of the long-term variable component are distributed over a three-year period at the rate of 1/3 (one third) per year, starting in the second year after the end of the Scheme (2014). This makes it possible to align the interests of beneficiaries and shareholders, remunerating the creation of long-term value and the increase in value of the security.

Mechanisms for making amendments retrospectively

The UPM Scheme contains clauses covering not paying bonuses:

a. Penalty

Remuneration that comes under the incentivisation scheme will not be paid (or, in certain cases, will be paid at a reduced rate) if there is any deterioration in the Company's results commensurate with the risks and if the Senior Executive fails to observe regulations and supervisory requirements and is disciplined as a result.

b. Claw-back

Unipol reserves the right to request the return of any remuneration paid in violation of the Supervisory requirements or if Senior Executives have committed an act of fraud and/or misrepresentation or gross negligence linked to their functions that has led to a deterioration in the risk profiles and/or business results, and to take further action.

k) Information on any clauses relating to retaining financial instruments in the portfolio after they have been acquired, with an indication of the retention periods and the criteria used to ascertain those periods

When shares are awarded, which, as stated above, starts in the second year after the end of the Scheme, they are immediately available.

l) Policy relating to payments made if the employee leaves or the contract of employment is terminated, specifying the circumstances that establish a right to them and any link between such payments and company performance

Payment of a fixed amount in the event of dismissal for no good reason or resignations for good reason or at the request of the shareholder concerned, which apply only if there are specific supplementary agreements to the contract of employment, is subject to all the provisions of the relevant legislation. In any case the total amount must not exceed five years' salary.

m) Information on any insurance cover, whether relating to social security or pensions, other than compulsory cover

The Shareholders' Meeting voted that the Company should pay for third-party insurance cover for the risks arising out of the legal and contractual duties performed by Directors and Statutory Auditors and legal protection.

Senior Executives may belong to both a Pension Fund and a Welfare Fund, contributions to which are paid by the Company. Senior Executives may contribute their Employees' Leaving Entitlement to their Pension Fund.

The services provided by the Pension Fund insure members against death or permanent disability caused by an accident not related to work, against permanent disability through ill-health and against death through any cause.

Senior Executives are covered until their contract of employments is terminated.

Payouts from the Welfare Fund to members and their families, which are made through insurance agreements, are mainly for health advice and information provided by telephone, hospital admissions, operations, dental treatment, examinations by specialists, diagnostic tests and treatment.

The Welfare Fund also provides both Senior Executives and their spouses with insurance cover for the reimbursement of health expenses in the event of non-self-sufficiency.

n) Remuneration policy for (i) independent directors, (ii) attendance at committee meetings and (iii) holding particular posts (chairman, vice chairman etc.)

The Shareholders' Meeting held on 29 April 2010, which appointed the Board of Directors, voted to pay each Director an annual fee and to pay an attendance fee for each Board meeting.

The remuneration paid to non-executive directors, hence also to the Independent Directors, is not linked to the Company's profits, nor are there any plans to offer members of the Board of Directors incentives in the form of shares nor incentives based on any other financial instruments.

Directors who are members of Advisory Committees are paid an additional fixed amount for attending meetings.

After consultation with the Remuneration Committee and the Board of Statutory Auditors the Board of Directors fixed the amounts to be paid to the Chairman, Vice Chairman and Chief Executive for carrying out their duties.

In accordance with normal market procedures and with the provisions of the Code of Corporate Governance relating to the remuneration of the top posts in the company that must be partly based on the business results, the Chief Executive is paid a variable short- and long-term element calculated by applying the criteria laid down in the UPM Scheme mentioned above.

- o) Whether the remuneration policy is based on the policies of other companies, and if so the criteria used for selecting those companies***

Unipol did not refer to the policies of other companies.

SECTION II

PART I

1.1. Items that make up remuneration, including payments made if the employee leaves or the contract of employment is terminated, and information on how they reflect the remuneration policy concerned.

Remuneration of Directors

Non-executive Directors are paid an annual salary at a flat rate. They also receive an attendance fee for each Board meeting and Shareholders' Meeting and their job-related expenses are reimbursed. The Company also pays for third-party insurance cover for the risks arising out of the legal and contractual duties performed by Directors, and the relevant legal protection.

The Board of Directors also pays Directors who are members of Advisory Committees a fixed fee for attending each meeting.

Directors are not paid any variable remuneration based on results or financial instruments.

The Chief Executive, who also holds the post of General Manager, is paid a variable short- and long-term element, calculated by applying the criteria laid down in the incentivisation scheme for the Group's Senior Executives (see above, Section I, point g).

Remuneration of the Supervisory Body

The Statutory Auditors are paid an annual fee at a flat rate, which is different for Statutory Auditors and the Chairman of the Board of Statutory Auditors. Their job-related expenses are also reimbursed. The Company also pays for third-party insurance cover for the risks arising out of the legal and contractual duties performed by statutory auditors, and the relevant legal protection.

Statutory Auditors are paid no variable remuneration.

Remuneration of key senior executives and other senior executives

The remuneration policy for senior executives also applies to the Company's General Manager, key Senior Executives and other Senior Executives.

In addition to the fixed component the pay structure provides for a variable component through a specific incentivisation scheme aimed at developing a culture of sustainable performance that links the Company's results to the work carried out by individuals.

Fixed component of remuneration

The fixed component is made up of the items specified in the National Labour Agreement and individual contracts of employment. GAR (Gross Annual Remuneration) is also laid down and excludes the variable part, the employees' leaving entitlement, any payments in kind and/or into pension funds made by the employer and any variable component, whether it is a one-off or recurring payment, repeated or deferred, and excluding any bonuses, travelling expenses and any other expenses.

Variable component of remuneration

The variable component is made up of the following items:

- monetary incentives and incentives in the form of financial instruments granted under the UPM Scheme;
- one-off payments, made in totally exceptional circumstances, subject to the recipient's professional services being valued accurately, the amount being determined in accordance with the rules and criteria of the UPM Scheme;
- long-service bonuses: 8% and 16% of GAR paid on completion of the 25th and 35th years of service with the same company respectively.

Other elements of remuneration

Remuneration may also include:

- benefits, on which social security contributions and tax are paid, which may include items such as company cars and the use of guest rooms;
- remuneration paid for stability pacts.

Details of the scheme under which remuneration is based on financial instruments are contained in the Report drawn up in accordance with Article 114-*bis* of the Consolidated Finance Act and Article 84-*bis* of the Issuer Regulation and published in the Corporate Governance Section of the Company's website (www.unipol.it).

The Company's Remuneration Policy, which was formally adopted in December 2011, did not introduce any substantial changes to the existing remuneration and incentivisation schemes but merely incorporated the remuneration policies and procedures already adopted and applied by the Company. Therefore the Company considers that the items making up the remuneration, including payments made when an employee leaves or the contract of employment is terminated, are a true and fair reflection of the Policy adopted.

1.2. Agreements for compensation in the event of the relationship terminating early

There are no agreements between the Company and the Directors for compensation in the event of resignation, termination of the term of office/role or redundancy as a result of a takeover bid.

Any payment of a fixed amount in the event of dismissal for no good reason or resignation for good reason or at the request of the shareholder concerned, which apply only if there are specific supplementary agreements to the contract of

employment, is subject to all the provisions of the relevant legislation. In any case the total amount must not exceed five years' salary.

Employees whose contract of employment is terminated for reasons other than receipt of a long-service or retirement pension before they are entitled to receive short-term monetary incentives or remuneration in financial instruments lose all entitlement to incentives.

There are no agreements for former employees of the Company to receive or continue to receive non-monetary benefits nor for agreements to provide advisory services after their contract of employment has ended.

There are no agreements for remuneration to be paid for non-competition agreements.

In the absence of specific agreements staff-leaving indemnities accrued are calculated in accordance with the Collective Labour Agreement for senior executives of insurance companies.

PART II

Table 1 below shows the remuneration paid by the Company during the year for whatever reason and in whatever form.

TABELLA 1: Compensi corrisposti ai componenti degli organi di Amministrazione e di controllo, ai Direttori generali e agli altri dirigenti con responsabilità strategiche												
Cognome e Nome	Carica ricoperta	Periodo per cui è stata ricoperta la carica	scadenza della carica	Compensi fissi	Compensi per la partecipazione a comitati	Compensi variabili non equity		Benefici non monetari	Altri compensi	Totale	Fair Value dei compensi equity	Indennità di fine carica o cessazione del rapporto di lavoro
						Bonus e altri incentivi	Partecipazione agli utili					
STEFANINI Pierluigi	Presidente	1/1-31/12/2011	Bilancio 2012									
Compensi nella società che redige il bilancio				715.000,00 (1)	12.000,00 (2)					727.000,00		
Compensi da controllate e collegate				71.000,00 (3)	500,00 (4)					71.500,00		
TOTALE				786.000,00	12.500,00	0,00	0,00	0,00	0,00	798.500,00	0,00	0,00
COLLINA Piero	Vice Presidente	1/1-31/12/2011	Bilancio 2012									
Compensi nella società che redige il bilancio				163.500,00 (5)	10.500,00 (6)					174.000,00		
Compensi da controllate e collegate				33.000,00 (7)						33.000,00		
TOTALE				196.500,00	10.500,00	0,00	0,00	0,00	0,00	207.000,00	0,00	0,00
CIMBRI Carlo	Amministratore Delegato e Direttore Generale	1/1-31/12/2011	Bilancio 2012									
Compensi nella società che redige il bilancio				1.465.404,81 (8)	12.000,00 (9)	360.000,00		1.867,68		1.839.272,49		
Compensi da controllate e collegate				533.500,00 (10)						533.500,00		
TOTALE				1.998.904,81	12.000,00	360.000,00	0,00	1.867,68	0,00	2.372.772,49	0,00	0,00
BERARDINI Francesco	Amministratore	1/1-31/12/2011	Bilancio 2012									
Compensi nella società che redige il bilancio				65.000,00	9.000,00 (11)					74.000,00		
Compensi da controllate e collegate				84.500,00 (12)	2.500,00 (13)					87.000,00		
TOTALE				149.500,00	11.500,00	0,00	0,00	0,00	0,00	161.000,00	0,00	0,00
BETTI Sergio	Amministratore	1/1-31/12/2011	Bilancio 2012									
Compensi nella società che redige il bilancio				63.500,00	6.000,00 (14)					69.500,00		
Compensi da controllate e collegate												
TOTALE				63.500,00	6.000,00	0,00	0,00	0,00	0,00	69.500,00	0,00	0,00
CARANANTE Rocco	Amministratore	1/1-31/12/2011	Bilancio 2012									
Compensi nella società che redige il bilancio				65.000,00	25.500,00 (15)					90.500,00		
Compensi da controllate e collegate				3.208,90 (16)						3.208,90		
TOTALE				68.208,90	25.500,00	0,00	0,00	0,00	0,00	93.708,90	0,00	0,00
CELLI Pier Luigi	Amministratore	1/1-31/12/2011	Bilancio 2012									
Compensi nella società che redige il bilancio				59.000,00	4.500,00 (17)					63.500,00		
Compensi da controllate e collegate												
TOTALE				59.000,00	4.500,00	0,00	0,00	0,00	0,00	63.500,00	0,00	0,00
COSTALLI Sergio	Amministratore	1/1-31/12/2011	Bilancio 2012									
Compensi nella società che redige il bilancio				62.000,00 (18)	12.000,00 (19)					74.000,00		
Compensi da controllate e collegate				79.431,51 (20)						79.431,51		
TOTALE				141.431,51	12.000,00	0,00	0,00	0,00	0,00	153.431,51	0,00	0,00
DALLE RIVE Ernesto	Amministratore	1/1-31/12/2011	Bilancio 2012									
Compensi nella società che redige il bilancio				56.000,00	6.000,00 (21)					62.000,00		
Compensi da controllate e collegate				32.000,00 (22)						32.000,00		
TOTALE				88.000,00	6.000,00	0,00	0,00	0,00	0,00	94.000,00	0,00	0,00
FOREST Jacques	Amministratore	1/1-31/12/2011	Bilancio 2012									
Compensi nella società che redige il bilancio				63.500,00 (23)	4.500,00 (24)					68.000,00		
Compensi da controllate e collegate												
TOTALE				63.500,00	4.500,00	0,00	0,00	0,00	0,00	68.000,00	0,00	0,00
GALANTI Vanes	Amministratore	1/1-31/12/2011	Bilancio 2012									
Compensi nella società che redige il bilancio				65.000,00	12.000,00 (25)					77.000,00		
Compensi da controllate e collegate				134.000,00 (26)						134.000,00		
TOTALE				199.000,00	12.000,00	0,00	0,00	0,00	0,00	211.000,00	0,00	0,00
ISELI Roger	Amministratore	1/1-31/12/2011	Bilancio 2012									
Compensi nella società che redige il bilancio				63.500,00	7.500,00 (27)					71.000,00		
Compensi da controllate e collegate												
TOTALE				63.500,00	7.500,00	0,00	0,00	0,00	0,00	71.000,00	0,00	0,00
LEVORATO Claudio	Amministratore	1/1-31/12/2011	Bilancio 2012									
Compensi nella società che redige il bilancio				60.500,00 (28)	3.000,00 (29)					63.500,00		
Compensi da controllate e collegate												
TOTALE				60.500,00	3.000,00	0,00	0,00	0,00	0,00	63.500,00	0,00	0,00
MALAVASI Ivan	Amministratore	1/1-31/12/2011	Bilancio 2012									
Compensi nella società che redige il bilancio				57.500,00	6.000,00 (30)					63.500,00		
Compensi da controllate e collegate												
TOTALE				57.500,00	6.000,00	0,00	0,00	0,00	0,00	63.500,00	0,00	0,00
MASOTTI Massimo	Amministratore	1/1-31/12/2011	Bilancio 2012									
Compensi nella società che redige il bilancio				65.000,00	35.000,00 (31)					100.000,00		
Compensi da controllate e collegate				1.000,00 (32)						1.000,00		
TOTALE				66.000,00	35.000,00	0,00	0,00	0,00	0,00	101.000,00	0,00	0,00
MIGLIAVACCA Enrico	Amministratore	1/1-31/12/2011	Bilancio 2012									
Compensi nella società che redige il bilancio				63.500,00	6.000,00 (33)					69.500,00		
Compensi da controllate e collegate				32.500,00 (34)						32.500,00		
TOTALE				96.000,00	6.000,00	0,00	0,00	0,00	0,00	102.000,00	0,00	0,00
MORARA Pier Luigi	Amministratore	1/1-31/12/2011	Bilancio 2012									
Compensi nella società che redige il bilancio				65.000,00	13.500,00 (35)					78.500,00		
Compensi da controllate e collegate												
TOTALE				65.000,00	13.500,00	0,00	0,00	0,00	0,00	78.500,00	0,00	0,00
PACCHIONI Miho	Amministratore	1/1-31/12/2011	Bilancio 2012									
Compensi nella società che redige il bilancio				63.500,00 (36)	10.500,00 (37)					74.000,00		
Compensi da controllate e collegate				178.200,00 (38)						178.200,00		
TOTALE				241.700,00	10.500,00	0,00	0,00	0,00	0,00	252.200,00	0,00	0,00
PEDRONI Marco	Amministratore	1/1-31/12/2011	Bilancio 2012									
Compensi nella società che redige il bilancio				60.500,00 (39)	9.000,00 (40)					69.500,00		
Compensi da controllate e collegate				31.500,00 (41)						31.500,00		
TOTALE				92.000,00	9.000,00	0,00	0,00	0,00	0,00	101.000,00	0,00	0,00
POLITI Giuseppe	Amministratore	1/1-31/12/2011	Bilancio 2012									
Compensi nella società che redige il bilancio				60.500,00	7.500,00 (42)					68.000,00		
Compensi da controllate e collegate				35.500,00 (43)						35.500,00		
TOTALE				96.000,00	7.500,00	0,00	0,00	0,00	0,00	103.500,00	0,00	0,00

TABELLA 1: Compensi corrisposti ai componenti degli organi di Amministrazione e di controllo, ai Direttori generali e agli altri dirigenti con responsabilità strategiche

Cognome e Nome	Carica ricoperta	Periodo per cui è stata ricoperta la carica	scadenza della carica	Compensi fissi		Compensi variabili non equity		Benefici non monetari	Altri compensi	Totale	Fair Value dei compensi equity	Indennità di fine carica o cessazione del rapporto di lavoro
						Bonus e altri incentivi	Partecipazione agli utili					
TURRINI Adriano	Amministratore	30/6-31/12/2011	Bilancio 2011									
Compensi nella società che redige il bilancio				28.205,48 (44)	6.000,00 (45)					34.205,48		
Compensi da controllate e collegate				13.897,26 (46)						13.897,26		
TOTALE				42.102,74	6.000,00	0,00	0,00	0,00	0,00	48.102,74	0,00	0,00
VELLA Francesco	Amministratore	1/1-31/12/2011	Bilancio 2012									
Compensi nella società che redige il bilancio				63.500,00	10.500,00 (47)					74.000,00		
Compensi da controllate e collegate												
TOTALE				63.500,00	10.500,00	0,00	0,00	0,00	0,00	74.000,00	0,00	0,00
VENTURI Giuseppe	Amministratore	1/1-31/12/2011	Bilancio 2012									
Compensi nella società che redige il bilancio				62.000,00	4.500,00 (48)					66.500,00		
Compensi da controllate e collegate				34.500,00 (49)						34.500,00		
TOTALE				96.500,00	4.500,00	0,00	0,00	0,00	0,00	101.000,00	0,00	0,00
ZACCHERINI Luca	Amministratore	1/1-31/12/2011	Bilancio 2012									
Compensi nella società che redige il bilancio				62.000,00 (50)	24.000,00 (51)					86.000,00		
Compensi da controllate e collegate												
TOTALE				62.000,00	24.000,00	0,00	0,00	0,00	0,00	86.000,00	0,00	0,00
ZUCHELLI Mario	Amministratore	1/1-31/12/2011	Bilancio 2012									
Compensi nella società che redige il bilancio				65.000,00	9.000,00 (52)					74.000,00		
Compensi da controllate e collegate				34.000,00 (53)						34.000,00		
TOTALE				99.000,00	9.000,00	0,00	0,00	0,00	0,00	108.000,00	0,00	0,00
COFFARI Gilberto	Amministratore	1/1-12/06/2011										
Compensi nella società che redige il bilancio				26.691,78 (54)	4.500,00 (55)					31.191,78		
Compensi da controllate e collegate				69.315,07 (56)	1.000,00 (57)					70.315,07		
TOTALE				96.006,85	5.500,00	0,00	0,00	0,00	0,00	101.506,85	0,00	0,00
CHIUSOLI Roberto	Presidente Collegio Sind.	1/1-31/12/2011	Bilancio 2012									
Compensi nella società che redige il bilancio				75.000,00						75.000,00		
Compensi da controllate e collegate				50.500,00 (58)						50.500,00		
TOTALE				125.500,00	0,00	0,00	0,00	0,00	0,00	125.500,00	0,00	0,00
PICONE Giorgio	Sindaco Effettivo	1/1-31/12/2011	Bilancio 2012									
Compensi nella società che redige il bilancio				50.000,00						50.000,00		
Compensi da controllate e collegate				17.000,00 (59)						17.000,00		
TOTALE				67.000,00	0,00	0,00	0,00	0,00	0,00	67.000,00	0,00	0,00
TROMBONE Domenico Livio	Sindaco Effettivo	1/1-31/12/2011	Bilancio 2012									
Compensi nella società che redige il bilancio				50.000,00						50.000,00		
Compensi da controllate e collegate				110.000,00 (60)						110.000,00		
TOTALE				160.000,00	0,00	0,00	0,00	0,00	0,00	160.000,00	0,00	0,00
CASSAMAGNAGHI Carlo	Sindaco Supplente	1/1-31/12/2011	Bilancio 2012									
Compensi nella società che redige il bilancio												
Compensi da controllate e collegate				64.973,97 (61)						64.973,97		
TOTALE				64.973,97	0,00	0,00	0,00	0,00	0,00	64.973,97	0,00	0,00
CERCHIALI Cristiano	Sindaco Supplente	1/1-31/12/2011	Bilancio 2012									
Compensi nella società che redige il bilancio												
Compensi da controllate e collegate				50.000,00 (62)						50.000,00		
TOTALE				50.000,00	0,00	0,00	0,00	0,00	0,00	50.000,00	0,00	0,00
Dirigenti con Responsabilità Strategiche (n. 12) (*)												
Compensi nella società che redige il bilancio (**)				2.472.068,01 (63)	30.000,00 (64)	615.899,17			38.482,84	3.156.450,02		
Compensi da controllate e collegate				523.166,00 (65)	12.000,00 (66)					535.166,00		
TOTALE				2.995.234,01	42.000,00	615.899,17	0,00	38.482,84	0,00	3.691.616,02	0,00	0,00
TOTALE GENERALE				8.573.562,79	316.500,00	975.899,17	0,00	40.350,52	0,00	9.906.312,48	0,00	0,00

(*) di cui n. 9 in carica al 31/12/2011.

(**) l'importo di cui alla voce "Bonus e altri incentivi" fa riferimento a quanto di competenza dell'anno 2010 per i Dirigenti con responsabilità strategiche in carica nello stesso anno, erogato nel 2011.

- 1) Includes emoluments for the post of Chairman (annual fee €650,000.00)
- 2) Fees for attending meetings of the Management Committee
- 3) Fees for the posts held in the subsidiaries Unipol Assicurazioni S.p.A. and Unipol Banca S.p.A., not drawn but paid to Unipol Gruppo Finanziario S.p.A
- 4) Fees for attending meetings of the Internal Control Committee of the subsidiary Unipol Banca S.p.A., not drawn but paid to Unipol Gruppo Finanziario S.p.A.
- 5) Includes emoluments for the post of Vice Chairman (annual fee €100,000.00)
- 6) Fees for attending meetings of the Management Committee
- 7) Remuneration for the post of Director of the subsidiary Unipol Assicurazioni S.p.A.
- 8) Includes salary, €100,000.00 retention bonus and remuneration for the post of Chief Executive (gross annual remuneration €200,000.00)
- 9) Fees for attending meetings of the Management Committee
- 10) Includes emoluments for the post of Chief Executive of the subsidiary Unipol Assicurazioni S.p.A. (annual remuneration €500,000.00); also includes remuneration for the post of Director of the subsidiaries Unipol Assicurazioni S.p.A. and Unipol Banca S.p.A., not drawn but paid to Unipol Gruppo Finanziario S.p.A.
- 11) Fees for attending meetings of the Appointments and Corporate Governance Committees
- 12) Remuneration for the post of Director and Vice Chairman (annual remuneration €50,000.00) of the subsidiary Unipol Assicurazioni S.p.A.
- 13) Fees for attending meetings of the Management Committee of the subsidiary Unipol Assicurazioni S.p.A.
- 14) Fees for attending meetings of the Remuneration Committee
- 15) Fees for attending meetings of the Internal Control Committee €10,500.00 and remuneration for the post of Member of the Supervisory Body €15,000.00

- 16) Remuneration for the post of Vice Chairman of the subsidiary Unisalute S.p.A., taken up on 8/11/2011.
- 17) Fees for attending meetings of the Remuneration Committee €1,500.00 and the Sustainability Committee/Ethics Committee €3,000.00
- 18) Not drawn but paid to Unicooop Tirreno
- 19) Fees for attending meetings of the Management Committee, not drawn but paid to Unicooop Tirreno
- 20) Remuneration for the posts held in the subsidiaries Unipol Banca S.p.A. and Unipol Merchant S.p.A., not drawn but paid to Unicooop Tirreno
- 21) Fees for attending meetings of the Management Committee
- 22) Remuneration for the post held in the subsidiary Unipol Assicurazioni S.p.A.
- 23) Remuneration of €27,239.73 not drawn but paid to P&V Assurance Sa (Belgium)
- 24) Fees for attending meetings of the Remuneration Committee
- 25) Fees for attending meetings of the Management Committee
- 26) Remuneration for the post of Director and Chairman (annual remuneration €100,000.00) of the subsidiary Unipol Assicurazioni S.p.A.
- 27) Fees for attending meetings of the Internal Control Committee
- 28) Not drawn but paid to Manutencoop Scarl
- 29) Fees for attending meetings of the Appointments and Corporate Governance Committees, not drawn but paid to Manutencoop Scarl.
- 30) Fees for attending meetings of the Remuneration Committee
- 31) Fees for attending meetings of the Internal Control Committee €10,500.00 and of the Committee for Transactions with Related Parties €4,500.00 and for the post of Chairman of the Supervisory Body €20,000.00
- 32) Remuneration for the post of Director of the affiliate Pegaso Finanziaria S.p.A.
- 33) Fees for attending meetings of the Remuneration Committee
- 34) Remuneration for the post held in the subsidiary Unipol Assicurazioni S.p.A.
- 35) Fees for attending meetings of the Appointments and Corporate Governance Committees €9,000.00 and of the Committee for Transactions with Related Parties €4,500.00
- 36) Not drawn but paid to Cooperare S.p.A.
- 37) Fees for attending meetings of the Management Committee, not drawn but paid to Cooperare S.p.A.
- 38) For the posts held in the affiliates Pegaso Finanziaria S.p.A., Assiccoop Modena & Ferrara S.p.A. and Assicura S.p.A. €3,200.00 not drawn but paid to Finpro S.p.A.
- 39) Not drawn but paid to Coop Consumatori Nordest Società Cooperativa
- 40) Fees for attending meetings of the Management Committee, not drawn but paid to Coop Consumatori Nordest Società Cooperativa
- 41) Remuneration for the post held in the subsidiary Unipol Assicurazioni S.p.A., not drawn but paid to Coop Consumatori Nordest Società Cooperativa
- 42) Fees for attending meetings of the Appointments and Corporate Governance Committees
- 43) Remuneration for the post of Director of the subsidiary Unipol Banca S.p.A.
- 44) Not drawn but paid to Coop Adriatica Scarl
- 45) Fees for attending meetings of the Management Committee, not drawn but paid to Coop Adriatica Scarl
- 46) Remuneration for the post of Director, until 13 June 2011, of the subsidiary Unipol Assicurazioni S.p.A., not drawn but paid to Coop Costruzioni Soc. Coop
- 47) Fees for attending meetings of the Sustainability Committee/Ethics Committee €6,000.00 and of the Committee for Transactions with Related Parties €4,500.00
- 48) Fees for attending meetings of the Sustainability Committee/Ethics Committee
- 49) Remuneration for the post of Director of the subsidiary Unipol Banca S.p.A.
- 50) Not drawn but paid to CEFLA Scarl
- 51) Fees for attending meetings of the Internal Control Committee €7,500.00 and of the Committee for Transactions with Related Parties €1,500.00, not drawn but paid to CEFLA Scarl; remuneration for the post of Member of the Supervisory Body €15,000.00
- 52) Fees for attending meetings of the Management Committee
- 53) Remuneration for the post held in the subsidiary Unipol Assicurazioni S.p.A.
- 54) Remuneration of €20,684.93 not drawn but paid to Coop Adriatica Scarl

- 55) Fees for attending meetings of the Management Committee not drawn but paid to Coop Adriatica Scarl
- 56) Remuneration for the posts held in the subsidiaries Unipol Assicurazioni S.p.A. (Director) and Unipol Banca S.p.A. (Vice Chairman), €35,595.89 of it not drawn but paid to Coop Adriatica Scarl
- 57) Fees for attending meetings of the Internal Control Committee of the subsidiary Unipol Banca S.p.A.
- 58) Remuneration for the post of Chairman of the Board of Statutory Auditors of the subsidiary Unipol Banca S.p.A.
- 59) Remuneration for the post of Chairman of the Board of Statutory Auditors of the subsidiary Unipol Merchant S.p.A.
- 60) Remuneration for the posts of Chairman of the Board of Statutory Auditors of the subsidiary Unipol Assicurazioni S.p.A. and Statutory Auditor of the subsidiaries Arca Assicurazioni S.p.A. and Arca Vita S.p.A.
- 61) Remuneration for the posts of Statutory Auditor of the subsidiary BNL Vita S.p.A. (until 29/9/2011), Chairman of the Board of Statutory Auditors of the subsidiaries Unisalute S.p.A., Centri Medici Unisalute S.p.A. and Linear Assicurazioni S.p.A. and Statutory Auditor of the subsidiary Unipol Merchant S.p.A.
- 62) Remuneration for the posts of Statutory Auditor of the subsidiaries BNL Vita S.p.A. (until 29/9/2011), Linear Life S.p.A. and Unipol Assicurazioni S.p.A.
- 63) Salary
- 64) Remuneration for the post of member of the Supervisory Body
- 65) Remuneration for the posts held in subsidiaries and affiliates, not drawn but paid to Unipol Gruppo Finanziario S.p.A.
- 66) Remuneration for the post of member of the Supervisory Body of the subsidiary Unipol Assicurazioni S.p.A.

TABLE 2

Not applicable.

TABLE 3A

At the time this report was being drawn up it was not possible to ascertain which financial instruments could be allocated under the Scheme since they could not be quantified unless certain conditions were fulfilled and certain objectives achieved, and that could not be verified until after the end of the period of the Scheme.

TABLE 3B

TABELLA 3B: Piani di incentivazione monetari a favore dei componenti dell'organo di amministrazione, dei direttori generali e degli altri dirigenti con responsabilità strategiche									
Nome e cognome	Carica	Piano	Bonus dell'anno			Bonus di anni precedenti			Altri Bonus
			Erogabile/Erogato	Differito	Periodo di differimento	Non più erogabili	Erogabile/Erogato	Ancora Differiti	
CIMBRI Carlo	Amministratore Delegato e Direttore Generale								
(I) Compensi nella società che redige il bilancio		13 maggio 2010	---	0,00	---	---	360.000,00	---	---
(II) Compensi da controllate e collegate		---	---	---	---	---	---	---	---
Dirigenti con Responsabilità Strategiche									
(I) Compensi nella società che redige il bilancio		13 maggio 2010	---	0,00	---	---	615.899,17	---	---
(II) Compensi da controllate e collegate		---	---	---	---	---	---	---	---
(III) Totale			---	0,00	---	---	975.899,17	---	---

Set of tables 7-ter: tables showing information on investments held by the boards of directors and control, general managers and other key senior executives

TABELLA 1: Partecipazioni dei componenti degli organi di amministrazione e di controllo e dei direttori generali							
cognome e nome	carica	società partecipata	categoria azioni	numero azioni possedute alla fine dell'esercizio precedente	numero azioni acquistate	numero azioni vendute	numero azioni possedute alla fine dell'esercizio in corso
CARANNANTE Rocco	Amministratore	Unipol Gruppo Finanziario	PRIV	32.000	0	0	32.000
CIMBRI Carlo	Amministratore Delegato e Direttore Generale	Unipol Gruppo Finanziario	ORD	991	0	0	991
COFFARI Gilberto (1)	Amministratore	Unipol Gruppo Finanziario	ORD	5.742	0	0	5.742
MALAVASI Ivan	Amministratore	Unipol Gruppo Finanziario	ORD	31.426	0	0	31.426
POLITI Giuseppe	Amministratore	Unipol Gruppo Finanziario	ORD	500	0	0	500
ZACCHERINI Luca	Amministratore	Unipol Gruppo Finanziario	ORD	14.284	0	0	14.284

(1) Il numero delle azioni indicate è riferito al periodo 01/01/2011 - 12/06/2011 (data cessazione carica).

TABELLA 2: Partecipazioni degli altri Dirigenti con responsabilità strategica						
numero Dirigenti con responsabilità strategica	società partecipata	categoria azioni	numero azioni possedute alla fine dell'esercizio precedente	numero azioni acquistate	numero azioni vendute	numero azioni possedute alla fine dell'esercizio in corso
12 (1)	Unipol Gruppo Finanziario	ORD	14.052			14.052
	Unipol Gruppo Finanziario	PRIV	15.713	20.000		35.713

(1) di cui 9 dirigenti in carica al 31/12/2011

ITEM 4 ON THE AGENDA

To approve the remuneration scheme based on financial instruments in accordance with Article 114-bis of the Consolidated Finance Act. To vote on the related and consequent motions.

Dear Shareholders,

The Board of Directors has called this Ordinary Meeting in order to discuss and vote on, inter alia, the motion to approve, in accordance with and for the purposes of Article 114-bis of Legislative Decree 58 of 24 February 1998 (the '**Consolidated Finance Act**'), an incentivisation scheme for Unipol Gruppo Finanziario's top management based on financial instruments (the '**Scheme**').

You will recall that in line with the Company's remuneration policies mentioned in the preceding agenda item the incentivisation scheme, which is for Unipol Gruppo Finanziario's Chief Executive and Senior Executives (the '**UPM Scheme**'), is based not only on fixed remuneration but also on variable components linked to short- and medium-long-term results, since Unipol Gruppo Finanziario is convinced that this aspect of its remuneration policies promotes, indirectly but no less importantly, the spread of a culture of professionalism geared towards the creation of long-term sustainable value and direct 'ownership' of the results and therefore joint responsibility and real involvement in the business objectives.

Details of all the features of the Scheme, under which, like performance shares, Unipol ordinary shares are to be awarded over a deferred period of three years, are given in the Report, drawn up in accordance with Article 114-bis of the Consolidated Finance Act and Article 84-bis of CONSOB Regulation 11971 relating to issuers (the '**Issuer Regulation**'), made available to the public within the deadlines and in accordance with the procedures provided for in Article 125-ter of the Issuer Regulation and appended to this report.

Therefore the Board of Directors submits the following motion to the Shareholders' Meeting.

Motion

In view of Article 114-bis of the Consolidated Finance Act and Article 84-bis of the Issuer Regulation and having noted the Board of Directors' Report and attachments, including the Report drawn up in accordance with Article 114-bis of the Consolidated Finance Act, Unipol Gruppo Finanziario S.p.A.'s Ordinary Shareholders' Meeting

resolves

- *to approve, in accordance with and for the purposes of Article 114-bis of the Consolidated Finance Act and Article 84-bis of the Issuer Regulation, the introduction of a performance-share type of incentivisation scheme based on financial instruments for Unipol Gruppo Finanziario S.p.A.'s top management, in accordance with the Management Report and the Report attached to it (the 'Scheme');*

- *to give the Board of Directors full powers, with express authority to delegate these powers, to (i) manage, administer and implement the Scheme in full, (ii) make any additions and amendments to it that are required and/or appropriate in line with the Company's remuneration policies, (iii) draw up and/or finalise any document required or suitable for implementing the Scheme and (iv) inform the market in accordance with the relevant legislation and regulations (including the codes of corporate governance applying to the Company at the time).*

Appendix Report drawn up in accordance with Article 114-bis of the Consolidated Finance Act

REPORT
on
UNIPOL GRUPPO FINANZIARIO S.P.A.'S REMUNERATION SCHEME
BASED ON FINANCIAL INSTRUMENTS

(in accordance with Article 114-*bis* of Legislative Decree 58/1998 and Article 84-*bis* of
CONSOB Regulation 11971/1999 as amended)

INDEX OF APPENDICES

- Appendix 1: Regulation of the Remuneration Scheme based on financial instruments

Introduction

This document (the 'Report') is drawn up in accordance with Article 114-*bis* of the Consolidated Finance Act and Article 84-*bis* of the Regulation adopted by CONSOB in its Ruling 11971 of 14 May 1999, as amended (the 'Issuer Regulation'), and in line with the information contained in Table 7 in Appendix 3A to the Issuer Regulation.

The subject of the Report is the Scheme for the Chief Executive, key Senior Executives and other Senior Executives of Unipol Gruppo Finanziario S.p.A. ('Unipol') under which remuneration is based on financial instruments (the 'Unipol Scheme' or the 'Scheme'), which will be submitted for approval to the Ordinary Shareholders' Meeting due to take place on 27 April 2012 in first call and, if necessary, on 30 April 2012 in second call.

Under Article 114-*bis*, para. 3, of the Consolidated Finance Act and Article 84-*bis*, para. 2, of the Issuer Regulation the Scheme is considered to be 'of particular importance' since it is aimed at Unipol's Chief Executive and General Manager as well as at other key Senior Executives.

The information given in Table 7 in Appendix 3A to the Issuer Regulation not contained in this Report will be provided in accordance with the procedures referred to in Article 84-*bis*, para. 5 a), of the Issuer Regulation.

This Report is made available to the public at Unipol's registered office, at Via Stalingrado 45, Bologna, and on the Company's website www.unipol.it and is also sent to CONSOB and Borsa Italiana S.p.A. in accordance with current regulations.

Definitions

In addition to the terms and expressions defined elsewhere in this document, for the purpose of this document the terms and expressions with an initial capital letter not otherwise defined hereinafter have the meaning attributed to them below. The terms defined in the singular will have the corresponding meaning in the plural and vice versa.

Chief Executive	Unipol's Director with executive powers responsible for managing Unipol and the Unipol Group, who also held the post of General Manager of Unipol on date this Report was drawn up.
Relevant year	the calendar year referred to when Recipients' performance is being appraised.
Shareholders' Meeting	the Ordinary Meeting of Unipol Shareholders called to discuss, inter alia, the motion to approve the Scheme (as defined below).
Shares	Unipol ordinary shares that make up Unipol's ordinary share capital, tradable on the Mercato Telematico Azionario, the automated stock exchange organised and managed by Borsa Italiana S.p.A., that may be awarded under the Scheme (as defined below).
Bonus	the monetary remuneration due to Recipients provided the conditions for the short-term incentive (STI) to be awarded under the UPM Scheme (as defined below) are fulfilled.
Target bonus	the maximum value of the Bonus that Recipients may be awarded if all the conditions governing its allocation are fulfilled.
LTI Remuneration	the share component due to Recipients if the conditions for allocating it under the Scheme (as defined below) are fulfilled.
Recipients	the individuals covered by the Scheme, in other words Unipol's Chief Executive and General Manager, key Senior Executives and other Senior Executives.
Senior Executives	Unipol's executive staff identified in Section 3 of the Regulations on the Remuneration Scheme based on financial instruments ('Recipients').

Key Senior Executives	the following Senior Executives of Unipol, identified in the Company regulations: the Heads of Departments who take part in board meetings, the IT Manager and the Heads of the Internal Control Departments.
Bracket	the bracket to which Unipol's Senior Executives belong; they are allocated to one of three brackets, depending on the importance and complexity of their role and post and their position in the hierarchy. The 1 st bracket includes the top executives (e.g. General Manager, Managers of the Central Departments, Managers of major business areas) with the most important roles within the organisation; the 2 nd bracket includes those with particularly important roles within the organisation; the 3 rd bracket includes those with other roles, who may report direct to those in the 1 st or 2 nd bracket.
Formula	the formula to be applied in order to determine the LTI remuneration, mentioned in the Scheme Regulations (as defined below).
FTSE MIB	the basket that includes the shares of the top 40 Italian and foreign companies listed on markets managed by Borsa Italiana S.p.A.
Internal Control Departments	Unipol's Audit, Compliance and Risk Management Departments.
Unipol Group or Group	Unipol and its Subsidiaries.
Scheme	the scheme for awarding Unipol ordinary shares mentioned in this Report.
GAR	fixed gross annual remuneration, excluding the variable element, employees' leaving entitlement, any payments in kind and/or into pension funds made by the employer and any variable component, whether it is a one-off or recurring payment, repeated or deferred, and excluding any bonuses, travelling expenses and any other expenses.
Scheme Regulations	the regulations governing the conditions on which Shares are awarded under the Scheme, included with this document as Appendix 1.
Issuer Regulation	the Regulation governing issuers adopted by CONSOB in its ruling 11971 of 14 May 1999 as amended.

UPM Scheme or Incentivisation Scheme	the incentivisation scheme for all the Group's Senior Executives; governs prerequisites and criteria for awarding the variable component of remuneration.
TSR	Total Shareholder Return, which is calculated by adding together the increase in the price of the security over a certain period and the amount of dividends per share paid during the same period.
Consolidated Finance Act (TUF)	Legislative Decree 58 of 24 February 1998 as amended.
Unipol or Company	Unipol Gruppo Finanziario S.p.A., the registered office of which is at Via Stalingrado 45, Bologna, the Unipol Group's Parent, issuer of the Shares.
Reference value	the average price of the Shares recorded in May 2010, used as the unit price to determine the quantity of Shares due to Recipients, which was €0.6313.

1. Recipients

- 1.1. *Recipients who are members of the Board of Directors or Board of Management of the issuer of financial instruments, the issuer's holding companies and the companies it controls either direct or indirectly*

The Scheme is not intended for members of Unipol's Board of Directors, with the exception of Unipol's Chief Executive, Carlo Cimbri, who is included in the Scheme on the same terms as the Senior Executives.

- 1.2. *Categories of employee or consultant of the issuer of financial instruments and the issuer's holding companies or subsidiaries*

The Scheme is intended for Unipol's key Senior Executives and other Senior Executives identified in Section 3 of the Scheme Regulations.

- 1.3. *Individuals who benefit from the Scheme belonging to the following groups:*

- a) *general managers of the issuer of financial instruments*

The Company's General Manager, Carlo Cimbri, is included in the Scheme.

- b) *other key Senior Executives of the issuer of financial instruments who are not of 'minor importance' according to Article 3, para. 1 f), of Regulation 17221 of 12 March 2010, if during the year they have drawn total remuneration (total monetary remuneration and remuneration based on financial instruments) higher than the highest total remuneration paid to the members of the Board of Directors, or the Board of Management, and to the general managers of the issuer of financial instruments;*

Not applicable: those who during the year drew total remuneration higher than the highest total remuneration paid to the members of Unipol's Board of Directors and General Manager are not deemed to be key Senior Executives;

- c) *individuals who control the issuer of the shares, are employees or provide consultancy services to the issuer of the shares*

Not applicable.

- 1.4. *Description and numbers, provided separately for each category:*

- a) *key Senior Executives other than those specified in paragraph 1.3 b);*

Unipol's key Senior Executives, of whom there were nine on the date this Report was drawn up, are included in the Scheme.

- b) *in the case of companies of 'minor importance' according to Article 3, para. 1 f), of Regulation 17221 of 12 March 2010, all the key Senior Executives of the issuer of financial instruments;*

Not applicable: Unipol does not fulfil the conditions referred to in Article 3 para. 1 f) of Regulation 17221 of 12 March 2010.

- c) *any other categories of employee or consultant covered by the Scheme (senior executives, managers, clerical workers etc.).*

Not applicable: the Scheme applies in the same way to all Recipients.

2. The reasons for adopting the Scheme

2.1. The objectives that the Schemes are intended to achieve

The Scheme is part of the Unipol Group's broader incentivisation scheme, known as the UPM Scheme.

The UPM Scheme governs prerequisites, criteria and procedures for paying a variable component of remuneration, partly short-term (monetary Bonus as a percentage of GAR) and partly long-term (allocation of Shares), provided specific Group and individual qualitative and quantitative targets are reached.

The aims of the Scheme are:

- to incentivise, retain and motivate Recipients by guaranteeing appropriate levels of pay for high levels of professional performance in order to provide fair and equal treatment;
- to ensure that the remuneration schemes comply with the recent provisions applying to the sector, the aim being to take account of the interests of all stakeholders by aligning remuneration schemes with the Company's medium- and long-term strategies and objectives linked to business results, taking account of all the risks and avoiding incentives that could lead to laws being broken.
- to align the interests of Recipients and those of Unipol's shareholders, remunerating the creation of long-term value and the increase in value of Unipol securities.

2.1.1. More detailed information:

- *the reasons and criteria for the issuer deciding to establish a relationship between incentives based on financial instruments and other elements of total remuneration;*

The incidence of remuneration based on financial instruments on total remuneration guarantees both a fair balance between the fixed and variable components of remuneration and a suitable balance between an incentivisation scheme based on short-term results and one based on medium- to long-term results. The elements mentioned above are never in competition to the extent that one or the other is perceived to be predominant.

- *purposes of long-term incentivisation schemes;*
See point 2.1 above.
- *the criteria for establishing the timescale on which incentivisation schemes are based.*

Under the Scheme Shares are awarded over three years, starting in the second year after the end of the Scheme, in such a way that remuneration takes account of the long-term trend in the risks underwritten.

2.2. Key variables, including in the type of performance indicator considered when awarding incentives based on financial instruments

The Scheme provides for the long-term variable component (or 'LTI Remuneration') to be awarded under the UPM Scheme.

Access to the Scheme is subject to all the following objectives being achieved:

1. at least 85% of the Unipol Group's consolidated gross profit as per the approved Budget to be achieved by 31 December 2012. This condition applies to all Recipients except Senior Executives who work in the Internal Control Departments.
1. the hedging index threshold (financial position) calculated in accordance with Solvency I³ to be achieved by 31 December 2012 as per the Group 2010 – 2012 Business Plan.

The award of LTI Remuneration is also subject to a minimum Bonus threshold being reached during the years covered by the Scheme.

The criteria for determining the amount of LTI Remuneration are shown in point 2.3.1 below.

2.3. Elements used to calculate the level of remuneration based on financial instruments or the criteria for determining it.

The Scheme covers a performance period of three years (2010 – 2011 – 2012).

The allocation of Shares is based on the amount of GAR due (calculated on 30/6/2010⁴) in accordance with the allocation criteria mentioned in point 2.3.1 below compared with the Reference Value.

³ Indicator and value as laid down in current legislation and subject to updating/review as legislation changes.

⁴ In the case of Senior Executives taken on/promoted after that that date it is based on the GAR in the first month of service.

The table below shows the maximum amount of LTI Remuneration for a single year for Senior Executives according to Bracket.

Senior Executives	LTI Coefficient
Bracket 1	Between 0 and 60% ⁵ of GAR
Bracket 2	Between 0 and 40% of GAR
Bracket 3	Between 0 and 20% of GAR

2.3.1 Information relevant to the Schemes

- *Factors taken into account when the amount of remuneration is determined*

The LTI Remuneration actually due:

a) depends on each of the following objectives (which differ according to whether the Senior Executive works in one of the Internal Control Departments) being reached:

– Senior Executives who do not work in one of the Internal Control Departments:

○ 75%:

- 50% if the Group result, calculated as the cumulative consolidated gross profit for 2010, 2011 and 2012, is achieved;
- 25% if the value of Unipol ordinary securities rises over three years (average price recorded in April 2013 compared with average price recorded in May 2010), provided that the rise is not more than 10% lower than the rise in the TSR FTSE MIB during the same period.

– Senior Executives who work in the Internal Control Departments:

○ 75% if the specific organisational area objective is achieved in at least two of the three years (2010-2012).

– All Senior Executives:

○ the remaining 25% if the hedging index threshold calculated according to Solvency I is exceeded, as determined at the end of the period of the Business Plan.

b) in proportion to the extent by which the Target-Bonus threshold is exceeded.

The amount of LTI Remuneration is ascertained by applying the Formula.

⁵ up to 75% for members of the Group Executive Committee.

- *Elements taken into consideration when making changes compared with similar previous schemes*

Not applicable.

- *The way in which any remuneration paid under previous schemes affected the calculation*

Not applicable.

- *Compatibility between the elements on which the amount of remuneration is based and the objectives*

The introduction of objectives based not only on business results but also on risk indicators or indicators of financial position is even more compatible with the need to align the interests of Recipients and those of shareholders, remunerating the creation of long-term value and the increase in value of Unipol securities.

- 2.4. *The reasons underlying any decision to introduce remuneration schemes based on financial instruments not issued by the issuer of financial instruments, such as financial instruments issued by Group subsidiaries, holding companies or non-controlling interests; if these instruments are not traded in the regulated markets information on the criteria used to ascertain their value*

Not applicable. The Scheme provides for the allocation of Unipol ordinary shares.

- 2.5. *Valuations with significant tax and accounting implications that affected the way the Schemes were drawn up*

Not applicable. There were no significant tax and accounting implications that affected the way the Schemes were drawn up.

- 2.6. *Any support for the Scheme from the special fund for encouraging employees to become involved in businesses referred to in Article 4, para. 112, of Law 350 of 24 December 2003*

Not applicable. The Scheme receives no support from the special fund for encouraging employees to become involved in businesses referred to in Article 4, para. 112, of Law 350 of 24 December 2003.

3. Approval procedure and timescale for awarding the instruments

3.1. Authority to implement the Scheme conferred on the Board of Directors by the Shareholders' Meeting

On 15 March 2012 the Board of Directors voted, inter alia, to ask the Shareholders' Meeting to approve the Scheme.

The Meeting is called on to authorise the Board of Directors to do whatever is required or appropriate to manage, administer and implement the Scheme in full and to delegate specific tasks.

3.2. Parties responsible for administering the Scheme and their position and area of expertise

The body responsible for administering and implementing the Scheme is the Company's Board of Directors, which is granted the powers mentioned above.

3.3. Any existing procedures for revising Schemes in the event of any changes in basic objectives

There are no specific procedures for revising the Scheme. Should amendments be needed the same approval procedure will be used as when the Scheme was adopted.

3.4. Description of the procedures for determining the availability and award of the financial instruments on which Schemes are based

It is expected that Unipol will purchase the Shares to be awarded on the regulated market, in accordance with Article 2357 of the Civil Code and Article 144-bis of the Issuer Regulation.

The Board of Directors will vote on the plan to acquire treasury shares, which is one of the things it will be authorised to do provided the Shareholders' Meeting approves the motion mentioned in 3.1 above, in accordance with Article 2357 et seq. of the Civil Code.

3.5. The role carried out by each director in determining the features of the Schemes in question; any conflicts of interest for the directors concerned

When operations where the parties are related and/or there is a potential conflict of interest are voted on or carried out, Unipol is required to comply with the relevant legislation and internal rules adopted in accordance with the legislation pertaining to the sector governing the existence of a specific interest in the completion of the operation.

3.6. For the purposes of Article 84-bis, para. 1, the date the body votes to ask the Shareholders' Meeting to approve the Schemes

The Board of Directors voted at its meeting held on 15 March 2012 to ask the Shareholders' Meeting to approve the Scheme.

- 3.7. *For the purposes of Article 84-bis, para. 5 a), the date the body concerned decides to award the instruments and any remuneration committee makes any suggestion to the body*

Not available. The Board of Directors will vote on awarding financial instruments under the Scheme at its first meeting after the financial statements for 2012 have been approved.

- 3.8. *The market price of financial instruments on which the Schemes are based, if traded in the regulated markets, recorded on those dates*

The market price of the Shares on 15 March 2012, the day of the resolution referred to in point 3.6, was €0.271.

- 3.9. *If Schemes are based on financial instruments traded on regulated markets, on whatever terms and in accordance with whatever procedures, when fixing the timescale for awarding the instruments in implementation of the Schemes the issuer must bear in mind that the following may occur simultaneously:*

- *the award of them or any decisions on awarding them the Remuneration Committee may make*
- *disclosure of any information referred to in Article 114, para. 1.*

Under the Unipol Group's 'Procedure for providing information on operations in shares issued by Unipol Gruppo Finanziario S.p.A. or other financial instruments linked to them' Recipients of the Scheme who come under the categories governed by Article 152-sexies, para. 1, c.1) and c.2), of the Issuer Regulation, in other words Unipol's Chief Executive and General Manager, Heads of Departments who take part in board meetings, IT Manager and Heads of the Internal Control Departments, given that because of the post held they have regular access to confidential information and have the authority to make management decisions that can affect the Company's performance and future prospects, may not carry out relevant operations – under the legislation in question – on the shares in the 7 (seven) calendar days preceding meetings of the Board of Directors called to examine and/or approve the draft financial statements and consolidated financial statements, the interim report, each quarterly report and the interim and budget figures. The prohibition is lifted as soon as the market is informed that the Board of Directors has passed the relevant resolution.

The text of the procedure is available at www.unipol.it.

4. Features of the instruments awarded

4.1. Description of the structure of remuneration schemes based on financial instruments

Under the Scheme Recipients are awarded free Shares.

4.2. Period when the scheme is actually implemented and any variation in cycles required

The Scheme is closed, covers three years (2010-2012) and provides for performance-type Shares to be awarded.

4.3. Term of the Scheme

The Scheme terminates in 2012. Shares will be awarded and made available to Recipients as from 2014 and in the following two years, at the rate of 1/3 each year.

4.4. The maximum number of financial instruments, even in the form of options, awarded in each tax year to named individuals or categories of individual

The number of Shares to be allocated under the Scheme cannot be ascertained at the time this Report is drawn up since they cannot be quantified unless certain conditions are fulfilled and certain objectives achieved, and that cannot be verified until the Scheme has terminated.

No Shares are due to be awarded this year nor in 2013.

4.5. The procedures for and the clauses relating to implementing the Scheme, specifying whether instruments may be awarded only if certain events occur or certain results are achieved, including certain levels of performance: description of those events and results

See paragraph 2.2.

4.6. Indication of whether there are any restrictions on the availability of the instruments awarded or the instruments deriving from the exercise of the options, with particular reference to the deadlines by which the subsequent transfer to the company or third parties is allowed or prohibited

Shares are available as soon as they have been awarded, which, as stated above, starts in the second year after the end of the Scheme.

4.7. Description of any avoidance clauses allowing recipients to carry out hedging operations while ignoring any ban on the sale of the financial instruments awarded, even in the form of options, or the financial instruments deriving from exercising those options

There are no avoidance clauses.

4.8. *Description of the effects of termination of the contract of employment*

Any right to receive any remuneration not yet awarded lapses if the contract of employment terminates before July of each of the years 2014, 2015 and 2016. Those whose contract of employment terminates after 31 December of each of the years 2013-2014-2015 are excepted, provided they are entitled to a long-service or retirement pension.

4.9. *Any other reasons for cancelling the Schemes*

There are no grounds for cancellation.

4.10. *Any reasons for the Company to 'redeem' the financial instruments awarded under the Schemes, in accordance with article 2357 et seq. of the Civil Code; beneficiaries of the redemption, indicating whether it is aimed at only certain categories of employee; effects of termination of the contract of employment on the redemption*

Not applicable. There is no provision for any type of redemption.

4.11. *Any loans or other easy terms to be granted for the acquisition of the Shares in accordance with Article 2358 of the Civil Code*

Not applicable.

4.12. *Total cost of each instrument expected to be borne by the Company on the date they are awarded under the Scheme, based on the terms and conditions already laid down*

As a precaution €7,478,637.23 has been recorded as an 'expected charge' for the two-year period 2010-2011 and recorded through profit or loss, with a direct contra-entry in equity. This amount, together with a further amount for the last year of the three, estimated to be approximately €4,500,000, is set aside as a precaution since the financial instruments are not actually awarded unless the conditions for accessing them arise nor, as stipulated in the Scheme, until the end of the three-year period.

4.13. *Any dilution of capital caused by the remuneration schemes*

Not applicable. The Scheme does not dilute the capital since it does not involve the Company in issuing new shares.

4.14. *Any limits on exercising voting rights and awarding property rights*

There are no limits on exercising voting rights nor on awarding the property rights relating to the Shares to be awarded.

4.15. *If the shares are not traded on regulated markets, any information that can be used to assess their value*

Not applicable.

4.16 - 4.23

Not applicable since none of Unipol's remuneration schemes is based on stock options.

TABLE 1

DRAFT I – Sections 1 and 2

At the time this Report is drawn up no information is available on financial instruments other than stock options since they cannot be quantified until the period covered by the Scheme has ended.

DRAFT II – Sections 1 and 2

Not applicable since none of Unipol's remuneration schemes is based on stock options.

**REGULATIONS ON THE
REMUNERATION SCHEME BASED ON FINANCIAL INSTRUMENTS**

Definitions

In addition to the terms and expressions defined elsewhere in this document, for the purpose of this document the terms and expressions with an initial capital letter not otherwise defined hereinafter have the meaning attributed to them below. The terms defined in the singular shall have the corresponding meaning in the plural and vice versa.

Chief Executive	Unipol's Director with executive powers responsible for the overall management of Unipol and the Unipol Group, who also held the post of General Manager of Unipol on date this Report was drawn up.
Organisational Area	the part of the organisation in which the Recipient works.
Shares	Unipol ordinary shares that make up Unipol's ordinary share capital, traded on the Mercato Telematico Azionario, the automated stock exchange organised and managed by Borsa Italiana S.p.A., awarded under the Scheme.
Bonus or Short-term Incentive (STI)	the monetary remuneration due to Recipients if the conditions for the short-term incentive to be awarded are met.
Target Bonus	the maximum value of the Bonus that Recipients may be awarded if all the conditions governing its award are optimised; the same as the maximum value of the STI Coefficient for each Bracket.
Parent	Unipol Gruppo Finanziario S.p.A.
STI Coefficient	a percentage, the maximum value of which depends on the Bracket that the Senior Executive is in. It is applied to the Recipient's GAR, calculated on 31 December of the relevant year, in order to determine the amount of the Bonus.
LTI Coefficient	a percentage, the maximum value of which depends on the Bracket that the Senior Executive is in. It is applied to the Recipient's GAR, calculated on 30 June 2010, in order to determine the amount of LTI Remuneration. (In the case of Senior Executives taken on/promoted after that date it is based on the GAR in the first month of service.) It is shown in Table 1.

LTI Remuneration	the Share component due to Recipients if all the conditions for awarding it under the Scheme are fulfilled.
Recipients	the individuals covered by the Scheme, in other words Unipol's Chief Executive, General Manager, key Senior Executives and other Senior Executives.
Senior Executives	Unipol's executive staff who meet the requirements specified in the Regulation in Section 3 'Recipients'.
Key Senior Executives	the following Senior Executives of Unipol, identified in the Company regulations: Heads of Departments who take part in board meetings, the IT Manager and Heads of the Internal Control Departments.
Secondment	the professional services carried out for one or more Companies (host company or companies) other than the one with which the employee has a contract of employment (seconding Company), where the contract of employment with the seconding Company, which continues to pay the employee seconded, is maintained.
Bracket	the bracket to which Unipol's Senior Executives belong; they are allocated to one of three brackets depending on the importance and complexity of their role and post and their position in the hierarchy. The 1 st bracket includes the top executives (e.g. General Manager, Managers of the Central Departments, Managers of major business areas) with the most important roles within the organisation; the 2 nd bracket includes those with particularly important roles within the organisation; the 3 rd bracket includes those with other roles, who may report direct to those in the 1 st or 2 nd bracket.
Formula	the formula for calculating the LTI Remuneration, mentioned in paragraph 6.7.
FTSE MIB	the basket that includes the shares of the top 40 Italian and foreign companies listed on markets managed by Borsa Italiana S.p.A.
Internal Control Departments	Unipol's Audit, Compliance and Risk Management Departments.

Unipol Group or Group	Unipol and its Subsidiaries.
Individual Performance Level	a value between 0% and 100%, which expresses the extent to which individual qualitative and quantitative objectives are reached; provided the conditions referred to in point 4 below are met the Individual Performance Level is applied to the STI Coefficient to determine the amount of the Bonus.
Objectives	the performance targets laid down in accordance with the provisions of points 4, 5 and 6 below.
Relevant Period	the calendar year to which the Objectives refer.
Scheme	the Share Scheme governed by this Regulation.
Closed Scheme	a scheme with conditions of access established at the beginning of the multiyear period that it covers.
Group Business Plan	the Unipol Group's 2010-2012 Business Plan, i.e. the formal document establishing the strategy and actions that the Unipol Group will carry out during the period and representing the quantitative objectives to be achieved, including profits.
Pro Rata	the proportion of the year actually worked. It is expressed in twelfths, including the first month of service.
GAR	fixed gross annual remuneration, excluding the variable element, employees' leaving entitlement, any payments in kind and/or into pension funds made by the employer and any variable component, whether it is a one-off or recurring payment, repeated or deferred, and excluding any bonuses, travelling expenses and any other expenses.
Regulation	this Regulation governing the conditions on which Shares are awarded under the Scheme.
Person Responsible	the Appraisee's line manager.
Target Bonus Discrepancy	the percentage by which the Bonus due differs from the Target Bonus; no LTI Remuneration is awarded if this value is more than 25% higher than in 2010 and more than 40% higher than in the rest of the three-year period.

UPM Scheme or Scheme	the incentivisation scheme for all the Group's Senior Executives; it governs prerequisites and criteria for awarding the variable component of remuneration. UPM is an abbreviation of Unipol Performance Management.
Company	the business with which the Recipient has a contract of employment or the business to which the Recipient is seconded.
Solvency I	the current legislation introduced by Directive 2002/13/CE of 5 March 2002, incorporated in Italy by Legislative Decree 307 of 3 November 2003, in accordance with which insurance companies must 'constantly' have an adequate solvency margin.
ELE	Employees' Leaving Entitlement
TSR	Total Shareholder Return, which is calculated by adding together the increase in the price of the security over a certain period and the amount of dividends per share paid during the same period.
Consolidated Finance Act (TUF)	Legislative Decree 58 of 24 February 1998, as amended.
Unipol or Company	Unipol Gruppo Finanziario S.p.A., the registered office of which is at Via Stalingrado 45, Bologna, the Unipol Group's Parent, issuer of the Shares.
Reference Value	the average price of the Shares recorded in May 2010, used as the unit price to determine the quantity of Shares due to Recipients, which was €0.6313.
Appraisee	the Senior Executive whose professional services are being appraised for the purposes of the Regulation.

1. Object and aim

- 1.1. The object of the Regulation is to govern the Scheme.
- 1.2. The Scheme is part of the Unipol Group's broader Incentivisation Scheme, known as the UPM Scheme, and its purpose is to incentivise, retain and motivate Recipients by guaranteeing appropriate levels of pay for high levels of professional performance, in order to provide fair and equal treatment.
- 1.3. The UPM Scheme governs prerequisites and criteria for paying a variable component of remuneration, partly short-term (monetary Bonus as a percentage of GAR) and partly long-term (allocation of Shares), provided specific Group and individual qualitative and quantitative targets are reached.
- 1.4. Under the Scheme Recipients are entitled to a deferred allocation of Shares.
- 1.5. The award of Shares under this Scheme is subject and linked direct to the award of the short-term incentive, or Bonus, paid under the UPM Scheme.
- 1.6. The Scheme is for three years (2010 – 2012) and is a Closed Scheme.

2. Recipients

- 2.1. Recipients of the Scheme are the Chief Executive, the General Manager, key Senior Executives and the other Senior Executives who have worked for the Company for at least six months during the Relevant Period.
- 2.2. The Scheme applies pro rata to Senior Executives who have worked for the Company for less than six months during the Relevant Period.
- 2.3. The Scheme applies for the entire Relevant Period to Senior Executives promoted internally provided they were appointed in the first six months of the period. In that case any entitlement they have already accrued under any incentivisation scheme for staff other than Senior Executives ceases.
- 2.4. Any Senior Executives appointed during the final six months of the Relevant Period is not included in the Scheme for the current year.
- 2.5. The Bracket that the Senior Executive is in, which determines the level of the benefits awarded under the Scheme, is determined by the Chief Executive on the proposal of Unipol's Human Resources and Organisation Department and remains the same throughout the Relevant Period.
- 2.6. The fact that the Recipient is allocated to a Bracket gives no entitlement to remain in the same Bracket during the following Relevant Periods.

3. Conditions for entitlement to benefits under the Scheme

3.1. Access to the Scheme is subject to all the following requirements being met:

- at least 85% of the **Unipol Group's consolidated gross profit** as per the approved Budget to be achieved by 31 December 2012. This condition applies to all Recipients except Senior Executives who work in the Internal Control Departments.
- the **hedging index threshold (financial position)** calculated in accordance with Solvency I to be achieved by 31 December 2012⁶ as per the Group Business Plan.

3.2. Access to the Scheme is also subject to the Bonus reaching a minimum threshold during the Relevant Period.

4. Short-Term Incentive (STI Bonus)

4.1. Under the Scheme a bonus based on the Individual Performance Level reached and the STI Coefficient corresponding to the Bracket that the Senior Executive is in is paid during the year following the Relevant Period, in accordance with the procedures described in paragraph 5.3 below.

4.2. Individual Performance Level

4.2.1. Each Recipient is allocated five individual qualitative and quantitative Objectives with equal weighting.

4.2.2. The five individual Objectives are awarded by the parties and based on the rules and criteria specified in paragraph 7 below.

4.2.3. The first individual Objective is a specific Objective relating to the organizational area in which the Recipient works; if this Objective is not achieved no Bonus is paid irrespective of to what extent the other individual Objectives are achieved and the requirements referred to in point 4 are met.

4.2.4. The five individual Objectives consist of the following:

- 1) Specific Organisational Area Objective
- 2) Objective of keeping costs down
- 3) Project objective
- 4) Qualitative objective
- 5) Organisational conduct objective

⁶ Indicator and value as laid down in current legislation and subject to updating/review as legislation changes

- 4.2.5. The Individual Performance Level is based on the extent to which the five objectives are achieved.

4.3. Determining the Bonus

- 4.3.1. The amount of the Bonus is calculated as follows, subject to the requirements referred to in point 4 being met.

$$(\text{Individual Performance Level}) \times (\text{STI Coefficient})$$

5. Long-term Incentivisation (LTI Remuneration)

- 5.1. LTI Remuneration is awarded under the Scheme.
- 5.2. The Scheme is spread over a performance period of three years (2010-2011-2012), (coinciding with the three-year period of the Business Plan).
- 5.3. Under the Scheme Shares are awarded as from 2014 and in the following two years. The Shares awarded are distributed over the three-year period 2014-2015-2016 at the rate of 1/3 (one third) in each year.
- 5.4. Shares are awarded on the basis of the amount of GAR due according to the criteria mentioned below, compared with the Reference Value, as specified in the Formula.
- 5.5. The level of LTI Remuneration is shown in Table 1 below:

Table 1	
Senior Executives	LTI Coefficient
Bracket 1	Between 0 and 60% ⁷ of GAR ⁸
Bracket 2	Between 0 and 40% of GAR ³
Bracket 3	Between 0 and 20% of GAR ³

5.6. LTI Objectives

The amount of LTI Remuneration depends on each of the indicators below (the 'LTI Objectives') being achieved:

5.6.1. 75%:

Senior Executives who do not work in one of the Internal Control Departments

⁷ Up to 75% for members of the Group Executive Committee

⁸ GAR calculated on 30 June 2010. In the case of Senior Executives taken on/promoted after that date it is based on the GAR in the first month of service.

- **50%** if the Group result, calculated as the cumulative consolidated gross profit for 2010, 2011 and 2012, is achieved;
- **25%** if the value of Unipol ordinary securities rises over three years (for the current year: April 2013 average compared with May 2010 average), provided that the rise is not more than 10% lower than the rise in the TSR FTSE MIB during the same period.

Senior Executives who work in the Internal Control Departments

- **75%** if the specific area objective is achieved in at least two years of the three-year period 2010-2011-2012.

5.6.2. The remaining 25%:

25% if the hedging index calculated in accordance with Solvency I reaches a minimum level, as ascertained at the end of the period of the Scheme (see note 1).

5.7. Determining the LTI Remuneration

- 5.7.1.** The amount of annual LTI Remuneration is calculated as follows (the 'Formula'):

$$[(LTI \text{ Coefficient}) \times (\text{extent to which LTI Objectives achieved}) \times (100\% - \text{Target Bonus Discrepancy}^9)] / \text{Reference Value}$$

The Formula must be calculated for each year of the Scheme; the LTI Remuneration is found by adding together the results for each year.

- 5.7.2.** The LTI Remuneration calculated by applying the Formula is divided into three equal parts and the Shares will be available at the times indicated in point 9.5 below.

6. The process of allocating Objectives and evaluating and recording the results

- 6.1.** The process of allocating Objectives and evaluating and recording to what extent they are achieved involves the Appraisee's line manager, the Head of the relevant Department and the General Manager to whom he/she reports.
- 6.2.** Unipol's Human Resources and Organisation Department and the Chief Executive supervise the entire process.
- 6.3.** The recording process also takes due account of the total individual contribution to the good operation of the undertaking in the broader context of the Company's overall consistency and stability.

⁹ The Target Bonus Discrepancy to be applied is the one for each year of the Scheme (2010, 2011, 2012).

- 6.4. The Parent's Management Accounts and Risk Management Departments help to check the quantitative indicators.
- 6.5. The Parent's Compliance Department helps to check the indicators of compliance with current legislation.
- 6.6. If during the year the Recipient is affected by organisational changes that also involve a change in Line Manager, the old Line Manager must share the Objectives already allocated with the new Line Manager and also forward all the relevant documentation.
- 6.7. The new Line Manager, together with the parties mentioned in point 6.1, will decide whether different Objectives from those previously allocated need to be allocated, thus repeating the process of allocating the Objectives and evaluating and recording the results.
- 6.8. In this case the Pro Rata system mentioned in the Definitions referred to in point 1 must be used to record what proportion of the previous and new Objectives are achieved.
- 6.9. The old Line Manager evaluates and records the appropriate proportion of the Objectives.

7. Conditions of the award

- 7.1. Any STI Bonus will be paid along with the salary for June 2013 (if the figures are available), provided that the Senior Executive is actually working for Unipol at the time, has not been dismissed and is not on sabbatical leave.
- 7.2. This does not apply to anyone who stops working for Unipol after 31 December 2012 and is entitled to a long-service or retirement pension on that date.
- 7.3. LTI Remuneration is recorded at the same time as any STI Bonus for 2012 is awarded.
- 7.4. The Shares are available in July 2014, 2015 and 2016 (if the figures are available), provided that the Senior Executive is actually working for Unipol at those times, has not been dismissed and is not on sabbatical leave.
- 7.5. This does not apply to anyone who stops working for Unipol after 31 December of each of the years 2013-2014-2015 and is entitled to a long-service or retirement pension.
- 7.6. The Shares will be deposited with Unipol free of charge for safe custody and management and will be made immediately available at the request of the Senior Executive to whom they have been awarded. Recipients will be notified that the Shares due to them have been deposited and of the procedure for applying for them.

- 7.7.** Gross amounts awarded as one-off payments do not count towards employees' leaving entitlement.
- 7.8.** Even if the conditions provided for in the Regulation are met the LTI Remuneration will not be paid (or, in certain cases, will be paid at a reduced rate) if there is any deterioration in the Company's results commensurate with the risks and if the Senior Executive is disciplined for failing to observe regulations and/or supervisory requirements.
- 7.9.** The Company reserves the right to request the return of any remuneration paid to Senior Executives in violation of the supervisory requirements or if they have committed acts of fraud and/or misrepresentation or gross negligence linked to their functions that have led to a deterioration in the risk profiles and/or business results, and to take further action.
- 7.10.** In any case any Senior Executive suspended during the Relevant Period loses all entitlement to LTI Remuneration.

ITEM 5 ON THE AGENDA

Purchase and sale of treasury shares and shares in the holding company. To vote on the related and consequent motions.

Dear Shareholders,

The Shareholders' Meeting held on 28 April 2011 authorised the Board of Directors to purchase and sell both ordinary and preference treasury shares and ordinary shares in the holding company Finsoe S.p.A., in accordance with Article 2357, Article 2357-ter and Article 2359-bis of the Civil Code, for a period of 18 months from the date the resolutions were passed by the shareholders' meeting, i.e. until 28 October 2012.

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

Reasons for and purpose of the request

Treasury shares would be purchased and sold in the interest of the Company and in accordance with the relevant legislation and normal market practices for the following purposes:

- to promote normal trading direct or through intermediaries in order to counteract distortions linked to excessive volatility or a lack of exchange liquidity;
- to take the opportunity to maximise the value that could be derived from market performance, and hence also from trading, or to carry out any strategic operations in the Company's interest;
- to invest in treasury shares in order to ensure that the liquidity generated by the Company's core business is used effectively;
- to use treasury shares for the purpose of any share incentivisation schemes reserved for Directors, employees and anyone else working for the Company or the companies in the Unipol Group.

The aim of the request for authorisation to purchase treasury shares is not at the moment to reduce the Company's share capital by cancelling the treasury shares purchased.

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

Number of shares that may be acquired and procedures for buying and selling

As of today:

- Unipol Gruppo Finanziario S.p.A.'s share capital amounts to €2,699,066,930.11, subdivided into 3,416,540,416 shares with no nominal value, 2,114,257,106 of which are ordinary shares and 1,302,283,310 preference shares. The Company owns no treasury shares, either direct or indirectly¹⁰;
- the share capital of the holding company Finsoe S.p.A. amounts to €751,009,648.32, subdivided into 2,086,137,912 ordinary shares each with a nominal value of €0.36. The Company owns no shares in the holding company Finsoe S.p.A., either direct or indirectly.

The Provisions for the purchase of treasury shares and shares in the holding company set up in accordance with the resolution passed by the shareholders' meeting held on 28 April 2011 amount to €100,000,000.00 and €45,000,000.00 respectively and neither has yet been used.

It is proposed that the following quantities of treasury shares and shares in the holding company be purchased and sold in accordance with the following procedures:

- (i) that the maximum number of treasury shares allowed by law and normal market practices be purchased, in accordance with the procedures provided for in Article 132 of the Consolidated Finance Act and Article 144-*bis*, para. 1 a), b) and c) of the Issuer Regulation and in any other provision, including EC Directive 2003/6 and the relative Community and national regulations for implementing it, where applicable;
- (ii) that treasury shares be sold in accordance with the procedures allowed by law and subsequently purchased and sold, in one or more tranches, until the authorisation period expires;
- (iii) that the maximum number of shares in the holding company Finsoe S.p.A. allowed by law be purchased and sold.

Purchase and selling price of treasury shares

Treasury shares should be both purchased and sold at a price not more than 15% higher nor 15% lower than the price of the security recorded on the day of trading preceding the date of each individual operation. These are deemed to be the appropriate values between which the purchase and sale of the shares is in the Company's interest.

The maximum expenditure price will continue to be €100m, which is the amount currently in the Provision for the purchase of treasury shares.

¹⁰ The resolution passed by the shareholders' meeting held on 19 March 2012 having been entered in the Bologna Companies' Register on 27 March 2012, on the date this Report was published, 28 March 2012, the share capital amounted to €2,699,066,917.47, subdivided into 34,165,404 shares with no nominal value, 21,142,571 of which were ordinary shares and 13,022,833 preference shares.

Purchase and selling price of shares in the holding company

A maximum unit price of €1.30 and a minimum unit price €0.80 are proposed for both purchasing and selling shares in the holding company.

A maximum expenditure limit of €45m for purchases is proposed, with the same amount being retained in the Provision for the purchase of shares in the holding company.

Therefore the Board of Directors submits the following motion to the Shareholders' Meeting.

Motion

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

- *noting the motion submitted by the Board of Directors;*
- *having examined the financial statements for the year ended 31 December 2011;*
- *bearing in mind the provisions of Articles 2357, 2357-ter and 2359-bis of the Civil Code;*
- *noting that the Company holds no treasury shares, either direct or indirectly;*
- *also noting that the Company holds no shares in the holding company Finsoe S.p.A., either direct or indirectly;*

resolves

- i) to revoke the previous resolution to authorise the purchase and/or sale of treasury shares and shares in the holding company, which was passed by the Ordinary Shareholders' Meeting held on 28 April 2011;*
- ii) to authorise, for a period of 18 months from this resolution being passed by the shareholders' meeting, the purchase and sale of treasury shares, in accordance with Article 2357 and Article 2357-ter of the Civil Code and within the maximum expenditure limit of €100,000,000.00, and the purchase and sale of shares in the holding company Finsoe S.p.A., in accordance with Article 2359-bis of the Civil Code and within the maximum expenditure limit of €45,000,000.00, as specified below.*
 - (a) The following quantities of treasury shares and shares in the holding company may be purchased and sold in accordance with the following procedures:*
 - *the maximum number of treasury shares allowed by law and normal market practices may be purchased, in accordance with the procedures provided for in Article 132 of the Consolidated*

Finance Act and Article 144-bis para. 1 a), b) and c) of the Issuer Regulation and in any other provision, including legislation referred to in EC Directive 2003/6 and any enabling Community and national legislation;

- treasury shares may be sold in accordance with the procedures allowed by law and may be subsequently purchased and sold, in one or more tranches, until the authorisation period expires;*
- the maximum number of shares in the holding company Finsoe S.p.A. may be purchased and sold in accordance with the procedures allowed by law.*

(b) Treasury shares and shares in the holding company may be purchased and sold at prices established as follows:

- treasury shares may be purchased and sold at a price not more than 15% higher nor 15% lower than the price of the security recorded on the day of trading preceding the date of each individual operation within the maximum expenditure limit of €100,000,000.00;*
- shares in the holding company may be purchased and sold at a maximum unit price of €1.30 and a minimum unit price of €0.80 within the maximum expenditure limit of €45,000,000.00;*

iii) to maintain the level of the Provision for the purchase of treasury shares at €100,000,000.00;

iv) to maintain the level of the Provision for the purchase of shares in the holding company at €45,000,000.00;

v) to authorise the Board of Directors – and through it the Chairman and the Chief Executive, separately, and also through representatives appointed for the purpose – to purchase and/or sell treasury shares.

Bologna, 15 March 2012

For the Board of Directors

The Chairman

Pierluigi Stefanini