



UNIPOL GRUPPO FINANZIARIO S.p.A.

**DIRECTORS' REPORT
ON THE MOTIONS
TO BE PUT TO THE ORDINARY SHAREHOLDERS' MEETING
OF 22 – 23 APRIL 2009**

*in accordance with Article 3 of Ministerial Decree 437 of 5 November 1998 and
Article 73 of the Regulation adopted by CONSOB in its ruling 11971 of 14 May 1999
and subsequent amendments*

19 March 2009



ORDINARY SHAREHOLDERS' MEETING

22 – 23 APRIL 2009

AGENDA

1. To approve the accounts for the year ended 31 December 2008; to hear the report of the Board of Directors; to hear the reports of the Board of Statutory Auditors and the External Auditors; to pass the related and consequent resolutions
2. To appoint a Director in accordance with Article 2386, para. 1, of the Italian Civil Code
3. Purchase and sale of own shares and of shares in the holding company; to pass the related and consequent resolutions



ITEM 1 ON THE AGENDA

To approve the accounts for the year ended 31 December 2008; to hear the report of the Board of Directors; to hear the reports of the Board of Statutory Auditors and the External Auditors; to pass the related and consequent resolutions

Dear Shareholders,

The draft annual accounts submitted for your approval show a loss of €2,873,296.00.

In view of the level of reserves available, the Board of Directors submits to the Shareholders' Meeting a motion to cover the operating loss as shown below.

Motion

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

- *having examined the Company's draft annual accounts for the year ended 31 December 2008;*
- *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.;*

resolves

- (i) *to approve the annual accounts of Unipol Gruppo Finanziario S.p.A. as at 31 December 2008, accompanied by the Board Report, showing a loss of €2,873,296.00;*
- (ii) *to cover the loss of €2,873,296.00 by drawing on the following reserves available:*
 - ✓ *€2,105,774.00 from the reserve under Article 2426 8-bis of the It. Civil Code;*
 - ✓ *€326,014.00 from the reserve under the Law No. 46 relating to the Region of Sicily of 12 April 1967;*
 - ✓ *€21,956.00 from the merger reserve;*



- ✓ €314,007.00 from the warrant conversion reserve;
- ✓ €105,545.00 from the share swap reserve to cover the rest of the loss, this reserve consequently falling to €20,941,459.00.

Bologna, 19 March 2009

For the Board of Directors

The Chairman

Pierluigi Stefanini



ITEM 2 ON THE AGENDA

Appointment of a Director in accordance with Article 2386, para. 1, of the Italian Civil Code

Dear Shareholders,

Under Article 2386, para. 1, of the Italian Civil Code the term of office of the Director Pier Luigi Celli, who was appointed by the Board of Directors on 26 June 2008 to replace Fabio Borghi, expires at this Shareholders' Meeting.

In accordance with the wishes of the Appointments Committee we invite you to confirm the appointment of Professor Pier Luigi Celli, an exponent of Italian business ethos and Managing Director and General Manager of LUISS 'Guido Carli' University, in view of his experience and professional expertise as indicated in the attached curriculum vitae.

It will be remembered that in accordance with the provisions of the last paragraph of Article 10 of the Company's By-Laws, *when Directors are being replaced under Article 2386 of the Italian Civil Code, the results of the voting at the Shareholders' Meeting shall comply with the majorities laid down in law without any restrictions imposed by lists, but care must be taken to ensure that the Board of Directors has at least two members who comply with the requirements of independence laid down in current legislation and regulations.*

According to the documents he has submitted the candidate complies with the requirements of independence, professionalism and trustworthiness laid down in the relevant legislation and in the Code of Corporate Governance for Listed Companies.

Finally we propose that the Director's term of office should expire at the same time as that of the current Board of Directors, that is on the date of the Shareholders' Meeting called to approve the 2009 accounts.

Motion

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

- *noting the proposal submitted by the Board of Directors,*

resolves

- *to confirm the number of members of the Board of Directors as 25 and to appoint as Director of the Company, in accordance with Article 2386, para 1,*



of the Italian Civil Code, Mr Pier Luigi Celli, whose term of office shall expire at the same time as that of the other Directors, that is on the date of the Shareholders' Meeting called to approve the 2009 accounts;

- *to waive the requirement for the Director thus appointed to be bound by the prohibition referred to in Article 2390 of the Italian Civil Code.*

Bologna, 19 March 2009

For the Board of Directors

The Chairman

Pierluigi Stefanini

CURRICULUM VITAE

Pier Luigi Celli

Born in Verucchio (Rimini) - 8/7/1942

Married – 2 children

Degree in Sociology (Trento) – 110/110 (cum laude)

Specialising in Psychology and Philosophy

Languages: English, Spanish and Portuguese

Work experience:

- | | |
|-----------|---|
| 1968/1977 | Head of Studies Office at <u>BOLZANO DEPARTMENT OF INDUSTRY</u> and Manager of 5 Professional Training Centres |
| 1978/1982 | <u>SNAMPROGETTI (ENI Group)</u> : Project Manager and Site Manager in Algeria, Angola, Libya (with a budget of several tens of millions of dollars) |
| 1982/1993 | <u>ENI</u>
Firstly, as Managerial and Organisation Training Manager.
Then as Development and Compensation Manager.
Finally, as Deputy Central Manager of Personnel and Organisation (with responsibility for 8,500 Group |



managers and the career development of 20,000 junior officers and other talents).

July 1993/

August 1994

RAI Radiotelevisione Italiana: Head of Personnel, Organisation and Systems

1994/1996

OLIVETTI Group:

Firstly as Head of Personnel and Organisation of OMNITEL, building up the Company from the start to the launch of operations: took on 2,000 people in one year.

Then as Central Manager of Personnel and Organisation of OLIVETTI (36,000 employees)

Member of the Board of OLIVETTI Personal Computers and OLIVETTI Lexicon

August 1996/

February 1998

ENEL: Head of Personnel and Organisation (100,000 employees).

Implemental in unbundling and in setting up WIND

February 1998/

February 2001

RAI: General Manager

Implemented the divisionalisation of the firm; setting up of 8 companies; the first agreement with privately-owned businesses and their admission to the capital of an associated company (RCS in RAISAT); admittance to Telepiù; two RAI/private business joint ventures (with RCS and E.BISCOM); the joint venture with CANALPLUS to distribute films in Italy.

March 2001/

June 2002

IPSE 2000: Executive Chairman.

Built up the Company (800 people) in 5 months and made it operational from November 2001.

September 2002/

April 2005

UNICREDITO ITALIANO: Head of the Corporate Identity Department

Unit which includes external relations and press, the environmental social report, brand coordination and publicity, institutional relations, in-house communication, the relationship with the territory [Italy] and Fondazione Unidea.

Implemented the training project involving the 6 Banks in Italy.

May 2005

LUISS 'GUIDO CARLI' UNIVERSITY

Managing Director and General Manager



The author of many books published by leading publishing houses, as well as many essays and articles.

Has been Lecturer in Industrial Organisation at the Faculty of Political Sciences, Cagliari and at the Faculty of Economics and Business at LUISS University.

Has held the Chair of Cultural Institutions at the Università Cattolica (Milan).

Was Scientific Director of the "Ducati/Ferretti" Corporate Master's at Alma Graduate School, Bologna.

Was a member of the Advisory Board of Sda-Bocconi.

Works with the Alma Graduate School at the University of Bologna.

Is Honorary Chairman of the Italian Institute of Philosophical Studies, Naples.

Was a member of the Board of Directors of Hera Spa, Messaggerie Libri.

Is a member of the Advisory Board of B.T. Italia

Is a member of the Board of Directors of British American Tobacco, Illy Caffè, Emmelibri and Unipol.

Is a member of the Steering Committee of the Accademia delle Scienze di Medicina Palliativa and Chairman of the Ethics Committee for the Istituti Fisioterapici Ospitalieri, Rome.

Signed

Pier Luigi Celli

March 2009



ITEM 3 ON THE AGENDA

Purchase and sale of own shares and of shares in the holding company. To pass the related and consequent motions

Dear Shareholders,

The Shareholders' Meeting held on 24 April 2008 authorised the Board of Directors to purchase and/or sell own shares and shares in the holding company Finsoe S.p.A., in accordance with Articles 2357, 2357-ter and 2359-bis of the Italian Civil Code, for a period of 18 months following the Shareholders' Meeting.

In view of the fact that this authorisation will expire on 24 October 2009, the Board of Directors thinks it would be useful for it to be renewed for a period of 18 months from the date on which the Shareholders' Meeting adopts the corresponding resolution, for the reasons and in accordance with the procedures given below.

The authority to purchase and sell own shares may in fact represent an opportunity for the Company to pursue the following objectives, in accordance with the relevant legislation and with the principle of treating shareholders equally:

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

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

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

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

In accordance with Articles 2357 et seq. of the Italian Civil Code the number of own ordinary and preference shares held in the portfolio, including the shares owned by the subsidiary companies, must not exceed one tenth of the shares that make up



the share capital, which currently amounts to €2,391,426,100.00 and is divided into 2,391,426,100 shares with no nominal value, 1,479,885,786 of which are ordinary shares and 911,540,314 preference shares.

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

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

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

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

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

It is deemed appropriate to increase the maximum purchase or selling price of shares in the holding company to €1.30 (one Euro and 30 cents), with the minimum remaining unchanged at €1.00 (one Euro) in each case.

We therefore submit the following motions for your approval:

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

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



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

resolves

- (i) to revoke the previous resolution to authorise the purchase and/or sale of own shares and of shares in the holding company, which was passed by the Shareholders' Meeting held on 24 April 2008;*
- (ii) to authorise the Board of Directors to purchase and/or sell own shares, in accordance with Article 2357 and Article 2357-ter of the Civil Code and depending on the level of the Fund for the purchase of own shares, for a period of 18 months following this Shareholders' Meeting, in accordance with the procedures specified below.*

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

- *the number of shares purchased must not exceed one tenth of the total number of shares that represent the Company's share capital. Purchases and sales of shares must be carried out in the ways specified and in accordance with the procedures and within the limits provided for by the relevant legislation;*
- *in the case of both purchase and sale the unit price shall be based on the price of the security recorded on the Stock Exchange trading day preceding each individual operation and must not vary by more than 15% either way. However, the price must not exceed any limits provided for by legislation;*
- *purchases must be carried out in accordance with the procedures referred to in Article 144-bis, para. 1 a), b), c) and d), of the Regulation approved by CONSOB Ruling 11971 of 14 May 1999 as amended (the 'Regulation on Issuers'), and in any case in accordance with the provisions of Article 132 of Legislative Decree 58/1998, Article 144-bis of the Regulation on Issuers and any other provision, including the regulations referred to in EC Directive 2003/6 and relative Community and national regulations for implementation, if applicable;*
- (ii) to confirm the current level of the Fund for the purchase of own shares at €99,948,206.00;*
- (iii) to authorise the Board of Directors – and through it the Chairman and Chief Executive Officer separately – to purchase and/or sell own shares, on the conditions and within the limits resolved above, and to implement the above*



resolutions, possibly by using legal representatives, their actions being hereby validated and ratified;

- (iv) *to authorise the Board of Directors to purchase and/or sell one or more tranches of shares in the holding company Finsoe S.p.A., in accordance with Article 2359-2 of the Civil Code and depending on the level of the Fund for the purchase of shares in the holding company, for a period of 18 months following this Shareholders' Meeting, on the following terms:*
- *in each case the total nominal value of shares purchased must not exceed one tenth of the share capital of the holding company when any shares owned by the holding company itself and by its subsidiary companies are taken into account;*
 - *minimum unit price whether buying or selling: €1.00 (one Euro);*
 - *maximum unit price whether buying or selling: €1.30 (one Euro 30);*
- (v) *to confirm the current level of the Fund for the purchase of shares in the holding company at €45m;*
- (vi) *to authorise the Board of Directors – and through it the Chairman and Chief Executive Officer separately – to purchase and/or sell shares in the holding company, on the conditions and within the limits resolved above, and to implement the above resolutions, possibly by using legal representatives, their actions being hereby validated and ratified.*

Bologna, 19 March 2009

For the Board of Directors

The Chairman

Pierluigi Stefanini