

Directors' Reports and proposals on the items  
of the agenda of the Shareholders' Meeting **2018**

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## **AGENDA**

### **ORDINARY SHAREHOLDERS' MEETING**

- 1. Financial Statements as at 31 December 2017; Directors' Report; Board of Statutory Auditors' and Independent Auditors' Report. Related and consequent resolutions.**
- 2. Composition of the Board of Directors pursuant to Art. 2386 of the Italian Civil Code. Related and consequent resolutions.**
- 3. Remuneration report prepared pursuant to Article 123-ter of the Consolidated Law on Finance. Related and consequent resolutions.**
- 4. Acquisition and disposal of treasury shares. Related and consequent resolutions.**

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**REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS' MEETING ON AGENDA ITEM No. 1**

**Financial Statements as at 31 December 2017; Directors' Report; Board of Statutory Auditors' and Independent Auditors' Report. Related and consequent resolutions.**

Dear Shareholders,

concerning the description of the first item of the agenda for the Ordinary Shareholders' Meeting, please refer to the information published as required by law within the annual Financial Report and, in particular, to the issues included in the Management Report prepared by the Board of Directors of Unipol Gruppo S.p.A. (the "Company") - together with the Report on corporate governance and ownership structures - as well as the reports by the Board of Statutory Auditors and by the Independent Auditors, PricewaterhouseCoopers S.p.A.; this documentation will be made publicly available in its entirety as prescribed by law at the Company's registered office and on its website ([www.unipol.it](http://www.unipol.it)) in the section *Governance/Shareholders' Meetings/2018/Ordinary Shareholders' Meeting - 24 April 2018*.

The consolidated financial statements, along with the non-financial statement pursuant to Legislative Decree 254/2016 and the other documents pursuant to Art. 154-ter, Par. 1 of Legislative Decree no. 58/1998, shall also be made available as described above.

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

**Proposal**

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

- having examined the draft financial statements of the Company as at 31 December 2017;*
- having examined the results of said draft financial statements, which close with profit for the year totalling €213,351,961.85;*
- having viewed the Directors' Report as at 31 December 2017;*
- having accepted the Board of Statutory Auditors' Report and the report prepared by the company PricewaterhouseCoopers S.p.A. appointed to serve as the independent auditor;*
- having acknowledged that as things currently stand, the Company directly holds 2,753,466 ordinary treasury shares,*

*hereby resolves*

- *to approve the financial statements of Unipol Gruppo as at 31 December 2017, accompanied by the Directors' Report, recording profit for the year of €213,351,961.85;*
- *to approve the proposed allocation of the profit set forth in the financial statements of Unipol Gruppo as at 31 December 2017, in compliance with Art. 19 of the By-Laws, as follows:*
  - *to the Legal Reserve* *€21,335,196.19;*
  - *to the Extraordinary reserve* *€63,367,158.10;*
  - *the remainder of the profit, equal to 60.53% of the total, to the dividend for the 714,720,042 ordinary shares outstanding, for a total of €128,649,607.56 (€0.18 per share);*
- *to therefore approve the distribution of a unit dividend, also in consideration of the redistribution of the dividend pertaining to treasury shares, equal to €0.18 for each entitled ordinary share, for a total of €128,649,607.56, also with warning that the possible change in the number of treasury shares in the portfolio of the Company at the time of the distribution will have no incidence on the amount of the unit dividend as established above, but will increase or decrease the amount allocated to the Extraordinary reserve;*
- *to set the dividend payment date as 23 May 2018 (ex-dividend date of 21 May 2018 and record date of 22 May 2018).*

Bologna, 22 March 2018

The Board of Directors

**REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS' MEETING ON AGENDA ITEM No. 2**

**Composition of the Board of Directors pursuant to Art. 2386 of the Italian Civil Code. Related and consequent resolutions.**

Dear Shareholders,

please recall that, on 27 July 2017, the non-executive independent Director Sandro Alfredo Pierri resigned from all offices held in the Board of Directors of Unipol Gruppo S.p.A. (the "Company") as of 3 August 2017, for professional reasons. On that last date, the Board of Directors replaced the outgoing Director – pursuant to Art. 2386, Par. 1 of the Italian Civil Code, with the favourable opinion of the Board of Statutory Auditors – with Massimo Desiderio, whose term of office comes to an end at the time of this Shareholders' Meeting.

Therefore, pursuant to Art. 2386 of the Italian Civil Code, it is necessary to appoint a Director, recalling, in this regard, that according to the provisions of Art. 10 of the current By-Laws, if *"during the year one or more Directors cease to hold office, as long as the majority still consists of Directors appointed by the Meeting, the procedure, pursuant to Art. 2386 of the Italian Civil Code, will be as follows:*

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

In this respect, we note the following:

- Mr Pierri was appointed by the Ordinary Shareholders' Meeting of the Company of 28 April 2016 from the minority list submitted by several asset management companies and institutional investors, consisting of three candidates, two of whom (Mr Pierri himself and Ms Silvia Elisabetta Candini) were later appointed by the above-mentioned Shareholders' Meeting;
- Mr Massimo Desiderio was also on that list, as the third and last candidate;
- given the current composition of the Board of Directors, the replacement for the outgoing Director does not need to belong to the least represented gender,

Therefore, we invite you to appoint Mr Massimo Desiderio, whose experience and professional expertise are also listed in his CV, attached to this report, as Director of the Company.

We also inform you that - according to what is set forth in the documentation he submitted and the evaluations conducted in this respect by the Board of Directors of the Company upon his appointment - the candidate:

- meets the requirements laid out by applicable legislation;
- is in no situations of incompatibility pursuant to Law no. 214/2011 on interlocking directorates;
- is classified as an Independent Director, pursuant to the Code of Conduct for listed companies and to Legislative Decree no. 58 of 24 February 1998 (Consolidated Law on Finance), as well as in compliance with the Policy on requirements of suitability for office adopted by the Company on this matter.

The appointment of Mr Massimo Desiderio would continue to ensure the presence on the Board of Directors of the number of independent Directors prescribed by applicable legislation and compliance with the prescriptions on gender balance in force.

Should the Shareholders' Meeting approve his appointment, Mr Desiderio's term of office will end along with that of the entire Board of Directors at the date of the Shareholders' Meeting called to approve the 2018 financial statements.

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

### **Proposal**

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

- *after reviewing the Report of the Board of Directors,*  
*hereby resolves*
- *to confirm the number of members of the Board of Directors as 22, as determined by the Ordinary Shareholders' Meeting of the Company on 28 April 2016;*
- *to appoint as Director of the Company, pursuant to Art. 2386, Par. 1 of the Italian Civil Code, Mr Massimo Desiderio, born in Naples on 29 May 1965, with address for purposes of his office at the registered office of the Company in Bologna, via Stalingrado 45, taxpayer ID code DSDMSM65E29F839M, Italian citizen, whose term of office will end along with that of the Directors in office and, therefore, at the time of the Shareholders' Meeting called to approve the financial statements at 31 December 2018;*



- *to confirm, for his benefit, the amount of annual remuneration due to the members of the Board of Directors, defined by the Shareholders' Meeting on 28 April 2016;*
- *to authorise the insurance coverage relating to risks connected to third-party civil liability deriving from the legal and contractual obligations inherent in the function of director and the connected legal protection, within the terms and in accordance with the procedures established by the Shareholders' Meeting on 28 April 2016;*
- *to allow the Director thus appointed, pursuant to Art. 2390 of the Italian Civil Code and within the applicable legal limits, to be part, or become part, of Boards of Directors of other companies.*

Bologna, 22 March 2018

The Board of Directors

Annex CV of Mr Massimo Desiderio

**MASSIMO DESIDERIO**

nato a Napoli il 29 maggio 1965

## CURRICULUM VITAE E PROFILO PROFESSIONALE

Svolge in Roma dal 2011 in forma indipendente la professione di avvocato, con competenze prevalenti in diritto commerciale, con particolare riguardo alle materie del diritto societario, bancario e dell'intermediazione finanziaria, e dei contratti d'impresa.

Di seguito si indicano le esperienze lavorative e di formazione.

- (2005 - 2010)** Da febbraio 2005 a ottobre 2010 è stato *counsel* nello Studio legale **Gianni, Origoni, Grippo & Partners**, ufficio di Roma, nei dipartimenti *Banking* e *Capital Markets*.
- (2002-2004)** Da aprile 2002 agli inizi del 2004 è stato *associated partner* nello Studio legale associato ad **Haarmann Hemmelrath & Partner**, ufficio di Roma.
- (2000 - 2002)** Da gennaio 2000 a tutto il febbraio 2002 è stato responsabile del settore legale di **Assogestioni**, associazione di categoria delle società operanti nella gestione del risparmio.
- (1996 – 1999)** Iscritto all'albo degli Avvocati di Roma, tra la fine del 1996 e tutto il 1999 ha esercitato la libera professione occupandosi in prevalenza di questioni attinenti al diritto commerciale e bancario, in sede sia di consulenza sia di contenzioso giudiziale e arbitrale. Ha collaborato con lo “Studio Legale Associato G.Visentini, M.Bussoletti, F.Marchetti, A.Nuzzo”, quindi con “**Bussoletti Nuzzo & Associati**”.
- (1993 – 1996)** Nel febbraio 1993 ha superato il concorso per esami, bandito dalla **Banca d'Italia**, per “borse di studio per la qualificazione nel settore del credito”, frequentando il relativo corso nel maggio – giugno 1993, cui è seguita l'assunzione da parte della Banca d'Italia con la qualifica di coadiutore e l'assegnazione alla Filiale di Padova, Ufficio Vigilanza, ove ha svolto anche attività ispettiva. Alla fine di ottobre 1996 è cessato, a domanda, dal servizio.
- (1992)** Il 30 novembre 1992 ha superato presso la Corte di Appello di Roma l'esame di abilitazione all'esercizio della professione forense.
- (1991 – 1993)** Nel febbraio 1991 ha iniziato un'attività di collaborazione con l'emittente televisiva Telemontecarlo, dalla quale è poi stato assunto dal dicembre 1991 come addetto all'ufficio legale (qualifica “CCNL Radiotelevisioni private”: 8° livello – Quadro), con compiti di studio e cura riguardanti rapporti contrattuali, contenzioso stragiudiziale e rapporti con pubbliche autorità (in particolare, Garante per l'editoria). Il rapporto è stato consensualmente risolto nel marzo 1993.
- (1989 - 1990)** Ha assolto gli obblighi di leva come Ufficiale di complemento della Marina Militare (corpo delle Capitanerie di Porto) nel periodo settembre 1989 – dicembre 1990.
- (1989)** Il 10 luglio 1989 si è laureato in Giurisprudenza con voti 110/110 e lode presso l'Università degli studi di Roma “La Sapienza”, con una tesi su “Le condizioni generali di contratto nel trasporto aereo di linea internazionale”.

(1984) Ha conseguito la maturità classica nel Liceo Ginnasio statale “Terenzio Mamiani” di Roma nel 1984, con voti 60/60.

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Dall'agosto 2017 è Consigliere indipendente di Unipol Gruppo S.p.A.

A partire dal 2004 ha svolto incarichi – su nomina della Banca d'Italia – di componente del comitato di sorveglianza in procedure di crisi di Società di Intermediazione Mobiliare.

Dal 2010 al 2017 è stato docente presso il Corso Superiore di Polizia Tributaria della Guardia di Finanza, nell'ambito del corso “Diritto dei mercati finanziari 2”.

Dal 2011 al 2016 è stato componente di commissione per gli esami prima da Promotore Finanziario e poi da Consulente Finanziario Abilitato all'Offerta Fuori Sede.

Nel 2011-2012 ha collaborato all'attività di ricerca del CERIS – Istituto di Ricerca sull'Impresa e lo Sviluppo del Consiglio Nazionale delle Ricerche

Ha pubblicato «UCITS III»: *La riforma europea della gestione collettiva del risparmio e le modifiche al testo unico della finanza. Le novità per Fondi e Sicav*, in *Diritto della banca e del mercato finanziario*, 2004, pp. 105-170.

Roma, marzo 2018

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**REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS' MEETING ON AGENDA ITEM No. 3**

**Remuneration report prepared pursuant to Article 123-ter of the Consolidated Law on Finance. Related and consequent resolutions.**

Dear Shareholders,

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

This regulatory framework is also supplemented by the remuneration standards and criteria recommended by the Code of Conduct for listed companies, with which Unipol Gruppo S.p.A. (the "Company") complies.

For this purpose, the Board of Directors of the Company approved the Report, prepared pursuant to the aforementioned rules, which consists of the following two sections:

- the First Section illustrates the remuneration policies of the members of the administration and control bodies, the General Manager and the Key Managers for the year 2018, as well as the procedures used for their adoption and implementation;
- the Second Section provides a representation of each of the items that comprise remuneration and illustrates, individually by name for the members of the administration and control bodies and for the General Manager and in aggregate form for the Key Managers of the Company, the compensation paid by the Company in the year 2017 for any reason and in any form. Lastly, information is provided about the shareholdings held, by the aforementioned persons, in the listed companies and in their subsidiaries.

Pursuant to paragraph 6 of the above-mentioned Art. 123-ter of the Consolidated Law on Finance, the Shareholders' Meeting is also called upon to pass a non-binding resolution in favour of or against the First Section of the Report.

In relation to the foregoing, the Board of Directors submits for your attention the Remuneration Report of the Company for this year, inviting you, pursuant to Art. 123-ter, Par. 6 of the Consolidated Law on Finance, to vote in favour of the above-mentioned First Section of the Report, relating to the policies adopted in relation to the remuneration of the members of the administration and control bodies, the General Manager and the Key Managers for the year 2018, as well as the procedures used for



the adoption and implementation of such policies.

Bologna, 22 March 2018

The Board of Directors

Annex: Remuneration report of Unipol Gruppo S.p.A. prepared pursuant to Article 123-*ter* of the Consolidated Law on Finance



**REMUNERATION REPORT  
OF UNIPOL GRUPPO S.P.A.**

(drawn up pursuant to Article 123-ter of the Consolidated Law on Finance, TUF)

Bologna, 22 March 2018

## Foreword

This document, approved by the Board of Directors of Unipol Gruppo S.p.A. (“**Unipol**” or the “**Company**”) on 22 March 2018, contains the remuneration report (the “**Report**”) – prepared pursuant to Article 123-*ter* of the Consolidated Law on Finance (the “**TUF**”) and in accordance with the models contained in Annex 3A, Schedules 7-*bis* and 7-*ter* of CONSOB Regulation no. 11971 regarding issuers (the “**Issuers’ Regulation**”) - with a view to illustrating to the Shareholders’ Meeting convened to approve the financial statements at 31 December 2017 (the “**Shareholders’ Meeting**”) the policies adopted by Unipol with regard to the remuneration of members of the administration and control bodies (the “**Corporate Bodies**”), the General Manager and the Key Managers of the Company for 2018 (the “**Remuneration policies**” or the “**Compensation policies**” or the “**Policies**”).

The Company’s Remuneration policies are compliant with the recommendations on remuneration set forth in the Code of Conduct for listed companies, in the last edition of July 2015, which Unipol follows (the “**Code of Conduct**”).

This Report has two sections:

- the First Section illustrates the Remuneration policies adopted by Unipol for 2018 and the procedures followed for their adoption and implementation;
- the Second Section provides adequate representation of each of the items comprising remuneration and shows, by name, remuneration paid by the Company in 2017 for any reason and in any form to members of the Corporate Bodies and the General Manager and, in aggregate form, to the Key Managers of the Company.

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

The Shareholders’ Meeting resolves upon the First Section of the Report, with a non-binding vote; the result of voting is made available to the public pursuant to Article 125-*quater*, paragraph 2, of the TUF.

As envisaged by CONSOB Regulation no. 17221 of 12 March 2010 regarding related party transactions, as later amended and transposed in the “Procedure for Transactions with Related Parties” (the “**Procedure**”), adopted by the Company and available on its website [www.unipol.it](http://www.unipol.it), in the *Governance/Related Party Transactions* Section, the approval of the Remuneration policy or the advisory vote on it by the Shareholders’ Meeting exonerates the Company from the application of the Procedure in resolutions of the Board of Directors regarding the remuneration of Directors and Key Managers, in accordance with the further conditions set forth in Article 13, third paragraph, lett. b) of the cited Regulation.

This Report is made available to the public at the registered office of Unipol, in Bologna, Via Stalingrado, 45, as well as on the Company’s website at [www.unipol.it](http://www.unipol.it), in the *Governance/Shareholders’ Meetings/2018/Ordinary Shareholders’ Meeting 24 April 2018* Section, in accordance with the regulatory provisions in force.



Pursuant to Article 123-ter, paragraph 5, of the TUF, the disclosure documents relating to compensation plans based on financial instruments, prepared pursuant to Article 114-bis of the TUF, are available on the Company's website [www.unipol.it](http://www.unipol.it), in the Governance/Shareholders' Meetings Section.

## FIRST SECTION - REMUNERATION POLICIES

The remuneration policies for 2018 are substantially in line with those of the previous year, adopting the same principles, structure and content.

Please note that the Key Managers of Unipol, as identified by the Chairman and the Chief Executive Officer/Group CEO of Unipol, at the proposal of the General Management of the Human Resources and Organisation Department, on the date of publication of this Report, are:

- the Heads of the General Management Departments<sup>(\*)</sup>;
- the Director of Strategic Planning, Investor Relations and M&A<sup>(\*)</sup>;
- the IT Services Director;
- the Director of Management Control and Taxes;
- the Director of Communications and Media Relations;
- the Head of Group Management Control;
- the Chief Risk Officer<sup>(\*)</sup>;
- the Heads of the Internal Control Functions (Audit, Risk Management, Compliance and Anti-Money Laundering).

### **A) BODIES AND PERSONS INVOLVED IN THE PREPARATION AND APPROVAL OF THE REMUNERATION POLICY AND RESPECTIVE ROLES, AS WELL AS BODIES OR PERSONS RESPONSIBLE FOR THE CORRECT IMPLEMENTATION OF THE POLICY**

The bodies and/or persons involved in the preparation and approval of Remuneration policies, with their respective roles and responsibilities, are identified as follows:

- the Board of Directors defines, after assessing the proposals of the Remuneration Committee, Policies regarding the remuneration of Directors and Key Managers.

In addition, if events take place that could impact elements constituting the incentive system adopted by the Company (including, for example but not limited to, extraordinary transactions or transactions on the share capital regarding Unipol and/or the Unipol Group, mergers, regulatory amendments or amendments to the scope of the Company and/or the Unipol Group), or in the event of significant market discontinuity (such as material changes in domestic and/or international macroeconomic conditions or monetary policy), the Board of Directors has the right to make the amendments deemed necessary or appropriate to the incentive system and/or the Compensation policies in order to keep their substantial and economic content unchanged - within the limits allowed by regulations applicable over time

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<sup>(\*)</sup> Members of Unipol Gruppo S.p.A.'s Management Committee.

- in order to maintain the fairness and overall consistency of the incentive system and/or Compensation policies as a whole;
- the Remuneration Committee supports the Board of Directors by exercising advisory functions and making proposals on the following matters:
  - submitting to the Board of Directors proposals regarding Policies for the remuneration of the Directors and the Key Managers (including the Heads of the Audit, Compliance and Anti-Money Laundering and Risk Management Functions, together referred to as the “**Internal Control Functions**”) of the Company;
  - submitting to the Board of Directors proposals for the remuneration of the Chief Executive Officer/Group CEO and the other Directors who perform specific duties, as well as for setting up performance objectives related to the variable portions of the remuneration, consistent with the Remuneration policies adopted by the Board of Directors;
  - monitoring the implementation of the decisions approved by the Board of Directors, while verifying, in particular, the actual fulfilment of performance objectives;
  - regularly evaluating the adequacy, the overall consistency and correct application of the Policies for the remuneration of the Directors and the Key Managers (including the Heads of the Internal Control Functions) of the Company, availing itself, in this last regard, of the information provided by the Chief Executive Officer/Group CEO and submitting proposals to the Board of Directors on these matters;
- the Chief Executive Officer/Group CEO, in agreement with the Chairman:
  - expresses to the Remuneration Committee indications for the formulation of proposals to be submitted to the Board of Directors concerning Remuneration policies for the Key Managers of the Company;
  - formulates to the Board of Directors, pursuant to the guidelines identified in the Remuneration policies approved by the latter, proposals regarding the remuneration of the General Manager of the Company, as well as the determination of the relative financial package, setting the performance objectives related to the variable component of such remuneration;
  - defines the remuneration of Key Managers of the Company, setting the performance objectives related to the variable component, in accordance with the guidelines identified in the Policies for the remuneration of the Board of Directors and without prejudice to the responsibilities of the Unipol Control and Risk Committee with reference to the Heads of the Internal Control Functions.

If the Chief Executive Officer/Group CEO is in a situation of potential conflict of interests in exercising the functions listed above, they are exercised, in his stead, by the Deputy Chairman;

- the General Management of the Human Resources and Organisation Department is responsible for establishing and overseeing the process of drawing up proposals relating to the Remuneration policies, and sees to their implementation, involving the other functions of the Unipol Group where necessary and/or appropriate.

**B) POSSIBLE INTERVENTION OF A REMUNERATION COMMITTEE OR OF ANOTHER COMMITTEE WITH RELEVANT POWERS, DESCRIPTION OF THE COMPOSITION (DISTINGUISHING BETWEEN NON-EXECUTIVE AND INDEPENDENT DIRECTORS), THE POWERS AND THE MODUS OPERANDI OF THE SAME**

As noted above, the Remuneration Committee formed within the Board of Directors is involved in the process of developing Remuneration policies in the manners described below.

The Remuneration Committee supports the Board of Directors by exercising advisory functions and making proposals on the following matters:

- submitting to the Board of Directors proposals regarding Policies for the remuneration of the Directors and the Key Managers (including the Heads of the Internal Control Functions) of the Company;
- submitting to the Board of Directors proposals for the remuneration of the Chief Executive Officer/Group CEO and the other Directors who perform specific duties, as well as for setting up performance objectives related to the variable portions of the remuneration, consistent with the Remuneration policies adopted by the Board of Directors;
- monitoring the implementation of the decisions approved by the Board of Directors, while verifying, in particular, the actual fulfilment of performance objectives;
- regularly evaluating the adequacy, the overall consistency and correct application of the Policies for the remuneration of the Directors and the Key Managers (including the Heads of the Internal Control Functions) of the Company, availing itself, in this last regard, of the information provided by the Chief Executive Officer/Group CEO and submitting proposals to the Board of Directors on these matters;

The Remuneration Committee in office on the date of publication of this Report is comprised of three Non-Executive Directors, appointed by the Board of Directors at the meeting held on 28 April 2016, all meeting the independence requirements laid out by the Code of Conduct.

The meetings of the Remuneration Committee are attended, by right, and with advisory functions, by the Chairman of the Board of Directors, the Deputy Chairman and the Chief Executive Officer/Group CEO; the Chairman of the Board of Statutory Auditors or any other designated Statutory Auditor also participates by right in the meetings.

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

In 2018, the Remuneration Committee met on 6 February 2018, in order to examine proposals regarding the Remuneration policies of the Corporate bodies and the Key Managers of Unipol, approved by the Company's Board of Directors on 8 February 2018; in addition, it met on 22 March 2018 to review this Report and develop proposals on the disbursement of the short-term variable component of remuneration for the year 2017.

Further information on the work performed and the main issues handled by the Remuneration Committee in 2017 is contained in the Annual Report on corporate governance and ownership structures, which can be found in the Governance/Shareholders' Meetings/2018/Ordinary Shareholders' Meeting 24 April 2018 Section on the Company's website [www.unipol.it](http://www.unipol.it).

**C) NAME OF INDEPENDENT EXPERTS THAT MAY HAVE CONTRIBUTED TO DRAWING UP THE REMUNERATION POLICY**

The Company did not use any experts to assist in drawing up the Remuneration policies, with the exception of the assistance of the consulting company Mercer, which conducted a benchmarking analysis on the performance indicators used by companies, including foreign ones, that operate in the same sector as Unipol.

**D) OBJECTIVES PURSUED THROUGH THE REMUNERATION POLICY, ITS UNDERLYING PRINCIPLES AND ANY CHANGES IN THE REMUNERATION POLICY WITH RESPECT TO THE PREVIOUS FINANCIAL YEAR**

Objectives

The Remuneration policies of Unipol are consistent with:

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

Remuneration policies from a time horizon and operational perspective, projecting the effects and the benefits towards sustainable milestones;

- the Unipol Group's Corporate Governance system which, by virtue of a corporate and organisational model that pursues prompt and constant compliance with rules and regulations, respect of the correct distribution of powers between governance bodies and corporate structures, and the observance, the adequacy and the control of the risk management system, facilitates not only the full legal compliance of the Remuneration policies, but also guarantees the development of an adequate internal training process and its coherence with wider management policies.

#### Principles

The primary objective of Remuneration policies is to guarantee fair remuneration, adequate to the role, responsibilities, degree of professionalism and individual skillset, in compliance with legal and regulatory provisions and consistent with sustainable performance requirements.

To this end, the following principles are the essential parameters for the determination of remuneration:

- a sound and prudent risk management policy, in line with the Company and the Unipol Group's long-term strategic objectives, profitability and balance, avoiding remuneration policies based exclusively or mainly on short-term results, which could lead to excessive exposure to risk;
- internal fairness, so that remuneration is consistent with the position held and the connected responsibilities, with the role assigned, experience, skillset, capacities demonstrated and actual performance;
- meritocracy, so that the results achieved and the conduct enacted to achieve them are rewarded;
- dialogue with the reference markets, in order to create competitive compensation packages, with a view to the trends, the directions and best practices, in order to sustain sound, lawful and effective competitiveness;
- the level of risk monitoring, differentiated on the basis of the business line to which it refers, for the purpose of basing Remuneration policies on sound and prudent risk management, in line with the requirements of applicable regulations.

#### Comparison with previous year

With regard to the variable component of remuneration, the conditions and the procedures for the disbursement of the same, approved in 2017, have not changed, and include:

- the condition of the threshold for achievement of the Consolidated Gross Profit target, equal to 80%;
- the use of Solvency II metrics to measure the capital adequacy objective of the Unipol

Group;

- the alignment of annual pay parameters both for the short-term components and for the long-term component;
- the inseparable nature of the short- and long-term variable components, considered portions of a single Total Bonus (as defined below);
- the measurement of individual performance on the basis of four objectives, two of which quantitative and with a greater weight;
- the structure of incentives on a wider scale, awarded on the basis of individual performance levels, no lower than the overall achievement of said individual objectives corresponding to at least 60%;
- the opportunity to benefit from an Additional Bonus, awarded if the long-term objectives are surpassed by a significant amount;
- the allocation of ordinary shares of Unipol and ordinary shares of the subsidiary UnipolSai as a form of remuneration for long-term benefits;
- the opportunity to award loyalty bonuses to Executives, for retention purposes and with a view to encouraging the achievement of the governance, growth and development objectives of the Group, as illustrated in more detail in paragraph L) below.

**E) DESCRIPTION OF POLICIES REGARDING THE FIXED AND VARIABLE COMPONENTS OF REMUNERATION, WITH SPECIFIC REGARD TO THE INDICATION OF THE RELATIVE WEIGHT WITH RESPECT TO TOTAL COMPENSATION AND DISTINGUISHING BETWEEN SHORT AND MEDIUM-LONG TERM VARIABLE COMPONENTS**

The fixed remuneration component provides compensation for the skills, capabilities, role and, in particular, the responsibilities relating to the role. In addition to a fixed economic base, envisaged by sector-related Collective Labour Agreements, Supplementary Company Agreements and any other bilateral agreements, and established on the basis of the category and seniority, the Company determines the allocation of fixed economic supplements, consolidating the same over time, in accordance with the principles of internal fairness, competitiveness and attractiveness, meritocracy and responsibility.

The variable remuneration component is based on two main objectives:

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

Unipol, as a listed company following the Code of Conduct and as the parent company heading up the Unipol Group (also the “**Group**”), pursues Remuneration policies in which access to

incentive systems based on variable remuneration components is linked to the achievement of short and medium/long-term objectives. In fact, the Unipol Group is convinced that this aspect of the Remuneration policies is also able to encourage, as an indirect but no less important result, the promulgation of a professional culture directed towards creating sustainable value over time and direct participation in the results, therefore creating joint responsibility for and real involvement in business objectives.

The correlation between the Unipol Group's results (including results in terms of attention to risk), the results of the applicable company, the results of the operating area in which responsibility is held and individual results, represent the reference model on which the structure of variable remuneration system is designed.

The remuneration of the Corporate Bodies, without prejudice to what is specified herein, does not envisage the award of any variable component; variable components are instead recognised to Company Executives, including the General Manager and Key Managers, who have the right to participate in the incentive system addressed to all of Unipol's Executives (together referred to as the "**Recipients**")<sup>1</sup> - a system that is part of the structure of the system addressed to all Executives of the Unipol Group, called UPM - Unipol Performance Management - which establishes the terms, conditions and procedures for the disbursement of a short-term variable cash component and of a long-term variable component through the assignment of financial instruments.

The Board of Directors of Unipol, at a meeting held on 8 February 2018, after obtaining the opinion of the Remuneration Committee, adopted the UPM System Regulation for 2018, originating from the three-year UPM System for 2016-2018 (the "**UPM System**" or the "**System**"). The Chief Executive Officer - also as a result of the attribution to him by the Company's Board of Directors on 28 April 2016, of the role and functions of Group CEO, as the primary individual responsible for the promotion of Unipol Group management policies and guidelines in Italy and abroad, as well as the coordination of and oversight over the operational management of the Group - is recognised a variable short- and long-term variable compensation component calculated by applying, without prejudice to what is specified herein, the System criteria for Bracket 1 Executives<sup>2</sup>; in particular, also consistent with what is recommended by the provisions

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<sup>1</sup> Executives who work for other Group companies on a so-called total or prevalent "secondment" arrangement, are recipients of the UPM System adopted by the company to which they have been seconded.

<sup>2</sup> Executives of the Unipol Group are divided into 3 brackets (the "Brackets") related to the weight of the organisational position, to the importance and complexity of the role and to the position. The "weight" is measured using a method certified by leading specialist companies recognised at international level.

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

The process calls for the evaluation of all organisational positions on the basis of numerous factors, which measure not only the professional and management skills required to properly fulfil the role, the qualitative/quantitative characteristics of the team through which to exercise them and the relative geographical area of application, but also the type and level of contribution to the business, the type of communication and the context of the interlocutors typically managed by this role, as well as the degree of innovation required within the improvement and development of procedures, services and products and the levers available to achieve this.



of the Code of Conduct for listed companies, the criteria based on which the variable component of the remuneration of the Chief Executive Officer/Group CEO is identified pursue the objective of growth in the value of the Company's shares, while also aligning the economic interest of the latter with that of the Shareholders.

The Company's Board of Directors also recognises to each member of the Management Committee - responsible for supporting the Chief Executive Officer/Group CEO in ensuring more structured oversight and more integrated supervision of the activities carried out by companies belonging to the Unipol Group - an indemnity for their office to compensate each of the above-mentioned members in relation to their level of responsibility and to make their remaining within the Group more appealing, including in terms of retention. This indemnity for the office - which is not recognised to the Chief Executive Officer/Group CEO - is accrued as long as the individual remains on the Management Committee, and is included in the calculation basis of the variable remuneration component of its members.

#### **F) POLICY ADOPTED FOR NON-MONETARY BENEFITS**

Non-monetary benefits represent an important component of the compensation package, both in terms of appreciation by the Recipients and in terms of total remuneration, as a supplementary and/or alternative element to payment in cash, which has proved to be advantageous in establishing effective Remuneration policies, but at the same time ensures the optimal economic impact. The benefits change according to the category of Recipients both by type and by overall value, and mostly regard supplementary pension schemes and health assistance for employees and their respective families.

The assignment of a company car for personal and business use is envisaged for the Chairman and the General Manager as well as Executives in the 1st and 2nd Brackets.

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

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Allocation to the Brackets is made on the proposal of the General Management of the Human Resources and Organisation Department of Unipol, which uses the most appropriate methods to weigh the positions present on the market as specified above, and the approval of the Chief Executive Officer/Group CEO of Unipol. The allocation to the Brackets is updated and revised at least once a year.

Within each Bracket, the details and the individual assignment of short- and long-term objectives is made on the basis of:

- comparable market references;
- the professional category to which the resources belongs;
- the need for loyalty (how critical the resource is).

**G) WITH REGARD TO THE VARIABLE COMPONENTS, DESCRIPTION OF THE PERFORMANCE OBJECTIVES ON THE BASIS OF WHICH THE SAME ARE ASSIGNED, DISTINGUISHING BETWEEN SHORT AND MEDIUM/LONG-TERM VARIABLE COMPONENTS, AND INFORMATION ON THE LINK BETWEEN THE CHANGE IN RESULTS AND THE CHANGE IN REMUNERATION**

As mentioned above, the variable part of remuneration (the “**Total Bonus**”) is comprised of two components, the disbursement procedure for which is regulated by the UPM System: (i) one short-term component (“**STI Bonus**” or “**STI**”), acknowledged through the payment of a cash bonus, and (ii) a long-term component (“**LTI Bonus**” or “**LTI**”), acknowledged through the assignment of ordinary Unipol shares and ordinary UnipolSai Assicurazioni shares (the “**Shares**”).

The maximum amount of the Total Bonus for the year in question is determined by the percentage of gross annual remuneration (“**GAR**”) of the Recipient at 31 December of the year in question, a percentage that changes depending on the position held by the Recipient, up to a maximum of 100%<sup>3</sup> of the GAR acknowledged to Recipients in the 1st Bracket (corresponding to 70% of the GAR for Recipients in the 2nd Bracket and 40% for Recipients in the 3rd Bracket).

The UPM System is based on a self-financing logic, namely, regardless of whether the above-cited access conditions are met, an essential requirement for the acknowledgment of the incentives, aside from continuing positive actual economic results and minimal risk factors, is the presence of a Dividend Capability, meaning the presence of the conditions, in terms of economic result and minimum solvency requirements of the Unipol Group, for any distribution of dividends to the shareholders of Unipol, in accordance with the provisions of the By-Laws and of the law applicable on each occasion.

First of all, an essential condition for access to the benefits of the System is the achievement of certain Short-Term business performance objectives, specifically:

- (1) the Total Bonus will not be accessible to Recipients until a given percentage of the target Consolidated Gross Profit of Unipol as per the budget approved for the year in question has been achieved. With regard to Key Managers, this percentage must reach at least 80% of the objective indicated;
- (2) for the Total Bonus to be disbursable in full, the existence of a consolidated coverage ratio (financial stability) of Unipol, calculated using Solvency II<sup>4</sup> metrics corresponding at least to the objective set for 31 December 2018 by the pertinent decision-making bodies, is also required. If said value, on the same date, is between 100% and 80% of the objective, as long as the result is not less than 1.0, the amount of the Total Bonus is reduced to 75%, while for any lower value the bonus shall not be paid.

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<sup>3</sup> Up to a maximum corresponding to 125% for Recipients who participate in the Management Committee and 200% for the Chief Executive Officer/Group CEO and General Manager, who is not recognised any Additional Bonus (as defined herein).

<sup>4</sup> Solvency Ratio defined as part of the Risk Appetite Statement approved by the Administrative Body. Indicator and value defined in accordance with current provisions and subject to discounting / revision in the event of changes in the relevant law in force at the time.

Condition (1) does not apply to the Chief Risk Officer or to Executives who work in Internal Control Functions.

The actual amount of the Total Bonus is determined based on the achievement of the Short-Term business performance targets and will not be altered if the Short-Term business performance targets are satisfied in full or will represent 75% of it if the condition for reduction set forth in part (2) of the point above is met.

Short-term incentive system (STI)

The System envisages the acknowledgment of a STI Bonus, paid in the year following the year to which it relates, determined on the basis of the Short-Term Individual Performance Level (as defined herein) achieved with regard to specific individual objectives, divided into four categories, each of which is attributed a “weight” in percentage terms and specifically: (i) first individual quantitative objective (weight: 30%); (ii) second individual quantitative objective (weight: 30%); (iii) individual qualitative objective (weight: 20%) and (iv) management skills development objective (weight: 20%).

The sum of the weights obtained from combining said objectives determines the Individual Performance Level.

The maximum amount of the STI Bonus is 50%<sup>5</sup> of the Total Bonus.

A Short-Term Individual Performance Level of less than 60% of the sum of the weights of the single objectives achieved results in a Total Bonus of zero.

Without prejudice to the content below, a Short-Term Individual Performance Level of at least 60% determines the amount of the STI Bonus in accordance with Table 1 below:

<b>Table 1</b>	
<b>Individual Performance Level</b>	<b>STI Bonus</b>
<b>60%</b>	<b>30%</b> of maximum value of STI Bonus
<b>65%</b>	<b>40%</b> of maximum value of STI Bonus
<b>70%</b>	<b>50%</b> of maximum value of STI Bonus
<b>75%</b>	<b>60%</b> of maximum value of STI Bonus
<b>80%</b>	<b>70%</b> of maximum value of STI Bonus
<b>85%</b>	<b>80%</b> of maximum value of STI Bonus
<b>90%</b>	<b>90%</b> of maximum value of STI Bonus
<b>100%</b>	Maximum value of STI Bonus

<sup>5</sup> Up to a maximum corresponding to 40% of the Total Bonus for members of the Management Committee and 37.5% of the Total Bonus for the Chief Executive Officer/Group CEO and General Manager.

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

Lastly, with regard to Key Managers, the Total Bonus will be decreased by 1/3 (one-third) if one of the two individual quantitative objectives is only partially reached.

Long-term incentive system (LTI)

The LTI Bonus is assigned based on a closed financial instrument-based remuneration plan (the “**2016-2018 Plan**”), which envisages the distribution of Shares at the end of the three-year period 2016-2018, with assignment and simultaneous availability of the same, from 2019 and for the following two years.

The maximum amount of the LTI Bonus is 50%<sup>6</sup> of the Total Bonus.

The payment of the LTI remuneration to Recipients who do not work in Internal Control Functions, and who are not the Chief Risk Officer, depends on the achievement (separately for each share of the same) of the indicators illustrated below:

- 40%, if at least 75% of the result of the Unipol Group is achieved, measured based on the cumulative Consolidated Gross Profit for the years 2016, 2017 and 2018 of the values as established each year by the pertinent corporate bodies;
- 40%, if, at the end of the three-year period, the consolidated capital solvency requirement target is fully achieved, as defined by the pertinent corporate bodies;
- 20%, if the Unipol Share recorded a growth in value for the given three years (average first quarter of 2019 compared to the average for the first quarter of 2016).

The achievement, even separately, of the target of the individual indicators as determined above leads to the acknowledgement, though not to the Chief Executive Officer/Group CEO and General Manager, of an additional bonus (the “**Additional Bonus**”) corresponding to a maximum of 50% of the Total Bonus earned. The fulfilment of said condition applies both to the STI component already acknowledged, which therefore will be integrated in the same form with which it was acknowledged at the time of its payment, and to the LTI component.

The payment of the LTI remuneration to Recipients who work in Internal Control Functions or who are the Chief Risk Officer depends on the achievement (separately for each share of the same) of the indicators illustrated below:

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<sup>6</sup> Up to a maximum corresponding to 60% of the Total Bonus for members of the Management Committee and 62.5% of the Total Bonus for the Chief Executive Officer/Group CEO and General Manager.

- 60%, on the achievement of an average Individual Performance Level over the three-year period of not less than 70%, on condition that both individual quantitative objectives have been fully reached in at least two of the three years;
- 40%, if, at the end of the three-year period, the capital solvency requirement target is fully achieved, as defined by the pertinent corporate bodies.

The achievement of the individual quantitative objectives for all three years, as well as an average Individual Performance Level over the three-year period 2016-2018 of not less than 75%, together with the fulfilment of the capital solvency requirement defined by the pertinent corporate bodies, leads to the acknowledgement of an Additional Bonus corresponding to a maximum of 50% of the Total Bonus earned. The fulfilment of said condition applies both to the STI component already acknowledged, which therefore will be integrated in the same form with which it was acknowledged at the time of its payment, and to the LTI component.

The number of Shares that may be due is calculated by dividing the value of the LTI Bonus for the year in question into two equal parts. One part is related to the average value of the ordinary Unipol share recorded in May 2016, while the other part is related to the average value of the ordinary UnipolSai share recorded also in May 2016.

#### **H) CRITERIA USED TO ASSESS THE PERFORMANCE OBJECTIVES RELATING TO THE ASSIGNMENT OF SHARES, OPTIONS, OTHER FINANCIAL INSTRUMENTS OR OTHER VARIABLE REMUNERATION COMPONENTS**

Quantitative objectives are structured in line with the strategic objectives of the Unipol Group and consistent with the risk profiles established for each company of the Group.

The final assessment of performance in order to establish the Total Bonus takes place in March 2019.

The process of assigning, assessing and confirming that the objectives have been achieved is supervised, also in terms of substance, by the General Management of the Human Resources and Organisation Department, with the assistance of the Company Risk Management and Management Control Functions, to check quantitative indicators *ex ante* and *ex post*, and by the Chief Executive Officer/Group CEO of Unipol. The process of assigning, assessing and confirming the achievement of the performance targets linked to the variable remuneration component of the Chief Executive Officer/Group CEO and General Manager is supervised by the Board of Directors and the Remuneration Committee.

#### **I) INFORMATION THAT SHOWS THE CONSISTENCY OF THE REMUNERATION POLICY WITH THE COMPANY'S LONG-TERM INTERESTS AND WITH THE RISK MANAGEMENT POLICY, WHERE FORMALISED**

The Remuneration policies adopted by the Company have been drawn up to motivate the General Manager, the Key Managers and the other Executives to pursue the long-term interests of the Company in question, by means of:

- an adequate balance between the fixed and variable components of remuneration and the connection between the latter and pre-determined and measurable efficiency criteria, to strengthen the correlation between results and remuneration;
- the establishment of limits for the variable component;
- long-term sustainability thanks to the proper balance between short and long-term efficiency criteria, on which remuneration is dependent, through the payment of the variable component in instalments, setting a minimum vesting period for the assignment of financial instruments and the right to require the return of said component in the event that specific conditions are not fulfilled;
- a different impact on the risk profiles of the Company and of the Group depending on the position held and the responsibilities assigned.

**J) VESTING PERIOD, ANY DEFERRED PAYMENT SYSTEMS, WITH AN INDICATION OF THE DEFERMENT PERIOD AND OF THE CRITERIA USED TO DETERMINE SAID PERIODS, AND IF ENVISAGED, EX POST CORRECTION MECHANISMS**

As mentioned above, the long-term incentive (LTI) is assigned based on the 2016-2018 Plan, which envisages the assignment of Shares at the end of the three-year period 2016-2018, with the availability of the same from 2019 and for the following two years. This enables the interests of the beneficiaries to be aligned to those of the Shareholders, rewarding the creation of long-term value and the appreciation of the stock in question.

*Ex post correction mechanisms*

Clauses are envisaged in the System on the basis of which no bonus is disbursed, in terms of:

- **Malus:** the bonuses envisaged by the incentive system will not be paid if the trend of results of the Group and/or the Company, adjusted for risk, deteriorates, and if the recipient does not comply with regulatory or supervisory provisions, the consequence of which has entailed a disciplinary sanction against the recipient in question, or if the Internal Control Functions discover that the Recipient has behaved in such a way so as to commit a serious infringement of internal or external provisions or the applicable standards of conduct;
- **Claw-back:** the Company will request the return of any compensation that may have been paid if the relevant supervisory provisions have been infringed or if the recipient has acted fraudulently and/or has committed wilful misconduct or gross negligence with regard to the performance of his/her duties, and this had led to a deterioration of the risk profiles and/or the results of the Group, without prejudice to any further action.

**K) INFORMATION ON THE PROVISION OF CLAUSES TO HOLD THE FINANCIAL INSTRUMENTS IN THE PORTFOLIO AFTER THEIR ACQUISITION, INDICATING THE HOLDING PERIODS AND THE CRITERIA USED TO DETERMINE SAID PERIODS**

As indicated above, the variable remuneration component is assigned through the activation of the UPM System, which takes place over a three-year performance period (2016-2018). Only at the end of said period, the aforementioned parties acquire the right to have Shares assigned to them.

The distribution and simultaneous availability of the Shares will take place in the following three-year period, starting from 2019 and for the next two years.

**L) POLICY RELATING TO THE ARRANGEMENTS ENVISAGED IN THE EVENT OF THE TERMINATION OF OFFICE, OR TERMINATION OF EMPLOYMENT, SPECIFYING WHICH CIRCUMSTANCES DETERMINE THE RIGHT TO SUCH AND ANY CONNECTION BETWEEN SAID ARRANGEMENTS AND COMPANY PERFORMANCE**

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

As mentioned earlier, loyalty bonuses may be paid to Executives who have worked for the Company or for the Group for a certain number of years. The amount of said bonuses, which will be paid at the time of the termination of employment, cannot exceed the amount of five years of total compensation, calculated for the variable part as envisaged by Article 2121, no. 2 of the Italian Civil Code (the “**Total Compensation**”).

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

**M) INFORMATION ON THE PRESENCE OF ANY INSURANCE COVER, OR SOCIAL SECURITY OR PENSION PLANS OTHER THAN COMPULSORY ONES**

The Shareholders' Meeting on 28 April 2016, which appointed the Board of Directors in office, resolved to provide insurance coverage for risks related to third party liability arising from the legal and contractual obligations associated with the office of Director and of Statutory Auditor and the associated legal protection, with costs borne by the Company. In this regard, note that Unipol in line with the other companies belonging to the Unipol Group, has subscribed to the Group D&O

Policy, most recently renewed on 20 November 2017 by Unipol itself as the company at the top of the Unipol Financial Conglomerate, to replace Finsoe S.p.A., which was being spun off at the time<sup>7</sup>; the conditions of the policy, with a yearly duration, envisage a limit, at Group level, of a total of Euro 75 million for the benefit of the insured parties.

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

At 31 December 2017, the Company bore a cost of around Euro 282,000.

Executives have the option to subscribe to both a Pension Fund and to a Welfare Fund, the contributions of which are borne by the Company.

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

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

The benefits provided by the Welfare Fund to subscribers and beneficiary family members take the form of insurance arrangements, and most regard healthcare advice and information over the phone, reimbursements for admission to hospital, surgery, dental treatment, specialist medical check-ups, diagnostic checks and treatment. In addition, insurance cover provided by the Welfare Fund is envisaged for the reimbursement of healthcare expenses in the event that the Executive or spouse is not self-sufficient.

**N) REMUNERATION POLICY ADOPTED WITH REGARD TO: (I) INDEPENDENT DIRECTORS, (II) PARTICIPATION IN COMMITTEES AND (III) HOLDING SPECIFIC OFFICES (CHAIRMAN, DEPUTY CHAIRMAN, ETC.)**

Each Director is paid an annual compensation, as well as an attendance fee for each Board and Shareholders' Meeting attended.

The remuneration of Non-Executive Directors, and therefore, of Independent Directors is not linked to the results achieved by the Company, nor are there any plans for share-based incentives or, in general, those based on financial instruments for members of the Board of Directors.

On the proposal of the Remuneration Committee and with the approval of the Board of Statutory Auditors, the Board of Directors establishes the compensation, in the form of a fixed amount, for the Chairman, the Deputy Chairman and the Chief Executive Officer/Group CEO for the offices

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<sup>7</sup> The global spin-off of Finsoe S.p.A. became effective on 15 December 2017.



held by the same, and also acknowledges to Directors who are members of Board committees a fixed fee for attendance at each respective meeting.

For Directors who hold specific offices, the Board of Directors may acknowledge, with the approval of the Board of Statutory Auditors, additional benefits such as accommodation and/or the use of company cars.

With reference to the methods and criteria for acknowledging the variable remuneration component to the Chief Executive Officer/Group CEO, please see what has been described above.

**O) WHETHER THE REMUNERATION POLICY HAS BEEN ESTABLISHED USING THE POLICIES OF OTHER COMPANIES AS REFERENCE, AND IF SO, THE CRITERIA USED FOR THE CHOICE OF SAID COMPANIES**

Unipol did not use compensation policies of other companies as a reference.

## **SECOND SECTION - INFORMATION ON THE IMPLEMENTATION OF THE REMUNERATION POLICY**

This Section of the Report consists of two parts:

- part one, which provides a description of the compensation of the Recipients of the remuneration policies relating to 2017;
- part two, which illustrates said compensation in the form of tables, as well as the investment held by the recipients of the remuneration policies again relating to 2017.

### **PART ONE**

#### **1.1. Representation of the items that comprise remuneration, including the arrangements envisaged in the event of termination of office or termination of employment, showing consistency with the reference remuneration policy**

##### **THE REMUNERATION OF DIRECTORS**

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

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

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

Therefore, Non-Executive Directors were not acknowledged any variable remuneration component linked to results or based on financial instruments, without prejudice to what is specified in relation to the acknowledgement to the Chief Executive Officer/Group CEO of a short- and long-term variable remuneration component.

Details of the compensation paid to the members of the Board of Directors in 2017 are shown in Table 1 below; in this regard, note that in the column relating to “Non-monetary benefits”, the benefits relating to insurance cover for risks related to third party liability, stipulated in favour of Directors, the costs of which are borne by the Company, could not be broken down *ad personam*. With reference to that already illustrated in Part One of this Report under letter M), also note that the reason for this is also due to the fact that: (i) the subjective scope of the insured parties benefitting from the policy does not coincide with that of the parties for which information must be provided in this Section of the Report, as it is much wider (it extends, in general, to any person considered the equivalent of a member of the administration, management and control bodies, including therein parties to whom proxies have been awarded and members of the supervisory bodies pursuant to Italian Legislative Decree 231/01) and that (ii) said scope is subject to change during the validity of said policy.

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

#### **THE REMUNERATION OF THE CONTROL BODY**

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

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

Statutory Auditors are paid no variable remuneration.

Details of the compensation paid to the members of the Board of Statutory Auditors in 2017 are shown in Table 1 below; the same considerations illustrated above with regard to the lack of breakdown of benefits relating to insurance cover for risks related to third party liability also apply here.

#### **THE REMUNERATION OF THE GENERAL MANAGER, KEY MANAGERS AND OTHER EXECUTIVES**

The Unipol remuneration policies for the year 2017 envisaged, in line with the past, the application for the General Manager, Key Managers and other Executives of Unipol of a pay system consisting of a fixed component and a variable component, the latter recognised by means of the

activation of a specific incentive system, aiming to develop a culture of sustainable performance which correlates Company results with individual performance.

In the year in question, there were 16 individuals in the category of Key Managers, of which 15 partially seconded to the subsidiary UnipolSai Assicurazioni S.p.A. (and classifiable as Key Management Personnel of the latter as well) and 1 partially seconded to the subsidiary Unipol Banca S.p.A. In this regard, please note that such Executives received the fixed component of their remuneration from the Company, as well as the variable component; in any event, the subsidiaries UnipolSai and Unipol Banca returned the relative cost incurred by Unipol as consideration for the partial secondment.

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

#### Fixed remuneration component

The fixed component is comprised of the items of the CCNL and by remuneration from individual contracts. The GAR (Gross Annual Remuneration) is also established and excludes Post-employment benefits (TFR), any provision or payment relating to social security contributions borne by the employer, and any variable component, whether the same is paid as a one-off amount or on an ongoing basis, repeated or deferred, and excluding any bonus, travel indemnity and any other indemnity.

#### Variable remuneration component

The variable remuneration component, also in 2017, could be represented by the following items:

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

#### Implementation of the 2013-2015 incentive system

At the board meeting held on 12 May 2016, the Board of Directors ascertained full satisfaction of the conditions for the recognition of the long-term incentive pursuant to the 2013-2015 System, as implemented by the relative compensation plan based on financial instruments for 2013-2015 (the “**2013-2015 Plan**”). Following this positive calculation, it was therefore possible to allocate the second of three tranches of Unipol Shares to the beneficiaries specified in the 2013-2015 Plan.

Therefore, on 3 July 2017, in implementation of the Regulation of the above-mentioned Plan, the Company disbursed the second tranche of shares to the Chief Executive Officer/Group CEO and General Manager, as well as to the other eligible Key Managers, equal to 1/3 of the total actually earned at the end of the vesting period, a third which corresponds to 136,607,382,500 and 929,486 Unipol shares, respectively, for a total of 1,448,593 Unipol shares. In this regard, please recall that the share value used as a reference for the calculation of the number of shares due to each recipient of the 2013-2015 Plan is the average Stock Exchange value recorded by the ordinary Unipol share in May 2013, equal to Euro 2.7451. The remaining and last third in implementation of the aforementioned 2013-2015 Plan will be assigned in July 2018.

Please note that Table 3A below was not completed with the data relating to the implementation of the 2013-2015 Plan, as its monetary effects were exhausted in previous years and the equity effects, noted above, refer to vested financial instruments at the end of the 2013-2015 three-year period, the disbursement of which depends exclusively on the recipient remaining employed by the Unipol Group.

#### Implementation of the 2016-2018 incentive system

With reference to the incentive system adopted by the Company for the 2016-2018 three-year period (the “**2016-2018 System**”), note that during its board meeting held on 23 March 2017, the Board of Directors, having acknowledged the satisfaction of conditions for access to the above-mentioned system for the year 2016, resolved to proceed with the disbursement of short-term monetary incentives, which were actually paid to those entitled with their April 2017 wages. For the details on the extent of the STI incentives for the year 2016 disbursed in 2017, please see Table 3B below (Column 3B).

During its meeting held on 22 March 2018, considering the satisfaction of conditions for access to the UPM System for the year 2017, the Board of Directors of the Company, at the proposal of the Remuneration Committee, resolved to proceed with the disbursement of short-term monetary incentives, which will be paid with the April 2018 wages.

With respect to the long-term variable component, as described in the First Section of this Report, the Shareholders’ Meeting of 28 April 2016 approved the 2016-2018 Plan which envisages, at the end of the vesting period and subject to achievement of the long-term targets illustrated above, the attribution of ordinary Unipol shares and ordinary UnipolSai shares (the “**Shares**”), broken down into three tranches as of April 2019 and for the next two years (2020-2021).

Table 3A below (Column 2) specifies the maximum number of financial instruments that the Chief Executive Officer/Group CEO and General Manager as well as the Key Managers could earn at

the end of the vesting period and subject to achievement of the 2016-2018 Plan targets; Column 12 of the same Table specifies the fair value at 31 December 2017 of the maximum number of Shares, the disbursement of which may take place in April 2020, subject to and upon completion of the process of calculating the targets planned for March 2019.

Information documents on Compensation plans based on financial instruments

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

Other components of remuneration

Remuneration may also include:

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

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

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

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

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

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Based on the above, the remuneration in favour of Directors, Statutory Auditors, the General Manager and Key Managers was consistent with the principles set forth in remuneration policies in force in 2017.

**PART TWO - Compensation paid in 2017**

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

*[TABLE ON NEXT PAGE]*

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2020)	Compensation for end of office or termination of employment	
						Bonus and other incentives	Profit sharing						
STEFANINI Pierluigi	Chairman	1/1 - 31/12/2017	2018 Financial Statements										
	Director												
	Chairman of the Chairman's Committee												
	Chairman of the Nomination and Corporate Governance Committee												
	Chairman of the Sustainability Committee												
<b>Compensation from the company that draws up the financial statements</b>				1,061,000.00	14,000.00				1,903.72			<b>1,076,903.72</b>	
<b>Compensation from subsidiaries and associates</b>					(1)								<b>0.00</b>
<b>TOTAL</b>				1,061,000.00	14,000.00	0.00	0.00	1,903.72	0.00	<b>1,076,903.72</b>	0.00		0.00

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

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2020)	Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
CIMBRI Carlo	Chief Executive Officer	1/1 - 31/12/2017	2018 Financial Statements									
	Director											
	Member of the Chairman's Committee											
	General Manager		Until revoked									
<b>Compensation from the company that draws up the financial statements (Chief Executive Officer)</b>				560,000.00	6,000.00	375,000.00 (1)				<b>941,000.00</b>	725,422.52 (2)	
<b>Compensation from the company that draws up the financial statements (General Manager)</b>				2,026,682.12		1,499,999.97 (1)		29,171.99		<b>3,555,854.08</b>	2,901,690.01 (2)	
<b>Compensation from subsidiaries and associates</b>				0.00 (3)						<b>0.00</b>		
<b>TOTAL</b>				2,586,682.12	6,000.00	1,874,999.97	0.00	29,171.99	0.00	<b>4,496,854.08</b>	3,627,112.53	0.00

(1) Amount of the STI for the year 2016, disbursed in 2017.

(2) Fair value at 31 December 2017 of 1/3 of the maximum number of ordinary shares of Unipol Gruppo and UnipolSai, that may potentially be allocated as second tranche in 2020 at the end of the vesting period (2016-2018), subject to the achievement of the objectives and the fulfilment of the terms and the conditions of the 2016-2018 Plan.

(3) Compensation totalling Euro 948,500.00 for the offices held in the subsidiary UnipolSai Assicurazioni S.p.A. is not shown. Compensation not received but paid directly by the respective companies to Unipol Gruppo S.p.A.



Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2020)	Compensation for end of office or termination of employment			
						Bonus and other incentives	Profit sharing								
PASQUARIELLO Maria Antonietta	Deputy Chairman	1/1 - 31/12/2017	2018 Financial Statements												
	Director														
	Member of the Chairman's Committee														
<b>Compensation from the company that draws up the financial statements</b>				261,000.00	(1)	5,000.00	(1)					266,000.00			
<b>Compensation from subsidiaries and associates</b>													0.00		
<b>TOTAL</b>				261,000.00		5,000.00		0.00	0.00	0.00		0.00	266,000.00	0.00	0.00

(1) Compensation not received but repaid to the company of origin totalling Euro 236,000.00.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2020)	Compensation for end of office or termination of employment			
						Bonus and other incentives	Profit sharing								
BALDUCCI Gianmaria	Director	1/1 - 31/12/2017	2018 Financial Statements												
	Member of the Chairman's Committee														
<b>Compensation from the company that draws up the financial statements</b>				56,000.00	(1)	5,000.00	(1)					61,000.00			
<b>Compensation from subsidiaries and associates</b>													0.00		
<b>TOTAL</b>				56,000.00		5,000.00		0.00	0.00	0.00		0.00	61,000.00	0.00	0.00

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

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2020)	Compensation for end of office or termination of employment			
						Bonus and other incentives	Profit sharing								
BERARDINI Francesco	Director	1/1 - 31/12/2017	2018 Financial Statements												
	Member of the Chairman's Committee														
<b>Compensation from the company that draws up the financial statements</b>				61,000.00		6,000.00						67,000.00			
<b>Compensation from subsidiaries and associates</b>				71,000.00	(1)								71,000.00		
<b>TOTAL</b>				132,000.00		6,000.00		0.00	0.00	0.00		0.00	138,000.00	0.00	0.00

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

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2020)	Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
CANDINI Silvia Elisabetta	Director	1/1 - 31/12/2017	2018 Financial Statements									
	Member of the Nomination and Corporate Governance Committee											
	Member of the Remuneration Committee											
<b>Compensation from the company that draws up the financial statements</b>				60,500.00	9,000.00					69,500.00		
<b>Compensation from subsidiaries and associates</b>										0.00		
<b>TOTAL</b>				60,500.00	9,000.00	0.00	0.00	0.00	0.00	69,500.00	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2020)	Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
CATTABIANI Paolo	Director	1/1 - 31/12/2017	2018 Financial Statements									
	Member of the Chairman's Committee											
<b>Compensation from the company that draws up the financial statements</b>				55,000.00 (1)	4,500.00 (1)					59,500.00		
<b>Compensation from subsidiaries and associates</b>				46,000.00 (2)						46,000.00		
<b>TOTAL</b>				101,000.00	4,500.00	0.00	0.00	0.00	0.00	105,500.00	0.00	0.00

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

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

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2020)	Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
DALLE RIVE Ernesto	Director	1/1 - 31/12/2017	2018 Financial Statements									
	Member of the Chairman's Committee											
<b>Compensation from the company that draws up the financial statements</b>				56,500.00	3,500.00					60,000.00		
<b>Compensation from subsidiaries and associates</b>				47,000.00 (1)						47,000.00		
<b>TOTAL</b>				103,500.00	3,500.00	0.00	0.00	0.00	0.00	107,000.00	0.00	0.00

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

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2020)	Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
DE LUISE Patrizia	Director	1/1 - 31/12/2017	2018 Financial Statements									
	Member of the Nomination and Corporate Governance Committee											
	Member of the Ethics Committee											
<b>Compensation from the company that draws up the financial statements</b>				61,000.00	6,500.00					67,500.00		
<b>Compensation from subsidiaries and associates</b>										0.00		
<b>TOTAL</b>				61,000.00	6,500.00	0.00	0.00	0.00	0.00	67,500.00	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2020)	Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
DESIDERIO Massimo	Director	03/08 - 31/12/2017	2018 Financial Statements									
	Member of the Control and Risk Committee	05/10- 31/12/2017										
	Member of the Related Party Transactions Committee											
	Member of the Supervisory Body											
<b>Compensation from the company that draws up the financial statements</b>				23,547.95	7,616.44					31,164.39		
<b>Compensation from subsidiaries and associates</b>										0.00		
<b>TOTAL</b>				23,547.95	7,616.44	0.00	0.00	0.00	0.00	31,164.39	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2020)	Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
FERRABOLI Anna Maria	Director	1/1 - 31/12/2017	2018 Financial Statements									
	Member of the Control and Risk Committee											
	Member of the Related Party Transactions Committee											
	Member of the Supervisory Body											
<b>Compensation from the company that draws up the financial statements</b>				58,000.00	29,000.00					<b>87,000.00</b>		
<b>Compensation from subsidiaries and associates</b>										<b>0.00</b>		
<b>TOTAL</b>				58,000.00	29,000.00	0.00	0.00	0.00	0.00	<b>87,000.00</b>	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2020)	Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
FERRE' Daniele	Director	1/1 - 31/12/2017	2018 Financial Statements									
	Member of the Chairman's Committee											
<b>Compensation from the company that draws up the financial statements</b>				60,000.00 (1)	6,000.00 (1)					<b>66,000.00</b>		
<b>Compensation from subsidiaries and associates</b>										<b>0.00</b>		
<b>TOTAL</b>				60,000.00	6,000.00	0.00	0.00	0.00	0.00	<b>66,000.00</b>	0.00	0.00

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

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2020)	Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
GUALTIERI Giuseppina	Director	1/1 - 31/12/2017	2018 Financial Statements									
	Chairman of the Ethics Committee											
	Chairman of the Remuneration Committee											
<b>Compensation from the company that draws up the financial statements</b>				61,000.00	7,000.00					<b>68,000.00</b>		
<b>Compensation from subsidiaries and associates</b>										<b>0.00</b>		
<b>TOTAL</b>				61,000.00	7,000.00	0.00	0.00	0.00	0.00	<b>68,000.00</b>	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2020)	Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
LEVORATO Claudio	Director	1/1 - 31/12/2017	2018 Financial Statements									
<b>Compensation from the company that draws up the financial statements</b>				50,000.00						50,000.00		
<b>Compensation from subsidiaries and associates</b>										0.00		
<b>TOTAL</b>				50,000.00	0.00	0.00	0.00	0.00	0.00	50,000.00	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2020)	Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
MORARA Pier Luigi	Director	1/1 - 31/12/2017	2018 Financial Statements									
	Chairman of the Related Party Transactions Committee											
	Member of the Remuneration Committee											
<b>Compensation from the company that draws up the financial statements</b>				61,000.00	14,000.00					75,000.00		
<b>Compensation from subsidiaries and associates</b>										0.00		
<b>TOTAL</b>				61,000.00	14,000.00	0.00	0.00	0.00	0.00	75,000.00	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2020)	Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
MUNDO Antonietta	Director	1/1 - 31/12/2017	2018 Financial Statements									
	Member of the Sustainability Committee											
<b>Compensation from the company that draws up the financial statements</b>				61,000.00	3,000.00					64,000.00		
<b>Compensation from subsidiaries and associates</b>										0.00		
<b>TOTAL</b>				61,000.00	3,000.00	0.00	0.00	0.00	0.00	64,000.00	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2020)	Compensation for end of office or termination of employment				
						Bonus and other incentives	Profit sharing									
PACCHIONI Milo	Director	1/1 - 31/12/2017	2018 Financial Statements													
	Member of the Chairman's Committee															
<b>Compensation from the company that draws up the financial statements</b>				59,000.00	(1)	5,500.00	(1)						64,500.00			
<b>Compensation from subsidiaries and associates</b>				182,600.00	(2)					13,740.00			196,340.00			
<b>TOTAL</b>				241,600.00		5,500.00		0.00		0.00	13,740.00		0.00	260,840.00	0.00	0.00

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

(2) Compensation for the offices held in Pegaso Finanziaria S.p.A. (compensation not received but repaid to the company of origin) and Assicoop Modena e Ferrara S.p.A.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2020)	Compensation for end of office or termination of employment				
						Bonus and other incentives	Profit sharing									
PIERRI Sandro Alfredo	Director	1/1 - 3/08/2017	03/08/2017													
	Member of the Control and Risk Committee															
	Member of the Related Party Transactions Committee															
	Member of the Supervisory Body															
<b>Compensation from the company that draws up the financial statements</b>				36,452.05		21,335.62							57,787.67			
<b>Compensation from subsidiaries and associates</b>													0.00			
<b>TOTAL</b>				36,452.05		21,335.62		0.00		0.00	0.00		0.00	57,787.67	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2020)	Compensation for end of office or termination of employment			
						Bonus and other incentives	Profit sharing								
TROVO' Annamaria	Director	1/1 - 31/12/2017	2018 Financial Statements												
	Member of the Sustainability Committee														
	Member of the Ethics Committee														
<b>Compensation from the company that draws up the financial statements</b>				59,500.00	(1)	4,000.00	(1)					63,500.00			
<b>Compensation from subsidiaries and associates</b>													0.00		
<b>TOTAL</b>				59,500.00		4,000.00		0.00		0.00		0.00	63,500.00	0.00	0.00

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

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2020)	Compensation for end of office or termination of employment			
						Bonus and other incentives	Profit sharing								
TURRINI Adriano	Director	1/1 - 31/12/2017	2018 Financial Statements												
	Member of the Chairman's Committee														
<b>Compensation from the company that draws up the financial statements</b>				56,000.00	(1)	5,000.00	(1)					61,000.00			
<b>Compensation from subsidiaries and associates</b>													0.00		
<b>TOTAL</b>				56,000.00		5,000.00		0.00		0.00		0.00	61,000.00	0.00	0.00

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

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2020)	Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
ZAMBELLI Rossana	Director	1/1 - 31/12/2017	2018 Financial Statements									
	Chairman of the Control and Risk Committee											
	Chairman of the Supervisory Body											
	Member of the Related Party Transactions Committee											
<b>Compensation from the company that draws up the financial statements</b>				59,500.00	34,500.00					94,000.00		
<b>Compensation from subsidiaries and associates</b>										0.00		
<b>TOTAL</b>				59,500.00	34,500.00	0.00	0.00	0.00	0.00	94,000.00	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2020)	Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
ZINI Carlo	Director	1/1 - 31/12/2017	2018 Financial Statements									
<b>Compensation from the company that draws up the financial statements</b>				60,000.00	(1)					60,000.00		
<b>Compensation from subsidiaries and associates</b>										0.00		
<b>TOTAL</b>				60,000.00	0.00	0.00	0.00	0.00	0.00	60,000.00	0.00	0.00

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

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2020)	Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
ZUCCHELLI Mario	Director	1/1 - 31/12/2017	2018 Financial Statements									
	Member of the Chairman's Committee											
<b>Compensation from the company that draws up the financial statements</b>				61,000.00	6,000.00					67,000.00		
<b>Compensation from subsidiaries and associates</b>				50,000.00	(1)				200,000.00	250,000.00		
<b>TOTAL</b>				111,000.00	6,000.00	0.00	0.00	0.00	200,000.00	317,000.00	0.00	0.00

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



Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2020)	Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
CIVETTA Mario	Chairman of the Board of Statutory Auditors	1/1 - 31/12/2017	2018 Financial Statements									
<b>Compensation from the company that draws up the financial statements</b>				75,000.00						75,000.00		
<b>Compensation from subsidiaries and associates</b>										0.00		
<b>TOTAL</b>				75,000.00	0.00	0.00	0.00	0.00	0.00	75,000.00	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2020)	Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
CHIUSOLI Roberto	Statutory Auditor	1/1 - 31/12/2017	2018 Financial Statements									
<b>Compensation from the company that draws up the financial statements</b>				50,000.00						50,000.00		
<b>Compensation from subsidiaries and associates</b>				55,500.00 (1)						55,500.00		
<b>TOTAL</b>				105,500.00	0.00	0.00	0.00	0.00	0.00	105,500.00	0.00	0.00

(1) Compensation for the offices held in: Gruppo Una S.p.A., Compagnia Assicuratrice Linear S.p.A., Consorzio Castello, Unipol Investment S.p.A., Unipol Finance S.r.l., Siat S.p.A. and Casa di Cura Villa Donatello S.p.A.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2020)	Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
BOCCI Silvia	Statutory Auditor	1/1 - 31/12/2017	2018 Financial Statements									
<b>Compensation from the company that draws up the financial statements</b>				50,000.00						50,000.00		
<b>Compensation from subsidiaries and associates</b>				57,500.00 (1)						57,500.00		
<b>TOTAL</b>				107,500.00	0.00	0.00	0.00	0.00	0.00	107,500.00	0.00	0.00

(1) Compensation for the offices held in Centro Oncologico Fiorentino in liquidazione and UnipolSai Assicurazioni S.p.A.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2020)	Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
GATTO Massimo	Alternate Auditor	1/1 - 31/12/2017	2018 Financial Statements									
<b>Compensation from the company that draws up the financial statements</b>												
<b>Compensation from subsidiaries and associates</b>												
<b>TOTAL</b>				0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2020)	Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
RAGAZZI Chiara	Alternate Auditor	1/1 - 31/12/2017	2018 Financial Statements									
<b>Compensation from the company that draws up the financial statements</b>												
<b>Compensation from subsidiaries and associates</b>												
<b>TOTAL</b>				0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>	0.00	0.00

Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees (referred to the maximum number of shares that may potentially be allocated at April 2020)	Compensation for end of office or termination of employment
					Bonus and other incentives	Profit sharing					
KEY MANAGERS (16) (*)	1/1 - 31/12/2017										
<b>Compensation from the company that draws up the financial statements</b>			5,688,956.54	(1) 30,000.00	2,434,479.76	(2)	334,090.81	(3)	<b>8,487,527.11</b>	6,657,006.40	(4)
<b>Compensation from subsidiaries and associates</b>			0.00	(5) 43,000.00					<b>43,000.00</b>		
<b>TOTAL</b>			5,688,956.54	73,000.00	2,434,479.76		334,090.81	0.00	<b>8,530,527.11</b>	6,657,006.40	0.00

(\*) Of which 15 on 31 December 2017.

(1) Euro 4,768,615.40 of this amount is incurred by subsidiaries to which the Key Managers of the Company are partially seconded.

(2) Euro 2,075,334.52 of this amount, applicable to the year 2016 and disbursed in 2017, was incurred by subsidiaries to which the Key Managers of the Company are partially seconded.

(3) Euro 288,443.78 of this amount was incurred by subsidiaries to which the Key Managers of the Company are partially seconded.

(4) Fair value at 31 December 2017 of 1/3 of the maximum number of ordinary shares of Unipol Gruppo and UnipolSai, that may potentially be allocated as second tranche in 2020 at the end of the vesting period (2016-2018), subject to the achievement of the objectives and the fulfilment of the terms and the conditions of the 2016-2018 Plan, including the Additional Bonus. Part of this amount, for a maximum of Euro 5,534,792.40, will be incurred by subsidiaries to which the Key Managers of the Company are partially seconded.

(5) Compensation totalling Euro 660,759.91 is not shown for offices held in the subsidiaries and associates. Compensation not received but paid directly by the respective companies to Unipol Gruppo S.p.A.

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

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

**Table 3A – Incentive plans based on financial instruments other than stock options, for members of the Management body, the General Manager and other Key Managers**

(A)	(B)	Financial instruments allocated in previous years not vested during the year			Financial instruments allocated during the year					Financial instruments vested during the year and not allocated	Financial instruments vested during the year and allocable		Financial instruments relating to the year
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Surname and Name	Office held	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value on allocation date	Vesting period	Allocation date	Market price on allocation	Number and type of financial instruments	Number and type of financial instruments	Value on maturity date	Fair value (referred to the maximum number of shares that may potentially be allocated at April 2020)
(I) Compensation from the company that draws up the financial statements													
CIMBRI Carlo	Chief Executive Officer	LTI 2016 - 2018	288,604 Ord. Shares Unipol Gruppo 533,428 Ord. Shares UnipolSai	2016 - 2018									Euro 725,422.52
	General Manager	LTI 2016 - 2018	1,154,414 Ord. Shares Unipol Gruppo 2,133,713 Ord. Shares UnipolSai	2016 - 2018									Euro 2,901,690.01
Other Key Managers (16)(*)		LTI 2016 - 2018	2,648,437 Ord. Shares Unipol Gruppo 4,895,126 Ord. Shares UnipolSai	2016 - 2018									Euro 6,657,006.40 (**)
(III) Total													
													Euro 10,284,118.92

(\*) Of which 15 on 31 December 2017.

Column (2): maximum number of Shares that may be allocated, in three tranches starting from 2019 and for the following two years, subject to the achievement of the objectives and to the fulfilment of the terms and conditions of the 2016-2018 Plan.

Column (12): the amount, referred to the year 2017, to be recognised only if all of the conditions prescribed by the 2016-2018 Plan have been fulfilled.

Column (12)(\*\*): the amount, referred to the year 2017, including any Additional Bonus to be recognised to Key Managers only if all of the conditions prescribed by the 2016-2018 Plan have been fulfilled, which will be incurred for a maximum of Euro 5,534,792.40 by subsidiaries to which Key Managers of the Company are partially seconded.

**Table 3B - Monetary incentive plans for members of the Management body, the General Manager and other Key Managers**

Surname and Name	Office held	(1) Plan	(2)			(3)			(4) Other bonuses
			Annual bonus			Bonus in previous years			
			(A) To be Paid / Paid	(B) Deferred	(C) Deferral period	(A) No longer payable	(B) To be Paid / Paid	(C) Still deferred	
(I) Compensation from the company that draws up the financial statements									
CIMBRI Carlo	Chief Executive Officer	STI 2016-2018		Euro 375,000.00			Euro 375,000.00		
	General Manager	STI 2016-2018		Euro 1,499,999.97			Euro 1,499,999.97		
Other Key Managers (16)(*)		STI 2016-2018		Euro 4,138,546.23 (**)			Euro 2,434,479.76 (***)	Euro 1,212,864.88 (****)	
(III) Total				Euro 6,013,546.20			Euro 4,309,479.73	Euro 1,212,864.88	

(\*) Of which 15 on 31 December 2017.

Column (2)(B): maximum amount of the STI incentive for 2017, including any Additional Bonus, payment of which will be made starting in 2018, without prejudice to the effects of the Additional Bonus for Key Managers, on fulfilment of the disbursement conditions envisaged by the 2016-2018 Plan.

Column (2)(B)(\*\*): value comprehensive of any Additional Bonus, which will be incurred for a maximum of Euro 3,397,908.43 by subsidiaries to which the Key Managers of the Company are partially seconded.

Column (3)(B): amount of the STI compensation for the year 2016, disbursed in 2017.

Column (3)(B)(\*\*): part of that amount was incurred for Euro 2,075,334.52 by subsidiaries to which the Key Managers of the Company are partially seconded.

Column (3)(C)(\*\*\*\*): amount relating to any Additional Bonus, which, after verifying that the disbursement conditions laid out in the 2016-2018 Plan have been met, will be disbursed in 2019 and will be incurred for a maximum of Euro 1,033,292.26 by subsidiaries to which the Key Managers of the Company are partially seconded.

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

TABLE 1: Shareholdings of members of the Administration and Control Bodies, the General Manager and Key Managers											
Surname and Name	Office held	Investee company	Class of shares	Number of shares held at the end of the previous year		Number of shares purchased		Number of shares sold		Number of shares held at the end of the current year	
CIMBRI Carlo	Chief Executive Officer and General Manager	Unipol Gruppo	ORD	410,464		519,107	(*)	223,216	(**)	706,355	
PACCHIONI Milo	Director	UnipolSai Assicurazioni	ORD	17,930		0		0		17,930	
ZINI Carlo	Director	Unipol Gruppo	ORD	2,500	(a)	0		0		2,500	(a)
		UnipolSai Assicurazioni	ORD	2,000		0		2,000		0	(a)

(\*) Assignment free of charge, on 3 July 2017, of Unipol shares, as set forth in the Compensation Plan based on financial instruments (Performance Share type), intended for the managers of the Company for 2013-2015 (second tranche).

(\*\*) Shares sold on 4-6 July 2017, to pay tax expenses connected to the assignment of shares in accordance with the compensation plans based on financial instruments (Performance Share type), assigned on 3 July 2017.

(a) Shares held through the spouse.

**TABLE 2: Shareholdings of other Key Managers**

<i>Number of Key Managers</i>	<i>Investee company</i>	<i>Class of shares</i>	<i>Number of shares held at the end of the previous year</i>	<i>Number of shares purchased</i>		<i>Number of shares sold</i>		<i>Number of shares held at the end of the current year</i>	
16 (*)	Unipol Gruppo	ORD	614,233	929,486	(1)	528,250	(2)	1,015,469	(3)
	UnipolSai Assicurazioni	ORD	1,100	0		0		1,100	(4)

(\*) Of which 15 on 31 December 2017.

(1) Assignment free of charge, on 3 July 2017, of Unipol shares, as set forth in the Compensation Plan based on financial instruments (Performance Share type), intended for the managers of the Company for 2013-2015 (second tranche).

(2) of which 399,678 shares sold on 4-6 July 2017, to pay tax expenses connected to the assignment of shares in accordance with the compensation plans based on financial instruments (Performance Share type), assigned on 3 July 2017.

(3) of which 105 shares held by spouse.

(4) Shares held by spouse.

**REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS' MEETING ON AGENDA ITEM No. 4**

**Acquisition and disposal of treasury shares. Related and consequent resolutions.**

Dear Shareholders,

it should preliminarily be recalled that the ordinary Shareholders' Meeting of Unipol Gruppo S.p.A. ("Unipol" or the "Company"), convened on 28 April 2017, authorised the Board of Directors to purchase and dispose of treasury shares within the meaning of Arts. 2357 and 2357-*ter* of the Italian Civil Code, and of ordinary shares of the holding company at the time Finsoe S.p.A., pursuant to Article 2359-*bis* of the Italian Civil Code, for a period of 18 months from the decision of the Meeting, for a maximum amount, respectively, of €100m and €45m.

Taking into account the total spin-off of Finsoe, with its dissolution (the "Spin-off"), it is hereby proposed that only the authorisation to purchase and dispose of treasury shares be granted again, within the maximum spending limit specified herein, upon revocation of the previous authorisation referred to above, for the duration of an additional 18 months from the date on which the Meeting shall adopt the corresponding resolution, for the reasons and according to the procedures and terms specified below.

*Reasons and purposes of the request*

The authorisation for the acquisition and disposal of treasury shares aims to provide the Company with an instrument to pursue, in the interests of the Company itself and in accordance with applicable legislation and regulations and accepted market practices, the following objectives:

- to intervene, directly or through intermediaries, to promote the smooth conduct of trading, against distortions due to an excessive volatility or insufficient market liquidity;
- to take the opportunity to maximise the value that can be derived from market trends - and thus also by pursuing trading objectives - or connected with strategic transactions of interest for the Company;
- to use treasury shares as a form of investment for the efficient use of the liquidity generated by the core activity of the Company;
- to allocate the shares for the purposes of the compensation plan based on financial instruments (performance shares), pursuant to Art. 114-*bis* of Legislative Decree no. 58 of 24 February 1998 (Consolidated Law on Finance, the "TUF");



- to use these shares to ensure, if necessary, the overall consistency of transactions that create the need to place fractional shares of the capital of the Company.

The request for authorisation to purchase treasury shares is not, at present, directed at reductions of the share capital of the Company through the cancellation of treasury shares purchased.

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

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

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

#### Number of shares that may be purchased and procedures for executing the purchases and sales

At the present date:

- the share capital of Unipol is equal to Euro 3,365,292,408.03, divided into 717,473,508 ordinary shares with no nominal value. At the date of this Report, the Company holds a total of 5,283,465 ordinary treasury shares, of which 2,753,466 directly and 2,529,999 indirectly, through the following subsidiaries:
  - UnipolSai S.p.A. for 2,374,398 shares;
  - Unisalute S.p.A. for 15,690 shares;
  - Compagnia Assicuratrice Linear S.p.A. for 14,743 shares;
  - Arca Vita S.p.A. for 5,962 shares;
  - Arca Assicurazioni S.p.A. for 18,566 shares;
  - SIAT S.p.A. for 31,384 shares;
  - UnipolSai Servizi Consortili S.c.r.l. for 20,258 shares;
  - Popolare Vita S.p.A. for 24,728 shares;
  - Auto Presto & Bene S.p.A. for 5,462 shares;

- Finitalia S.p.A. for 18,808 shares.

It is proposed that the purchase and disposal of treasury shares be carried out in the quantities and with the procedures set out below:

- as regards the acquisition, up to the maximum amounts permitted by law and accepted market practice, in the manner provided for by Art. 132 of the Consolidated Law on Finance and Art. 144-*bis*, Par. 1, let. a), b), c) and d-*ter*) of CONSOB Regulations no. 11971 of 14 May 1999 as amended (Issuer Regulation), as well as by any other provision, including the rules laid down in Regulation (EU) no. 596/2014 and its implementing rules, national and European, where applicable;
- with respect to the disposal, in the manner permitted by law, including by carrying out, one or more times, subsequent acquisitions and sales, until the expiry of the term of the authorisation.

It is proposed that a maximum spending limit of €200m be established for the acquisitions.

The maximum number of treasury shares that may be acquired must be understood as difference between the shares purchased and those sold after authorisation by the Shareholders' Meeting, and therefore as referring to the additional number of treasury shares that the Company may hold in its portfolio at any given time.

#### Price of the purchases and sale of treasury shares

Both the purchases and the sale of treasury shares shall be made at a price of no more than 15% and no less than 15% of the reference price recorded by the security on the trading day before the date of each transaction. Said parameters are deemed adequate to identify the range of values within which the purchase and sale of the shares is of interest for the Company.

\*\*\* \*\*

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

#### **Proposal**

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

- *after reviewing the report prepared by the Board of Directors and acknowledging the proposal there made;*
- *having viewed the financial statements as at 31 December 2017;*

- bearing in mind the provisions of Arts. 2357 and 2357-ter of the Italian Civil Code;
- having acknowledged that the Company presently holds a total of 5,283,465 ordinary treasury shares, of which 2,753,466 directly and 2,529,999, indirectly, through the subsidiaries indicated in the report,

hereby resolves

- (i) to revoke the previous resolution to authorise the purchase and/or the sale of treasury shares, passed by the Ordinary Shareholders' Meeting of 28 April 2017;
- (ii) to authorise, for a period of an additional 18 months from the present Shareholders' Meeting resolution, the purchase and disposal of treasury shares, pursuant to Articles 2357 and 2357-ter of the Italian Civil Code and in compliance with the maximum spending limit of €200m, in compliance with the applicable legislation and regulations, with the methods and conditions specified below:

- (a) the acquisition and disposal of treasury shares may be carried out in the quantities and according to the procedures set out below:

- the acquisition may be made up to the maximum amounts permitted by law and accepted market practice, in the manner provided for by Art. 132 of Italian Legislative Decree no. 58 of 24 February 1998 (Consolidated Law on Finance) and Art. 144-bis, Par. 1, let. a), b), c) and d-ter) of CONSOB Regulations no. 11971 of 14 May 1999 as amended (Issuers' Regulation), as well as by any other provision, including the rules laid down in Regulation (EU) no. 596/2014 and its implementing rules, national and European, where applicable;
- the disposal may be made in the manner permitted by law, including by carrying out, one or more times, subsequent acquisitions and sales, until the expiry of the term of the authorisation;

*The maximum number of treasury shares that may be acquired must be understood as difference between the shares purchased and those sold after authorisation by the Shareholders' Meeting, and therefore as referring to the additional number of treasury shares that the Company may hold in its portfolio at any given time;*

- (b) the acquisition and disposal of treasury shares may be carried out at a price of no more than 15% and no less than 15% of the

*reference price recorded by the security on the trading day prior to the date of each transaction, and in any case in compliance with the above maximum spending limit of €200m;*

- (iii) to vest the Board of Directors - and through this, the Chairman and the Chief Executive Officer, separately from each other and also through special power of attorney - with all broadest powers to carry out the purchases and/or disposals of treasury shares.*

Bologna, 22 March 2018

The Board of Directors

**Unipol Gruppo S.p.A.**

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

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

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

[unipol.it](http://unipol.it)



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