

Directors' Reports and proposals  
on the items of the agenda



## **AGENDA**

### **ORDINARY MEETING**

- 1. Financial Statements at 31 December 2015; Directors' Report; Board of Statutory Auditors' and Independent Auditors' Report for UnipolSai Assicurazioni S.p.A., Liguria – Società di Assicurazioni – S.p.A. and Liguria Vita S.p.A. Related and consequent resolutions.**
2. Appointment of the Board of Directors for financial years 2016, 2017 and 2018, following the determination of the number of members and determination of the remuneration thereof. Related and consequent resolutions.
- 3. Remuneration Report prepared pursuant to Article 123-ter of the Consolidated Law on Finance and Art. 24 of the ISVAP Regulation No. 39 of 9 June 2011. Related and consequent resolutions.**
- 4. Approval of the remuneration plan based on financial instruments, pursuant to Article 114-bis of the Consolidated Law on Finance. Related and consequent resolutions.**
- 5. Acquisition and disposal of treasury shares and and shares of the parent company. Related and consequent resolutions.**
- 6. Update of the meeting regulations. Related and consequent resolutions.**

### **EXTRAORDINARY MEETING**

1. Amendment of Articles 14 ("Corporate offices"), 15 ("Meetings of the Board of Directors"), 18 ("Executive Committee"), 20 ("Head office"), 21 ("Company representation") and 26 ("Manager in charge of the preparation of the corporate accounting documents") of the Company By-laws. Related and consequent resolutions.

**REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS' MEETINGS ON ITEM NO. 1  
ON THE AGENDA**

**Financial Statements at 31 December 2015; Directors' Report; Board of Statutory Auditors' and Independent Auditors' Report for UnipolSai Assicurazioni S.p.A., Liguria – Società di Assicurazioni – S.p.A. and Liguria Vita S.p.A. 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 UnipolSai Assicurazioni S.p.A. ("UnipolSai" or 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 at its website ([www.unipolsai.com](http://www.unipolsai.com)) under *Governance/Shareholders' Meetings/April 2016 Shareholders' Meeting*.

In the first place, Shareholders are reminded that the legal effects of the merger by absorption (the "Merger") of Liguria – Società di Assicurazioni – S.p.A. ("Liguria") and Liguria Vita S.p.A. into UnipolSai started on 31 January 2016, whereas the accounting and tax effects of the aforesaid Merger started on 1 January 2016.

In view of the above, in its meeting of 10 March 2016 the Board of Directors of the Company reviewed and approved, *inter alia*, the draft financial statements as at 31 December 2015 of each of the companies involved in the Merger.

Therefore, the following matters are submitted to the review and approval of the Ordinary Shareholders' Meeting:

- with reference to UnipolSai, the financial statements at 31 December 2015, recording profit for the year of Euro 556,332,701.06, (the "UnipolSai Profit for the Year"), of which Euro 421,064,672.75 relating to the Non-Life business and Euro 135,268,028.31 relating to the Life business, as well as the report by the Board of Statutory Auditors and the report by the Independent Auditors, PricewaterhouseCoopers S.p.A.;
- with reference to Liguria, the financial statements at 31 December 2015, recording profit for the year of Euro 13,823,956.40, accompanied by the management report as well as the report by the Board of Statutory Auditors of UnipolSai and the report by the Independent Auditors of Liguria, PricewaterhouseCoopers S.p.A.;

- with reference to Liguria Vita, the financial statements at 31 December 2015, recording profit for the year of Euro 597,287.02, accompanied by the management report as well as the report by the Board of Statutory Auditors of UnipolSai and the report by the Independent Auditors of Liguria Vita, Reconta Ernst & Young S.p.A.;

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

### **Proposal**

*The Ordinary Shareholders' Meeting of UnipolSai Assicurazioni S.p.A.,*

- *having acknowledged that in relation to the merger by absorption (the "Merger") of Liguria – Società di Assicurazioni – S.p.A. ("Liguria") and Liguria Vita S.p.A. into UnipolSai Assicurazioni S.p.A. ("UnipolSai"), the legal effect started on 31 January 2016 and the accounting and tax effects started on 1 January 2016 and, consequently, it is necessary to prepare and approve separate financial statements of the companies participating in the Merger;*
- *having examined the draft financial statements of UnipolSai at 31 December 2015, accompanied by the annexes and documentation required by Italian Legislative Decree 209 of 7 September 2005, as well as the annexes and additional documents drawn up pursuant to ISVAP Regulation no. 22 of 4 April 2008, as subsequently amended, having read the Management Report and having accepted the UnipolSai Board of Statutory Auditors' Report and the report prepared by the independent auditor PricewaterhouseCoopers S.p.A.;*
- *having examined the results of said draft financial statements of UnipolSai, which recorded profit for the year totalling Euro 556,332,701.06, of which Euro 421,064,672.75 relating to the Non-Life business and Euro 135,268,028.31 relating to the Life business;*
- *having examined the draft financial statements of Liguria at 31 December 2015, accompanied by the annexes and documentation required by Legislative Decree 209 of 7 September 2005, as well as the annexes and additional documents drawn up pursuant to ISVAP Regulation no. 22 of 4 April 2008, as subsequently amended, having read the Management Report and having accepted the Board of Statutory Auditors' Report and the report prepared by the company PricewaterhouseCoopers appointed by Liguria to serve as the independent auditor;*
- *having examined the results of said draft financial statements of Liguria, which recorded profit for the year of Euro 13,823,956.40;*
- *having examined the draft financial statements of Liguria Vita at 31 December 2015, accompanied by the annexes and documentation required by Legislative Decree 209 of 7 September 2005, as well as the annexes and additional*

*documents drawn up pursuant to ISVAP Regulation no. 22 of 4 April 2008, as subsequently amended, having read the Management Report and having accepted the report prepared by the Board of Statutory Auditors of UnipolSai and the report prepared by the company Reconta Ernst & Young S.p.A. appointed by Liguria Vita to serve as the independent auditor;*

- having examined the results of said draft financial statements of Liguria Vita, which recorded profit for the year of Euro 597,287.02*
- having acknowledged that at today's date, the Company owns 5,205,640 treasury shares,*

*hereby resolves*

- to approve the financial statements of UnipolSai at 31 December 2015, accompanied by the Management Report, recording profit for the year of Euro 556,332,701.06 (the “UnipolSai Profit for the Year”), of which Euro 421,064,672.75 relating to the Non-Life business and Euro 135,268,028.31 relating to the Life business;*
- to approve the proposed allocation of the UnipolSai Profit for the Year at 31 December 2015, in compliance with Art. 27 of the By-Laws of UnipolSai, as follows:*
  - provisions for Euro 7,063,301.68 to Legal Reserve, entirely allocated to the Non-Life business;*
  - distribution to all shareholders of UnipolSai of a total of Euro 423,676,469.99, of which Euro 318,671,246.07 relating to the Non-Life business and Euro 105,005,223.92 relating to the Life business, and hence distribution of a unit dividend, also in consideration of the redistribution of the dividend pertaining to treasury shares, of Euro 0.15 for each entitled ordinary share;*
  - allocation of the remainder of the UnipolSai Profit for the Period, totalling Euro 125,592,929.39, to Extraordinary Reserves, of which Euro 95,330,125 relating to the Non-Life business and Euro 30,262,804.39 relating to the Life business,*

*specifying that any change in the number of the Company's treasury shares in portfolio at the time of distribution shall not affect the amount of the unit dividend as established above, but shall increase or decrease the amount allocated to Extraordinary Reserve;*

- to approve the financial statements of Liguria at 31 December 2015, accompanied by the Management Report;*
- to approve the financial statements of Liguria Vita at 31 December 2015, accompanied by the Management Report;*

- *to approve, by effect of the allocation of the UnipolSai Profit for the Year resolved and to be carried out thereon, the distribution of a unit dividend, in accordance with Art. 27 of the By-Laws of UnipolSai, of Euro 0.15 for each entitled ordinary share, for a total amount of Euro 423,676,469.99;*
- *to set the dividend payment date as 25 May 2016 (ex-dividend date of 23 May 2016 and record date of 24 May 2016).*

Bologna, 10 March 2016

The Board of Directors

**REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS' MEETINGS ON ITEM NO. 3  
ON THE AGENDA**

**Remuneration Report prepared pursuant to Article 123-ter of the Consolidated  
Law on Finance and Art. 24 of the ISVAP Regulation No. 39 of 9 June 2011.  
Related and consequent resolutions.**

Dear Shareholders,

as is well known, in accordance with Regulation no. 39 promulgated by ISVAP (now IVASS) on 9 June 2011 (the "ISVAP Regulation"), the Shareholders' Meeting approves the remuneration policies for the corporate bodies and the personnel of insurance companies, as prescribed by Article 8 of the By-Laws of UnipolSai Assicurazioni S.p.A. ("UnipolSai" of the "Company").

In particular, the ISVAP Regulation requires insurance companies to adopt remuneration policies that are consistent with sound and prudent risk management, aligning said policies to the long-term interests of the company in order to enhance Shareholder protection.

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

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

For this purpose, the Board of Directors of UnipolSai, in the course of the meeting held on 10 March 2016, approved the "Remuneration Report", prepared pursuant to the aforementioned rules (the "Report"), which consists of the following two sections:

- the First Section illustrates the policies adopted by the Company for the current year, with particular reference to the members of the administration and control bodies and Key Managers, as well as the procedures used for their adoption and implementation;
- the Second Section provides an adequate representation of each of the items that comprise remuneration and illustrates, individually by name for the members of the administration and control bodies and in aggregate form for the Key Managers of UnipolSai, the compensation paid by the Company in the reference year for any reason and in any form. Lastly, information is provided about the

investments held, by the aforementioned persons, in the listed companies and in their subsidiaries.

Therefore, the Board of Directors submits to the Ordinary Shareholders' Meeting the following resolution proposal.

### **Proposal**

*The Ordinary Shareholders' Meeting of UnipolSai Assicurazioni S.p.A.,*

- *in view of Articles 6 and 24 of ISVAP Regulation no. 39 of 9 June 2011 and Article 8 of the By-Laws;*
- *in view of Articles 123-ter of Italian Legislative Decree no. 58 of 24 February 1998 (the "Consolidated Law on Finance") and 84-quater of CONSOB Regulation no. 11971 of 14 May 1999 as amended;*
- *having acknowledged the Report of the Board of Directors and the related annexes,*

*hereby resolves*

*to approve the first section of the Remuneration Report drawn up pursuant to Art. 24 of the ISVAP Regulation No. 39 of 9 June 2011 and to Art. 123-ter of the Consolidated Law on Finance, which illustrates the Company's remuneration policy for the current year.*

Bologna, 10 March 2016

The Board of Directors

Annex: Remuneration Report of UnipolSai Assicurazioni S.p.A.

**REMUNERATION REPORT**  
**OF UNIPOLSAI ASSICURAZIONI S.P.A.**

(Prepared pursuant to Art. 24 of ISVAP Regulation no. 39 of 9 June 2011  
and to Art. 123-*ter* of the Consolidated Law on Finance)

## Foreword

The present document, approved by the Board of Directors of UnipolSai Assicurazioni S.p.A. ("**UnipolSai**" or the "**Company**" or the "**Entity**"), on 10 March 2016, contains the remuneration report (the "**Report**") – prepared:

- (i) pursuant to Art. 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 for issuers (the "**Issuers' Regulation**");
- (ii) and in accordance with Art. 24 of ISVAP Regulation no. 39 of 9 June 2011, concerning the remuneration policies in insurance companies (the "**ISVAP Regulation**"),

to illustrate to the Shareholders' Meeting called to approve the financial statements as at 31 December 2015 (the "**Shareholders' Meeting**") the policies adopted by UnipolSai on the remuneration of members of the administration and control bodies (the "**Corporate Bodies**")<sup>1</sup>, of the Key Managers of the Company and of Personnel, as defined below, for the year 2016 (the "**Remuneration Policies**" or the "**Compensation Policies**" or the "**Policies**").

The Remuneration Policies of the Company are consistent with the general policies containing the guidelines for the remuneration of the Corporate Bodies and of the personnel of Insurance Companies that Unipol Gruppo Finanziario S.p.A. ("**UGF**" or the "**Parent**"), as the parent company of the Unipol Insurance Group (the "**Insurance Group**"), prescribed in order to guarantee the overall consistency and the adequate calibration of remuneration policies within the Insurance Group, in accordance with Art. 5 of the ISVAP Regulation<sup>2</sup>, and they are also in compliance with the principles and criteria as per Art. 6 of the Code of Conduct for listed companies, in the most recent edition of July 2014.

The Report consists of two sections:

- the First Section illustrates the Remuneration Policies adopted by UnipolSai for the year 2016 and the procedures used for their adoption and implementation;
- the Second Section provides an adequate representation of each of the items that comprise remuneration and illustrates, individually by name for the members of the Corporate Bodies and in aggregate form for the Key Managers, the compensation paid in the year 2015 for any reason and in any form. The disclosure also provides the results of the audits of the internal control Functions for the year 2015, in accordance with Art. 23 of the ISVAP Regulation.

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<sup>1</sup> The Shareholders' Meeting is called, *inter alia*, to make decisions on the renewal of the Corporate Bodies.

<sup>2</sup> Based on Art. 5 of the Regulation, the parent company of an insurance group: a) shall assure the overall consistency of the remuneration policies of the insurance group, guaranteeing that they are adequately calibrated with respect to the characteristics of the companies of the group, and it shall verify their correct application; b) shall assure compliance with the provisions of the present Regulation by all the companies of the insurance group, including those whose registered office is abroad, within the limits of compatibility with the regulatory framework of the foreign State.

Lastly, the Report provides information about the investments held, by the aforementioned persons, in the Company and in its subsidiaries.

The Shareholders' Meeting resolves and approves the remuneration Policies as described in the First Section of the Report, in accordance with Art. 24 of the ISVAP Regulation.

As prescribed by CONSOB Regulation no. 17221 of 12 March 2010 on transactions with related parties, as subsequently amended and transposed in the "Procedure for Transactions with Related Parties" (the "**Procedure**"), adopted by the Company and available at its website ([www.unipolsai.com](http://www.unipolsai.com)) in the *Governance/Transactions with Related Parties* section, approval of the Remuneration Policy by the Shareholders' Meeting exonerates the Company from application of the Procedure, to the resolutions of the Board of Directors on the remuneration of Directors and Key Managers, under the additional conditions as per Art. 13, third paragraph, letter b) of the aforementioned Regulation.

The Report is made available to the public at the registered office of UnipolSai, in Bologna, Via Stalingrado 45, as well as on the website of the Company, [www.unipolsai.com](http://www.unipolsai.com), in the *Governance/Shareholders' Meetings* section, in accordance with the regulatory provisions currently in force.

In accordance with Art. 123-ter, Paragraph 5 of the Consolidated Law on Finance, the information documents pertaining to remuneration plans based on financial instruments, prepared in accordance with Art. 114-bis of the Consolidated Law on Finance, are available at the Company's website, under the *Governance/Shareholders' Meetings* section.

## FIRST SECTION – REMUNERATION POLICIES

The remuneration policies for 2016, with the exceptions indicated in paragraph D) below, are substantially a continuation of those of the previous year, confirming their principles, structure and contents, with some innovations.

### Recipients of the Remuneration Policies

With reference to the personnel for whom the Remuneration Policies are intended, the ISVAP Regulation requires insurance companies to identify the categories of persons who, in addition to the Directors, require remuneration policies that meet specific requirements. They are the persons who, at different corporate levels, carry out an activity that may have a significant impact on the company's risk profile (the **"Risk Takers"**).

The Company has identified, in accordance with the criteria prescribed in the ISVAP Regulation, the recipients of the Remuneration Policies (the **"Personnel"**); in particular, within the scope of the Personnel identification process, the following are items identified:

- the organisational roles leading each business area, consistently with the mapping of the main categories of risk to which the Company is exposed;
- the organisational roles vested with the highest powers, in accordance with the system of delegations of powers adopted by the Company;
- any persons with weight of the organisational position at a higher bracket. The weight of organisational positions is measured according to the metrics adopted for the sector remuneration survey carried out by the trade association that requires attributing an indicator aimed at identifying similar positions in a homogeneous manner, grouping them into brackets.

In particular, the recipients of the Remuneration Policies include the Risk Takers as identified below:

- a) Key Managers, as identified by the Chairman and by the Chief Executive Officer of the Parent Company at the proposal of the Human Resources and Organisation Management Department, at the date of publication of this Report are:
  - the Head of Administration, Management Control and Operations;
  - the Head of Legal, Investments and Institutional Relations;
  - the Head of Human Resources and Organisation;
  - the Head of Strategic Planning, Investor Relations and M&A;
  - the Head of Real Estate and Diversified Companies;
  - the Head of Corporate Communication and Media Relations;
  - the Head of Insurance;
  - the Deputy General Manager for the Non-Life Business;

- the Head of Claims;
  - the Head of Commercial Division;
  - the Head of Finance;
  - the Head of IT Services
  - the Head of Management Control and Tax;
  - the Head of the Life business;
  - the Head of Group Management Control;
  - the Head of Planning and Business Plan Coordination;
  - the Head of Reinsurance;
  - the Chief Risk Officer;
  - the Audit Manager;
  - the Head of Compliance and Anti money laundering;
  - the Head of Risk Management.
- b) the other persons whose activity can have a significant impact on the risk profile of the Company, identified according to the criteria illustrated above:
- the Head of Sales;
  - the Head of Human Resources.

All persons identified above are included in the category of Executives.

The Company, in order to scrupulously comply with current regulations and at the same time to assure uniform remuneration treatments at equal levels, applies the Remuneration Policies to all Executives (the “**Recipients**”), regardless of whether they are identified as “Personnel” in accordance with the ISVAP Regulation.

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

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

- The Ordinary Shareholders' Meeting, in addition to establishing the annual remuneration of the bodies appointed by it, approves the remuneration policy of the Corporate Bodies and of the Personnel, including the remuneration plans based on financial instruments;
- The Board of Directors shall define and periodically reviews the Remuneration Policies, at the proposal of its own Remuneration Committee and consistently with the directions set forth by the Parent Company, for the purposes of their approval by the ordinary Shareholders' Meeting, and it shall be responsible for their correct application; moreover, based on the proposals put forward by the Remuneration Committee and with the favourable opinion of the Board of Statutory Auditors, it shall define the remuneration of the executive Directors and of the other Directors holding special offices, taking into account the directions set forth by the Parent Company;
- the Remuneration Committee shall formulate proposals with regard to the definition of the general Remuneration Policies containing the guidelines for the remuneration of Directors and Key Managers (in addition to the Managers in Charge of the internal control Functions) of the Company, consistently with the directions set forth by the Parent Company; it shall also periodically assess the adequacy and the practical application of such policies, making use of the information provided by the Chief Executive Officer of the Parent Company;
- the Chief Executive Officer of the Parent Company, in concurrence with its Chairman, shall provide indications to the competent bodies of the Company with regard to the remuneration of the General Manager, if appointed, and of the other Key Managers (as well as the Managers in Charge of the internal control Functions) and with regard to the assignment of the performance targets correlated with any variable component, in accordance with the adopted Remuneration Policies;
- the Human Resources and Organisation Management Department of the Parent Company shall prepare and govern the process for the formulation of the proposals pertaining to the Remuneration Policy and shall care for its implementation, involving the other functions when necessary and/or appropriate;
- the Internal Control Functions shall be involved and collaborate in various ways in the definition and/or subsequent verification of the correct implementation of the remuneration policies and, in particular:

- the Compliance function, in accordance with Art. 23 of the ISVAP Regulation, shall be called upon to assess, in the course of the definition of the Remuneration Policies, their compliance with the relevant regulatory framework;
- the Risk Management Function shall evaluate the objectives and principles of the Remuneration Policies and their compliance with the provisions of the ISVAP Regulation;
- the Audit Function, pursuant to Art. 23 of the ISVAP Regulation, shall verify the correct application of the Remuneration Policies on the basis of the guidelines defined by the Board of Directors in order to increase efficiency and preserve the capital of the company.

**B. ANY INTERVENTION OF A REMUNERATION COMMITTEE OR OTHER COMMITTEE WITH COMPETENCE IN THE MATTER, DESCRIPTION OF ITS COMPOSITION (WITH THE DISTINCTION BETWEEN NON-EXECUTIVE AND INDEPENDENT DIRECTORS), ITS COMPETENCIES AND ITS OPERATING PROCEDURES**

The Board of Directors has assigned the following tasks to the Remuneration Committee, pursuant to the Code of Conduct and the ISVAP Regulation:

- to submit proposals to the Board of Directors regarding the definition of the general Policies containing the guidelines for the remuneration of Directors and Personnel, including the Key Managers as well as the Managers in charge of internal control functions, in compliance with the directions set forth by the Parent Company;
- to submit proposals to the Board of Directors as regards the remuneration of the executive Directors and of the other Directors who hold special offices, taking into consideration the directions set forth by the Parent Company, and as regards the definition of the performance objectives related to the variable component of such remunerations, thus monitoring the application of the decisions adopted by the Board of Directors and verifying, in particular, the effective achievement of such performance objectives;
- to evaluate periodically the adequacy, the overall consistency and actual application of the policies for the remuneration of the Directors and Key Managers (including the managers in charge of internal control Functions), availing itself of the information provided by the Chief Executive Officer and submitting proposals to the Board of Directors on these matters.

The Remuneration Committee in office at the publication date of the present Report consists of three Directors, all independent also in accordance with Art. 37 of the Market Regulation adopted by CONSOB with resolution no. 16191 of 29 October 2007.

Additional information about the activities carried out and the main issues discussed by the Remuneration Committee during 2015 is provided in the Annual report on corporate governance

and ownership structures, available in the *Governance/Shareholders' Meetings* section of the Company's website, [www.unipolsai.com](http://www.unipolsai.com).

In 2016, the Remuneration Committee met on 8 March 2016, to define the proposals pertaining to the Remuneration Policies for the Corporate Bodies, the Key Managers and the Personnel of UnipolSai, approved by the Board of Directors of the Company concurrently with the present Report.

**C. NAME OF ANY INDEPENDENT EXPERTS WHO MAY HAVE PARTICIPATED IN THE PREPARATION OF THE REMUNERATION POLICY**

The Company did not request the participation of any experts in the definition of the Remuneration Policies, although it did rely on the support of the consultancy firm Ernst & Young, which carried out a benchmarking analysis on the performance indicators used by companies, including foreign ones, that operate in the same sector as UnipolSai.

**D. PURPOSES OF THE REMUNERATION POLICY, THE PRINCIPLES ON WHICH IT IS BASED AND ANY CHANGES TO THE REMUNERATION POLICY WITH RESPECT TO THE PREVIOUS FINANCIAL YEAR**

Purposes

The Remuneration Policies of UnipolSai are defined consistently with:

- the Mission of the Unipol Group, expressed in the Charter of Values, which states, *inter alia*, that “*the Group implements a business management that is efficient, profitable and sustainable over time, based on the contribution and the development of its employees.*” This statement provides an important guideline pertaining not only to the general formulation of the Remuneration Policies, aimed at promoting a sustainable approach in a long-term vision, but it also stresses the aim of serving as an important instrument for professional development.
- the Values of the Unipol Group, including Farsightedness, Respect and Responsibility, which provide the Remuneration Policies with an orientation that is also based on qualitative, rather than just quantitative aspects;
- care for the interests of all the Stakeholders of the Unipol Group, with particular regard to Shareholders and Investors, Employees, Agents and Contractors, Future Generations, who benefit from a remuneration policy aimed at attracting, rewarding and developing the best professional capabilities in a fair, adequate and continuous way.
- the business strategy of the Unipol Group, based on Sustainability and as such encouraged in the Business Plan of the Unipol Group (the “**Business Plan**”), which consequently orients both the time and the operational horizon of the Remuneration Policies, projecting their effects and benefits on sustainable goals;

- the Corporate Governance system of the Unipol Group which, through a corporate and organisational model that pursues punctual and constant compliance of rules and regulations, adherence to the correct attributions of competence between corporate governing bodies and structures, compliance, adequacy and control of the risk management system, facilitates not only a precise juridical compliance with Remuneration Policies, but it also assures the development of their adequate internal training process and their consistency with the broader management policies.

#### Principles

A primary objective of the Remuneration Policies is to assure remuneration that is fair, adequate for the role, responsibility, level of professionalism and individual capabilities, compliant with legal and regulatory provisions and consistent with the needs of sustainable performance.

For this purpose, the following principles are essential parameters for the determination of remuneration:

- a sound and prudent risk management policy, in line with the strategic objectives, the profitability and the balance of the Company and of the Unipol Group in the long term, avoiding remuneration policies based exclusively or prevalently on short-term results, that could encourage excessive risk exposure;
- internal fairness, in order for remuneration to be consistent with the position covered and the connected responsibilities, with the assigned duties, with the matured experience, the competencies, the capabilities demonstrated and the attained performance levels;
- meritocracy, so that the results obtained and the behaviours for their achievement are rewarded;
- comparison with reference markets, in order to offer remuneration packages that are competitive, determining their trends, orientation and best practices in order to sustain healthy competition in a fair, effective way;
- the risk control level, differentiated according to the business line to which it refers, in order to orientate the Remuneration Policies to sound and prudent risk management as required by the ISVAP Regulations.

#### The changes made compared to last year

The Policies adopted in the current year are positioned in a line of substantial continuity with the Remuneration Policies adopted in the previous year, which were already compliant with self-regulation principles and criteria.

The main changes made in the new Remuneration Policies involved the introduction of instruments and methods that, in addition to transposing the indications of the Regulators with

regard to a more careful assessment of risk phenomena with a prospective view<sup>3</sup> as well, improve and strengthen the balance and fairness of the system as a whole.

In this regard, we point out that:

- the condition for the attainment of the Consolidated Gross Profit Result was set to 80%;
- the Solvency II metric was introduced, replacing the previous Solvency I, for the measurement of the capital adequacy target of both the Unipol Group and the Company;
- an additional gate was introduced to access to the economic benefits provided by the Policies; it consists of the attainment of 80% of the IAS Individual Gross Profit of the Company budgeted for the year;
- alignment of the annual remuneration parameters was introduced both for the short term component and for the long term component;
- the inseparability of short and long term variable components was introduced, and they are considered portions of a single Total Bonus (as defined below);
- individual performance is measured on four objectives, two of which are quantitative and their weight is preponderant;
- incentives are articulated on a wider grain scale and they are paid in view of an individual performance level that is no lower than an overall attainment of the individual objectives amounting to at least 60%;
- to retain the best professionals, the possibility of benefiting from an additional bonus, to be recognised upon the significant exceedance of the long term objectives, was introduced;
- in order to further sustain the value of the Unipol Group, as a form of remuneration for long term benefits, the attribution of both UGF and UnipolSai ordinary shares was adopted, in lieu of the previous ordinary UGF share only;
- for *retention* purposes and with a view to promoting the attainment of governance, growth and development objectives of the Unipol Group, loyalty bonuses may be paid to the Executives, as better specified in paragraph L) below.

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<sup>3</sup> See, *inter alia*, the IVASS Letter to the market of 15 April 2014.

**E. DESCRIPTION OF THE POLICIES PERTAINING TO FIXED AND VARIABLE REMUNERATION COMPONENTS, WITH PARTICULAR REGARD TO THE INDICATION OF THE RELATED WEIGHT WITHIN THE SCOPE OF THE OVERALL REMUNERATION AND DISTINGUISHING BETWEEN SHORT AND MEDIUM-LONG TERM VARIABLE COMPONENTS**

The fixed remuneration component compensates the competencies, the capabilities, the role and, in particular, the responsibilities connected with the role. In addition to a rigid economic basis, prescribed by Collective Labour Agreements, by Supplementary Company Agreements and by any other bilateral agreements, and determined according to level and seniority, the Company, consistently with the principles of internal fairness, competitiveness and attractiveness, meritocracy and responsibility, determines the attribution of fixed economic supplements, consolidating them over time.

The variable component of remuneration has two primary objectives:

- to reward the results achieved in the short and medium-long term, expressed not only in the form of economic revenues but also in the form of attention to risks and of qualitative performance;
- to develop professional skills, implementing an effective retention policy.

The variable component of remuneration is recognised through the activation of an incentivising system in favour of the Risk Takers and of all managers (the “**Recipients**”)<sup>4</sup>, directed at developing a culture of sustainable performance that correlates the results of the Unipol Group and of the Company with individual performance.

An adequate balance between the fixed and variable component of remuneration is determined by the aforementioned principles and it is mostly oriented by criteria of sustainability over time, with the purpose of preventing an excessive relevance of the variable component, especially if it is short-term, from weakening attention to the need to guarantee the medium-long term results.

The short-term variable component of remuneration shall never exceed half of fixed remuneration.

The fixed component of remuneration is determined, in addition to the provisions of the applicable national collective agreements, also on the basis of the following fundamental parameters:

- relevance of the assigned position;
- complexity of the role covered;
- relevance of the responsibilities attributed;
- qualitative weight of the competencies possessed and acquired;

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<sup>4</sup> The Executives who work at other companies of the Unipol Group under full or prevalent “secondment” are the recipient of the UPM System adopted by the secondment company.

- alignment to industry market *benchmarks*.

This component is determined in every case, in an adequate way in order to remunerate the Recipient even when variable incentives are not paid.

The Company's Remuneration Policy, in addition to being consistent with the evolution of relevant regulations, is in line with the remuneration policy of the Unipol Group and it contributes to assure the company results, including medium-long term results, in line with the stakeholders' expectation and in a logic of prudent risk management and cost sustainability, within a competitive market aligned to international standards.

UnipolSai, in compliance also with the Code of Conduct for listed companies, pursues a remuneration policy in which access to incentive schemes based on variable remuneration components is connected to the attainment of short and medium-long term results. It is the conviction of the Company, consistently with the Parent Company's guidelines, that this aspect of remuneration policies is also capable of promoting, as an indirect but no less important result, the widespread acceptance of a professional culture oriented to the creation of value that is sustainable over time and to direct sharing of the results, hence a culture of co-responsibility and real involvement with respect to the business objectives.

Correlation between the results of the Unipol Group (including the results in terms of attention to risks), the results of the Company, the results of the operational area of responsibility and the individual results serves as the reference model on which the architectures of the variable remuneration systems are designed.

Remuneration of Corporate Bodies does not provide for the attribution of any variable component; instead, variable components are recognised to the Executives of the Company, including Key Managers, entitled to participate in the incentive scheme intended for all Executives of the Unipol Group, called UPM – *Unipol Performance Management*, that regulates terms, conditions and payment procedures of a short-term variable cash component and a long-term variable component through the assignment of financial instrument.

In this regard, it should be specified that the Board of Directors of UnipolSai, in the course of the meeting held on 10 March 2016, having received the opinion of the Remuneration Committee, adopted the UPM Regulation referred to 2016, as the implementation of the UPM System for the 2016-2018 three-year time interval (the “**UPM System**” or the “**System**”).

#### **F. POLICY FOLLOWED WITH REGARD TO BENEFITS IN KIND**

Benefits in kind are a significant component of the remuneration package, both in terms of acceptance on the part of the recipients and with a view to total remuneration, as a supplemental and/or alternative element to monetary payments, which has been proven to be advantageous in designing remuneration policies that are effective but also attentive to the optimisation of the economic impacts. Benefits are differentiated according to the categories of

Recipients both in terms of type and of overall value and they mainly comprise supplemental pension schemes and health care for employees and for their respective families.

A company car is assigned for mixed use to Executives in the 1<sup>st</sup> and 2<sup>nd</sup> Brackets<sup>5</sup>.

Favourable terms are granted in the access to loans/mortgages for the purchase, renovation and construction of homes and to loans for personal needs.

**G. WITH REFERENCE TO THE VARIABLE COMPONENTS, DESCRIPTION OF THE PERFORMANCE OBJECTIVES ACCORDING TO WHICH THEY ARE ASSIGNED, DISTINGUISHING BETWEEN SHORT AND MEDIUM-LONG TERM VARIABLE COMPONENTS, AND INFORMATION ABOUT THE LINK BETWEEN THE VARIATION IN THE RESULTS AND THE VARIATION IN THE REMUNERATION**

EXECUTIVES

As stated above, the variable part of remuneration (the “**Total Bonus**”) comprises two components whose payment procedures are regulated by the UPM System: (i) a short-term component (“**IBT Bonus**” or “**IBT**”), recognised through the payment of a monetary bonus, and (ii) a long term component (“**LTI Bonus**” or “**LTI**”), recognised through the assignment of ordinary UGF shares and of ordinary UnipolSai Assicurazioni shares (the “**Shares**”).

The maximum measure of the Total Bonus for the Year of accrual is determined as a percentage of the Recipient’s gross annual remuneration (“**RAL**” in the Italian acronym) at 31 December of the year of accrual; this percentage is differentiated according to the role covered

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<sup>5</sup> The Executives of the Unipol Group are divided into 3 brackets (the “Brackets”) correlated to the weight of the organisational position, to the relevance and complexity of the role and of the position. The “weight” is measured with a method that is certified by primary specialised companies, recognised internationally.

Said method provides, after the analysis of a series of quantitative and qualitative metrics that impact on the individual organisational position, the attribution of a numeric indicator that, adequately compared in a homogeneous ranking, provides an objective positioning parameter that serves for compensation as well.

Each organisation position, in particular, is evaluated on the basis of three macro factors, which measure the level of competencies necessary to serve correctly in the role (Know-How), the level of autonomy required in managing the role (Problem Solving) and the level of impact on the results of the company (Accountability).

Attribution to the Brackets takes place at the proposal of the Human Resources and Organisation Management Department of UGF, which makes use of the most appropriate methodologies for weighting the positions present on the market as specified above, and with the approval of the Chief Executive Officer of UGF. The updating and revision of placement in the Brackets take place with annual periodicity.

Within each Bracket, the definition and individual assignment of short and long term incentives are carried out in consideration of:

- comparable market references;
- professional family to which the person belongs;
- need to encourage loyalty (critical need of the resource).

by the Recipient and it can reach a maximum of 100%<sup>6</sup> of RAL, recognised to 1<sup>st</sup> Bracket Recipients.

The UPM System is based on the logic of self-financing, i.e. - regardless of the existence of the access conditions described below, an essential requirement for the recognition of the incentives, in addition to the persistence of positive effective economic results and to the minimisation of the risk factors, - on the presence of a Dividend Capability, i.e. the presence of the conditions, in terms of economic result and of minimum solvency requirements of the Unipol Group, for the possible distribution of a dividend to UGF shareholders, in accordance with the provisions of the bylaws and of law applicable at the time.

An essential condition for access to the benefits of the System is, first of all, the attainment of determined Short Term business performance objectives of the Unipol Group and of the Company, specifically:

- (1) the Total Bonus shall not be accessible to the Recipients until the condition of the attainment of a given percentage of the UGF consolidated Gross Profit, according to the approved budget for the year of interest is met. With reference to Key Managers, this percentage shall reach at least 80% of the indicated target;
- (2) for the Total Bonus to be fully payable, the following conditions must also be met:
  - (a) the existence of a coverage ratio (Balance sheet strength) of UGF, calculated according to the Solvency II<sup>7</sup> metric at least equal to the target set for 31 December 2016 by the competent decision-making bodies. If said value, at the same date, is between 100% and 80% of the target, provided that the result is no lower than 1.0, the amount of the Total Bonus will be reduced to 75%, whilst a lower value determines the non payment of the bonus;
  - (b) in addition, the target of 80% of the individual IAS Gross Profit of the Company must be attained, in accordance with the approved budget for the year of interest;
  - (c) lastly, there must be an individual coverage ratio (Balance sheet strength), calculated according to the Solvency II<sup>8</sup> metric and net of transactions on capital and/or with impact on that ratio, already carried out, undergoing implementation or being decided by the controlling shareholder, at least equal to the target set for 31 December 2016 by the competent decision-making bodies.

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<sup>6</sup> 125% for recipients who participate in the Management Committee.

<sup>7</sup> Solvency Ratio defined within the scope of the Risk Appetite Statement approved by the Administrative Body. Indicator and value defined according to current provisions and subject to updating / revision with changes in current regulations. In the course of the time interval in which the System develops, in consideration of the refinement and stabilisation of the techniques and of the related analysis tools, other indicators may be adopted, also experimentally, in addition to the current ones.

<sup>8</sup> See previous note. The Solvency II indicator shall be calculated using the Partial Internal Model.

The conditions set out in (1) and 2 (b) above do not apply to the Chief Risk Officer or to the Executives who operate with the Internal Control Functions.

Short-term variable incentives (IBT)

The System entails the recognition of an IBT Bonus, paid in the year following the year of interest, determined according to the Short Term Individual Performance Level (as defined below), reached in connection to specific individual objectives, divided into four categories, each of which is assigned a “weight” in percentage terms and specifically: (i) first individual quantitative target (weight: 30%); (ii) second individual quantitative target (weight: 30%); (iii) individual qualitative target (weight: 20%) and (iv) organisational behaviour target (weight: 20%). The sum of the weights obtained from the calculation of said targets determines the Individual Performance Level.

The maximum measure of the IBT Bonus is equal to 50%<sup>9</sup> of the Total Bonus.

A Short Term Individual Performance Level below 60% of the sum of the weights of the individual targets attained shall cause the zeroing of the Total Bonus.

Subject to the following provisions, a Short Term Individual Performance Level of at least 60% determines the amount of the IBT Bonus according to Table 1 below:

Table 1	
Individual Performance	IBT Bonus
60%	30% of the maximum value of the IBT Bonus
65%	40% of the maximum value of the IBT Bonus
70%	50% of the maximum value of the IBT Bonus
75%	60% of the maximum value of the IBT Bonus
80%	70% of the maximum value of the IBT Bonus
85%	80% of the maximum value of the IBT Bonus
90%	90% of the maximum value of the IBT Bonus
100%	Maximum value of the IBT Bonus

The condition of the failure to attain even a single one of the two quantitative targets, even if the result calculated as prescribed generates a value equal to or higher than 60%, shall cause the zeroing of the Total Bonus.

With reference, lastly, to Key Managers, 1/3 (one third) of the Total Bonus shall be subtracted if one of the two quantitative targets is attained only partially.

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<sup>9</sup> 40% of the Total Bonus for the members of the Management Committee.

Variable long term incentives (LTI)

The LTI Bonus is attributed by virtue of a closed compensation plan based on financial instruments (the “**2016—2018 Plan**”), which provides the distribution of the Shares at the end of the 2016-2018 three year time interval, with their assignment and simultaneous availability in the 2019-2020-2021 three-year time interval, starting from 2019 and for the two following years.

The maximum measure of the LTI Bonus is equal to 50%<sup>10</sup> of the Total Bonus.

The payment of the LTI compensation for the Recipients who do not operate with the Internal Control Functions, and who do not serve in the role of Chief Risk Officer, shall depend on the attainment (separate for each of their portion) of the following indicators:

- 40%, upon the attainment of at least 75% of the result of the Unipol Group measured through Consolidated gross Profit cumulated on the years 2016, 2017 and 2018 of the values as defined year by year by the competent corporate bodies;
- 40%, upon the full attainment, at the end of the three year time interval, of the target of the solvency capital requirement of UGF defined by the competent corporate bodies;
- 20%, upon the attainment of a given three-year growth of the value of the UGF Share (average of first quarter of 2019 over average of first quarter of 2016).

The exceedance, also separately, of the result of the previous individual indicators shall determine the recognition of an Additional Bonus equal to a maximum of 50% of the Total Bonus accrued. The meeting of this condition shall have effect both on the IBT component already recognised, which therefore will be supplemented in the same manner with which it was recognised at the time of its payment, and on the LTI component.

The payment of the LTI compensation for the Recipients who operate with the Internal Control Functions, or who serve in the role of Chief Risk Officer, shall depend on the attainment (separate for each of their portion) of the following indicators:

- 60%, upon the attainment of an average individual Performance Level in the three-year time interval that is no lower than 70%, provided that both quantitative targets are fully attained in at least two of the three years;
- 40%, upon the full attainment, at the end of the three year time interval, of the target of the solvency capital requirement of UGF defined by the competent corporate bodies.

The attainment of the individual quantitative targets for all three years, as well as an average individual performance level in the 2016-2018 timeframe that is no lower than 75%, together with the achievement of the solvency capital requirements defined by the competent corporate bodies, determines the recognition of an additional bonus (the “**Additional Bonus**”) equal to a maximum of 50% of the Total Bonus accrued. The meeting of this condition shall have effect

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<sup>10</sup> 60% of the Total Bonus for the members of the Management Committee.

both on the IBT component already recognised, which therefore will be supplemented in the same form with which it was recognised at the time of its payment, and on the LTI component.

The number of Shares that may be assigned is calculated dividing the value of the LTI Bonus of the year of interest in two equal parts. One part is in proportion to the average value of the ordinary UGF share recorded in May 2016, while the other part is in proportion to the average value of the ordinary UnipolSai share recorded in May 2016.

#### NON EXECUTIVE PERSONNEL

For personnel identified as Risk Takers and not included in the Executive category, recognition of the variable component is subordinated to the attainment of predetermined results that are objective and measurable through the adoption of performance indicators that take into account current or future risks connected with the pre-set results of the reference company, as well as individual quantitative targets relating to their own area, and qualitative targets relating to the role served in the company.

These targets will be assigned by the Company within the scope of incentivising systems that will be preventively subjected to compliance verifications by the competent internal control Functions.

For non Executive Risk Takers, the variable component may be exclusively monetary and it may be no higher than 60% of the RAL of the reference year; in any case, the portion exceeding 35% of said RAL shall be paid with two-year deferral, distributing 50% of the related amount in the two years following the year of accrual.

With specific reference to the Heads of the Internal Control Functions and of the Anti-Money Laundering Function not employed as Executives, any recognition of a variable component of remuneration is independent from the results attained by the operating units subject to their control.

#### **H. CRITERIA USED TO ASSESS THE PERFORMANCE TARGETS THAT ARE THE BASIS FOR THE ASSIGNMENT OF SHARES, OPTIONS, OTHER FINANCIAL INSTRUMENTS OR OTHER VARIABLE COMPONENTS OF THE REMUNERATION**

Quantitative targets are set out in line with the strategic objectives of the Unipol Group and consistently with the risk profiles defined for each company of the Unipol Group.

The calculation of performance for the purposes of determining the Total Bonus shall take place in March 2017.

The process of assigning, assessing and calculating the actual attainment of the targets is supervised, also in the merit, by the Human Resources and Organisation Management Department, which also relies on the contribution of the Group Risk Management and Management Control Functions for the *ex ante* and *ex post* verification of the quantitative indicators, and by the Chief Executive Officer of UGF.

When assigning the individual targets, when appropriate, non financial criteria are also taken into account that contribute to value creation for the Company and the Unipol Group, e.g. compliance with external and internal regulations and the efficiency of the management of customer service<sup>11</sup>.

**I. INFORMATION TO DEMONSTRATE THE CONSISTENCY OF THE REMUNERATION POLICY WITH THE PURSUIT OF THE LONG TERM INTERESTS OF THE COMPANY AND WITH THE RISK MANAGEMENT POLICY, IF IT IS FORMALISED**

The Remuneration Policies adopted by the Company are directed at incentivising the Recipients to pursue long term interests of the Company itself, through the prescription of:

- an adequate balance between the fixed component and the variable component of remuneration and its connection to predetermined and measurable efficiency criteria, to strengthen the correlation between results and remuneration;
- setting limits for the variable component;
- a correct balance between short term and long term efficiency criteria, to which remuneration is subordinated, through the delayed payment of the variable component, the setting of a minimum accrual period for the assignment of financial instruments, the right to demand the return of that component if certain requirements are not met;
- the different impact on the risk profiles of the Company and of the Unipol Group according to the role covered and to the responsibilities assigned.

**J. VESTING PERIOD, ANY DEFERRED PAYMENT SYSTEMS, WITH THE INDICATION OF THE DEFERRAL PERIODS AND OF THE CRITERIA USED TO DETERMINE THESE PERIODS AND, IF PROVIDED, *EX POST* CORRECTION MECHANISMS**

As stated above, the long term incentive (LTI) is attributed by virtue of a closed compensation plan based on financial instruments, which provides the assignment of Shares at the end of the 2016-2018 three year time interval, with their availability starting from 2019 and for the two following years. This makes it possible to align the interests of beneficiaries and of shareholders, remunerating the creation of long term value and the increase of the share's value.

*Ex post correction mechanisms*

The System provides clauses for not paying out the bonus, in terms of:

- *Malus*: the bonuses prescribed by the incentivising scheme shall not be paid out in view of any deterioration of the performance of the Unipol Group's results, corrected for the risks and in cases of failure to comply, on the recipients' part, with regulatory and

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<sup>11</sup> See Art. 12 Paragraph 2 point b) of the ISVAP Regulation.

supervisory provisions, followed by the levying of a disciplinary sanction against the recipient him/herself, or in case of observations by the internal Control Functions that highlight behaviours with severe violations of internal, external provisions, or applicable standards of conduct;

- *Claw-back*: the Company will require the repayment of any compensation paid in violation of applicable Supervisory provisions or if the recipient has exhibited behaviours that are fraudulent and/or distinguished by malice or gross negligence correlated with the performance of his/her duties that determined a deterioration of the risk profiles and/or of the results of the Unipol Group, without prejudice to any other additional action.

**K. INFORMATION ON THE PROVISION OF ANY CLAUSES FOR MAINTAINING THE FINANCIAL INSTRUMENTS IN THE PORTFOLIO AFTER THEIR ACQUISITION, WITH THE INDICATION OF THE MAINTENANCE PERIOD AND OF THE CRITERIA USED TO DETERMINE SUCH PERIODS**

As indicated previously, the variable component of remuneration is assigned through the activation of the UPM System which develops in a three-year performance time interval (2016 – 2018). Only at the end of this period, may the aforesaid persons accrue the right to have the Shares assigned to them.

The distribution and concurrent availability of the Shares will take place in the 2019-2020-2021 three year time interval, starting from 2019 and for the two following years.

**L. POLICY FOR THE TREATMENTS PROVIDED IN CASE OF CESSATION FROM OFFICE OR TERMINATION OF EMPLOYMENT, SPECIFYING WHICH CIRCUMSTANCES DETERMINE THE EMERGENCE OF THE RIGHT AND ANY CONNECTION BETWEEN SUCH TREATMENTS AND THE PERFORMANCE OF THE COMPANY**

No indemnity shall be paid to Directors in the event of resignation, mandate/appointment revocation, or cessation thereof due to a takeover bid.

As stated, loyalty bonuses may be paid to Executives who worked for the Company or for the Unipol Group for a determined number of years. The amount of said bonuses, to be recognised at the time of termination of employment, may not exceed the amount equal to five annuities of total compensation, calculated for the variable part as provided by Art. 2121 no. 2 of the Italian Civil Code ("**Total Compensation**").

With reference to Key Managers, any payment of a predetermined amount in case of termination without just cause, or of resignation for just cause or at the request of the reference Shareholder, which are applicable only in the presence of specific agreements supplementing the employment agreement, may in no case exceed five annuities of Total Compensation. The Company may require beneficiaries to return all or part of the aforesaid amount paid to them, if, within five years from the date of termination of the employment, it should emerge that they

carried out serious misdeeds with malice against the Company, both circumstances (misdeeds and malice) ascertained with a subsequent final conviction.

**M. INFORMATION ABOUT THE PRESENCE OF ANY INSURANCE COVERAGE, OR RETIREMENT OR PENSION COVERAGE, OTHER THAN MANDATORY ONES**

The Shareholders' Meeting of 29 April 2013, which appointed the Board of Directors currently in office, resolved to provide the insurance coverage of the risks connected with civil liability to third parties deriving from the legal and contractual obligations inherent to the functions of Director and Statutory Auditor and to the connected legal expenses, with costs to be paid by the Company. In this regard, it should be specified that the Company, like the other companies of the Unipol Group, adhered to the Group D&O policy stipulated by Finsoe S.p.A. as the company leading the Unipol Financial Conglomerate. The conditions of the policies, having annual duration starting from 20 November 2015, provide a limit, at Group level, of a total amount of €75m to the benefit of the insurance parties.

The total cost of the policy is divided among all the companies of the Unipol Group (including Finsoe), applying a percentage corresponding to the weighted average of the ratios between the following financial and revenue indicators of each individual company and those of the Group: (i) the Balance Sheet Asset; (ii) the Shareholders' Equity; (iii) the revenues calculated according to the criteria of the Italian Antitrust Authority.

At 31 December 2015, the Company incurred a cost of approximately €960,000.

Executive Personnel may participate both in a Pension Fund and in an Assistance Fund whose contributions are paid by the Company. For the Pension Fund, the Executive may contribute with the payment of his/her own Employee Severance Indemnity.

The Pension Fund insures the participate in case of extraprofessional injury both in case of death and of permanent invalidity, in case of permanent invalidity as a result of illness and in case of death for any reason.

This coverage provided for Executives is extant until the time of termination of employment.

The payments provided by the Assistance Fund in favour of the participants and of the beneficiary relatives, which are achieved through insurance conventions, pertain mainly to health care consulting and information services via telephone, reimbursements for hospitalisation periods, surgery, dental care, specialist medical visits, diagnostic tests, therapies.

In addition, insurance coverage is also provided by the Assistance Fund for reimbursements of health care expenses in the cases of non self-sufficiency both for the Executive and for the spouse.

**N. REMUNERATION POLICY IMPLEMENTED WITH REFERENCE: (I) TO INDEPENDENT DIRECTORS, (II) TO PARTICIPATION IN COMMITTEES AND (III) TO THE PERFORMANCE OF SPECIFIC DUTIES (CHAIRMAN, DEPUTY CHAIRMAN, ETC.)**

Each Director is entitled to annual compensation, as well as the recognition of an attendance fee for participation in every meeting of the Board, of the Executive Committee, when appointed, or every Shareholders' Meeting.

The remuneration of non-executive Directors and, therefore, also of the 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.

The Board of Directors, at the proposal of the Remuneration Committee and the with the favourable opinion of the Board of Statutory Auditors, shall define the fixed compensation to be paid to the Chairman, to the Deputy Chairman and to the Chief Executive Officer for the offices held by them, and shall recognise to the Directors who are members of the Board Committees an additional fixed compensation for participation in each respective meeting.

To Directors holding special offices, the Board of Directors may recognise, upon receiving the opinion of the Board of Statutory Auditors, supplementary benefits relating to housing and/or to the use of company cars.

**O. WHETHER THE REMUNERATION POLICY WAS DEFINED USING THE POLICIES OF OTHER COMPANIES AS REFERENCE, AND IF SO, THE CRITERIA USED FOR THE SELECTION OF SUCH COMPANIES**

As stated in the Foreword, UnipolSai, as a Company belonging to the Unipol Insurance Group, adopts the Remuneration Policies consistently with the guidelines set forth by the Parent Company with regard to remuneration policies for the Unipol Insurance Group.

## **SECOND SECTION – INFORMATION ABOUT THE IMPLEMENTATION OF THE REMUNERATION POLICY**

The present Section of the Report consists of three parts:

- a first part, which provides a descriptive representation of the compensation accrued in 2015 of the recipients of the remuneration policies;
- a second part, which shows said compensation in table form, as well as the equity investments held by the recipients of the remuneration policies pertaining to the year 2015;
- a third part, which briefly illustrates the verifications performed by the internal control Functions.

### **FIRST PART**

#### **1.1. Representation of the items that comprise remuneration, including the treatments provided in case of cessation from office or termination of employment, highlighting consistency with the reference remuneration policy.**

##### **DIRECTORS' REMUNERATION**

In 2015, Directors' remuneration was consistent with the remuneration policies approved by the General Meeting of the Company's Shareholders on 29 April 2014 – illustrated in the First Section of the remuneration report published last year – as well as with the resolutions of the shareholders' meeting and of the board of directors voted in this regard during the current mandate.

In particular, in accordance with the relevant guidelines adopted by the Unipol Insurance Group, non executive Directors were recognised the remuneration set by the respective Shareholders' Meetings and, therefore, a fixed annual compensation, supplemented, in addition to the reimbursement of the expenses incurred for the performance of their duties, by an attendance fee for each meeting of the Board of Directors or of the Shareholders in which the Directors participated; in addition, the Company shall also pay for the insurance coverage of the risks connected with the liability to third parties deriving from the legal and contractual obligations pertaining to the function as director and to the connected legal and economic protection, in compliance with current rules.

In addition, as resolved by the respective Boards of Directors, the members of Board Committees were recognised an additional fixed remuneration for attending each respective meeting of the Committee.

Instead, Directors were not recognised any variable component of compensation connected with results or based on financial instruments.

The details of the compensation paid to members of the Board of Directors for 2015 is shown in Table 1 below; in this regard, it should be pointed out that in the column pertaining to “Non monetary benefits”, it is not possible to indicate the value for each person of the benefits connected with the insurance coverage of the risks connected with civil liability to third parties, stipulated to the benefit of the Directors, with costs incurred by the Company. In referencing the description provided in the First Part of the present Report under letter M), it should further be specified that this impossibility derives from the circumstance that (i) the subjective scope of the beneficiaries of the insurance policy does not match the scope of the persons for whom the information of the present Section of the Report must be provided, being much broader (in general, it extends to any professional equivalent to the members of the administration, management and control bodies, including persons vested with delegated powers and members of the supervisory bodies in accordance with Italian Legislative Decree no. 231/01) and that (ii) this scope is subject to changes in the course of the duration of the same policy.

Such benefits do not constitute fringe benefits and do not contribute to the formation of the income of the beneficiary parties.

#### **REMUNERATION OF THE CONTROLLING BODY**

The annual remuneration of the Statutory Auditors was recognised, in 2015, in accordance with the resolutions of the Shareholders’ Meetings, in a fixed amount and it was differentiated between Primary Auditors and Chairman of the Board of Statutory Auditors; it was supplemented by the reimbursement of the expenses incurred in the performance of their duties; in addition, the Company shall also pay for the insurance coverage of the risks connected with the liability to third parties deriving from the legal and contractual obligations pertaining to the function as statutory auditor and to the connected legal and economic protection, in compliance with current rules.

In accordance with the remuneration policies adopted in 2015, no forms of variable remuneration were recognised in favour of the Statutory Auditors.

The details of the compensation paid to members of the Board of Statutory Auditors for 2015 is shown in Table 1 below; the same considerations provided above apply with reference to the lack of values, in Table 1, of the benefits deriving from the insurance coverage for the risks connected with civil liability.

#### **REMUNERATION OF KEY MANAGERS AND OF THE OTHER EXECUTIVES**

As illustrated in the respective remuneration report for the year 2015, the policies for the remuneration of executive personnel apply uniformly to Key Managers and to the other Executives of UnipolSai.

The reference year saw the presence of 17 persons categorised as Key Managers, of whom 14 are UGF employees partially or totally seconded with UnipolSai (and 12 who in turn can be qualified as Key Managers of UGF itself). In this regard, it should be specified that the seconded

Executives received the fixed component of their remuneration, as well as the variable component, from the Parent Company, since they participate exclusively in the incentive system of UGF; it being understood that UnipolSai pays back, as compensation for the secondment, the cost incurred by UGF.

For the details on the size of this compensation, please refer to the following Tables.

Fixed component of remuneration

The fixed component consists of the items of the National Collective Labour Agreement and of the remuneration resulting from individual negotiation; it is also defined as Gross Annual Remuneration (RAL), and it excludes the Employee Severance Indemnity, any pension provision or payment having pension purposes incurred by the employer, and any variable component, be it paid on a one-off basis or in a continuous, reiterated or deferred manner, and with the exclusion of any bonus, travel indemnity and any other indemnity.

Variable component of remuneration

The variable component of remuneration, in 2015 as well, could consist of 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 the Insurance Sector (see below);
- one-off, paid in monetary form and in a single payment ("up-front") and in compliance with the following conditions:
  - (i) occurrence of entirely exceptional and unforeseeable objective circumstances that required a particularly significant professional effort, directed at obtaining a result of strategic importance for the Company and/or the Unipol Group.
  - (ii) determination of the amount in compliance with the principles of correct balance between fixed component and variable component of remuneration, as prescribed by current regulations;
  - (iii) recognition upon approval of the Board of Directors of the Company, after receiving the opinion of the Remuneration Committee;
- seniority bonuses: amounts paid upon reaching the 25<sup>th</sup> and 35<sup>th</sup> years of actual service with the same company, respectively equal to 8% and 16% of the RAL.

Implementation of the 2013 – 2015 incentive system

With reference to the 2013 – 2015 incentive system, it should be specified that the Board of Directors, in the course of the Board meeting of 7 May 2015, having acknowledged that the conditions for accessing the System for the year 2014 had been met, resolved to proceed with the payment of the short-term monetary incentives, which were in fact paid to those entitled with the salary for the month of June 2015.

For the details on the size of the IBT incentives, please refer to Table 3B below.

With reference, instead, to the long term incentive, as per the 2013 – 2015 Remuneration Plan based on financial instruments, its actual accrual took place at the conclusion of the 2013 – 2015 three year time interval; the useful calculation of actual amounts for the purposes of the actual attribution of the UGF shares, to be paid in three tranches, in the current year and in the two following ones, shall take place after the approval of the 2015 Financial Statements, concurrently with the calculation of the IBT incentive for the year 2015.

In this regard, it should be specified that Table 1 and Table 3A below, with reference to said variable remuneration component, indicate, both in terms of number of financial instruments that may be assigned and in terms of fair value accrued during the year, the maximum values, potentially attributed to the recipient of the Plan in question, at the end of the vesting period (2013 - 2015) at the terms and conditions prescribed by the same Plan.

*Implementation of the 2010 – 2012 incentive system adopted by the merged company Unipol Assicurazioni S.p.A.*

In the course of 2015, UnipolSai implemented the 2010 – 2012 Remuneration Plan based on financial instruments, approved by the Board of Directors of the merged company Unipol Assicurazioni S.p.A. in 2010, attributing on 1 July 2015 to the sole Key Manager of UnipolSai who had been the recipient of the aforementioned Plan the second tranche of Shares, equal to 1/3 of the total actually accrued at the end of the vesting period, for a total number of 11,375 Shares. In this regard, the value of the Share taken as a reference for calculating the number of Shares to which each recipient of the aforesaid Plan is entitled is the average Stock Market value recorded by the ordinary UGF share in May 2010, equal to €12.62739 (original value of €0.6313, recalculated as a result of the capital increases that took place in the meantime and of the grouping of shares). The remaining and last 1/3 shall be attributed in July 2016.

The Tables that follow were not filled out with the data pertaining to the implementation of the 2010-2012 Plan, since it exhausted its monetary effects in the past years and the effects of an equity nature, described above, refer to financial instruments vested in the course of past years, whose disbursement in 2016 depends solely on the permanence of the recipients in the employment of the Unipol Group.

*Information documents on Remuneration plans based on financial instruments*

The detailed information about remuneration plans based on financial instruments, approved in the course of previous shareholders' meeting, are contained in the Information Documents, prepared in accordance with Art. 114-bis of the Consolidated Law on Finance and Art. 84 bis of the Issuers' Regulation, and published on the website of the Company, [www.unipolsai.com](http://www.unipolsai.com), Governance/Shareholders' Meetings section.

#### Other remuneration components

Remuneration may also include:

- the aforesaid benefits, on which social and tax contributions are also calculated, which may comprise assets such as the company car and the use of guest quarters;
- the remuneration paid for stability pacts.

#### **1.2. Agreements providing indemnities in case of early termination of employment.**

There are no agreements between the Company and the Directors providing for compensation in the event of resignation, mandate/appointment revocation or cessation of the mandate 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 contracts for consultancy for a period subsequent to the termination.

There is an agreement that provides compensation for non competition commitments.

The employee severance indemnities are determined, in the absence of specific agreements, on the basis of the provisions of the Collective Agreement for executives of insurance companies.

\*\*\* \*\*

In view of the above, in 2015, the compensation treatments in favour of the Corporate Bodies and Key Managers of UnipolSai were consistent and in line with the adopted remuneration policies. The Remuneration Policies of the Company for 2016 adopt ameliorative solutions that are consistent with the remuneration and incentive systems already existing in the previous year; therefore, it is deemed that the Company can express a judgement of consistency with regard to the implementation of the previous policies and a judgement of continuity of the items comprising the remuneration of the aforesaid persons, including the treatments provided in case of cessation from office or termination of employment, with respect to the previously adopted policies.

Second Part - Compensation paid during the year 2015

Table 1 – Compensation paid to the members of the Administration and Control Bodies and to the other Key Managers

Surname and First Name	Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment	
						Bonus and other incentives	Profit sharing						
CERCHIAI Fabio	Chairman	1/1-31/12/2015	2015 Financial Statements										
	Member of the Executive Committee												
Remuneration in the company that prepares the financial statements				556,250.00	(1)				4,258.33		560,508.33		
Remuneration from subsidiaries and affiliated companies				30,000.00	(2)						30,000.00		
TOTAL				586,250.00		0.00	0.00	0.00	4,258.33	0.00	590,508.33	0.00	0.00

(1) The amount includes remuneration for the office of Chairman (annual gross remuneration €500,000.00).

(2) Remuneration for the offices held in the company Siat S.p.A.

Surname and First Name	Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment	
						Bonus and other incentives	Profit sharing						
STEFANINI Pierluigi	Deputy Chairman	1/1-31/12/2015	2015 Financial Statements										
	Member of the Executive Committee												
Remuneration in the company that prepares the financial statements				206,250.00	(1)						206,250.00		
Remuneration from subsidiaries and affiliated companies				21,800.00	(2)						21,800.00		
TOTAL				228,050.00		0.00	0.00	0.00	0.00	0.00	228,050.00	0.00	0.00

(1) Compensation not collected but paid directly to Unipol Gruppo Finanziario S.p.A. The amount includes remuneration for the office of Deputy Chairman (annual gross remuneration €150,000.00).

(2) Remuneration for the offices held in the company Unipol Banca S.p.A. Compensation not collected but paid directly to Unipol Gruppo Finanziario S.p.A.

Surname and First Name	Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment
						Bonus and other incentives	Profit sharing					
CIMBRI Carlo	Chief Executive Officer	1/1-31/12/2015	2015 Financial Statements									
	Member of the Executive Committee											
Remuneration in the company that prepares the financial statements				806,250.00	(1)					806,250.00		
Remuneration from subsidiaries and affiliated companies				20,000.00	(2)					20,000.00		
TOTAL				826,250.00		0.00	0.00	0.00	0.00	826,250.00	0.00	0.00

(1) Compensation not collected but paid directly to Unipol Gruppo Finanziario S.p.A. The amount includes remuneration for the office of Chief Executive Officer (annual gross remuneration €750,000.00).

(2) Remuneration for the offices held in the company Unipol Banca S.p.A. Compensation not collected but paid directly to Unipol Gruppo Finanziario S.p.A.

Surname and First Name	Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment
						Bonus and other incentives	Profit sharing					
BERARDINI Francesco	Director	1/1-31/12/2015	2015 Financial Statements									
Remuneration in the company that prepares the financial statements				38,250.00						38,250.00		
Remuneration from subsidiaries and affiliated companies				20,000.00	(1)					20,000.00		
TOTAL				58,250.00	0.00	0.00	0.00	0.00	0.00	58,250.00	0.00	0.00

(1) Remuneration for the offices held in the company Siat S.p.A.

Surname and First Name	Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment
						Bonus and other incentives	Profit sharing					
CARLETTI Milva	Director	1/1-31/12/2015	2015 Financial Statements									
Remuneration in the company that prepares the financial statements				36,750.00						36,750.00		
Remuneration from subsidiaries and affiliated companies												
TOTAL				36,750.00	0.00	0.00	0.00	0.00	0.00	36,750.00	0.00	0.00

Surname and First Name	Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment
						Bonus and other incentives	Profit sharing					
CATTABIANI Paolo	Director	1/1-31/12/2015	2015 Financial Statements									
Remuneration in the company that prepares the financial statements				33,750.00						33,750.00		
Remuneration from subsidiaries and affiliated companies												
TOTAL				33,750.00	0.00	0.00	0.00	0.00	0.00	33,750.00	0.00	0.00

Surname and First Name	Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment
						Bonus and other incentives	Profit sharing					
COTTIGNOLI Lorenzo	Director	1/1-31/12/2015	2015 Financial Statements									
Remuneration in the company that prepares the financial statements				37,500.00						37,500.00		
Remuneration from subsidiaries and affiliated companies				95,117.00 (1)				3,494.30		98,611.30		
TOTAL				132,617.00	0.00	0.00	0.00	3,494.30	0.00	136,111.30	0.00	0.00

(1) Remuneration for the offices held in the companies: Assicoop Siena until 19 July 2015, Assicoop Toscana S.p.A. (formerly Assicoop Firenze S.p.A.), Assicoop Romagna Futura S.r.l., Pegaso Finanziaria S.p.A. and Tenute del Cerro S.p.A.

Surname and First Name	Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment
						Bonus and other incentives	Profit sharing					
DALLE RIVE Ernesto	Director	1/1-31/12/2015	2015 Financial Statements									
Remuneration in the company that prepares the financial statements				36,000.00						36,000.00		
Remuneration from subsidiaries and affiliated companies												
TOTAL				36,000.00	0.00	0.00	0.00	0.00	0.00	36,000.00	0.00	0.00

Surname and First Name	Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment
						Bonus and other incentives	Profit sharing					
DE BENETTI Cristina	Director	10/02-31/12/2015	2015 Financial Statements									
Remuneration in the company that prepares the financial statements				34,212.33						34,212.33		
Remuneration from subsidiaries and affiliated companies												
TOTAL				34,212.33	0.00	0.00	0.00	0.00	0.00	34,212.33	0.00	0.00

Surname and First Name	Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment
						Bonus and other incentives	Profit sharing					
FRASINETTI Ethel	Director	1/1-31/12/2015	2015 Financial Statements									
Remuneration in the company that prepares the financial statements				33,750.00						33,750.00		
Remuneration from subsidiaries and affiliated companies												
TOTAL				33,750.00	0.00	0.00	0.00	0.00	0.00	33,750.00	0.00	0.00

Surname and First Name	Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment	
						Bonus and other incentives	Profit sharing						
GHIGLIENO Giorgio	Director	1/1-31/12/2015	2015 Financial Statements										
	Member of the Remuneration Committee												
	Member of the Committee for Transactions with Related Parties												
Remuneration in the company that prepares the financial statements				39,000.00	13,000.00	(1)				52,000.00			
Remuneration from subsidiaries and affiliated companies													
TOTAL				39,000.00	13,000.00		0.00	0.00	0.00	0.00	52,000.00	0.00	0.00

(1) Attendance fees for participation in the Remuneration Committee and in the Committee for Transactions with Related Parties.

Surname and First Name	Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment			
						Bonus and other incentives	Profit sharing								
MASOTTI Massimo	Director	1/1-31/12/2015	2015 Financial Statements												
	Member of the Control and Risk Committee														
	Member of the Supervisory Body														
	Member of the Nomination and Corporate Governance Committee														
	Member of the Committee for Transactions with Related Parties														
Remuneration in the company that prepares the financial statements				38,250.00		33,000.00	(1)					71,250.00			
Remuneration from subsidiaries and affiliated companies				1,000.00	(2)							1,000.00			
TOTAL				39,250.00		33,000.00		0.00	0.00	0.00		72,250.00	0.00		0.00

(1) Attendance fees for participation in the Risk Control Committee, Nomination and Corporate Governance Committee, Committee for Transactions with Related Parties, and remuneration for the office of Member of the Supervisory Body.

(2) Remuneration for the office held in the company Pegaso Finanziaria S.p.A.

Surname and First Name	Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment	
						Bonus and other incentives	Profit sharing						
MAUGERI Maria Rosaria	Director	1/1-31/12/2015	2015 Financial Statements										
	Member of the Remuneration Committee												
Remuneration in the company that prepares the financial statements				38,250.00		5,000.00	(1)				43,250.00		
Remuneration from subsidiaries and affiliated companies													
TOTAL				38,250.00		5,000.00		0.00	0.00	0.00	43,250.00	0.00	0.00

(1) Attendance fees for participation in the Remuneration Committee.

Surname and First Name	Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment		
						Bonus and other incentives	Profit sharing							
Maria Lillà Montagnani	Director	1/1-31/12/2015	2015 Financial Statements											
	Member of the Control and Risk Committee													
	Member of the Supervisory Body													
	Member of the Nomination and Corporate Governance Committee													
Remuneration in the company that prepares the financial statements				37,500.00		20,000.00	(1)					57,500.00		
Remuneration from subsidiaries and affiliated companies														
TOTAL				37,500.00		20,000.00		0.00	0.00	0.00	0.00	57,500.00	0.00	0.00

(1) Attendance fees for participation in the Risk Control Committee, Nomination and Corporate Governance Committee, and remuneration for the office of Member of the Supervisory Body.

Surname and First Name	Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment
						Bonus and other incentives	Profit sharing					
PASQUARIELLO Maria Antonietta	Director	1/1-10/02/2015	10/02/2015									
Remuneration in the company that prepares the financial statements				3,287.67						3,287.67		
Remuneration from subsidiaries and affiliated companies												
TOTAL				3,287.67	0.00	0.00	0.00	0.00	0.00	3,287.67	0.00	0.00

Surname and First Name	Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment				
						Bonus and other incentives	Profit sharing									
Nicla Picchi	Director	1/1-31/12/2015	2015 Financial Statements													
	Member of the Executive Committee															
	Member of the Control and Risk Committee															
	Member of ODV															
	Member of the Committee for Transactions with Related Parties															
Remuneration in the company that prepares the financial statements				51,750.00		24,000.00	(1)					75,750.00				
Remuneration from subsidiaries and affiliated companies																
TOTAL				51,750.00		24,000.00		0.00		0.00		0.00	75,750.00	0.00		0.00

(1) Attendance fees for participation in the Risk Control Committee, Committee for Transactions with Related Parties, and remuneration for the office of Member of the Supervisory Body.

Surname and First Name	Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment
						Bonus and other incentives	Profit sharing					
RECCHI Giuseppe	Director	1/1-31/12/2015	2015 Financial Statements									
Remuneration in the company that prepares the financial statements				33,750.00						33,750.00		
Remuneration from subsidiaries and affiliated companies												
TOTAL				33,750.00	0.00	0.00	0.00	0.00	0.00	33,750.00	0.00	0.00

Surname and First Name	Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment
						Bonus and other incentives	Profit sharing					
TADOLINI Barbara	Director	1/1-31/12/2015	2015 Financial Statements									
Remuneration in the company that prepares the financial statements				38,250.00						38,250.00		
Remuneration from subsidiaries and affiliated companies												
TOTAL				38,250.00	0.00	0.00	0.00	0.00	0.00	38,250.00	0.00	0.00

Surname and First Name	Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment			
						Bonus and other incentives	Profit sharing								
VELLA Francesco	Director	1/1-31/12/2015	2015 Financial Statements												
	Member of the Executive Committee														
	Member of the Remuneration Committee														
	Member of the Nomination and Corporate Governance Committee														
	Member of the Committee for Transactions with Related Parties														
Remuneration in the company that prepares the financial statements				54,000.00		17,000.00	(1)					71,000.00			
Remuneration from subsidiaries and affiliated companies				29,943.68	(2)	3,806.40	(3)					33,750.08			
TOTAL				83,943.68		20,806.40		0.00	0.00	0.00	0.00	104,750.08	0.00		0.00

(1) Attendance fees for participation in the Remuneration Committee, Nomination and Corporate Governance Committee and Committee for Transactions with Related Parties.

(2) Remuneration for the office held in the company Unipol Banca S.p.A.

(3) Attendance fees for participation in the Internal Control Committee and Related Party Committee of Unipol Banca S.p.A.

Surname and First Name	Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment
						Bonus and other incentives	Profit sharing					
ZUCCHELLI Mario	Director	1/1-31/12/2015	2015 Financial Statements									
Remuneration in the company that prepares the financial statements				36,750.00						36,750.00		
Remuneration from subsidiaries and affiliated companies												
TOTAL				36,750.00	0.00	0.00	0.00	0.00	0.00	36,750.00	0.00	0.00

Surname and First Name	Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment
						Bonus and other incentives	Profit sharing					
FUMAGALLI Paolo	Chairman of the Board of Statutory Auditors	17/06-31/12/2015	2018 Financial Statements									
Remuneration in the company that prepares the financial statements				40,684.93						40,684.93		
Remuneration from subsidiaries and affiliated companies												
TOTAL				40,684.93	0.00	0.00	0.00	0.00	0.00	40,684.93	0.00	0.00

Surname and First Name	Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment
						Bonus and other incentives	Profit sharing					
ANGIOLINI Giuseppe	Chairman of the Board of Statutory Auditors	1/1-17/6/2015	17/06/2015									
	Primary Auditor	17/06-31/12/2015	2018 Financial Statements									
Remuneration in the company that prepares the financial statements				88,890.41						88,890.41		
Remuneration from subsidiaries and affiliated companies												
TOTAL				88,890.41	0.00	0.00	0.00	0.00	0.00	88,890.41	0.00	0.00

Surname and First Name	Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment
						Bonus and other incentives	Profit sharing					
BOCCI Silvia	Primary Auditor	17/06-31/12/2015	2018 Financial Statements									
Remuneration in the company that prepares the financial statements				27,123.29						27,123.29		
Remuneration from subsidiaries and affiliated companies				5,383.56	(1)					5,383.56		
TOTAL				32,506.85	0.00	0.00	0.00	0.00	0.00	32,506.85	0.00	0.00

(1) Remuneration for the office held in the company Centro Oncologico Fiorentino Casa di Cura Villanova S.r.l.

Surname and First Name	Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment
						Bonus and other incentives	Profit sharing					
LAMONICA Sergio	Primary Auditor	1/1-17/06/2015	17/06/2015									
Remuneration in the company that prepares the financial statements				41,178.08						41,178.08		
Remuneration from subsidiaries and affiliated companies				0.00						0.00		
TOTAL				41,178.08	0.00	0.00	0.00	0.00	0.00	41,178.08	0.00	0.00

Surname and First Name	Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment
						Bonus and other incentives	Profit sharing					
LOLI Giorgio	Primary Auditor	1/1-17/06/2015	17/06/2015									
Remuneration in the company that prepares the financial statements				41,178.08						41,178.08		
Remuneration from subsidiaries and affiliated companies				0.00						0.00		
TOTAL				41,178.08						41,178.08	0.00	0.00

Surname and First Name	Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment
						Bonus and other incentives	Profit sharing					
TROMBONE Domenico Livio	Alternate Auditor	1/1-31/12/2015	2018 Financial Statements									
Remuneration in the company that prepares the financial statements				0.00						0.00		
Remuneration from subsidiaries and affiliated companies				41,750.00 (1)						41,750.00		
<b>TOTAL</b>				41,750.00	0.00	0.00	0.00	0.00	0.00	41,750.00	0.00	0.00

(1) Remuneration for the offices held in the companies: Popolare Vita S.p.A., Systema S.p.A. (merged by incorporation into UnipolSai S.p.A. on 31 December 2015) and Tenute del Cerro S.p.A.

Surname and First Name	Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment
						Bonus and other incentives	Profit sharing					
BUSSO Donatella	Alternate Auditor	17/06-31/12/2015	2018 Financial Statements									
Remuneration in the company that prepares the financial statements				0.00						0.00		
Remuneration from subsidiaries and affiliated companies				0.00						0.00		
<b>TOTAL</b>				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Surname and First Name	Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment
						Bonus and other incentives	Profit sharing					
RAVICINI Luciana	Alternate Auditor	17/06-31/12/2015	2018 Financial Statements									
Remuneration in the company that prepares the financial statements				0.00						0.00		
Remuneration from subsidiaries and affiliated companies				19,695.89 (1)						19,695.89		
<b>TOTAL</b>				19,695.89	0.00	0.00	0.00	0.00	0.00	19,695.89	0.00	0.00

(1) Remuneration for the offices held in the companies: Alfaevolution Technology S.p.A., Europa Tutela Giudiziaria S.p.A. and UnipolSai Real Estate S.r.l (companies merged by incorporation into UnipolSai S.p.A. on 31 December 2015), Liguria Assicurazioni S.p.A. and Liguria Vita S.p.A.

Surname and First Name	Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment
						Bonus and other incentives	Profit sharing					
MOSCONI Maria Luisa	Alternate Auditor	1/1-05/05/2015	05/05/2015									
Remuneration in the company that prepares the financial statements				0.00						0.00		
Remuneration from subsidiaries and affiliated companies				1,824.66	(1)					1,824.66		
<b>TOTAL</b>				1,824.66	0.00	0.00	0.00	0.00	0.00	1,824.66	0.00	0.00

(1) Remuneration for the offices held in the companies: UnipolSai Real Estate S.r.l. (merged by incorporation into UnipolSai S.p.A. on 31 December 2015).

[illegible]

Office held	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Non equity variable remuneration		Benefits in kind	Other remuneration	Total	Fair Value of equity remuneration (referred to the maximum number of shares potentially attributable in July 2018)	Indemnities upon leaving office or termination of employment			
					Bonus and other incentives	Profit sharing								
KEY MANAGERS (17) (*)	1/1-31/12/2015													
Remuneration in the company that prepares the financial statements			5,012,633.80	(1)	20,000.00	(2)	2,344,736.29	(3)	434,544.54	(3)	7,811,914.63	4,044,456.68	(4)	
Remuneration from subsidiaries and affiliated companies			443,341.47	(5)	24,700.00	(6)					468,041.47			
TOTAL			5,455,975.27		44,700.00		2,344,736.29	0.00	434,544.54	0.00	8,279,956.10	4,044,456.68		0.00

(\*) Of which 15 at 31 December 2015.

(1) Said amount includes the amount paid to UGF as compensation for the secondment of some Key Managers.

(2) Remuneration paid for the Supervisory Body.

(3) Said amount, accrued in 2014 and paid in 2015, includes the amount paid to UGF for the secondment of some Key Managers.

(4) Fair value of 1/3 of the maximum number of ordinary UGF shares, potentially attributable in 2018, subject to the achievement of the objectives and to the terms and conditions of the 2013- 2015 Plan. The amount includes the amount paid to UGF for the secondment of some Key Managers.

(5) Compensation not collected but paid directly, by the respective companies, to Unipol Gruppo Finanziario S.p.A. and to UnipolSai Assicurazioni S.p.A.

(6) Attendance fees (€2,700) for participation in committees of affiliated companies not collected but paid directly by the company to Unipol Gruppo Finanziario S.p.A. and remuneration paid for the Supervisory Body in subsidiaries and affiliates.

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

Table 2 is not filled out, since there are no incentive plans based on stock options.

Table 3A – Incentive plans based on financial instruments, other than stock options, in favour of the members of the Board of Directors, of the General Manager and of the other Key Managers

		Financial instruments assigned in previous years not vested during the year			Financial instruments assigned during the year					Financial instruments vested during the year and not attributed	Financial instruments vested during the year and attributable		Financial instruments accrued during the year
(A)	(B)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Surname and First Name	Office	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair Value at the assignment date	Vesting period	Date of assignment	Market price at the assignment	Number and type of financial instruments	Number and type of financial instruments	Value at the vesting date	Fair Value (referred to the maximum number of shares potentially attributable in July 2018)
(I) Remuneration in the company that prepares the financial statements													
Other Key Managers (17) (*)		LTI 2013-2015 (shareholders' meeting resolution of 30 April 2013)		2013 - 2015							2,597,151 ordinary shares  UGF	€  12,133,370.04	€  4,044,456.68  (**)
(III) Total											2,597,151 ordinary shares UGF	€  12,133,370.04	€  4,044,456.68

(\*) Of which 15 at 31 December 2015.

Column (10): Maximum number of ordinary UGF shares, potentially attributable at the end of the vesting period (2013-2015), subject to the achievement of the objectives and to the terms and conditions of the 2013- 2015 Plan.

Column (11) Fair value of the maximum number of ordinary UGF shares accrued at the end of the vesting period, potentially attributable subject to the achievement of the objectives and to the terms and conditions of the 2013- 2015 Plan. The amount includes the sum paid to UGF for the secondment of some Key Managers.

Column (12)(\*\*) Fair value of 1/3 of the maximum number of ordinary UGF shares, potentially attributable in 2018, subject to the achievement of the objectives and to the terms and conditions of the 2013- 2015 Plan. The amount includes the sum paid to UGF for the secondment of some Key Managers.

**Table 3B –Monetary incentive plans in favour of the members of the Board of Directors, of the General Manager and of the other Key Managers**

		(1)	(2)			(3)			(4)
Surname and First Name	Office	Plan	Bonus of the year			Bonus of previous year			Other bonuse
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable / Paid	Deferred	Deferment period	No longer payable	Payable / Paid	Still deferred	
(I) Remuneration in the company that prepares the financial statements									
Other Key Managers (17) (*)		2013-2015 IBT		€ 2,525,197.94			€ 2,167,777.52		€ 176,999.97
(III) Total				€ 2,525,197.94			€ 2,167,777.52		€ 176,999.97

(\*) Of which 15 at 31 December 2015.

Column (2)(B): Maximum amount of the IBT incentive for the year 2015 – whose payment, after the verification of the conditions prescribed by the Plan, will take place in 2016 – including the maximum amount to be paid to UGF as compensation for the secondment of some Key Managers.

Column (3)(B): Said amount, accrued in 2014 and paid in 2015, includes the amount paid to UGF for the secondment of some Key Managers.

Column (4)(B): Said amount, accrued in 2014 and paid in 2015, includes the amount paid to UGF for the secondment of some Key Managers.

Equity investments of the members of the Administration and Control Bodies, of the General Manager and of the other Key Managers

Table 1: Equity investments of the members of the Administration and Control Bodies and of the General Managers							
Surname and First Name	Office	Investee company	Category of shares	Number of shares held at the end of last year	Number of shares purchased	Number of shares sold	Number of shares held at the end of the current year
CERCHIAI Fabio	Chairman	UnipolSai Assicurazioni	ORD	-	30,000	-	30,000
DE BENETTI Cristina	Director (1)	UnipolSai Assicurazioni	ORD	4,000	-	-	4,000

(1) Director in office since 10 February 2015.

**Table 2: Equity investments of the other Key Managers**

<b>Number of Key Managers</b>	<b>Investee company</b>	<b>Category of shares</b>	<b>Number of shares held at the end of last year</b>	<b>Number of shares purchased</b>	<b>Number of shares sold</b>	<b>Number of shares held at the end of the current year</b>
17 (1)	UnipolSai Assicurazioni	ORD	3,000	600	-	3,600 (2)

(1) Of which 15 at 31 December 2015.

(2) Of which 1,100 shares held by the spouse.

### **THIRD SECTION – Audit of the Internal Control Functions**

Pursuant to Art. 23 of the ISVAP Regulation, the Internal Control Functions of insurance companies perform, for matters under their competence, at least once a year, the audits on the implementation of the adopted remuneration policies.

The activities and the results of these audits are summarised below.

#### **EX ANTE AUDITS OF THE COMPLIANCE AND RISK MANAGEMENT FUNCTIONS**

The Compliance and Risk Management Functions examined the Remuneration Policies to be submitted for the approval of the Shareholders' Meeting of UnipolSai called to approve the 2015 financial statements.

The findings of the audit activities carried out confirmed, with reference to the Compliance Function, the evaluation of compliance of the Remuneration Policies with the reference internal and external regulatory framework (i.e. By-Laws, Charter of Values and Code of Ethics, ISVAP Regulation, Code of Conduct for listed companies) and, with reference to the Risk Management Function, the consistency of the objectives, of the principles of the Policies themselves, and their alignment with the provisions of the ISVAP Regulation, especially with regard to sound and prudent risk management.

#### **EX POST AUDITS BY THE AUDIT FUNCTION**

The Audit Function shall verify the correct application of the Remuneration Policies on the basis of the guidelines defined by the Board of Directors, in order to increase efficiency and preserve the capital of the company.

For this purposes, audits were carried out to ascertain that the measures implemented in 2015 match those prescribed by the "Remuneration Policies of Insurance Companies – Year 2015", adopted by the competent bodies of UnipolSai.

These audits did not uncover any anomalies.

## **REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS' MEETINGS ON ITEM NO. 4 ON THE AGENDA**

### **Approval of the remuneration plan based on financial instruments, pursuant to Article 114-bis of the Consolidated Law on Finance. Related and consequent resolutions.**

Dear Shareholders,

the Board of Directors has called an Ordinary Meeting to discuss and resolve, *inter alia*, with respect to the proposal to approve, in accordance with Article 114-bis of Legislative Decree no. 58 of 24 February 1998 (the "Consolidated Law on Finance"), of a share-based incentive plan (the "2016-2018 Compensation Plan"), in view of the expiry of the similar plan approved by the Ordinary Shareholders' Meeting of UnipolSai Assicurazioni S.p.A. ("UnipolSai" or "Company") on 29 April 2013, as subsequently amended by resolution of the Ordinary Shareholders' Meeting of 29 April 2014 to take into account the process of integration of the Unipol Group with the former Premafin/Fondiaria-Sai group.

The 2016-2018 Compensation Plan, addressed to the Company's Managers, including the Key Managers, as identified by the incentive system UPM - *Unipol Performance Management*, approved by the Board of Directors of UnipolSai the meeting of 10 March 2016, provides - subject to determined conditions being met and specific objective being achieved - the assignment to the recipients of ordinary shares of Unipol Gruppo Finanziario S.p.A. and UnipolSai at the end of the time interval covered by the Business Plan of the Unipol Group (to be approved shortly by the administrative body of the Company for the 2016-2018 three-year time interval), as performance shares, with concurrent availability starting from 2019 and for the two following years.

In line with the remuneration policies adopted by the Company and illustrated in the preceding agenda item, the 2016-2018 Compensation Plan is a part of the aforesaid incentive system for the Company's Managers, which regulates the conditions and procedures for the payment of the variable component of both short and medium-long term compensation; it is the conviction of the Company that this incentivising instrument promotes, as an indirect but no less important result, the widespread adoption of a professional culture oriented to the creation of value that is sustainable over time and the direct sharing of the results, and hence of responsibility, with real involvement in the pursuit of the business objectives, aligning the interests of the beneficiaries and of the shareholders.

All the characteristics of the 2016-2018 Compensation Plan are described in detail in the Information Document, prepared in accordance with Article 114-bis of the Consolidated Law on Finance and with Article 84-bis of CONSOB no. 11971/1999 (the "Issuers' Regulation"), made available to the public within the terms and according to the procedures prescribed by Article 125-ter of the Issuers' Regulation, and annexed to

this Explanatory Report.

Therefore, the Board of Directors submits to the Ordinary Shareholders' Meeting the following resolution proposal.

### **Proposal**

*The Ordinary Shareholders' Meeting of UnipolSai Assicurazioni S.p.A.,*

- *in view of Articles 114-bis of Italian Legislative Decree no. 58 of 24 February 1998 (the "Consolidated Law on Finance") and 84-bis of CONSOB Regulation no. 11971 of 14 May 1999 as amended (the "Issuers' Regulation");*
- *having acknowledged the illustrated Report of the Board of Directors and the enclosed Information Document prepared in accordance with the aforementioned Article 114-bis of the Consolidated Law on Finance,*

*hereby resolves*

- *to approve, pursuant to Article 114-bis of the Consolidated Law on Finance and with Article 84-bis of the Issuers' Regulation, the adoption of a performance share-based incentive plan for senior managers and managers of UnipolSai Assicurazioni S.p.A. (the "Company") in accordance with the Information Document annexed to the Report of the Board of Directors (the "2016-2018 Compensation Plan");*
- *to vest the Board of Directors, with express sub-delegation authority, with all broadest powers necessary or appropriate for the purpose of (i) managing, administering and fully implementing the 2016-2018 Compensation Plan, (ii) to make all additions and amendments that may be necessary and/or appropriate in accordance with the remuneration policies adopted by the Company, (ii) prepare and/or finalise every document necessary or appropriate in relation to the implementation of said Plan and (iii) provide market disclosure in accordance with the applicable laws and regulations (including the provisions prescribed by codes of conduct applicable to the Company at the time).*

Bologna, 10 March 2016

The Board of Directors

Annex      Information Document prepared pursuant to Art.114-bis of the Consolidated Law on Finance, to which in turn is annexed the regulation of the 2016-2018 Compensation Plan.

**INFORMATION DOCUMENT**

pertaining to

**2016-2018 REMUNERATION PLAN BASED ON FINANCIAL INSTRUMENTS**

**OF UNIPOLSAI ASSICURAZIONI S.P.A.**

(Prepared in accordance with Art. 114-*bis* of Italian Legislative Decree no. 58 of 24 February 1998 and with Art. 84-*bis* of the Issuers' Regulation promulgated by CONSOB with its resolution no. 11971 of 14 May 1999 as amended)

## Introductory Note

The present document (the “**Information Document**”) was prepared in accordance with Art. 114-*bis* of the Consolidated Law on Finance (the “**TUF**”) and with Art. 84-*bis* of the Regulations adopted by CONSOB with its resolution no. 11971 of 14 May 1999, as amended (the “**Issuers’ Regulation**”), and consistently with the indications contained in Schedule 7 of Annex 3A to the Issuers’ Regulation.

The subject of the Information Document is the remuneration plan based on financial instruments (the “**2016-2018 Plan**” or the “**Plan**”) addressed to the Key Managers of UnipolSai Assicurazioni S.p.A. (“**UnipolSai**” or the “**Company**”), including the General Manager, if appointed, as well as the other Executives of Company who are entitled to participate in the incentive system adopted by the Company. The Information Document was prepared in view of the Shareholders’ Meeting of UnipolSai called in single call for 27 April 2016, to pass resolution, *inter alia*, with regard to the 2016-2018 Plan.

The Plan is deemed to have “particular relevance” in accordance with Art. 114-*bis*, third paragraph, of the Consolidated Law on Finance and with Art. 84-*bis*, second paragraph, of the Issuers’ Regulation.

The information prescribed by Schedule 7 of Annex 3A to the Issuers’ Regulation that is not contained in this Information Document shall be provided according to the procedures per Art. 84-*bis*, Paragraph 5, Letter a), of the Issuers’ Regulation.

The present Information Document is made available to the public at the registered office of UnipolSai, in Bologna, Via Stalingrado 45, with Borsa Italiana S.p.A. and on the website of the Company, [www.unipolsai.com](http://www.unipolsai.com).

## Definitions

In addition to the terms and expressions defined in other parts of this document, for the purposes thereof, the capitalised terms and expressions, not otherwise defined hereafter, have the meaning attributed to them below. The terms defined in the singular form shall have the corresponding meaning in the plural form and vice versa.

<b>Accrual Year</b>	every calendar year into which the reference Period is divided and in relation to which the attainment of the Individual Performance Level is verified.
<b>Shareholders' Meeting</b>	The Shareholders' Meeting of UnipolSai called for 27 April 2016, including in the agenda, among other items, the approval of the 2016-2018 Plan.
<b>Shares</b>	the set of equities consisting of UGF Shares and UnipolSai Shares, to be assigned to the Recipients, at the conditions and within the terms set by the UPM System for payment of the long term incentive (LTI).
<b>UGF Shares</b>	the ordinary shares representing the share capital of UGF, listed on the Computerized Stock Market managed by Borsa Italiana S.p.A.
<b>UnipolSai Shares</b>	the ordinary shares representing the share capital of UnipolSai, listed on the Computerized Stock Market managed by Borsa Italiana S.p.A.
<b>Additional Bonus</b>	the additional remuneration relative to the Total Bonus, paid to the Recipients at the end of the reference Period, if the conditions of attainment of the targets described by the UPM System are met.
<b>Short Term Bonus (or IBT Bonus)</b>	the monetary remuneration to which the Recipients are entitled, if the conditions for payment of the short term incentive are met, as regulated by the UPM System.
<b>Total Bonus</b>	for every accrual Year, the total remuneration resulting from the sum of IBT and LTI. Its maximum value is determined according to the recipient's Bracket, with reference to the Recipient's Gross Annual Remuneration (RAL) at 31 December of each accrual Year. For Bracket 1 Executives, it amounts to 100% of RAL (125% for Management Committee members), for Bracket 2 Executives it amounts to 70% of RAL, for Bracket 3 Executives it amounts to 40% of RAL.
<b>Remuneration Committee</b>	The Remuneration Committee established within the Board of Directors of UnipolSai, in accordance with the Code of

	Conduct for listed companies and with the Group's Corporate Governance Code.
<b>Parent Company or UGF</b>	Unipol Gruppo Finanziario S.p.A., headquartered in Bologna, via Stalingrado 45.
<b>Recipients</b>	the recipients of the 2016-2018 Plan i.e. the Key Managers, including the General Manager when appointed, and the other Executives entitled to participate in the UPM System.
<b>Executives</b>	the executive personnel of UnipolSai.
<b>Key Managers</b>	the persons who, directly or indirectly, have the power and the responsibility for the planning, management and control of the activities of the Company, as identified by the Chairman and by the Chief Executive Officer of the Parent Company, at the proposal of the Human Resources and Organisation Management Department. Key Managers are considered Risk Takers, in accordance with Art. 2, Paragraph 1, Letter f) of IVASS Regulation no. 39 of 9 June 2011.
<b>Bracket</b>	<p>the brackets into which the Executives of the Unipol Group are divided, according to the weight of the organisational position, to the relevance and complexity of the role and of the position. The "weight" is measured with a method that is certified by primary specialised companies, recognised internationally.</p> <p>Said method provides, after the analysis of a series of quantitative and qualitative metrics that impact on the individual organisational position, the attribution of a numeric indicator that, adequately compared in a homogeneous ranking, provides an objective positioning parameter that serves for compensation as well.</p> <p>Each organisation position, in particular, is evaluated on the basis of three macro factors, which measure the level of competencies necessary to serve correctly in the role (Know-How), the level of autonomy required in managing the role (Problem Solving) and the level of impact on the results of the company (Accountability).</p> <p>The 1<sup>st</sup> Bracket includes the main executives of the Group (i.e. the General Manager of the Parent Company, Area General Managers of the Parent Company, other Directors) with roles of the highest strategic complexity and organisational relevance; the 2<sup>nd</sup> Bracket includes those who serve in roles with particular organisational relevance for the</p>

	Company. This bracket includes most of the executives who directly report to Executives in the 1 <sup>st</sup> Bracket; the 3 <sup>rd</sup> Bracket includes the remaining managers serving in other roles, who may report directly either to 1 <sup>st</sup> Bracket or to 2 <sup>nd</sup> Bracket Executives.
<b>Internal control Functions</b>	the Audit, Risk Management, Compliance and Anti-Money Laundering Functions of UnipolSai.
<b>Unipol Group or Group</b>	UGF and its subsidiaries.
<b>IBT</b>	Short Term Incentive. It is the monetary portion of the Total Bonus paid to the Recipients if the conditions for payment of the short term incentive are met, as prescribed by the UPM System.
<b>Individual Performance Level</b>	for each accrual Year, the value between 0% and 100% that expresses the level of attainment of each Recipient's individual targets; the Individual Performance Level contributes to determine the size of the Total Bonus.
<b>Long Term Incentive (LTI)</b>	for each accrual Year, it is the portion of the Total Bonus to be paid in Shares to Recipients if the payment conditions prescribed by the 2016-2018 Plan are met. Said portion amounts to 50% of the Total Bonus (60% for Management Committee members).
<b>Targets</b>	the individual performance targets, as identified in the UPM System.
<b>Reference period</b>	the time interval between 1 January 2016 and 31 December 2018.
<b>2016-2018 Plan or Plan</b>	the Share allotment plan illustrated in this Information Document.
<b>Pro Rata</b>	the measure proportional to the period of work actually performed. It is expressed in twelfths, including the first month of service.
<b>RAL</b>	the fixed gross annual remuneration, with the exclusion of the Employee Severance Indemnity or any pension provision or payment having pension purposes incurred by the employer, and any variable component, be it paid on a one-off basis or in a continuous, reiterated or deferred manner, and with the exclusion of any bonus, travel indemnity and any other indemnity.
<b>Regulation to the Plan</b>	the regulations providing the conditions prescribed for the assignment of Shares in accordance with the 2016-2018

	Plan, enclosed with this document as Annex 1.
<b>Issuers' Regulation</b>	the Regulation for issuers, adopted by CONSOB with its resolution 11971 of 14 May 1999, as amended.
<b>Remuneration Report</b>	the Remuneration Report prepared pursuant to Art. 123-ter of the Consolidated Law on Finance.
<b>Risk Takers</b>	the persons identified in accordance with Art. 2, Paragraph 1, Letter f) of IVASS Regulation no. 39 of 9 June 2011.
<b>UPM System or System</b>	incentive system intended for all Executives of the Unipol Group, approved by the Board of Directors of UnipolSai on 10 March 2016; it regulates requirements and criteria for the payment of the variable component of the remuneration IBT and LTI. UPM is the acronym of Unipol Performance Management.
<b>Solvency II</b>	the metric referenced by the regulations that, starting from Directive 2009/1338/EC on the access and performance of insurance and reinsurance activities ("Solvency II Directive"), regulates, with reference to insurance and reinsurance companies: (i) the assessment of the assets and liabilities, the quantification of risks in terms of Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR) and the quantification of the own funds for risk coverage ("First Pillar"); (ii) the Governance System, the Internal Control System, as well as the self-assessment of own risks and own solvency (ORSA) ("Second Pillar"); (iii) the reporting to the Supervisory Authority and market disclosure ("Third Pillar").
<b>Consolidated Law on Finance or TUF</b>	Italian Legislative Decree no. 58 of 24 February 1998, as amended.
<b>UnipolSai or the Company</b>	UnipolSai Assicurazioni S.p.A., with registered office in Bologna, via Stalingrado 45.
<b>Reference value of UGF Shares</b>	the average of the prices of the UGF Shares, recorded in May 2016, taken as the unit price for the determination of the portion of the LTI Bonus to be paid, for each accrual Year, to the Recipients in UGF Shares.
<b>Reference value of UnipolSai Shares</b>	the average of the prices of the UnipolSai Shares, recorded in May 2016, taken as the unit price for the determination of the portion of the LTI Bonus to be paid, for each accrual Year, to the Recipients in UnipolSai Shares.

**1. The recipients**

- 1.1. *Indication, by name, of the recipients who are members of the board of directors or of the management board of the issuer of financial instruments, of the parent companies of the issuer and of its direct and indirect subsidiaries*

The 2016-2018 Plan is not intended for members of the Board of Directors of UnipolSai.

- 1.2. *The categories of employees or of contractors of the issuer of financial instruments and of the parent companies or subsidiaries of the issuer*

The Plan is intended for the Key Managers, including the General Manager when appointed, as well as for the other Executives of UnipolSai, entitled to participate in the UPM System adopted by UnipolSai.

- 1.3. *Indication, by name, of the persons who benefit from the plan and belong to the following groups:*

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

The General Manager of the Company, if appointed, shall participate in the Plan.

The indication of the name of the General Manager, if appointed, shall be provided according to the procedures and terms per Art. 84-bis, Paragraph 5, Letter a), of the Issuers' Regulation.

- b) *other key manager of the issuer of financial instruments that is not of "minor size", in accordance with Art. 3, Paragraph 1, Letter f), of Regulation no. 17221 of 12 March 2010, if they have received, during the year, total remuneration (obtained by adding the monetary remuneration and the remuneration based on financial instruments) that is higher than the highest total remuneration among those attributed to the members of the board of directors, or of the management board, and to the general managers of the issuer of financial instruments*

No Key Managers received, in the course of the year that has just ended, higher total remuneration than the highest total remuneration among those attributed to the members of the Board of Directors.

- c) *natural persons controlling the issuer of shares, who are employees or who perform work for the issuer of shares*

There are no natural persons who control UnipolSai.

- 1.4. *Description and numeric indication, separated by categories*

- a) *of key managers other than those indicated in letter b) of paragraph 1.3*

The Recipients of the 2016-2018 Plan are the Executives of the Company, including the Key Managers other than those indicated in letter b) of paragraph 1.3. These persons are also deemed to be Risk Takers in accordance with Art.

2, Paragraph 1, Letter f) of IVASS Regulation no. 39 of 9 June 2011, entitled to participate in the UPM System adopted by UnipolSai.

The indication of the number of the Executives who will be Recipients of the Plan shall be provided according to the procedures and terms per Art. 84-bis, Paragraph 5, Letter a), of the Issuers' Regulation.

- b) *in the case of companies of "minor size", in accordance with Art. 3, Paragraph 1, Letter f), of Regulation no. 17221 of 12 March 2010, the aggregate indication of all key managers of the issuer of financial instruments*

UnipolSai does not meet the conditions per Art. 3, paragraph 1, letter f), of Regulation no. 17221 of 12 March 2010.

- c) *any other categories of employees or contractors for whom differentiated characteristics of the plan have been provided (e.g., executives, managers, office workers etc.)*

As provided by the UPM System, the 2016-2018 Plan applies in a way that is differentiated on the basis of the Bracket of each individual Executive, and also according to (i) the Recipient's qualification as Risk Taker and (ii) whether the Recipient belongs to Internal Control Functions, as better specified in the enclosed Regulations of the Plan.

## **2. The reasons for adopting the Plan**

### **2.1. The goals meant to be attained by attributing the plans**

The 2016-2018 Plan is part of the broader Incentive System of the Unipol Group, adopted by the Company in its version dedicated to insurance sector, called UPM System.

The UPM System regulates requirements, criteria and procedures for the payment to the beneficiaries of a variable component of remuneration, partly short term (payment of a Bonus as a percentage of RAL at 31 December of each accrual Year) and partly long term (remuneration based on the assignment of Shares) upon the occurrence of determined conditions and upon attaining specific individual targets.

The Plan is directed:

- at incentivising, retaining and motivating the Recipients, assuring adequate remuneration levels in the presence of high professional performance, with a view to fairness and uniformity of treatment.
- at assuring that remuneration systems comply with recent applicable industry provisions with the goal of defining, in the interest of all stakeholders, remuneration systems that are in line with the strategies and medium and long-term corporate objectives, connected with corporate results, appropriately corrected to take all risks into account, such as to avoid distortion-inducing incentives that may induce to regulatory violations;

- at aligning the interests of the Recipients and of the Shareholders of UnipolSai, remunerating long-term value creation and the appreciation of both UnipolSai shares and UGF shares.

#### 2.1.1. *More detailed information*

- *the reasons and criteria on the basis of which the issuer decided to establish a given ratio between incentivising remuneration based on financial instruments and other components of overall remuneration*

The incidence of the remuneration based on financial instruments within the scope of total remuneration is such as to assure both a fair balancing between the fixed component and the variable component of remuneration, and an appropriate balance between incentives based on short term results and incentives based on medium-long term results. The aforesaid elements are never in competition, i.e. neither component may be perceived as predominant.

- *purposes of long-term incentive systems;*

Please refer to paragraph 2.1

- *the criteria for defining the time horizon on the basis of the incentive systems.*

The Plan spans a three-year performance time horizon (2016-2018) and it provides for the allotment of the Shares in the following three years (i.e. 2019-2020-2021), starting from 2019 and for the two following years, in such a way that remuneration takes into account the trend of the assumed risks over time.

#### 2.2. *Key variables, also in the form of performance indicator considered for the purposes of the attribution of the plans based on financial instruments*

The 2016-2018 Plan determines the attribution of the variable long term component (or “**LTI Compensation**”) within the UPM System.

Access to the 2016-2018 Plan is subordinated to the attainment of Group and individual targets, prescribed for each accrual Year by the UPM System with reference to the payment of the IBT component, as is amply described in the Remuneration Report.

In particular, in order to benefit from the IBT Bonus - and, consequently, from the LTI Bonus for the accrual Year if, at the end of the reference Period, the additional conditions set out below are also met – the following must be attained:

- two Group targets and two referred to the individual Company, defined on the basis of objective performance indicators, such as the consolidated Gross Profit of UGF and of the individual Company, as well as the solvency capital requirement, respectively, of UGF and of the Company;
- a minimum Individual Performance Level, as prescribed by the UPM System,

determined according to the degree of attainment of four individual targets assigned to each Recipient, of which two, with preponderant weight, are quantitative.

For Recipients who do not work with the Internal Control Functions and who do not serve as Chief Risk Officer, the LTI component of the Total Bonus shall be recognised in the following way:

- 40% upon attainment of at least 75% of the result of the Unipol Group measured through Consolidated Gross Profit cumulated on the years 2016, 2017 and 2018 of the values as defined year by year by the competent corporate bodies;
- 40% upon the full attainment, at the end of the reference Period (2018), of the target of the solvency capital requirement of UGF defined by the competent corporate bodies;
- 20% upon the attainment of the three-year growth in the value of the UGF Share (average of first quarter of 2019 over average of first quarter of 2016).

For Recipients who work with the Internal Control Functions or who serve as Chief Risk Office, the LTI component of the Total Bonus shall be recognised in the following way:

- 60% upon the attainment of an average individual Performance Level in the reference Period that is no lower than 70%, provided that both individual quantitative Targets are fully attained in at least two of the three years;
- 40% upon the full attainment, at the end of the reference Period (2018), of the target of the solvency capital requirement defined by the competent corporate bodies.

For the details, please refer to the enclosed Regulations of the Plan.

### *2.3. Elements at the basis of the determination of the size of the remuneration based on financial instruments, or the criteria for its determination*

Compensation based on financial instruments is designed in such a way as to constitute a substantial portion of the Total Bonus. In addition to responding the most widely accepted market practices and to being fully in line with national and international orientations for management remuneration, this contributes to the implementation of an effective retention policy and to the creation of long term value.

Shares are allotted according to the attribution criteria illustrated in Art. 2.3.1 below.

#### *2.3.1 Information for relevant plans*

##### *The factors considered to decide the size of the remuneration*

The maximum number of Shares attributable for each accrual Year, but payable only at the end of the reference Period (in tranches in the 2019, 2020 and 2021 three-year time frame), is calculated according to the value of the accrued LTI Bonus, which is then

divided in two parts: (i) a first portion is in proportion to the average value of the UGF Share recorded in May 2016 and (ii) the other part is in proportion to the average value of the UnipolSai Share, also recorded in May 2016.

The UPM System, moreover, specifies that upon the exceedance of the result of the aforesaid long term indicators, at the End of the reference Period (2019), an Additional Bonus equal to a maximum of 50% of the Total Bonus shall be recognised. The meeting of this condition shall have effect both on any IBT component already paid in previous years, which therefore will be supplemented in the same form with which it was recognised at the time of its payment, and on the LTI component yet to be paid.

*Elements taken into consideration for modification compared to similar previous plans*

With respect to similar plans adopted in previous years by UnipolSai, in the preparation of the Plan illustrated in the present Information Document, the following elements were taken into consideration:

- raising the minimum threshold of attainment of the Consolidated Gross Profit, placed at 80% or at 70% respectively for the Key Managers and for the other Executives (previously, 75% and 65%, respectively);
- introduction of the Solvency II metric, replacing the previous Solvency I, to measure the Group target connected with risk parameters;
- introduction of an additional gate for access to the benefits of the Plan, consisting of the attainment of 70% (80% for Key Managers) of the IAS Individual Gross Profit budgeted for the year;
- the presence of four individual targets, instead of the previous three, of which two quantitative, to each of which is attributed a specific weight, recognising to the two quantitative targets a preponderant total weight compared to the other two targets;
- greater granularity in the quantification of short and long term variable incentives, paid in view of an individual performance level that is no lower than an overall level of attainment of the targets of at least 60%;
- the alignment of the same remuneration parameters for the determination of the amount of both short term and long term incentives, the latter formerly determined as a function of the remuneration of the month of May of the first year of the reference Period;
- the harmonisation of short and long term variable components, considered portions of a single Total Bonus;
- the recognition of the long term variable component in the form of both UGF and UnipolSai ordinary shares (previously, only UGF);
- introduction of the possibility, upon significant exceedance of long term targets, of benefiting from an additional Bonus of up to 50% of the accrued Bonus.

*The way in which any remuneration achievable on the basis of such previous plans has influenced this determination*

Any remuneration achievable on the basis of the previous plans adopted by UnipolSai had no influence on the definition of the criteria for determining the size of the remuneration based on financial instruments of the 2016-2018 Plan.

*Indications on the consistency between the elements at the basis of the determination of the remuneration and the established targets*

The introduction of targets based not only on business results but also on correct indicators for risks or indicators of capital soundness satisfies, still more consistently, the need to align the interests of the Recipients and of the Shareholders, remunerating the creation of long term value.

- 2.4. *Reasons at the basis of any decision to attribute remuneration plans based on financial instruments not issued by the issuer of financial instruments, such as financial instruments issued by subsidiaries or by parent companies or by third party companies with respect to the group to which they belong; if the aforesaid instruments are not traded on regulated markets, information on the criteria used to determine the value that is attributable to them*

The Plan provides for the allotment of UGF Shares and of UnipolSai Shares. This assures homogeneity in the attribution of the financial instruments to all Executives of the Unipol Group and it also promotes better sharing in sustaining and enhancing the value of the entire Group.

- 2.5. *Evaluations pertaining to significant implications of a fiscal and accounting nature that affected the definition of the plans*

There are no significant implications of a fiscal and accounting nature that affected the definition of the Plan.

- 2.6. *Any support to the plan by the special Fund for incentivising workers' participation in enterprises, per Art. 4, Paragraph 112, of Law no. 350 of 24 December 2003*

The Plan does not receive any support by the special Fund for incentivising workers' participation in enterprises, per Art. 4, Paragraph 112, of Law no. 350 of 24 December 2003.

### **3. *Approval process and time line for the assignment of the instrument***

- 3.1. *Scope of the powers and functions delegated by the shareholders' meeting to the board of directors for the purposes of implementing the plan*

On 10 March 2016 the Board of Directors, with the opinion of the Remuneration Committee issued in the course of the meeting of 8 March 2016, resolved to submit approval of the present Plan to the Shareholders' Meeting called for 27 April 2016.

The Shareholders' Meeting is called to vest the Board of Directors, with express authority to sub-delegate, all broadest powers necessary or appropriate to manage, administer and fully implement the 2016-2018 Plan.

3.2. *Indications of the persons appointed to administer the plan and their function and competence*

The body responsible for administering and implementing the Plan is the Board of Directors of the Company, which is vested with all powers per the previous article.

3.3. *Any existing procedures for the revision of the plans also in relation to any changes to the basic objectives*

No particular procedures for the revision of the Plan are provided. If changes in this regard should become necessary, the same approval-decision making process used for adoption of the Plan shall be followed.

In particular, if events capable of influencing elements constituting the UPM System (including, merely by way of non comprehensive example, extraordinary transactions or transactions on capital pertaining to UGF and/or the Group, mergers, changes to regulations or to the scope of the Company and/or of the Group), or if a high level of market discontinuity should occur (e.g. the occurrence of material changes in national and/or international conditions or in monetary policy), the Board of Directors of UGF shall have the authority to make the necessary or appropriate changes to the structure of the UPM System to maintain unchanged – within the limits allowed by the regulations in force at the time – its substantial and economic content, in order to maintain the overall fairness and consistency of the UPM System as a whole.

3.4. *Description of the procedures for determining the availability and assignment of the financial instruments on which the plans are based*

The Shares to be allotted are to be purchased by UnipolSai on the regulated market, in accordance with Articles 2357 and 2359-bis of the Italian Civil Code, with regard respectively to treasury shares and to the shares of the UGF Parent Company, as well as with Art. 144-bis of the Issuers' Regulation, with the authorisation of the Shareholders' Meeting of UnipolSai.

3.5. *The role performed by each director in determining the characteristics of the aforementioned plans; any occurrence of conflicts of interest involving the directors*

If transactions in potential conflict of interest and/or with related parties are decided and/or carried out, UnipolSai shall comply with the applicable law provisions and internal regulations adopted in accordance with industry regulations directed at governing significant cases in terms of the existence of a specific interest in the completion of the transaction.

- 3.6. *For the purposes of the requirements of Art. 84-bis, Paragraph 1, the date of the decision made by the competent body to propose the approval of the plans to the shareholders' meeting*

As stated, the Board of Directors of UnipolSai, in the meeting held on 10 March 2016, resolved, with the opinion of the Remuneration Committee, to submit the Plan to the Shareholders' Meeting for approval.

- 3.7. *For the purposes of the requirements of Art. 84-bis, Paragraph 5, letter a), the date of the decision made by the competent body with regard to the assignment of the instruments and of any proposal to the aforesaid body, formulated by the remuneration committee, if there is one*

The 2016-2018 Plan is to be submitted for the approval of the Shareholders' Meeting convened in single call for 27 April 2016.

The assignment of Shares, i.e. the verification of the attainment of the targets for their effective allotment, shall instead be decided upon by the Board of Directors in 2019.

- 3.8. *The market price, recorded on the aforesaid dates, for the financial instruments on which the plans are based, if traded on regulated markets*

The market price of UGF Shares and of UnipolSai Shares on 10 March 2016 amounted respectively to €3.4588 and €1.933.

- 3.9. *For plans based on financial instruments traded on regulated markets, according to which terms and procedures does the issuer take into account, within the identification of the time line for the assignment of the instruments implementing the plans, the possible time concurrence between:*

- *said assignment or any decision made in this regard by the remuneration committee*
- *the disclosure of any relevant information in accordance with Art. 114, first Paragraph*

With regard to the Recipients of the Plan who are included in the categories of persons regulated by Art. 152-sexies, 1<sup>st</sup> Paragraph, Letters c.1) and c.2), of the Issuers' Regulation, the provisions specified by the "Procedure for communication of transactions involving shares issued by UnipolSai Assicurazioni S.p.A. or other financial instruments connected therewith", which the Company has adopted, prescribe that such persons may not carry out material transactions – in accordance with the referenced regulations – on the shares in the 7 (seven) calendar days preceding the meetings of the Board of Directors called to review and/or approve the draft financial statements and the consolidated financial statements, the half-year report, each quarterly report and the preliminary and budget data. The prohibition ceases at the time of disclosure to the market of the resolutions passed by the Board of Directors on these matters.

The text of the reference procedure is available on the website [www.unipolsai.com](http://www.unipolsai.com).

#### **4. Characteristics of the allotted instruments**

##### **4.1. Description of the forms in which the remuneration plans based on financial instruments are structured**

The 2016-2018 Plan provides for the free assignment of Shares to the Recipients.

##### **4.2. Indication of the period of actual implementation of the plan with reference also to any different cycles**

The Plan is of the closed type, with a three-year time span (2016-2018), and it entails the assignment of Shares in the performance share mode.

##### **4.3. Expiration of the plan**

The Plan ends in 2018. The Shares will be assigned and made available to the Recipients in the 2019-2020-2021 three year time interval, starting from 2019 and for the two following years.

##### **4.4. Maximum number of financial instruments, also in the form of options, assigned in the course of each financial year in relation to the persons identified by name or to the indicated categories**

At the time of preparation of the present Information Document, the maximum number of Shares potentially to be assigned in the execution of the Plan cannot be determined, because this quantification is tied to two objective parameters that, at the present date, are not available (i.e. the RAL of the Recipient at 31 December of each accrual Year and the UGF Reference Value and the UnipolSai Reference Value).

##### **4.5. Procedures and clauses for the implementation of the plan, specifying whether the actual attribution of the instrument is subordinated to certain conditions being met or to the attainment of determined results, including performance results: description of these conditions and results**

Please refer to paragraph 2.2.

##### **4.6. Indication of any availability constraints imposed on the attributed instruments or on the instruments resulting from the exercise of the options, with particular reference to the terms within which their subsequent transfer to the company itself or to third parties is allowed or forbidden**

At the time of assignment which, as specified above, shall take place from 2019, the Shares are immediately available.

##### **4.7. Description of any termination conditions in relation to the attribution of the plans if the recipients carry out hedging transactions that enable them to neutralise any prohibitions from selling the assigned financial instruments, including in the form of options, or the financial instruments resulting from the exercise of these options**

There are no prohibitions from selling the Shares once they are allotted to the Recipients.

4.8. *Description of the effects determined by termination of employment*

Termination of employment prior to the date of allotment of the shares in 2019 shall determine the forfeiting of any right to receive any unpaid remuneration.

An exception shall be constituted by those whose employment ceased starting from the end of the 2016-2018 three-year time interval as a result of the maturing of their right to old age pension, or by other forms of entitlement to the collection of their pension provided they are adopted at the company's initiative invoking legal or regulatory provisions.

4.9. *Indication of any other reasons for cancellation of the plans*

There are no reasons for cancellation of the Plan.

4.10. *The reasons for the provision of any "redemption" by the company, of the financial instruments under the plans, prescribed in accordance with Art. 2357 et seq. of the Italian Civil Code; the beneficiaries of the redemption indicating whether it is intended only for particular categories of employees; the effects of the termination of employment on said redemption*

Not applicable, as no form of redemption is provided.

4.11. *Any loans or other favourable terms to be granted for the purchase of the shares in accordance with Art. 2358 of the Italian Civil Code*

No loans or other favourable terms shall be granted for the purchase of the shares in accordance with Art. 2358 of the Italian Civil Code.

4.12. *Indication of assessments on the expected cost for the company at the date of assignment, as it can be determined on the basis of already defined terms and conditions, by total amount and in relation to each instrument of the plan*

At the date of approval of the Plan, the exact amount of the expected cost for the Company for the implementation of the Plan cannot be indicated.

For prudential purposes, UnipolSai budgets, according to accounting rules, the expected cost in relation to any LTI bonus; this amount is determined on the basis of estimates that assume:

- the partial meeting of the conditions for the LTI Remuneration to be payable, making hypotheses pertaining to the trend of the consolidated UGF profit and of the UGF share in the course of the three year time interval of the reference Period;
- a given percentage, supported by historical statistics, of the potential recipients of a payment on the basis of the attainment of the targets.

4.13. *Indication of any dilutive effects on the capital determined by the remuneration plans*

The Plan does not determine any dilutive effect, inasmuch as it does not entail the issue of new shares by the Company.

*4.14. Any limits prescribed for the exercise of the voting right and for the attribution of the asset rights*

There are no limits for the exercise of the voting right and for the attribution of the asset rights in relation to the Shares to be assigned.

*4.15. If the shares are not traded on regulated markets, all useful information for a complete assessment of the value attributable to them*

The Shares are traded on the Computerized Stock Market managed by Borsa Italiana S.p.A.

**4.16 - 4.23**

These provisions are not applicable because UnipolSai has no remuneration plans based on stock options.

**TABLE 1**

**SCHEDULE I – Sections 1 e 2**

At the time of preparation of the present Information Document, the maximum number of Shares potentially to be assigned in the execution of the Plan cannot be determined, because this quantification is tied to two objective parameters that, at the present date, are not available (*i.e.* the RAL of the Recipient at 31 December of each accrual Year, the UGF Reference Value and the UnipolSai Reference Value).

With reference to the implementation of the plans based on financial instruments already approved by the Shareholders' Meeting, please refer to the Remuneration Report.

**SCHEDULE II – Sections 1 e 2**

This information is not applicable because UnipolSai has no remuneration plans based on stock options.

Annex 1: Regulations of the 2016-2018 Remuneration Plan based on financial instruments

**REMUNERATION PLAN BASED ON FINANCIAL INSTRUMENTS**

**REGULATIONS**

## Definitions

In addition to the terms and expressions defined in other parts of this document, for the purposes thereof, the capitalised terms and expressions, not otherwise defined hereafter, have the meaning attributed to them below. The terms defined in the singular form shall have the corresponding meaning in the plural form and vice versa.

<b>Accrual year</b>	every calendar year into which the reference Period is divided and in relation to which the attainment of the Individual Performance Level is verified.
<b>Shares</b>	the set of equities consisting of UGF Shares and UnipolSai Shares, to be assigned to the Recipients, at the conditions and within the terms set by the UPM System for payment of the long term incentive (LTI).
<b>UGF Shares</b>	the ordinary shares representing the share capital of UGF, listed on the Computerized Stock Market managed by Borsa Italiana S.p.A.
<b>UnipolSai Shares</b>	the ordinary shares representing the share capital of UnipolSai Assicurazioni S.p.A., listed on the Computerized Stock Market managed by Borsa Italiana S.p.A.
<b>Additional Bonus</b>	the additional remuneration relative to the Total Bonus, paid to the Recipients at the end of the accrual Period, if the conditions of attainment of the targets described by the UPM System are met.
<b>Bonus (or IBT Bonus)</b>	the monetary remuneration to which the Recipients are entitled if the conditions for payment of the short term incentive are met, as regulated by the UPM System.
<b>Total Bonus</b>	for every accrual Year, the total remuneration resulting from the sum of IBT and LTI. Its maximum value is determined according to the recipient's Bracket, with reference to the Recipient's Gross Annual Remuneration (RAL) at 31 December of the accrual Year. For Bracket 1 Executives, it amounts to 100% of RAL (125% for Management Committee members), for Bracket 2 Executives it amounts to 70% of RAL, for Bracket 3 Executives it amounts to 40% of RAL.
<b>Remuneration Committee</b>	The Remuneration Committee established within the Board of Directors of the Company.  Unipol Gruppo Finanziario S.p.A., with registered office in

<b>Parent Company or UGF</b>	Bologna, via Stalingrado 45.
<b>Recipients</b>	the recipients of the 2016-2018 Plan indicated in Art. 2 of these Regulations of the Plan.
<b>Executives</b>	the executive personnel of UnipolSai.
<b>Key Managers</b>	<p>the persons who, directly or indirectly, have the power and the responsibility for the planning, management and control of the activities of the Company, as identified by the Chairman and by the Chief Executive Officer of the Parent Company, at the proposal of the Human Resources and Organisation Management Department. Key Managers are considered Risk Takers, in accordance with Art. 2, Paragraph 1, Letter f) of IVASS Regulation no. 39 of 9 June 2011.</p>
<b>Bracket</b>	<p>the brackets into which the Executives of UnipolSai – and, in general, the Executives of the Unipol Group – are divided, according to the weight of the organisational position, the relevance and complexity of the role and the position. The “weight” is measured with a method that is certified by primary specialised companies, recognised internationally.</p> <p>Said method provides, after the analysis of a series of quantitative and qualitative metrics that impact on the individual organisational position, the attribution of a numeric indicator that, adequately compared in a homogeneous ranking, provides an objective positioning parameter that serves for compensation as well.</p> <p>Each organisation position, in particular, is evaluated on the basis of three macro factors, which measure the level of competencies necessary to serve correctly in the role (Know-How), the level of autonomy required in managing the role (Problem Solving) and the level of impact on the results of the company (Accountability).</p> <p>The 1<sup>st</sup> Bracket includes the main executives of the Unipol Group (i.e. Area General Managers, other Managers) with roles of the highest strategic complexity and organisational relevance; the 2<sup>nd</sup> Bracket includes those who serve in roles with particular organisational relevance for the Company. This bracket includes most of the executives who directly report to Executives in the 1<sup>st</sup> Bracket; the 3<sup>rd</sup> Bracket includes the remaining managers serving in other roles, who may report directly either to 1<sup>st</sup> Bracket or to 2<sup>nd</sup> Bracket</p>

	Executives.
<b>Internal Control Functions</b>	the Audit, Risk Management, Compliance and Anti-Money Laundering Functions of UnipolSai.
<b>Unipol Group or Group</b>	UGF and its subsidiaries.
<b>IBT</b>	Short Term Incentive. It is the monetary portion of the Total Bonus paid to the Recipients if the conditions for payment of the short term incentive are met, as prescribed by the UPM System.
<b>Individual Performance Level</b>	for each accrual Year, the value between 0% and 100% that expresses the level of attainment of each Recipient's individual targets; the Individual Performance Level contributes to determine the size of the Total Bonus.
<b>Long Term Incentive (LTI)</b>	for each accrual Year, it is the portion of the Total Bonus to be paid in Shares to Recipients if the payment conditions prescribed by the 2016-2018 Plan are met. Said portion amounts to 50% of the Total Bonus (60% for Management Committee members).
<b>Reference period</b>	the time interval between 1 January 2016 and 31 December 2018.
<b>2016-2018 Plan or Plan</b>	the Share allotment plan regulated herein.
<b>Closed Plan</b>	a plan whose attainment conditions are defined at the start of the multi-year period to which it refers
<b>Pro Rata</b>	the measure proportional to the period of work actually performed. It is expressed in twelfths, including the first month of service
<b>RAL</b>	the fixed gross annual remuneration, with the exclusion of the Employee Severance Indemnity or any pension provision or payment having pension purposes incurred by the employer, and any variable component, be it paid on a one-off basis or in a continuous, reiterated or deferred manner, and with the exclusion of any bonus, travel indemnity and any other indemnity.
<b>Regulations of the 2016-2018 Plan</b>	the present Regulations providing the conditions prescribed for the assignment of Shares in accordance with the 2016-

2018 Plan.

<b>Remuneration Report</b>	the Remuneration Report prepared pursuant to Art. 123-ter of the Consolidated Law on Finance.
<b>Risk Takers</b>	the persons identified in accordance with Art. 2, Paragraph 1, Letter f) of IVASS Regulation no. 39 of 9 June 2011.
<b>UPM System or System</b>	the incentive system intended for all executives of the Unipol Group, approved by the Board of Directors of UnipolSai on 10 March 2016; it regulates requirements and criteria for the payment of the variable component of the remuneration IBT and LTI. UPM is the acronym of Unipol Performance Management.
<b>Solvency II</b>	the metric referenced by the regulations that, starting from Directive 2009/1338/EC on the access and performance of insurance and reinsurance activities ("Solvency II Directive"), regulates, with reference to insurance and reinsurance companies: (i) the assessment of the assets and liabilities, the quantification of risks in terms of Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR) and the quantification of the own funds for risk coverage ("First Pillar"); (ii) the Governance System, the Internal Control System, as well as the self-assessment of own risks and own solvency (ORSA) ("Second Pillar"); (iii) the reporting to the Supervisory Authority and market disclosure ("Third Pillar").
<b>Employee severance indemnity (TFR)</b>	the Employee Severance Indemnity
<b>UnipolSai or the Company</b>	UnipolSai Assicurazioni S.p.A., with registered office in Bologna, via Stalingrado 45.
<b>Reference value of UGF Shares</b>	the average of the prices of the UGF Shares, recorded in May 2016, taken as the unit price for the determination of the portion of the LTI Bonus to be paid, for each accrual Year, to the Recipients in UGF Shares.
<b>Reference value of UnipolSai Shares</b>	the average of the prices of the UnipolSai Shares, recorded in May 2016, taken as the unit price for the determination of the portion of the LTI Bonus to be paid, for each accrual Year, to the Recipients in UnipolSai Shares.

**1. Purpose and scope**

- 1.1. The purpose of the Regulations is to provide rules for the 2016-2018 Plan.
- 1.2. The 2016-2018 Plan is included in the broader Incentive System of the Unipol Group, called UPM System, and it is directive at incentivising, retaining and motivating the Recipients assuring adequate remuneration levels in the presence of high professional performance, with a view to fairness and uniformity of treatment.
- 1.3. The UPM System regulates requirements and criteria for the payment of a variable component of remuneration, partly short term (payment of a monetary bonus) and partly long term (remuneration based on the assignment of Shares) upon the occurrence of determined conditions and upon attaining specific individual targets.
- 1.4. The 2016-2018 Plan provides for the deferred payment of Shares to the Recipients.
- 1.5. The assignment of the Shares as per the present 2016-2018 Plan is subordinated and directly correlated to the payment of the Short Term Bonus, prescribed by the UPM System.
- 1.6. The 2016-2018 Plan has a duration of three years (2016 – 2018) and it is a Closed Plan.
- 1.7. The 2016-2018 Plan, like the UPM System, is based on the logic of self-financing. An essential requirement for the recognition of the incentives, including long term ones, is, therefore - in addition to the persistence of positive effective economic results and to the minimisation of the risk factors - the presence of a Dividend Capability, i.e. the presence of the conditions, in terms of economic result and of minimum solvency requirements of the Unipol Group, for the possible distribution of a dividend to UGF shareholders, in accordance with the provisions of the By-Laws and of law in force at the time.

**2. Recipients**

- 2.1. The recipients of the 2016-2018 Plan are the Key Managers of the Company, including the General Manager when appointed, as well as the other Executives, entitled to participate in the Plan in accordance with the UPM System adopted by UnipolSai.

**3. Conditions for access to the benefits of the 2016-2018 Plan**

- 3.1 A condition for access to the System is the pursuit of performance targets that also take into account the current or future risks connected with the results pre-set by the Group and by the Company.
- 3.2 the System will not have any effect on the Recipients until the condition of the attainment of a given percentage of the target UGF consolidated Gross Profit,

according to the approved budget for the accrual Year, is met, and specifically:

- for Risk Taker Executives, the attainment of at least 80% of said target consolidated Gross Profit;
- for Non Risk Taker Executives, the attainment of at least 70% of said target consolidated Gross Profit.

When access to the 2016-2018 Plan is recognised to the Executives who operate with the Internal Control Functions and to the Chief Risk Officer, it shall not be tied to the attainment of the conditions indicated previously.

- 3.3** For the Total Bonus to be fully payable, there must be a coverage ratio (Balance sheet strength) of UGF, calculated according to the Solvency II<sup>1</sup> metric, at least equal to the target set for 31 December of each accrual Year by the competent decision-making bodies. A value between 100% and 80% of the target, provided that the result is no lower than 1.0, reduces to 75% the amount of the Total Bonus. The Total Bonus drops down to zero if said value is any lower.

In addition, the target of 80% of the individual IAS Gross Profit of the Company (70% for non Risk Taker Executives) in accordance with the approved budget for the accrual Year must be attained.

- 3.4** In addition, there must be an individual coverage ratio (balance sheet strength) of the Company, calculated according to the Solvency II metric net of transactions on capital and/or with impact on that ratio, already carried out, undergoing implementation or being decided, by the controlling Shareholder, equal to the target set for 31 December of each accrual Year by the competent decision-making bodies. Failure to attain the target value per the present article, even if the requirements per the previous articles are met, shall cause the Total Bonus to be reduced to zero.

- 3.5** Access to the Plan is further subordinated to the attainment of a predetermined minimum Individual Performance Level in the accrual Year, as specified by the UPM System.

#### **4. Long Term Incentives (LTI remuneration)**

- 4.1.** The LTI incentive shall be attributed by virtue of the 2016-2018 Plan, which spans a three-year performance horizon (2016-2018) and which provides for the assignment and availability of Shares at the end of the following three-year

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<sup>1</sup> Solvency Ratio defined within the scope of the Risk Appetite Statement approved by the Administrative Body. Indicator and value defined according to current provisions and subject to discounting / revision with changes in current regulations. In the course of the Period, in consideration of the refinement and stabilisation of the techniques and of the related analysis tools, other indicators may be adopted, also experimentally, in addition to the current ones.

time interval (2019-2020-2021), starting from 2019 and for the two following years.

- 4.2.** The number of Shares that may be assigned for each accrual Year is calculated dividing the value deriving from the LTI Bonus of the accrual Year in two equal parts; one part is in proportion to the reference Value of UGF Shares and the other part is in proportion to the reference Value of UnipolSai Shares.
- 4.3.** The assignment and the concurrent availability of the assigned Shares accrued in each of the three years covered by the present Regulations shall take place on the last business day of the month of April of the 2019-2020-2021 three year time interval, barring extraordinary events that may cause the postponement of the approval of the financial statements of the Company, provided that at these times the Recipient is in fact an employee of a company of the Unipol Group and that (s)he is not in a notice period or on leave of absence.
- 4.4.** The value of the LTI incentive is equal to 50%<sup>2</sup> of the Total Bonus.
- 4.5.** The payment of the LTI compensation for the Recipients who do not operate with the Internal Control Functions, and who do not serve in the role of Chief Risk Officer, shall be a function of the attainment (separate for each of their portion) of the following indicators:
- 40%, upon attainment of at least 75% of the result of the Unipol Group measured through Consolidated Gross Profit cumulated on the years 2016, 2017 and 2018 of the values as defined year by year by the competent corporate bodies;
  - 40%, upon the full attainment, at the end of the reference Period (2018), of the target of the solvency capital requirement defined by the competent corporate bodies;
  - 20%, upon the attainment of a given three-year growth in the value of the UGF Share (average of first quarter of 2019 over average of first quarter of 2016).
- 4.6.** The payment of the LTI compensation for the Recipients who operate with the Internal Control Functions, and who serve in the role of Chief Risk Officer, shall be a function of the attainment (separate for each of their portion) of the following indicators:
- 60%, upon the attainment of an average individual Performance Level in the reference Period that is no lower than 70%, provided that both quantitative targets are fully attained in at least two of the three years;
  - 40%, upon the full attainment, at the end of the reference Period (2018),

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<sup>2</sup> 60% of the Total Bonus for the members of the Management Committee.

of the target of the solvency capital requirement defined by the competent corporate bodies;

- 4.7. The exceedance of the result of the individual indicators per Articles 4.5 and 4.6 above shall determine the recognition of an Additional Bonus equal to a maximum of 50% of the Total Bonus. The meeting of this condition shall have effect both on the IBT component already recognised, which therefore will be supplemented in the same form with which it was recognised at the time of its payment, and on the LTI component.

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

- 5.1 The process for the assignment, assessment and measurement of the targets involves the direct hierarchical superior of the Recipient and the higher Head of his/her Function. The Human Resources and Organisation Management Department of UGF and the Chief Executive Officer of UGF supervise the entire process. In the process for the measurement of any bonus to be paid – within the limits set out in the UPM System – the aforesaid bodies shall also duly take into account the total individual contribution provided for the good operation of the entity, in a broader framework of consistency and overall stability of the corporate system.
- 5.3. For the verification of the quantitative indicators, reliance is made on the support of the Management Control and Risk Management Functions of the Group and of UnipolSai.
- 5.4. The size of the Total Bonus to be paid shall be defined at the end of all the steps prescribed by the assessment and measurement process per the present article.
- 5.5. If events capable of influencing elements constituting the System (including, merely by way of non comprehensive example, extraordinary transactions or transactions on capital pertaining to UGF and/or the Unipol Group, mergers, changes to regulations or to the scope of the Company and/or of the Unipol Group), the Board of Directors of UGF shall have the authority to make the necessary or appropriate changes to the structure of the System and/or the Policies in order to maintain unchanged – within the limits allowed by the regulations in force at the time – its substantial and economic contents.
- 5.6. If a high level of market discontinuity takes place (e.g. the occurrence of material changes in the national and/or international macroeconomic conditions or in monetary policy), the Board of Directors of UGF may also reevaluate the fairness and overall consistency of the System as a whole.

**6. Conditions for payment of the LTI remuneration and of the Additional Bonus**

- 6.1 The measurement of the LTI remuneration shall take place concurrently with the measurement of the IBT Bonus for the year 2018, i.e. in 2019.

- 6.2** The Shares to be assigned shall be deposited, free of charge, for safekeeping and administration with the issuer and shall be made immediately available at the request of the assignee Recipient. The procedures for depositing and requesting the Shares to be assigned shall be disclosed with a specific notice.
- 6.3** The actual availability of the Shares accrued in each of the three years covered by the present Regulations shall take place on the last business day of the month of April of the 2019-2020-2021 three year time interval, barring extraordinary events that may cause the postponement of the approval of the financial statements of the Company, provided that at these times the Recipient is in fact an employee of a company of the Unipol Group and that (s)he is not in a notice period or on leave of absence.
- 6.4** With regard to Art. 6.3 above, an exception shall be constituted by those whose employment ceased starting from the end of the 2016-2018 three-year time interval as a result of the maturing of their right to old age pension, or by other forms of entitlement to the collection of their pension provided they are adopted at the company's initiative invoking legal or regulatory provisions.
- 6.5** Payment of any Additional Bonus due at the occurrence of the conditions prescribed in Articles 4.5 and 4.6 shall take place upon payment of the April 2019 salary.
- 6.6** Starting from the actual availability of the Shares, the Recipient who is an assignment thereof may exercise the related rights in accordance with the legal provisions in force at the time.

**7. Reasons for non payment or reduced payment**

- 7.1** Even if the conditions prescribed in the 2016-2018 Plan should favourably be met, the benefits prescribed therein shall not be paid out in view of any deterioration of the performance of the corporate results, corrected for the risks and in cases of failure to comply, on the Recipient's part, with regulatory and/or supervisory provisions, followed by the levying of a disciplinary sanction against the Recipient him/herself, or in case of observations by the Internal Control Functions that highlight behaviours with severe violations of internal or external provisions, or applicable standards of conduct;
- 7.2** The Company will require the repayment of any compensation paid in violation of applicable supervisory provisions or if the Recipient has exhibited behaviours that are fraudulent and/or distinguished by malice or gross negligence correlated with the performance of his/her duties that determined a deterioration of the risk profiles and/or of the results of the Company and/or of the Unipol Group, without prejudice to any other additional action.
- 7.3** The Recipient subjected to a disciplinary measure of suspension from service during the reference Period shall in any case lose his/her entitlement to payments of the LTI Remuneration.

- 7.4** Failure to comply, by the hierarchical superior of the Recipient and/or of the Head of the Recipient's Department, with the deadlines prescribed by the process as per Art. 5.1 (said deadlines shall be disclosed through specific notices disseminated by the Human Resources and Organisation Management Department) may determine, for the aforementioned Executives, a reduction of any Total Bonus they may have accrued by up to 50% of the amount of said Bonus.

**REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS' MEETINGS ON ITEM NO. 5  
ON THE AGENDA**

**Acquisition and disposal of treasury shares and shares of the parent company. Related and consequent resolutions.**

Dear Shareholders,

it should preliminarily be recalled that the ordinary Shareholders Meeting of Unipol Gruppo Finanziario S.p.A. ("UnipolSai" or the "Company"), convened on 17 June 2015 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 Unipol Gruppo Finanziario 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.

It is hereby proposed that the aforesaid authorisations be granted again, upon revocation of the existing authorisation, for the duration of 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 acquisition and disposal of treasury shares, in the interests of the Company and in accordance with applicable regulations and accepted market practices, would pursue 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 and/or for the allocation of the shares to implement the share-based compensation plan based on financial instruments, pursuant to Art. 114-bis of Italian Legislative Decree No. 58 of 24 February 1998 (the "Consolidated Law on Finance"), as specified by the previous item 4 on the agenda;
- to use these shares to ensure, if necessary, the overall consistency of transactions that create the need to place fractional shares.

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.

The acquisition and disposal of shares of the parent company UGF, in the interests of the Company and in accordance with applicable regulations and accepted market practices, would pursue the following objectives:

- 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 said shares as a form of investment for the efficient use of the liquidity generated by the core activity of the Company and/or for the allocation of the shares to implement the share-based compensation plan based on financial instruments, pursuant to Art. 114-*bis* of the Consolidated Law on Finance, as specified by the previous item 4 on the agenda.

In 2015, and to the date of this Report, the Company did not make use of the aforementioned authorisation granted by the Shareholders Meeting to purchase and/or dispose of treasury shares, under Art. 2357 and 2357-*ter* of the Italian Civil Code.

In 2015, the executive personnel of the Company were assigned a total of 67,042 ordinary shares of the parent company UGF, to service the compensation plan based on financial instruments of the share performance type for the years 2010-2012, approved by the Shareholders Meeting of the merged Unipol Assicurazioni S.p.A. on 26 April 2012. In said period and to the date of this Report no UGF shares have been purchased.

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

At the present date:

- the share capital of UnipolSai is equal to Euro 2,031,454,951.73, divided into 2,829,715,441 ordinary shares with no nominal value. At the date of this Report, the Company holds a total of 53,549,685 ordinary shares, of which 5,205,640 directly and 48,344,045 indirectly, through the following subsidiaries:
  - Unipolsai Finance S.p.A. for 38,454,775 shares;
  - Unipolsai Nederland BV for 9,443,258 shares;
  - Pronto Assistance S.p.A. for 344,312 shares;
  - Popolare Vita S.p.A. for 101,700 shares;
- the share capital of UGF is equal to Euro 3,365,292,408.03, divided into 717,473,508 ordinary shares with no nominal value. The Company owns 3,108,860 shares of the holding company UGF, equal to 0.428% of the share capital.

The allocated Funds, in accordance with the aforementioned Shareholders' Meeting

resolution of 17 June 2015, for the purchase of treasury shares and for the purchase of shares of the holding company amount, respectively, to Euro 100 million and to Euro 50 million, unused to date.

We propose that:

- (i) the acquisition of the treasury shares and of the holding company UGF may be made up to the maximum amount permitted by law and accepted market practice, in the manner provided for by Art.132 of TUF and Art.144-*bis*, para 1, let. a), b) and c) of CONSOB Regulation no. 11971 of 14 May 1999 as amended (Issuer Regulation), as well as by any other provision, including the rules laid down in Directive 2003/6/EC and its implementing rules, national and European, where applicable;
- (ii) the sale of treasury shares and of the holding company UGF shall be made in the manner permitted by law, including by carrying out, one or more times, subsequent operations of acquisition and sale, until the expiry of the term of the authorisation.

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

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

Both the purchases and the sale of treasury shares and of the holding company UGF shall be made at a price of no more than 15% and not less than 15% of the reference price recorded by the respective securities 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.

We further propose to confirm a maximum expense limit of Euro 100 million for purchases of treasury shares and Euro 50 million for purchases of the holding company UGF, identifying the size of the related Provision to be allocated to the purchase of shares of the holding company to be of the same amount.

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

#### **Proposal**

*The Ordinary Shareholders' Meeting of UnipolSai Assicurazioni S.p.A.,*

- *having acknowledged the Explanatory Report by the Board of Directors and the proposal there made;*

- *having viewed the financial statements as at 31 December 2015;*
- *bearing in mind the provisions of arts. 2357, 2357-ter and 2359-bis of the Italian Civil Code;*
- *having acknowledged that the Company presently holds a total of 53,549,685 ordinary shares, of which 5,205,640 directly and 48,344,045, indirectly, through the subsidiaries indicated in the report;*
- *having further acknowledged that the Company holds 3,108,860 shares of its own holding company Unipol Gruppo Finanziario S.p.A. (“UGF”),*

*hereby resolves*

- (i) *to revoke the previous resolution to authorise the purchase and/or the sale of treasury shares and of the holding company, passed by the Ordinary Shareholders’ Meeting of 17 June 2015;*
- (ii) *to authorise, for a period of 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 Euro 100 million, as well as the purchase and disposal of shares of the holding company UGF, pursuant to Art. 2359-bis of the Italian Civil Code and in compliance with the maximum spending limit of Euro 50 million, with the procedures and conditions specified below. The acquisition and disposal of treasury shares and shares of the holding company UGF may be carried out in the quantities and according to the procedures set out below:*
  - *the acquisition may be made up to the maximum amount 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, para 1, let. a), b) and c) 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 Directive 2003/6/EC and its implementing rules, national and European, where applicable.*

*The maximum number of treasury shares and shares in the holding company UGF that may be bought specified above must be understood as difference between the share purchased and those sold after authorisation by the Shareholders’ Meeting, and therefore must be understood as additional number of treasury shares and shares in the UGF holding company that the Company may hold in its portfolio at any given time;*
  - *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 acquisition and disposal may be carried out at a price of no more than 15% and not 15% lower than the reference price recorded by the respective securities in the trading day prior to the date of each transaction, and in any case in compliance with the above maximum limit of Euro 100 million expenditure for treasury shares and Euro 50 million for the shares of the holding company UGF;*
- (iii) *to confirm the amount of the Provision to be allocated for the purchase of treasury shares as Euro 100 million;*
- (iv) *to confirm the amount of the Provision to be allocated for the purchase of shares of the holding company as Euro 50 million;*
- (v) *to vest the Board of Directors - and for it, to the Chairman and to the Executive Officer, separately from each other and also through attorneys - with all broadest powers to carry out the purchases and/or disposals of treasury shares and of shares of the holding company.*

Bologna, 10 March 2016

The Board of Directors

**REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS' MEETING ON ITEM NO. 6  
ON THE AGENDA**

**Update of the meeting regulations. Related and consequent resolutions.**

Dear Shareholders,

it should preliminarily be recalled that the Ordinary Shareholders' Meeting of FONDIARIA-SAI S.p.A. (now Unipolsai Assicurazioni S.p.A., "UnipolSai" or the "Company"), on 29 April 2013, approved the text of the regulation directed at defining the procedures for participation in Ordinary and Extraordinary Shareholders' Meetings of the Company, and for the formation and conduct thereof, also with reference to some rules for the discussion of the agenda items and the votes thereon, in compliance with the Shareholders' right to participate (the "Shareholders' Meetings Regulation").

Therefore, we hereby submit the revision of the Shareholders' Meetings Regulation for your approval, eliminating the references contained therein to the holders of savings shares of the Company (and, in particular, to their joint representatives), following the conversion, effective on 29 June 2015, of Class A savings shares and of Class B savings shares into ordinary shares of UnipolSai, executing the resolutions of the competent Shareholders' Meetings of 26 and 27 January 2015.

On this occasion, we also propose to revise Article 18 of the Shareholders' Meetings Regulation, pertaining to the voting procedures, taking into account the fact that votes are usually carried out with the use of suitable electronic equipment.

We provide side by side the text of Articles 2, 8 and 18 of the Shareholders' Meetings Regulation, in the current version and in the version where the amendments proposed are highlighted.

*(see next page)*

Current text	New proposed text
<p><b>Article 2</b></p> <p>UNCHANGED PARAGRAPHS</p> <p>2.4. The Common Representatives of savings Shareholders are entitled to attend the Shareholders' Meetings without any formalities.</p> <p>UNCHANGED PARAGRAPHS</p>	<p><b>Article 2</b></p> <p>UNCHANGED PARAGRAPHS</p> <p><del>2.4. The Common Representatives of Savings Shareholders are entitled to attend the Shareholders' Meetings without any formalities.</del></p> <p>UNCHANGED AND RENUMBERED</p>
<p><b>Article 8</b></p> <p>UNCHANGED PARAGRAPHS</p> <p>8.6. The members of the Board of Directors, Statutory Auditors, the General Manager(s) and the Joint Representative(s) of savings shareholders may ask to speak.</p>	<p><b>Article 8</b></p> <p>UNCHANGED PARAGRAPHS</p> <p>8.6. The members of the Board of Directors, Statutory Auditors, the General Manager(s) <del>and the Joint Representative(s) of savings</del> shareholders may ask to speak.</p>
<p><b>Article 18</b></p> <p>Ensuring that voting is carried out openly, the Chairman decides on the voting system, for example:</p> <ul style="list-style-type: none"> <li>- by signing a voting slip;</li> <li>- by standing up and sitting down;</li> <li>- by using appropriate electronic equipment,</li> </ul> <p>and decides on the system of recording and counting votes, if appropriate setting a deadline by which votes must be cast.</p>	<p><b>Article 18</b></p> <p><del>Ensuring that voting is carried out openly, the Chairman decides on the voting system</del> <b>The Chairman, ensuring that open voting is carried out shall determine the voting system</b>, for example:</p> <ul style="list-style-type: none"> <li>- by signing a voting slip;</li> <li>- <b>by a show of hands;</b></li> <li>- by standing up and sitting down;</li> <li>- by using appropriate electronic equipment,</li> </ul> <p>and decides on the system of recording and counting votes, if appropriate setting a deadline by which votes must be cast.</p>

The full text of the Shareholders' Meetings Regulation, taking into account the above amendments, is annexed to the present Report.

In the light of the above, the Board of Directors put forward for your approval the following draft resolution.

### **Proposal**

*The Ordinary Shareholders' Meeting of UnipolSai Assicurazioni S.p.A.,*

- *having examined the Explanatory Report of the Board of Directors (the "Report");*

*hereby resolves*

*to amend, within the terms indicated in the Report, articles 2, 8 and 18 of the Shareholders' Meetings Regulation, whose full text, as amended hereby, is annexed to the minutes of today's Shareholders' Meeting, to be an integral part thereof.*

Bologna, 10 March 2016

The Board of Directors

Annex: Shareholders' Meetings Regulation

**ORDINARY AND EXTRAORDINARY  
SHAREHOLDERS' MEETINGS REGULATION  
OF UNIPOLSAI ASSICURAZIONI S. P. A.**

## **CHAPTER I**

### **Preliminary provisions**

#### **Article 1**

1.1 This Regulation governs the conduct of the Company's ordinary and extraordinary Shareholders' Meetings.

1.2 This Regulation may be amended at an ordinary Shareholders' Meeting by the majorities laid down in law.

## **CHAPTER II**

### **Constitution – Chairing – Opening the meeting**

#### **Article 2**

2.1. Parties entitled to do so in accordance with the law and the By-Laws may attend Shareholders' Meetings.

2.2. Proxies are entitled to attend and vote at Shareholders' Meetings provided the Company has received the proxy forms, completed in accordance with current legislation. Each person entitled to vote may be represented at Shareholders' Meetings by a proxy appointed in writing or electronically in accordance with current legislation. A proxy may be appointed electronically by certified e-mail, in accordance with the procedures indicated in the notice of the meeting.

2.3. Members of the Board of Directors, Statutory Auditors, the General Manager(s) and Senior Executives are automatically entitled to attend Shareholders' Meetings.

2.4. The employees of the Company and of the Insurance Group to which the same belongs, the consultants, the representatives of the firm entrusted with auditing the company's accounts and other parties whose presence is deemed by the Chairman to be useful for the purposes of the items to be discussed may attend the Shareholders' Meetings, with the assent of the Chairman.

2.5. Experts, financial analysts and accredited journalists may attend Shareholders' Meetings, with the consent of and in accordance with the procedures laid down by the Chairman.

2.6. Unless otherwise indicated in the notice of the meeting, the work of accreditation, which is carried out by staff charged by the Company with doing so and consists of checking the identity and the entitlement of those who intend to speak at or attend the Shareholders' Meeting, begins at the venue for the meeting at least an hour before business is due to start.

2.7. The Chairman, also on the recommendation of its support staff and with the assistance of the Secretary or other staff appointed for that purpose, assesses the identity and eligibility to attend the Meeting of those present and resolves any disputes related thereto.

2.8. Participants who intend to leave the room where the shareholders' meeting is being held after the accreditation process must inform the staff concerned.

### **Article 3**

3.1. The Chairman is helped to keep order by staff specifically charged with the task and issued with signs of identification.

3.2. Unless the Chairman decides otherwise, no cameras nor audio and/or video recording equipment of any kind may be used on the premises where the meeting is held nor where it is possible to attend the meeting.

### **Article 4**

4.1. At the time stated in the notice of the meeting, the Chairman of the Board of Directors or, in his absence, the person specified in the By-Laws, takes the chair for the Shareholders' Meeting.

4.2. It is the Chairman's responsibility to conduct the business of the meeting and ensure that it is carried out in an orderly manner.

4.3. The Chairman is assisted by the Secretary of the Board of Directors or, in his/her absence or impediment, by a person, who may not be a shareholder, appointed by the Shareholders' Meeting on the proposal of the Chairman. When so required by law, or when it is deemed appropriate by the Chairman of the Shareholders' Meeting, the minutes are drawn up by a notary public appointed by the same Chairman, in which case it becomes unnecessary to appoint a secretary. The Shareholders' Meeting resolutions must be recorded in the minutes signed by the Chairman and by a notary or secretary.

4.4. The Chairman may call on the assistance of the people referred to in Article 2.3. and Article 2.5 above to provide details of the topics on the agenda and the relative motions and to respond to questions and comments.

### **Article 5**

The Chairman announces the number of shareholders entitled to vote and the number of shares and the amount of equity represented and checks that the Shareholders' Meeting is properly constituted, in which case he declares the meeting open for business.

## **CHAPTER III**

### **Discussion**

### **Article 6**

The Chairman governs the conduct of the meeting and the procedures for discussion, ensuring the conduct of a proper debate.

## **Article 7**

7.1. The Chairman and, at his invitation, those who are assisting him, provide details of the items on the agenda. Provided that the Shareholders' Meeting does not object, the Chairman may introduce the items for discussion in a different order from that in the notice of the meeting or rule that all the items on the agenda be taken for discussion together.

7.2. Unless the Chairman deems it appropriate or an express request to such intent has been approved by the Shareholders' Meeting, the documentation that the Company has previously made available to interested parties is not read out, as indicated in the notice of the meeting.

## **Article 8**

8.1. During the Shareholders' Meeting each person entitled to vote may speak on each of the topics for discussion, make observations and draw up proposals.

8.2. Contributions must be clear, relevant to the items on the agenda and comply with the time limits laid down by the Chairman in accordance with Article 11 below.

8.3. Those wishing to speak must apply to the Chairman – after the items on the agenda have been read out and until the Chairman has closed the discussion on the item to which the request to speak relates – by presenting a request to speak to the staff responsible indicating which item the request relates to.

8.4. The Chairman chairs the debate and gives the floor to those who have asked to speak in the order in which the requests were made, or, if several requests are submitted at the same time, in alphabetical order by surname.

8.5. The Chairman may allow requests to speak to be made by raising a hand, in which case he gives the floor to speakers in alphabetical order by surname.

8.6. The members of the Board of Directors, Statutory Auditors, the General Manager(s) may ask to speak.

## **Article 9**

9.1. Members and any other party entitled to vote, even if not a Member, may also put questions on the items on the agenda in advance of the Shareholders' Meeting, in accordance with the procedures indicated in the notice of the meeting. Responses to questions received before the Shareholders' Meeting are given during the Meeting at the latest. The Company may provide a single response to questions with the same content.

9.2. The notice of the meeting indicates the period within which any questions raised before the meeting should be received by the Company. The period may not expire before three days prior to the date of the Shareholders' Meeting on first call, or five days if the notice of the meeting states that the Company should, prior to the Shareholders' Meeting, provide a response to the questions received. In such case, the

answers are given at least two days prior to the Shareholders' Meeting also by means of publication in a special section of the Company's website.

#### **Article 10**

The Chairman or, at his invitation, those who are assisting him, respond to questions received before the Shareholders' Meeting to which the Company has not already responded and to those put by speakers, immediately or when everyone has had a chance to speak on the item concerned.

#### **Article 11**

11.1. Bearing in mind the purpose and importance of each item on the agenda and of the number of requests to speak and of any questions put in advance of the Shareholders' Meeting to which the Company has not already responded, the Chairman sets a time limit for speakers and for responses – normally not less than ten minutes for speakers and five for responses.

#### **Article 12**

12.1. The business of the Shareholders' Meeting is usually carried out in a single session, during which the Chairman may suspend proceedings for a period not exceeding three hours if he deems it appropriate and the Meeting does not object.

12.2. The Chairman may adjourn the session for a maximum of five days in the case provided for in Article 2374 of the Civil Code and in any other case in which he deems it appropriate and the Shareholders' Meeting does not object. At the same time, he fixes the day and time for the new meeting to continue proceedings.

#### **Article 13**

13.1. In order to ensure that the business of the meeting is properly conducted the Chairman may interrupt the speaker in the following cases: - if the speaker speaks without being entitled to or continues to speak after the time limit fixed by the Chairman has expired; - subject to a warning, if it is obvious that what the speaker is saying is not relevant to the item under discussion; - subject to a warning, if speakers are repetitive, there is a disturbance or others are prevented from speaking; - if the speaker speaks or behaves in an unseemly, offensive or immoral manner.

13.2. A speaker who is interrupted may ask that the Chairman's ruling be put to the Shareholders' Meeting.

#### **Article 14**

14.1. If one or more of those entitled to speak prevents others from speaking or their behaviour causes a situation that prevents the Shareholders' Meeting from being conducted in a proper fashion, the Chairman reminds them to observe the Regulation. If the warning is not heeded, the Chairman excludes those admonished from the room where the shareholders' meeting is taking place for the entire discussion.

14.2. If anything happens to prevent discussion, the Chairman may suspend the meeting for a short time.

#### **Article 15**

Once all the speakers have finished, the Chairman declares the discussion closed.

### **CHAPTER IV**

#### **Voting procedure**

#### **Article 16**

16.1. Before proceeding to the vote the Chairman allows those excluded under Article 14 to return to the Meeting.

16.2. The provisions of Article 13 and Article 14 of this Regulation may also be adopted at the voting stage if necessary.

#### **Article 17**

17.1 The Chairman takes appropriate measures for the orderly conduct of the voting procedures and orders that the vote on each item should be cast after the end of the relevant discussion, or after all the items have been dealt with.

17.2 When several resolutions in respect of the same topic are proposed, the Chairman may, if deemed appropriate, submit them to a vote as an alternative to each other, establishing the order thereof. In this case, those who have voted in favor of one of the resolutions may not also vote for the other. The resolution that has received the majority required by law and by the by-laws will be the one approved. Should it occur that one of the resolutions reaches such a majority during the voting procedures, it will not be necessary to vote on further resolutions.

#### **Article 18**

The Chairman, ensuring that open voting is carried out shall determine the voting system, for example:

- by signing a voting slip;
- by a show of hands;
- by standing up and sitting down;
- by using appropriate electronic equipment,

and decides on the system of recording and counting votes, if appropriate setting a deadline by which votes must be cast.

#### **Article 19**

Once all the voting operations have been performed, the Chairman establishes and announces the results thereof. The outcome of such assessments must be recorded in the minutes of meeting.

#### **Article 20**

Once the Agenda has been concluded, the Chairman declares the meeting closed.

### **CHAPTER V**

#### **Final provisions**

#### **Article 21**

Anything not covered in this Regulation is governed by legislation and the by-laws.

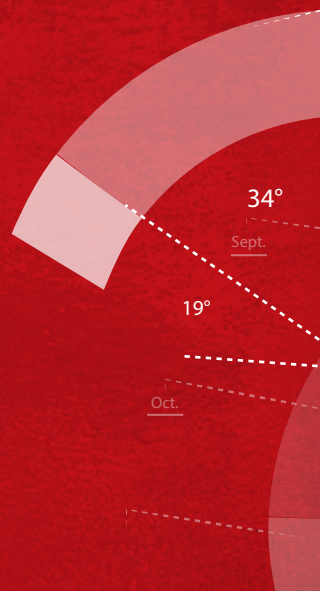
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