





UnipolSai Assicurazioni

**Annual report on  
corporate governance  
and on ownership  
structures for the  
financial year**

 **2019**

Bologna, 2 April 2020

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## Definitions

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

<p><b>Appointed Director:</b> the Director appointed by the Board of Directors to oversee the operation of the internal control and risk management system.</p> <hr/> <p><b>Integrated Consolidated Financial Statements for the Unipol Group:</b> document prepared by the Unipol Group S.p.A. that supplements, on a consolidated basis for the Unipol Group, the financial results with sustainability results, drawn up according to the contents of the International Integrated Reporting Framework, issued by the International Integrated Reporting Council (IRCC) in September 2015.</p> <hr/> <p><b>Holding Company, Parent Company, Unipol Gruppo or Unipol:</b> Unipol Gruppo S.p.A., parent company of the Unipol Group.</p> <hr/> <p><b>Private Insurance Code, CAP:</b> Legislative Decree no. 209 of 7 February 2005 with subsequent amendments.</p> <hr/> <p><b>Code of Conduct, Code:</b> the Code of Conduct for listed companies approved in March 2006, as amended, in July 2018, by the Committee for Corporate Governance, promoted by Borsa Italiana S.p.A. and available on the website of the latter <a href="http://www.borsaitaliana.it">www.borsaitaliana.it</a>.</p> <hr/> <p><b>Board of Statutory Auditors:</b> the controlling body of the Company.</p> <hr/>	<p><b>Company, UnipolSai:</b> UnipolSai Assicurazioni S.p.A.</p> <hr/> <p><b>Borsa Italiana Committee:</b> Italian Committee for the Corporate Governance, promoted by ABI, ANIA, Assonime, Confindustria, Assogestioni and Borsa Italiana.</p> <hr/> <p><b>Board of Directors, the Board:</b> the administrative body of the Company.</p> <hr/> <p><b>Guidelines on Corporate Governance, Guidelines:</b> The guidelines for the development of the corporate governance systems for the companies of the Group, defined and approved, pursuant to IVASS Regulation 38 (as defined below), by the Board of Directors of Unipol, most recently, on 19 December 2019 and adopted on the same date by the administrative body of UnipolSai.</p> <hr/> <p><b>Financial Reporting Officer:</b> Manager charged with preparing a company's financial reports, pursuant to Art. 154-bis of the Consolidated Law on Finance.</p> <hr/> <p><b>Financial year, Year:</b> the financial year ended 31 December 2019.</p> <hr/> <p><b>ESG:</b> <i>Environmental, Social and Governance</i></p> <hr/> <p><b>Key functions:</b></p>	<p>the Audit, Compliance, Risk Management and Actuarial functions of the Company.</p> <hr/> <p><b>Group, Unipol Group:</b> Unipol Gruppo S.p.A., and the companies directly and indirectly controlled by this, pursuant to Art. 2359 of the Italian Civil Code.</p> <hr/> <p><b>Insurance Group:</b> Unipol Insurance Group registered in the Register of parent companies pursuant to Art. 210-ter of the Private Insurance Code, in the composition resulting from this Register.</p> <hr/> <p><b>Instructions to Stock Exchange Regulations:</b> the Instructions to the Regulations of Markets organized and managed by Borsa Italiana S.p.A.</p> <hr/> <p><b>IVASS or Authority:</b> the Insurance Sector Regulator.</p> <hr/> <p><b>Plan, Business Plan, 2019-2021 Business Plan:</b> the Business Plan for the 2019-2021 three-year period approved on 9 May 2019 by the Board of Directors of UnipolSai.</p> <hr/> <p><b>Shareholders' Meetings Regulation:</b> regulation approved by the Shareholders' Meeting, aimed at regulating the orderly and efficient conduct of General Meetings, ordinary and extraordinary.</p> <hr/> <p><b>Issuer's Regulations:</b> the Regulations on issuers published by CONSOB by way of Resolution No. 11971 of 1999, with subsequent amendments.</p> <hr/> <p><b>IVASS Regulation 38:</b> IVASS Regulation no. 38 of 3 July 2018 containing the provisions concerning the system of governance.</p> <hr/>
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**Market Regulation:**

regulation on markets issued by CONSOB with Resolution no. 16191 of 2007, with subsequent amendments, most recently made with CONSOB Resolution no. 20249 of 28 December 2017.

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**Report:**

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

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**Company's website:**

[www.unipolsai.com](http://www.unipolsai.com)

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**Subsidiaries:**

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

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**Solvency II:**

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

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**Consolidated Law on Finance:**

Legislative Decree no. 58 of 24 February 1998 with subsequent amendments.

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## Introduction

In accordance with current legal and regulatory provisions also on the subject of reporting on compliance with codes of conduct, this Report aims to provide a periodical and analytical explanation of the system of governance and the ownership structures of UnipolSai.

In particular, the information contained in the Report is drafted in compliance with the provisions of Art. 123-bis of the Consolidated Law on Finance and on the basis of the provisions of the Code of Conduct, specifically the latest version updated in July 2018<sup>1</sup> *and to which the Company adheres; it also takes into account, as necessary, the contents of the 7th Annual Report on the application of the Code of Conduct approved by the Committee for Corporate Governance of Borsa Italiana.*

The Report includes an introductory part describing, among other things, the profile of the Company and the Unipol Group, the management and control system adopted as well as the actions undertaken by the Company in terms of environmental, social and governance impact.

Part One contains the main information on the ownership structures and, in particular, on the structure of share capital and share ownership.

Part Two provides detailed information on, inter alia, the composition and functioning of the corporate bodies and the governance practices effectively applied by UnipolSai.

Lastly, Part Three is dedicated to the description of the internal control and risk management system, as well as to the Procedure relating to transactions with related parties, the Internal Dealing Procedure and the processing of privileged information.

The Report concludes with the Attachments containing the Tables drawn up in compliance with the requirements of the Code of Conduct.

In order to facilitate the representation of that contained in the Report, in addition to the Index, each Section reports the titles of the topics treated therein.

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

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

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<sup>1</sup> (available on the Borsa Italiana S.p.A. website, in the Committee for Corporate Governance section under page <http://www.borsaitaliana.it/comitato-corporate-governance/codice/2018clean.pdf>)

## Issuer

### Company Profile

UnipolSai is a company with shares listed on the Computerized Stock Market managed by Borsa Italiana S.p.A. and, until 4 December 2019, part of the FTSE-MIB index.

The Company is controlled by Unipol Gruppo, pursuant to Art. 2359, paragraph 1 of the Italian Civil Code and is part of the Unipol Insurance Group. As such, it is required to comply with the resolutions that the Parent Company adopts to implement the decisions and instructions imposed by the Supervisory Authority in the interest of the stable and efficient operation of the Group.

UnipolSai is a multi-branch insurance company part of the Unipol Group, operating in the following areas:

- a) insurance, divided into the following sectors:
  - Non-Life and Life;
  - bank-insurance;
- b) real estate;
- c) other activities (including, among others, the financial, hospitality, medical and agricultural sectors).

During the year, the Board of Directors of the Company approved, and disclosed to the public, the 2019-2021 Business Plan, which aims at reinforcing the leadership of the Company and the Unipol Group, laying the foundations to confirm its leadership position even beyond the horizon of the Plan.

The Business Plan has the objective of strengthening the leadership of UnipolSai in the reference three-year period, establishing the basis for confirming its leadership position even beyond the horizon of the Plan.

UnipolSai is a leader in the Italian insurance sector, with 16 million customers and a market share of 25% in MV TPL and 23% in the Health business. The Company and the Group have developed and implemented, over time, strategies that have made it possible to create value and build their distinctive assets, such as:

- the widespread nature and professionalism of the top distribution network in Italy, with more than 8,000 points of sale and 30,000 people on its sales force, which relies on a Company/Agent Supplementary Agreement based on a unique partnership approach in the insurance sector (“Patto UnipolSai 2.0”);
- the quality and speed of the settlement model with absolutely excellent customer compensation timing;
- the use of telematics and data as a distinctive element of customer service in terms of the offering, the efficiency of settlement processes and the evolution of pricing models.

The strategic framework defined with the Business Plan calls for an evolution from an insurance leader to a leader of mobility, welfare and property ecosystems.

By leveraging its distinctive assets, the Plan is structured based on five strategic areas:

- 1) “Evolution of technical excellence”, to guarantee business profitability by continuously seeking out increasingly advanced levels of excellence, exploiting technical and technological leadership in the areas of pricing, risk selection and settlement capacity;
- 2) “Evolution of distribution excellence”, by leveraging the UnipolSai brand as a service leader, increasing the frequency and effectiveness of contact with customers, maximising the commercial effectiveness of the top

Italian insurance network with new professional figures, the integrated support of remote channels and Bancassurance and Partnership development;

- 3) "Beyond insurance", with the aim of becoming the point of reference, not only in insurance, for private mobility, welfare and property needs, offering customers an ecosystem of skills and assets integrated at Group level;
- 4) "People and Technology", with investments to boost the speed of the evolution of the operating model oriented towards simplification and efficiency;
- 5) "Shared value and sustainable development", to create shared value for the Group and for its stakeholders and contribute to reaching the Sustainable Development Goals (SDG) by reducing underinsurance and developing products and services that increase the security, resilience and sustainability of people, companies, cities and territories.

During the year, the Unipol Group also continued its review of the holding structures, aimed to achieve greater efficiency and effectiveness while respecting the prerogatives of the different companies and their specificity in terms of positioning of their business. In this context, we note that the following transactions, all effective from 1 February 2020, were completed:

- the merger by incorporation of Pronto Assistance S.p.A. into UnipolSai;
- the full spin-off of Ambra Property S.r.l. to UnipolSai, UNA S.p.A. Group and MIDI S.r.l.;
- the partial spin-off of Casa di Cura Villa Donatello S.p.A. ("Villa Donatello") to UnipolSai, as well as the total spin-off of Villa Ragionieri S.r.l. to UnipolSai and Villa Donatello.

The documentation on these transactions can be found on the website of the Company, in the section <http://www.unipolsai.com/it/governance/operazioni-straordinarie/scissioni-con-controllate> and <http://www.unipolsai.com/it/governance/operazioni-societarie/fusioni-con-controllate>

The year also saw the proportional partial spin-off of Unisalute Servizi S.r.l., controlled indirectly by UnipolSai through UniSalute S.p.A., in favour of a newly established company with the name Centri Medici Dyadea S.r.l., which operates in the management of specialist health centres, and was later bought by UnipolSai.

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

## The governance system

UnipolSai has chosen to adopt a "traditional" management and control system, which envisages the presence of a Board of Directors (which works with the support of the Board Committees, with consultative and propositional functions) and with a Board of Statutory Auditors with control functions on the administration, both appointed by the shareholders. The regulatory audit is entrusted to an auditing firm registered in the appropriate register, appointed by the Shareholders' Meeting following a reasoned proposal by the Board of Statutory Auditors.

The Board of Directors has adopted a governance structure which calls for:

- delaying the appointment of an Executive Committee and a Chief Executive Officer, as such appointments were not currently deemed necessary;

- the appointment of a General Manager, with the appropriate functions and powers, responsible for the operational guidance of the Company.

The year saw the definition and approval of the Group Corporate Governance Guidelines, articulated – with reference to the different companies of the Group – according to the principle of proportionality; these represent the relevant principles, laid out by the Board of Directors of the Parent Company, which must be used as the wider self-regulation framework for the aspects of the corporate governance system, such as the organisational structure (with a clear distinction of roles and responsibilities), the appropriate balancing of powers, the effectiveness of the internal control and risk management systems, the presence of suitable information flows. The administrative body of UnipolSai has adopted the above-mentioned Directives insofar as the Company is responsible.

In the context of the governance and the internal control and risk management system, a few internal committees were established by the Board of Directors, or by the General Manager, mainly consisting of the Heads of the Top Management of UnipolSai, with functions of support to the General Manager in the implementation and supervision of the policies of direction, coordination and operational strategy specified by the Board of Directors.

The role and powers of the above bodies are discussed below in the Report.

## UnipolSai and sustainability

Sustainability is a driver of decisions which is integrated in all business decisions, starting from the definition of its identity as well as governance and management of all activities, ranging from commercial to staff, relationships with suppliers and those with the community.

Ever since in 2010 the Unipol Group has pursued the integration of sustainability into the strategic planning processes and assets.

In 2019, the activity of the Sustainability Function of the Group has focused on the contribution to the process of implementation of the 2019-2021 Business Plan, developed according to an integrated approach, and on the identification and adoption of control systems for the environmental, social and governance risks in the context of the different business activities.

In this context, in particular, said Plan provides for the integration of the sustainability within its strategic guidelines, in terms of shared value creation and sustainable development. The lens of the objectives of sustainable development and shared value of the United Nations 2030 Agenda was also used to identify and guide the proposals for action that have contributed to the specification of the Plan; specific actions were also identified for the development of “sustainable” services and products. To make even more effective the adoption of the “integrated approach”, we chose to adopt, together with the economic-financial targets, also sustainability targets.

The Company and the Group have identified the three sustainable development targets (Sustainable Development Goals, “SDGs”) of the United Nations 2030 Agenda to which they are undertaking to contribute as a priority, and namely: Goal 3 (for the right to health and well-being), Goal 8 (to ensure decent work and economic growth), and, lastly, Goal 11 (for sustainable cities and communities). Quantitative sustainability objectives were also adopted, with a commitment to increase the investments supporting the achievement of the SDGs by more than 80%, to increase bonuses for the sale of products with a social and environmental impact until they represent 30% of the corresponding product families, and to maintain a reputational performance above the average of the financial-insurance sector.

The last objectives also contributes *pro quota* to the payment of the long-term incentive for the Managers of UnipolSai and the Subsidiaries for the reference three-year period, 2019-2021, contributing to maintaining a high level of control on this key asset.

In order to correctly guide the management of the Company, the Board of Directors has adopted the Group Policy on Sustainability (the "Sustainability Policy"), which lays out the strategies and objectives for the management of risks related to ESG issues believed to be "material", according to the "materiality matrix", which is enclosed with this Policy, as well as being published in the Integrated Consolidated Report of the Unipol Group. In particular, the materiality matrix is implemented through a structured process of analysis, carried out every three years at the time of the approval of the Business Plan; this process provides for the involvement of the main stakeholders and the entire management of the Company and the Group and is aimed at identifying the significant economic, social and environmental issues that may result from the activities of the Company and that, by affecting the expectations, decisions and actions of the stakeholders, they perceive to be relevant.

Through the materiality analysis, also with the involvement of the stakeholders, some issues were identified on which concrete actions and consistent initiatives shall be developed. The issues identified are the result of the analysis of the global context, the main competitors and companies of other sectors with relevant experience in the area of corporate responsibility, as well as of the discussion with the top management of the Company as well as with some external parties, selected for their knowledge of the insurance sector or for their ability to provide authoritative and innovative points of view.

Among the other commitments articulated in the Sustainability Policy – which is reviewed and, if necessary, amended at least once a year – there is an explicit commitment to the "Integration of sustainability in processes".

The identification of the control guidelines for the ESG risks provided in the Policy in question is then applied in all business policies, to guarantee the thoroughness and a suitable level of integration of a thorough and, precisely, integrated control.

The ESG risks to which the Company is exposed were also identified in the Group Risk Management Policy, with the involvement of the Control and Risk Committee.

The correct implementation of all these policies is also guaranteed by the "ESG Task Force", a Group cross-functional committee created with the objectives of increasing the risk awareness and culture in the organisation as well as of implementing a single model of assessment in the different business areas, involving for this purpose all corporate functions.

To support the achievement of the Agenda 2030 targets, the UnipolSaiEnergia product was introduced into the market, for the protection of alternative energy producers, in addition to Environmental Damage cover for the protection of the ecosphere, and that dedicated to the Third Sector, to support its growth and consolidation.

To contribute to achieving the COP21 objectives on climate change, in the real estate sector the Company has further reinforced its commitment to minimising the environmental impact of its investments, by signing the "Paris Pledge Act" to reduce the emissions from its real estate for business use and other real estate, extend the ISO 50001 certification to new buildings and once again include the objective of reducing emissions by employee in the new Three-Year Plan. Lastly, please note that within real estate development, the Company is committed to renovating abandoned properties with inclusive urban renewal projects focused on green building through the "Urban Up" project.

The journey which began in 2019 has increasingly combined the commitment to sustainable management with business sustainability, as demonstrated by the achievement by the UnipolSai security of the ESG EE+ rating, with a stable outlook, issued by Standard Ethics, which places it amongst the most virtuous in the country.

The administrative body of UnipolSai approves once a year the Sustainability Report, which covers environmental and social matters, issues concerning personnel, respect for human rights and the fight against corruption believed to be relevant given the activities and characteristics of the Company and which are discussed to the extent needed to ensure the understanding of the activities, its performance, results and impact. The significance of the issues is established through the materiality analysis already mentioned.

The Board of Directors of the Parent Company has also established a Sustainability Committee, which analyses and assesses the strategic set-up, the identification and management of ESG risks, the sustainability actions and initiatives, as well as the reporting tools.

As said before, in the context of the 2019 remuneration policies of the Management of UnipolSai and the Subsidiaries, a first sustainability parameter was added in the calculation of the long-term remuneration, with the introduction of the objective of maintaining the reputation index – as calculated in the context of the “Reputation Management” Project of the Group, carried out with the support of Reputation Institute – above the market average, as an indicator of the overall correct management with regard to all stakeholders.

Significant contribution to the development of the sustainability strategy of Unipol also comes from the projects and activities carried out by the Fondazione UNIPOLIS, the corporate foundation of the Unipol Group, of which UnipolSai is a participating member.

Lastly, the Company has adopted the Group’s Charter of Values and Code of Ethics, described in detail below in the Report.

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

In line with previous years, in December 2019, with the aim of encouraging an increasingly conscious application of the Code, the Borsa Italiana Committee sent its Annual Report on the application of the Code of Conduct and a letter with its recommendations to the Chairmen of the administrative and control bodies of all listed companies, highlighting the activities carried out and the main areas for improvement identified, which were then brought to the attention of the Directors and the Statutory Auditors of the Company.

The Nomination and Corporate Governance Committee analysed the main areas for improvement highlighted by the Borsa Italiana Committee, assessing in relation to them and for what falls under its own competencies, the alignment of the governance system adopted by the Company with the Report itself.

In particular, the main areas identified in 2019 by the Borsa Italiana Committee, based on which the latter asked the board of directors of issuers (but also the boards of statutory auditors, insofar as they are responsible) for better and more substantial application of the best practices recommended by the Code, are as follows:

- the management of the sustainability issues of the corporate activities;
- the quality of the information provided to the Board of Directors;
- the concrete and full application of the independence criteria recommended by the Code;
- the verification of the suitability of the remuneration awarded to non-executive directors and members of the control body with respect to the skills, professionalism and commitment demanded by their office.

Referring to what was said above on the management of the sustainability issues of corporate activities, for each of these other areas, we note that:

#### Quality of the information provided to the Board of Directors

The issue is discussed more extensively in Section II, Ch. 5, Par. 1, to which we refer.

#### Application of the independence criteria recommended by the Code

The Borsa Italiana Committee invites the administration bodies to apply more rigorously the independence criteria set by the Code and the control bodies to monitor the correct application of these criteria. The Borsa Italiana Committee, besides confirming the exceptionality and the necessary individual justification – therefore related to the actual case of the individual director – of the derogation to any independence criteria recommended by the Code, invites the issuers to give more attention to the assessment of the significance of the relations assessed. For this purpose, the Borsa Italiana Committee invites the administration bodies to specify *ex ante* the quantitative and/or qualitative criteria to be used to assess the significance of the relations in question.

In this regard, please note that the administrative body of the Company has never disregarded any of the independence criteria set forth in the Code.

In addition, the *Fit&Proper Policy* approved by the Board of Directors provides additional substantive criteria with respect to those specified by the Code, to assess the independence of the members of this body: pursuant to this policy, in order to evaluate whether a Director meets the independence requirement, it is necessary to consider also the annual fee for any services provided to the Company and/or its subsidiaries, where this exceeds 5% of the annual sales of the company or the entity of which the Director has control or is a significant figure or professional practice or consulting company of which he or she is partner or shareholder or, in any case, in excess of the amount of €200,000.

#### Remuneration of non-executive directors and members of the control body

With regard to the remuneration of non-executive directors and members of the control body, the Borsa Italiana Committee has recommended to the Boards of Directors to verify that the extent of the remuneration awarded to these parties is suited to the skills, professionalism and commitment demanded by their office. In this regard, we note that the remuneration of the non-executive directors and members of the control bodies of the Company may be considered basically in line with the average recorded with reference to Italian listed companies included in the FTSE-MIB index, of which - as noted previously - UnipolSai was part until 4 December 2019.

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# 1

## PART I INFORMATION ON OWNERSHIP STRUCTURE

Share capital structure

Shareholder base

Other information

## Section I

### Information on ownership structures

(Section drafted also pursuant to Art. 123-bis of Consolidated Law on Finance)

#### 1. Share capital structure

##### 1.1 Composition

At the date of the 31 December 2019 and of this Report, UnipolSai's share capital, fully subscribed and paid up, amounts to Euro 2,031,456,338.00, divided into 2,829,717,372 ordinary registered shares all without nominal value.

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

This composition is summarised in the following table:

Type and name of shares	No. Shares	Market
UnipolSai ordinary shares	2,829,717,372	MTA

##### 1.2 Rights of classes of shares

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

##### 1.3 Power to increase share capital and authorisations to buy back treasury shares and shares of the Parent Company

###### 1.3.1 Powers to increase share capital

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

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

The ordinary Shareholders' Meeting called on 17 April 2019 authorised the purchase and sale of treasury shares pursuant to Arts. 2357 and 2357-ter of the Italian Civil Code, as well as of shares of the Parent Company (the "Unipol Shares"), for a period of 18 months from the Shareholders' Meeting resolution.

At the date of this Report, the Company holds in its portfolio treasury shares and shares of Unipol.

In particular, the Company holds a total of 3,190,047 treasury shares (equal to 0.113% of the share capital), of which 2,804,643 directly and 385,404 indirectly, through the following subsidiaries:

- Arca Vita S.p.A., for 23,010 shares;
- Alfaevolution Technology S.p.A., for 2,891 shares;
- Gruppo UNA S.p.A., for 33,900 shares;
- Leithà S.r.l., for 32,479 shares;
- SIAT S.p.A., for 109,675 shares;
- Unisalute S.p.A., for 90,222 shares;
- UnipolSai Servizi Consortili S.c.r.l. for 93,227 shares.

The main changes that took place during the year regarded:

- the sale in the market of 344,312 UnipolSai shares by Pronto Assistance S.p.A.;
- the sale of 38,454,775 UnipolSai shares by the subsidiary Unipol Finance S.r.l. to the associate Unipol Finance S.r.l., a direct subsidiary of Unipol;
- the sale of 9,443,258 UnipolSai shares by the subsidiary UnipolSai Nederland B.V. to the above-mentioned Unipol Finance;
- the purchase of UnipolSai shares by the Company itself (1,200,000 shares), AlfaEvolution Technology (8,000 shares), UNA Group (46,000 shares), Leithà (3,500 shares), SIAT (37,000 shares), UnipolSai Servizi Consortili (31,000 shares) and Unisalute (18,500 shares), for the performance share type compensation plan based on financial instruments for Managers of the Unipol Group companies for the 2016-2018 three-year period (the "2016-2018 Plan");
- assignment on 25 April 2019 of 1,995,357 UnipolSai shares to its Managers in execution of the 2016-2018 Plan.

In 2020, as of the date of this Report, the Company acquired 1,800,000 treasury shares in the context of the 2016-2018 Plan and the performance share type compensation plan based on financial instruments for Managers of the Unipol Group companies for the three-year period 2019-2021, approved by the Shareholders' Meeting of the Company on 17 April 2019 (the "2019-2021 Plan" and together with the 2016-2018 Plan, the "Plans").

Regarding the shares of the Parent Company, at the date of this Report, UnipolSai holds 1,540,221 Unipol ordinary shares (equal to 0.215% of the capital):

In particular, changes concerned:

- during 2019, on the one hand, the purchase of 440,000 Unipol Shares in the context of the 2016-2018 Plan and, on the other, the allocation of 1,089,778 Unipol Shares to the managers of the Company to implement the Plan;
- during the current year, the purchase of 1,000,000 Unipol Shares in the context of the Plans.

Given that the above-mentioned authorisations will expire on 17 October 2020, the Board of Directors on 19 March 2020 voted to propose their renewal at the Shareholders' Meeting called to approve the 2019 financial statements, for an additional period of 18 months.

Specifically, the authorisation to buy and sell treasury shares, in the interests of the Company and in compliance with applicable regulations and accepted market practices, has the following objectives:

- to use the treasury shares for their allocation for the purposes of the compensation plan based on financial instruments, pursuant to Art. 114-bis of the Consolidated Law on Finance;

- to intervene, directly or through intermediaries, to promote the smooth conduct of trading, against distortions due to an excessive volatility or insufficient market liquidity;
- to take the opportunity to maximise the value that can be derived from market trends - and thus also by pursuing trading objectives - or connected with any strategic transactions of interest for the Company;
- to use treasury shares as an investment object for the efficient use of the liquidity generated by the core activity of the Company;
- to use these shares to ensure, if necessary, the overall consistency of transactions that create the need to place fractional shares of the capital of the Company.

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

- to use the shares of the holding company for their allocation in execution of the compensation plan based on financial instruments, pursuant to Art. 114-bis of the Consolidated Law on Finance;
- to take the opportunity to maximise the value that can be derived from market trends - and thus also by pursuing trading objectives - or connected with any strategic transactions of interest for the Company;
- use these actions as an investment object for the efficient use of the liquidity generated by the core activity of the Company.

The proposal put forward by the Board of Directors to the Shareholders' Meeting of 29 April 2020 provides for the purchase and sale of treasury shares and Unipol shares in the quantities and with the procedures set out below:

- (i) the purchase may be carried out up to the maximum amounts permitted by law, in the manner provided for by Art. 132 of the Consolidated Law on Finance and Art. 144-bis, paragraph 1, letters a), b), c) and d-ter) and paragraph 1-bis of the Issuers' Regulation, as well as by any other regulatory national and European provision, where applicable;
- (ii) the disposal may be made in the manner permitted by currently applicable law, including by carrying out, one or more times, subsequent purchases and sales, until the expiry of the term of the authorisation. In particular, the shares purchased in the context of the above mentioned Plans may be assigned and attributed in the manner and within the terms stated in the regulations of the Plans;
- (iii) the purchase and disposal may be carried out at a price of no more than 15% and no less than 15% of the reference price recorded by the respective securities on the trading day prior to the date of each transaction, and in any case in compliance with the maximum limit of Euro 100 million expenditure for treasury shares and Euro 100 million for the Unipol Shares. 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.

#### **1.4 Share transfer restrictions, limits on possession and approval clauses**

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



## 2. Shareholder base

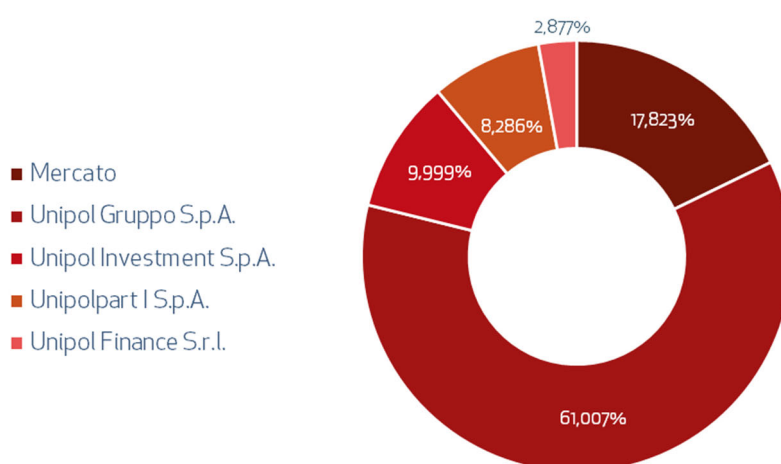
The total number of Shareholders of UnipolSai, as shown by the Register of Shareholders at the date of this Report, is approximately 45 thousand.

### 2.1 Relevant shareholdings in the share capital

On the basis of the entries in the Register of Shareholders, the communications received pursuant to the statutory requirements and other information available at the date of 31 March 2020, the Shareholders who directly, indirectly or through an intermediary or trust companies, have holdings exceeding 1% of the share capital with voting rights are shown in the following table:

Declarant	Direct shareholder	% held
Unipol Gruppo S.p.A.		82.177
	Unipol Gruppo S.p.A.	61.007
	Unipol Investment S.p.A.	9.999
	Unipolpart I S.p.A.	8.286
	Unipol Finance S.r.l.	2.877

### Main shareholders of UnipolSai Assicurazioni at 31 March 2020



### 2.2 Special control rights

No securities conferring special control rights have been issued.

### **2.3 Mechanism for the exercise of voting rights in the system of employee shareholding**

There is no system of employee shareholding.

### **2.4 Restrictions on voting rights**

There are no restrictions on voting rights, it being understood that the UnipolSai treasury shares and those held by Subsidiaries are deprived by law of this right.

### **2.5 Agreements between Shareholders**

The excerpt of the agreement between Unipol and the incorporated Premafin HP S.p.A., concluded on 29 January 2012 (as subsequently amended) was published in the Italian press most recently on 27 June 2012; the description of the essential elements of the agreement can be found on the CONSOB website in the section about the Company.

### **2.6 Change of control clauses**

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

As of the date of this Report, there are no lending agreements containing change of control clauses.

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

### **2.7 Controlling entity and co-ordination and direction activities**

The Company is controlled pursuant to Art. 2359, Paragraph 1:1 of the Italian Civil Code, by Unipol Gruppo S.p.A., which - as of the date of this Report - holds, directly and indirectly, a stake equal to roughly 82.122% of the ordinary share capital.

Pursuant to Art. 2497 et seq. of the Italian Civil Code, as from 14 November 2012 Unipol exercises direction and coordination over UnipolSai and the subsidiaries of the latter.

Also with effect from 14 November 2012, UnipolSai has become part of the Unipol Insurance Group, headed by Unipol, entered under no. 46 in the Register of Parent Companies as set forth in Art. 210-ter of the Private Insurance Code and IVASS Regulation no. 22 of 1 June 2016.

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



Subsequent to the Spin-off, some of the aforementioned beneficiary companies merged by incorporation with their respective parent companies, which therefore adhere directly to the Shareholders' Agreement.

Lastly, from 15 December 2017, following the Spin-off mentioned above, Unipol became, for all intents and purposes, the "ultimate Italian holding company" pursuant to the provisions set forth in the Private Insurance Code and the relative implementing provisions, maintaining the role of Parent Company of the Unipol Insurance Group.

### **3. Other Information**

#### **3.1 Compensation of Directors**

There are no agreements between the Company and the Directors providing for compensation in the event of resignation, revocation of mandate/appointment or cessation of this following a takeover bid. Similarly, there are no agreements providing for the assignment, or the maintenance, of non-monetary benefits for persons who have ceased their position or the conclusion of consulting contracts for a period subsequent to the termination or compensation for non-compete obligations, nor are there, finally, plans for the succession of Directors.

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

#### **3.2 Rules concerning the operation of the Shareholders' Meeting**

The call and operation of the Shareholders' Meeting are governed by Arts. 8, 9, 10, 11 and 12 of the By-Laws as well as by the Shareholders' Meetings Regulation.

For a brief description of these rules, reference is made to Chapter 4, Section II, of this Report.

#### **3.3 Rules for the composition, appointment and operation of the corporate bodies**

The composition, appointment and operation of the Board of Directors and, where appointed, the Executive Committee are governed by Arts. 13, 14, 15, 16, 17 and 18 of the By-Laws.

For a brief description of these rules, reference is made to Chapters 5 and 10, Section II, of this Report.

#### **3.4 Rules on the amendments of the By-Laws**

Amendments to the By-Laws are resolved by the extraordinary Shareholders' Meeting or by the Board of Directors, limited to those amendments made merely to align the By-Laws with legal and regulatory provisions.

#### **3.5 Main features of the internal control and risk management system with regard to financial reporting**

The description of the main features of the internal control and risk management system with regard to the Company's financial reporting is found in Chapters 14 and 15, Section III, of this Report.



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# 2

## PART II

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

Shareholders' Meeting

Board of Directors

The Chairman

The Deputy Chairman

The Chief Executive Officer, Group CEO  
and General Manager

The Board Committees

Board of Statutory Auditors

Auditing Company

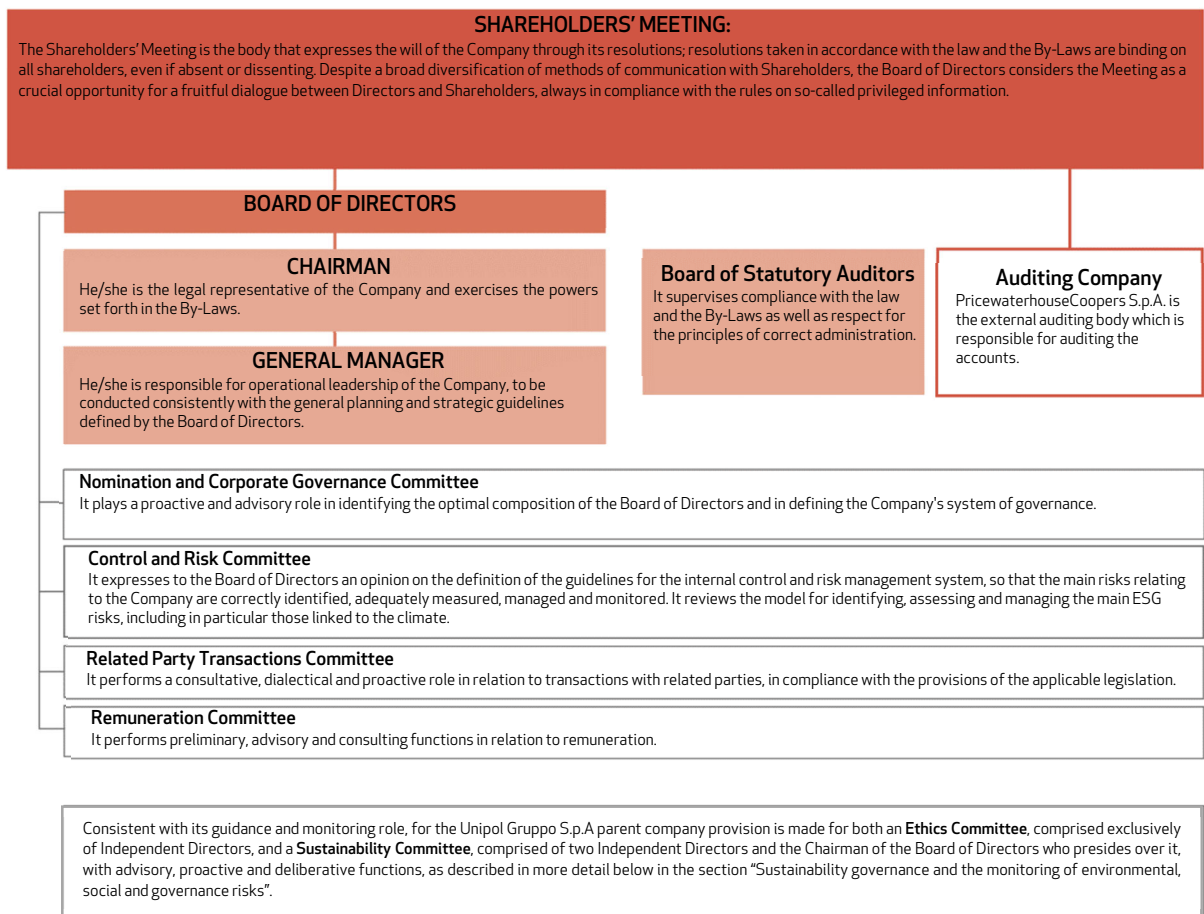
Relationship with the Shareholders

## Section II

# Governance system and information on the implementation of the provisions of the Code of Conduct

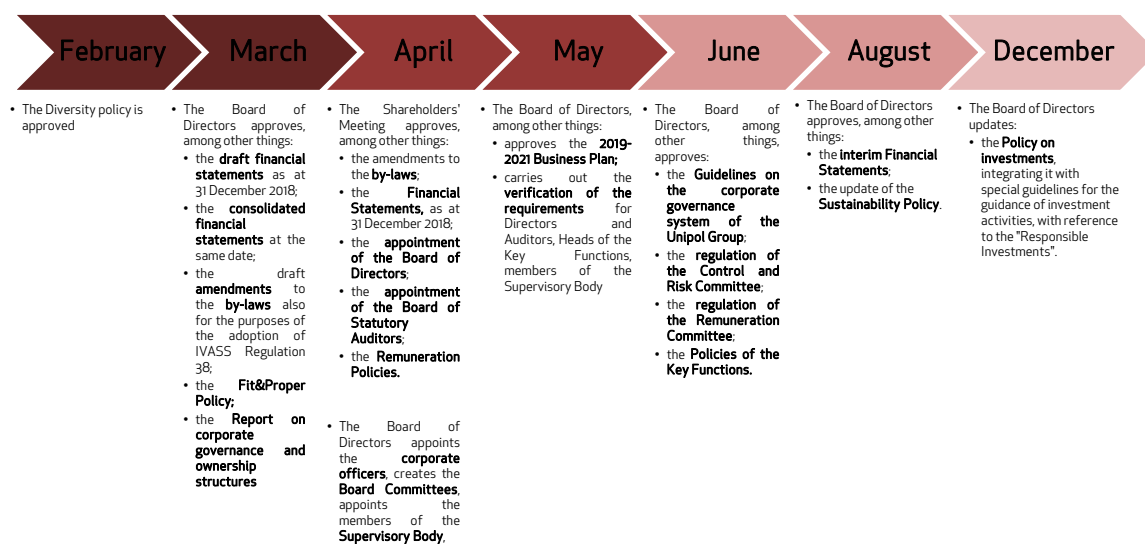
*(Section drafted also pursuant to Art. 123-bis of Consolidated Law on Finance)*

## Summary diagram of the governance model adopted by UnipolSai





## Main governance events of the Year



## 4. Shareholders' Meeting

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

The Board of Directors considers the Shareholders' Meeting, despite the broad diversification of the methods for communicating with Shareholders, to be an important moment for fruitful dialogue between Directors and Shareholders, moreover in accordance with the provisions on so-called privileged information.

Pursuant to Art. 9 of the By-Laws, as allowed by relevant legal provisions in force, the ordinary and extraordinary Shareholders' Meetings are convened on a single call, with the quorum for the meeting and the voting prescribed by legal provisions, without prejudice to the possibility that the notice of call might also set later calls in accordance with Art. 2369, Paragraph 1 of the Italian Civil Code.

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

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

During the Meeting all those entitled to vote are allowed to speak on any topic under discussion and to make comments and proposals. Those wishing to participate must ask the Chairman, who oversees the discussions by giving the floor to those who have requested it, according to the chronological order of reservation.

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

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

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

The Regulation of the Shareholders' Meetings, approved by the latter and available on the Company's website ([www.unipolsai.com/it/Governance/assemblee/Pagine/Regolamento-Assemblee.aspx](http://www.unipolsai.com/it/Governance/assemblee/Pagine/Regolamento-Assemblee.aspx)), regulates the operation of the Shareholders' Meeting itself.

## 5. Board of Directors

Number of meetings during the Year: 9.

Average length of meetings: 2.5 hours, approximately.

Average participation: 95%.

Number of meetings planned for 2020: 10 (of which 3 already held as at the date of this Report).

### 5.1 Role, responsibilities and operation

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

In line with the principle of the centrality of the administrative body, Art. 17 of the Company's By-Laws has assigned to the competence of the Board of Directors, in addition to the resolutions on the issue of non-convertible bonds, the resolutions concerning:

- i) mergers, in the cases provided by Articles 2505 and 2505-bis of the Italian Civil Code, also when reference thereto is made, for de-mergers, by Art. 2506-ter of the Italian Civil Code;
- ii) the opening or closure of secondary offices;
- iii) the indication of which among the Directors - in addition to the Chairman, the Deputy Chairmen and Chief Executive Officers - and among the Managers of the Company have the power to represent the Company pursuant to Art. 21 of the By-Laws;
- iv) the reduction of the share capital following withdrawal of a Shareholder;
- v) the amendments to the By-Laws required to comply with the prescriptions of law;
- vi) the transfer of the registered office within the territory of Italy.

Pursuant to the law, the By-laws and internal policies in force, the Board of Directors, in compliance and in line with the policies and guidelines of the Parent Company, without prejudice to the principle of operating autonomy of UnipolSai as a subsidiary which is also listed, inter alia:

- a) reviews and approves the strategic, financial and business plans of the Company, including consolidated, regularly monitoring their implementation;
- b) defines the system of corporate governance, the corporate structure, in line with the Group models and governance guidelines set forth in the Directives, reviewing them at least once per year and guaranteeing their overall consistency, functionality and effectiveness, also with reference to outsourced activities.

In this regard, it defines:

- i. the duties, responsibilities and methods of functioning of the corporate bodies, the board committees and the Key Functions (Audit, Risk Management, Compliance and Actuarial);
- ii. the information flows - including timing - between those Functions, the board committees and between them and the corporate bodies, as well as
- iii. the method of coordination and collaboration, if the activity remits have areas of potential overlap or make it possible to create synergies;
- iv. the nature and level of risk consistent with the strategic objectives of the Company and its subsidiaries, including in its valuations all the risks that may assume importance in light of the medium to long term sustainability;
- c) approves the organisational, administrative and accounting structure of the Company, particularly with regard to the internal control and risk management system;
- d) describes and reviews the policies applicable to the Company, ensuring that those relating to the system of governance are consistent with each other, with the business strategy and with Group policies;
- e) appoints one or more Directors responsible for the internal control and risk management system chosen among its members;
- f) after hearing the opinion of the Control and Risk Committee:
  - i. sets the reference guidelines of the internal control and risk management system, to ensure that the main risks for the Company and its subsidiaries are correctly identified and adequately measured, managed and monitored, assessing also the compatibility of these risks with the Company's management consistent with identified strategic objectives;
  - ii. assesses, at least once a year, the current and future adequacy of the internal control and risk management system with respect to the features of the Company and its subsidiaries and to the risk appetite set as well as its effectiveness and its ability to grasp the evolution of corporate risks and the interaction between them;
  - iii. approves, at least once a year, after consulting the Board of Statutory Auditors and the Appointed Director, the working plan prepared by the Heads of the Key Functions;
  - iv. approves, at least once a year, the plan of scheduled activities and the report of the Head of the Anti-Money Laundering Function on the activity carried out;
  - v. assesses, after consulting with the Board of Statutory Auditors, the results provided by the auditing company in its contingent letter with recommendations and in the report about any fundamental issues identified during auditing;



- g) verifies that the system of governance is consistent with the strategic objectives, the risk appetite and the risk tolerance limits established and is capable of taking into account the evolution of the business risks and the interaction between them;
- h) orders periodic audits on the effectiveness and adequacy of the system of governance and requires the prompt reporting of the most significant weaknesses, giving timely directions for corrective measures, of which it later evaluates the effectiveness;
- i) determines the system of risk targets identifying, also on the basis of the internal risk and solvency assessment, (i) the risk appetite of UnipolSai in accordance with its overall solvency requirements, (ii) the types of risks it wishes to assume and (iii) levels of risk tolerance, which it reviews once a year, to ensure their effectiveness over time;
- j) appoints, replaces and revokes, on a proposal from the Appointed Director - after receiving the favourable opinion of the Control and Risk Committee and having heard the Board of Statutory Auditors - the Heads of the Key Functions, while respecting the eligibility requirements established in the Fit&Proper Policy, ensuring that they are provided with adequate resources to carry out their tasks and defining their remuneration pursuant to the remuneration policies adopted by the Company;
- k) appoints, replaces and removes the Manager of the Anti-Money Laundering Function;
- l) establishes within itself committees with proposal and advisory functions, as set forth by legislation and regulations in force over time, as well as those deemed appropriate or necessary for the proper operation and development of UnipolSai, ensuring that there is adequate and continuous interaction between them, the Top Management and the Key Functions;
- m) defines and annually reviews the remuneration policies, submitting them to the Ordinary Shareholders' Meeting for approval, and is responsible for their proper application;
- n) appoints and removes the members of the Supervisory Body of the Company pursuant to Legislative Decree no. 231/2001; specifies, with the support of the Remuneration Committee, the remuneration of those members; approves, annually and on a proposal from the Supervisory Body, the budget, including on an extraordinary basis, necessary for the performance of the supervisory and control tasks laid down by the Organisation, Management and Control Model, as well as the statement of expenditure of the previous year;
- o) assesses the general performance, taking into account, in particular, the information received from the delegated bodies, and periodically comparing the results achieved with those planned;
- p) carries out, at least once a year, with the support of the Nomination and Corporate Governance Committee, an evaluation of the size, composition and effective functioning of the Board of Directors and its Committees, as well as their size and composition, also taking into account factors such as the characteristics of professional managerial experience and the gender of its members, and their seniority in office;
- q) taking into account the results of the assessment referred to in the previous paragraph, gives the Shareholders, before the appointment of the new administrative body, guidelines, if appropriate, on the professional but also managerial figures whose presence in the Board is deemed appropriate;
- r) approves, ensuring adjustment to the context, the system of delegation of powers and responsibilities of the Company, taking care to avoid excessive concentration of powers in a single party and monitoring the exercise of delegated powers, providing for adequate emergency plans (the so-called "contingency arrangements") if the administrative body decides to take over the delegated powers;

- s) resolves on the transactions that have a significant strategic, economic, capital or financial importance for the Company itself, paying particular attention to situations in which one or more Directors have an interest on their own or of third parties. To this end, it lays down general criteria to identify major transactions and take appropriate measures to require the subsidiaries to submit for preliminary examination to the Board of Directors of the Parent Company significant transactions for it;
- t) approves transactions with intra-group parties as well as - with the support, when required, of the Related Party Transactions Committee - transactions with related parties, in compliance with the reference regulations adopted respectively by IVASS and by Consob and internal regulations in force over time.

Further competencies reserved to the Board of Directors are envisaged by (i) the policies adopted by the Company with regard, amongst other things, to underwriting and insurance investment, reservation and disposal of financial assets, equity and real estate, financing and management of credit and (ii) the internal system of delegation of powers granted to the General Manager. These regulations give to the Board of Directors the power to review and resolve on transactions of strategic importance and significant amounts.

Under Art. 15 of the By-Laws, the Board of Directors will meet at least quarterly and whenever the Chairman, or other person standing for the Chairman, deems it appropriate, or when it is requested by at least three Directors. The administrative body may also be called, after communication to its Chairman, by at least one Statutory Auditor.

The resolutions are adopted with the favourable vote of the majority of the Directors attending the meeting, unless otherwise provided by law; in case of a tied vote, the vote of the Chairman of the meeting prevails.

The General Manager, in particular, reports regularly to the Board of Directors on the situation in the individual business sectors of the Company, and its objectives and activities, comparing them with the forward-looking plans and the expected results.

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

- the Remuneration Committee, the Nomination and Corporate Governance Committee and the Related Party Transactions Committee, which have provided advice and made proposals to be submitted to the Board of Directors with regard to specific matters within their mission;
- the Control and Risk Committee, which has regularly reported on the analysis and the activities carried out, the findings and proposals for measures and initiatives to be launched, delivering opinions to support the administrative body on specific matters within its competence.

The Board reviewed the adequacy of the organisational, administrative and accounting procedures and, in particular, of the internal control and risk management system of the Company and its main Subsidiaries, with the support of the Appointed Director on the basis of the regular reports of the Control and Risk Committee and the Key Functions (in this regard see the relevant chapter), in the context referred to above, increasing adequacy and timeliness in information flows prior to board meetings, while balancing that requirement with that of confidentiality.

The explanatory report on the issues discussed is usually submitted to the Directors and Board of Statutory Auditors in the days leading up to meetings, highlighting important aspects of the items on the agenda (Executive Summary), except for cases of urgency and/or precautionary non-disclosure requirements. This documentation is made available electronically (Virtual Data Room): as well as allowing more efficient management both in terms of shorter times and high standards of privacy ensured, this puts in place effective measures for compliance with the requirements set in Legislative Decree no. 231/2001 and in the Code of Conduct. The Chairman will ensure that the Directors are provided with reasonably adequate advance information on the items on the agenda and arrange for adequate space for the necessary information during the meetings, in particular whether it is not to provide the necessary information with the

mentioned advance notice.

We note that the different relevant functions and committees involved in the dissemination of information needed for the board meetings (which collect, assemble and transmit this information, after acquiring the opinions that might be demanded given the procedures and policies adopted) continue to work to ensure, in the context specified above, increasingly suitable and timely information flows in the run up to the board meetings, balancing this requirement against that of maintaining confidentiality.

In particular, with regard to the regular reports provided to the Board of Directors by the Key Functions and other corporate functions, we note that the corresponding documentation is usually made available to Directors and Statutory Auditors between 6 and 3 days before the board meeting.

We also note that the issues on the agenda within the respective areas of competence are first brought to the attention of the Board Committees for the review and the issue of opinions, where required. The activity carried out by the Committees is reported at the time of the meetings of the administrative body, presenting and discussing their reports, which contain the topics discussed by the Committees and their assessments.

The assessment on the suitability of the information in question is one of the subjects of the annual Board Performance Evaluation carried out by the Board of Directors of the Company; on that occasion, the administrative body has usually expressed a positive opinion on the quality of the information received in terms of suitability and procedures of transmission.

At every meeting, if the conditions are met, the Chairman invites the Directors who fall in the cases specified by Art. 2391 of the Italian Civil Code (interests of Directors) to provide the statements required. In these cases, the Directors inform the attending Directors and Auditors of the interests they have, on their own behalf or on behalf of third parties, in regard to the proposals in question. At the end of the Board Performance Evaluation, a positive opinion was expressed on the management of potential conflict of interest situations by the Board.

## 5.2 Appointment and replacement of Directors

Pursuant to laws and current By-Laws as of the date of this Report, the Directors are appointed by the Shareholders' Meeting on the basis of lists submitted by the Shareholders or the Board of Directors, which contain the names of candidates, no more than 19, identified by a sequential number.

The Extraordinary Shareholders' Meeting of 17 April 2019 has introduced in the By-Laws the power, for the outgoing Board of Directors, to present its own list of candidates for the election of the new administrative body.

Lists containing a number of candidates equal to at least the minimum number of members of the Board of Directors set forth by the By-Laws must also contain and expressly indicate parties satisfying the independence requirements established by the By-laws. Where the number of candidates meeting the requirements in question is equal to the minimum number established above, the last sequential number of said lists cannot be assigned to an independent candidate.

The failure of a Director to meet these independence requirements will not result in his or her removal from office if the requirements continue to be met by the minimum number of Directors specified above.

On the Director independence requirements, IVASS Regulation 38 introduced the provision based on which an "adequate number" of Directors must meet the additional independence requirements beyond those set forth by Ministry of Economic Development Decree no. 220 of 11 November 2011. While waiting for the future review of said Decree, IVASS Regulation 38 has not provided any definition of independence, referring the practical articulation of

this requirement to the by-laws. The new regulatory framework does not even set numerical requirements for the independent Directors, since the suitability is to be assessed according to the activity carried out by the company, taking into account the nature, size and complexity of the corresponding risks.

In this regard, the By-Laws of UnipolSai specify the requirement contained in the regulatory provisions in force applicable to the Company in consideration of its subjection to management and coordination activity by a company with shares listed in regulated markets (i.e., Unipol Gruppo S.p.A.). In particular, the Board of Directors must consist of a majority of Directors qualified as independent pursuant to Art. 148, paragraph 3 of Legislative Decree no. 58 of 24 February 1998 as amended, as well as the criteria and requirements laid out in the Code of Conduct of Borsa Italiana S.p.A.

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

Each candidate may feature on only one list; otherwise their candidacy is declared void.

The right to submit a list pertains to Shareholders who, alone or together with other Shareholders, hold a stake identified pursuant to the legal or regulatory provisions in force at the time and which shall be from time to time indicated in the notice of call of the Shareholders' Meeting. With reference to the appointment of the Board of Directors in force by the Shareholders' Meeting of 17 April 2019, said share, identified by CONSOB in its Resolution no. 13 of 24 January 2019, was equal to 1% of the ordinary share capital.

Ownership of the shareholding required for submitting lists is based on the shares registered to the Member(s)/proxy(ies) on the day on which the lists are deposited with the Company.

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

- the Board will make the replacement from the persons belonging to the same list to which the outgoing Director belonged and the Meeting will resolve, by statutory majorities, on the same criterion;
- if there are no more non-elected candidates from said list or there are no candidates with the prescribed requisites, or if for any reason whatsoever it is not possible to proceed pursuant to what is set forth in the previous line, the Board of Directors first, and the Shareholders' Meeting thereafter, resolves on the replacement with the majorities provided by law, disregarding the voting list mechanism.

The provisions of letter b) above shall also apply when the Board of Directors has been appointed without the voting list mechanism in light of the fact that only one list or no lists at all were presented.

In any event, the Board of Directors and the Shareholders' Meeting shall proceed with the appointment so as to ensure the presence of the number of Independent directors required by the By-Laws.

If the majority of the Directors appointed by the Meeting ceases to apply, the entire Board is understood to have resigned and the remaining Directors must convene the Meeting for the appointment of the entire new Board.

### 5.3 Composition

The By-Laws allocate the management of the Company to a Board of Directors composed of no less than 9 and no more than 19 members, appointed by the Shareholders' Meeting, after having established the number, and meeting the electability requirements set by the applicable laws and regulations.

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

The Ordinary Shareholders' Meeting of 17 April 2019 has, most recently, appointed the Board of Directors, consisting of 18 members, giving them a mandate of three years and, therefore, up to the Meeting called to approve the 2021 financial statements.

In compliance with Art. 13 of the By-Laws and regulatory and legislative provisions in force, the Board of Directors was appointed on the basis of the sole list submitted, pursuant to the law and the By-Laws, by the majority shareholder Unipol. This list was accompanied, inter alia, by the statements in which the individual candidates declared that there were no grounds for ineligibility or incompatibility, and that the requirements for their respective positions were met, and by curriculum vitae of their personal and professional characteristics with appropriate indication of their suitability to qualify as independent under the Code of Conduct and Art. 147-ter of the Consolidated Law on Finance and the existing provisions of law. The list with the information mentioned above is available on the Company's Website (Governance/Shareholders' Meetings/Ordinary and Extraordinary shareholders' meeting - 17 April 2019 section).

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

The mentioned Shareholders' Meetings of 17 April 2019 authorised, pursuant to Art. 2390 of the Italian Civil Code, within the limits of the law (and, therefore, in compliance with the provisions of Art. 36 of Decree-Law no. 201 of 6 December 2011, converted with amendments by Law no. 214 of 22 December 2011 on the so-called "prohibition of interlocking") the exercise of concurrent activities by the members of the Board of Directors.

The Board of Directors, upon appointment, duly fulfilled the obligations assigned to it by law with regard to the verification that its members meet legal and statutory requirements, in terms of good repute, professionalism and independence, and absence of legal obstacles, of grounds of disqualification and incompatibility situations. This verification was carried out in compliance with the Fit&Proper Policy at the meeting held on 9 May 2019; it shall also be repeated by the administrative body once a year.

At the date of this Report, the Board of Directors had 17 members, as a result of the untimely death, on 1 February, of the non-executive and independent Director of the Company Francesco Berardini. Mr. Berardini had been appointed by the ordinary Shareholders' Meeting convened on 17 April 2019 as part of a single list submitted by Unipol Gruppo S.p.A., and the administrative body decided to refer to the Shareholders' Meeting all resolutions on the composition of the body.

The Secretary of the Board of Directors, elected pursuant to Art. 14 of the By-Laws, is Mr Alessandro Nardi, Manager of Corporate Services and General Administrative Services of the Company.

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

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

## 5.4 Diversity policy

At the meeting of 7 February 2019, the administrative body approved, pursuant to Art. 123-bis of the Consolidated Law on Finance and the recommendations contained in this regard in the Code of Conduct, the "Diversity Policy relative to the composition of the Board of Directors and the Board of Statutory Auditors of UnipolSai Assicurazioni S.p.A." ("Diversity Policy").

With reference to the principles contained in the Diversity Policy, the following should be noted and highlighted:

- as regards the composition of the administrative body, provided that:
  - as recommended by the Code, the Board of Directors - upon expiry of its mandate and at the time of calling the Shareholders' Meeting to deliberate upon the related resolutions - expresses to Shareholders - also by taking into account the results of the "Board Performance Evaluation" - its advice on the size and optimal composition of the new administrative body, with reference, amongst other things, to the managerial and professional figures whose presence is deemed appropriate;
  - by means of this recommendation, the Code of Conduct, in fact, recommends in general terms that the Shareholders of the issuer, at the time of the submission of the candidates' lists for the Board of Directors, assess, also in the light of the advice expressed by the outgoing Board, the personal characteristics, in terms of experience, also in a management position, and gender of the candidates, in proportion to the size of the company, the complexity and specificity of the business sector in which it operates, and the size of the Board,

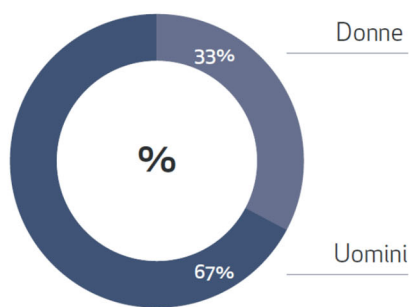
the Diversity Policy intends to provide guidelines for the formulation of this advice, providing for some indications regarding the composition, both quantitative and qualitative, of the Board of Directors;
- with regard to qualitative aspects in particular, the Diversity Policy also provides that:
  - in compliance with the Market Regulation (as well as - following the above-mentioned resolution of the Extraordinary Shareholders' Meeting of 17 April 2020 - current provisions of the By-Laws), as UnipolSai is a listed issuer subject to the management and coordination of another listed issuer (i.e., Unipol Gruppo), the Board of Directors must be comprised mostly of independent Directors, pursuant to both the Consolidated Law on Finance and the Code of Conduct, thereby allowing for - among other things - a heterogeneous composition of the board committees;
  - the legal provisions on gender balance relevant to the administrative body of the Company be complied with;
  - a balanced combination of different lengths of service and age ranges must be ensured within the Board of Directors; in any case, in this way endorsing the significant value that experience gained and knowledge of the activities and dynamics of the Company can make in terms of contribution to the effective functioning of the Board of Directors;
  - the managerial and/or professional and/or academic and/or institutional profiles of each of the Directors, in accordance with applicable sector regulations, are such as to enable the Board of Directors to retain, as a whole, a series technical skills and experience that are different and complementary for the purposes of fulfilling their tasks.

The Diversity Policy is published on the Company's Website in the section Governance/shareholders' meetings/2019, together with the Annual Report on Corporate Governance.

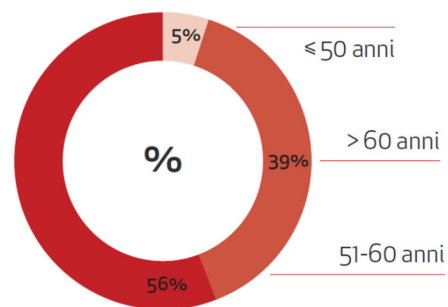
In expressing its advice in view of the Shareholders' Meeting of 17 April 2019, the outgoing administrative body took into account the guidelines contained in the Diversity Policy.

The composition of the Board of Directors of UnipolSai, in compliance with the primary legislation and the Code of Conduct, abides by gender balance.

Board of Directors - Composition by gender



Board of Directors - Composition by age



### Competenze <sup>(b)</sup>



## 5.5 Criteria for the holding of offices in other companies

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

The regulation on the "Limits to the number of positions held by Directors of UnipolSai S.p.A." was adopted by the Board of Directors in its meeting of 13 February 2013, under the provisions of the Code of Conduct, as the guideline for the maximum number of positions of a Director or Statutory Auditor that can be considered compatible with the effective execution of the mandate of Director of the Company; it provides for the verification of the number of offices held by

Directors to be performed by the Board of Directors every year and disclosed in the report on corporate governance and ownership structure.

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

The text of the Regulation also takes into account the prohibitions introduced by Art. 36 of above-mentioned Decree-law of 6 December 2011, no. 201, converted, with amendments, by Law no. 214 of 22 December 2011 establishing the prohibition against holding office or participating in companies or groups which are competitors, operating in the credit, insurance and finance markets (the so-called "prohibition of interlocking").

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

In the meeting of 9 May 2019, the Board of Directors verified that the requirements with regard to interlocking positions held by Directors appointed by the shareholders' Meeting on 17 April 2019 had been met, deeming all members of the Board itself to be able to perform their duties effectively.

Lastly, no instances of "cross-directorship" were identified.

## 5.6 Induction Program

The Company dedicates adequate attention to the training of its Directors and Statutory Auditors. For these purposes, also pursuant to IVASS Regulation 38 and the Code of Conduct, in-depth courses were offered during the year on some issues in order to enable them to acquire an adequate knowledge of the business sector in which the Company operates, business dynamics and their evolution, as well as the regulatory reference framework. The 2019 Board Performance Evaluation has shown a high level of satisfaction for the training and induction activities carried out for the benefit of Directors and Statutory Auditors.

In particular, during the Year, three induction sessions were organised, devoted to the study of issues related to: (i) evolution of Solvency II regulations, (ii) Non-life business and (iii) IFRS 17 accounting standard.

The induction sessions were developed on the basis of presentations - by the top management of the Company in charge for the issue - who described the processes object of the training, focusing on the issues of greatest interest for the corporate bodies, leaving time for questions and comments.

## 5.7 Non-executive and independent Directors

First of all please recall that, pursuant to the Market Regulation, those who also sit on the administrative body of the Company exercising management and coordination of the Company (i.e., Unipol) cannot be considered independent directors of UnipolSai.

The current Board of Directors is composed - with the exception of the Chairman, as explained below, - of non-executive Directors, i.e. without management powers and not holding strategic or management positions in the Company, in subsidiaries of strategic importance or in the parent company, as provided for in the Code of Conduct.



Please recall that the Board of Directors, in the meeting of 17 April 2019, resolved not to appoint an Executive Committee, according to the specifications made below.

The administrative body, at this last meeting, identified the Chairman of the Company, Mr Carlo Cimbri, as Appointed Director, - being a Director without operational powers - for the entire term of office of the Board of Directors. Mr Cimbri, as a result of the appointment received, has been qualified as an executive Director.

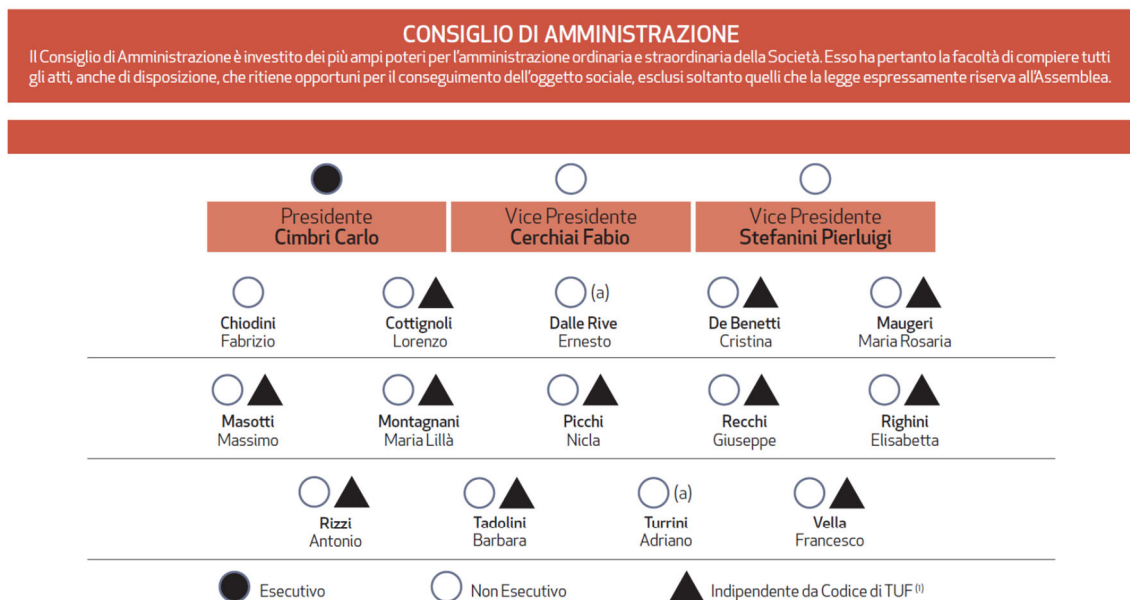
It should be noted that the Fit&Proper Policy adopted by the Board of Directors of the Company provides that the assessment of the independence requirement of a Director should take into account also any professional services rendered to the Company and/or Subsidiaries, exceeding 5% of the annual turnover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

As already stated above, the assessment by the Board of Directors of the independence requirements of the non-executive Directors pursuant to the Consolidated Law on Finance and the Code of Conduct was carried out at the board meeting of 9 May 2019.

The results of these assessments are shown in the attached Table no. 1.

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

In compliance with the provisions contained in the Code of Conduct, a meeting of the independent directors was held. At this meeting, issues related to the strategic vision of the Company and the Group and the functioning of the Board of Directors and the board Committees were discussed, among others.



\*Amministratore cooptato dal Consiglio di Amministrazione in data: 10/05/2017 in sostituzione del dimissionario sig. Salvatore Lauria.

\*\*Amministratore cooptato dal Consiglio di Amministrazione in data: 05/10/2017 in sostituzione della dimissionaria sig.ra Milva Carletti.

<sup>(1)</sup> Indica se l'Amministratore è stato qualificato dal Consiglio di Amministrazione come indipendente secondo i criteri stabiliti dal Codice di Autodisciplina e al tempo stesso è in possesso dei requisiti di indipendenza dall'art. 148, comma 3, del TUF.

<sup>(2)</sup> Amministratori esclusi con riferimento all'esercizio 2017 dal novero degli Amministratori indipendenti in quanto rivestono cariche all'interno degli organi sociali della controllante diretta Unipol Gruppo S.p.A. e/o rivestono, all'epoca della verifica cariche all'interno degli organi sociali dell'allora società controllante indiretta Finsoe S.p.A. Tali ultime cariche sono cessate in data 15 dicembre 2017, a seguito dell'estinzione di Finsoe in conseguenza della scissione della stessa;

## 5.8 Lead Independent Director

The Company's governance structure has not necessitated the appointment of a Lead Independent Director, there not being the conditions pursuant to application criterion 2.C.4. of the current Code of Conduct. The Chairman of the Board of Directors has not been delegated operational powers.

## 5.9 Remuneration

The Shareholders' Meeting of 17 April 2019 resolved on a gross annual remuneration for each Director of €50,000, in addition to reimbursement of the expenses incurred to perform the office, as well as payment of a gross attendance fee of €1,000 for each Board or Shareholders' Meeting attended, reduced to €500 in case of participation through telephone or audiovisual connection.

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

The Board of Directors, after consultation with the Remuneration Committee and the Board of Statutory Auditors, in its meeting of 1 August 2019, defined the remuneration of the Chairman and Deputy Chairmen for the offices held.

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

The remuneration of Directors does not depend on the performance of the Company, nor are there any plans for share-based incentives or, in general, plans based on financial instruments for members of the Board of Directors.

The remuneration of the non-executive directors of the Company may be considered basically in line with the average recorded with reference to Italian listed companies included in the FTSE-MIB index, of which, as noted previously, the Company was part until 4 December 2019.

At the meeting held on 14 March 2019, the Company's Board of Directors, upon the proposal of the Remuneration Committee, approved the 2019 General Remuneration Policy for (among others) the members of corporate bodies and the Key Managers of the Company, submitted to the Company's Shareholders' Meeting held on 17 April 2019.

The Remuneration Report prepared pursuant to Art. 123-ter of the Consolidated Law on Finance - approved by the administrative body in the meeting of 14 March 2019 - was presented to the same Shareholders' Meeting.

At this last meeting, the Board of Directors has lastly verified that the conditions had been met to proceed to the payment of the variable component of the short-term remuneration for 2018 (IBT), as well as of the first tranche of the variable component of the long-term remuneration for the three-year period 2016-2018 (LTI).

The Board of Directors of 2 April 2020, on proposal of the Remuneration Committee:

- (i) specified the Remuneration Policies pursuant to IVASS Regulation 38;
- (ii) acknowledging the content of the IVASS communication concerning the financial statements for 2019, with which the Supervisory Authorities for the insurance sector, taking into account the emergency related to the Covid-19 epidemic, asked all Italian insurance companies and groups to be extremely prudent, among other things, in paying the variable component of the remuneration to the corporate officers, resolved to suspend

all assessments concerning the awarding of the 2019 variable remuneration for the entire Management of the Company, postponing any decision in this regard to a later board meeting, to be scheduled in the next few months according to the evolution of the general context;

- (iii) approved the Remuneration report drafted pursuant to Art. 123-*ter* of the Consolidated Law on Finance and pursuant to Art. 59 of IVASS Regulation 38 which, together with the document set forth under (i) above, will be reviewed by the Shareholders' Meeting called to approve the 2019 financial statements.

We refer to this documentation (available in the Governance Section of the website of the Company) for information on the objectives pursued with the Remuneration Policy, the underlying principles, the criteria adopted to calculate the ratio between fixed and variable component, the performance targets to which the variable components are linked, the accrual periods of the rights, as well as the incentive mechanisms for the heads of the Key Functions. The same document also provides detailed information on the amounts of the remuneration received, during the Year, by the Chairman, the members of the Board of Directors and the General Manager, as well as the total remuneration received by the Key Managers and the other relevant personnel pursuant to Art. 93, Par. 2, of IVASS Regulation 38.

## 5.10 Succession planning

With reference to the recommendations contained in CONSOB Communication no. DEM/110129884 of 24 February 2011 and the application criterion 5.C.2 of the current Code of Conduct, we note that the Board of Directors has declined to adopt a Succession Planning for Executive directors and the General Manager, in consideration:

- of the consolidation of the Succession Planning for the strategic key managers of the Group;
- of the current structure of the executive powers delegated to the first line managers, which allows the execution of the ordinary business operations of the Company;
- of the stable structure of the controlling shareholding,

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

It should be noted that the administrative body in office deemed it not necessary to assign the office of Chief Executive Officer or to delegate executive powers to its Chairman, entrusting the operating guidance of the Company to the General Manager.

It is pointed out that the Company has continued the activities aimed at implementing the Succession Planning project for the Key Managers of the Group.

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

## 5.11 Annual self-assessment

The Board of Directors of the Company conducts on a yearly basis the Board Performance Evaluation, that is, an evaluation of the size, composition and functioning of this administrative body and the Board Committees, also taking into account elements such as professional qualifications, experience, managerial and non, and gender of their members as well as their seniority levels.

The self-assessment process is divided into the following phases: *(i)* individual discussion with each Director and Auditor, also through a self-assessment questionnaire; *(ii)* analysis of indications and comments made; *(iii)* discussion during the Board meeting of the results obtained during these Board Performance Evaluation activities. The questionnaire and the interviews are used jointly for the purposes of defining the aforementioned evaluation. The procedures followed to carry out the Board Performance Evaluation are chosen to enhance the individual contribution of each Director.

To perform these activities, the Nomination and Corporate Governance Committee, which oversees the entire board review process, has been supported by Egon Zehnder International S.p.A., an independent advisor of primary standing in the sector, which also carries out the same functions for the parent company Unipol. To accompany the full term in office of the Board of Directors, ended with the Shareholders' Meeting of the Company of 17 April 2019 and, therefore, to follow the evolution of this during the three-year period 2016-2018, carrying out each year a Board Performance Evaluation that takes into account, on the one hand, the changes in legislation and other best practices and, on the other, the work carried out by the Board of Directors over the three years, the Board of Directors had appointed the aforementioned advisor for three years, therefore covering the full term in office of the Board of Directors.

The Board Performance Evaluation for 2018 financial year was presented and shared, after examination by the Nomination and Corporate Governance Committee, at the Board of Directors meeting on 7 February 2019, during which the assessments were discussed in relation to the strengths and areas for improvement.

With regard to 2018 financial year, the result that emerged is overall very positive, both in terms of compliance of the Board of Directors with the provisions and with the recommendations of the Code of Conduct, and with reference to the environment created within the administrative body. In particular, the component represented by the Independent Directors was adequate in relation to the composition of the Board of Directors and the Committees in addition to being suitable to guarantee the composition of the interests of the Shareholders. The Board Performance Evaluation has also shown a satisfactory level of diversity in the administrative body, with reference to the gender, skills and seniority of the Directors.

With reference to 2019, at the meeting held on 13 February 2020, the administrative body, on proposal of the Nomination and Corporate Governance Committee, has resolved to start the annual assessment process on the size, composition and operation of the administrative body and its Committees. Also for the three-year period 2019-2020-2021 for the performance of these activities, the relevant bodies of the Company will be supported by Egon Zehnder International, which – again in order to support the administrative body in its evolution over the entire term of office – was appointed for three years.

## 6. The Chairman

The Chairman of the Company is elected, pursuant to Art. 14 of the By-Laws, by the Board of Directors from among its members, if the Shareholders' Meeting has not already done so, for three years or for the shorter period of office of the Board itself.

Following the appointment of the new administrative body, for 2019, 2020 and 2021, the Board of Directors, at its meeting held on 17 April 2019, confirmed Mr Carlo Cimbri as Chairman of the Company - in consideration of his experience, his thorough knowledge of the Company, the insurance business and the financial system as a whole - for the duration of office of the Board of Directors and, therefore, until the date of approval of the 2021 financial statements.

In addition to exercising company representation pursuant to Art. 21 of the By-Laws, the Chairman calls the meetings of the Board of Directors and the Executive Committee, where set up, establishes their agenda, coordinates their work and ensures, according to the particular circumstances, that adequate information on the items on the agenda is provided to all Directors.

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

In particular, the Chairman ensures continuity of relations between the Board and General Manager, stimulating their activity and ensuring a fruitful collaboration.

The Chairman ensures that Directors and Statutory Auditors take part in initiatives aimed at increasing their knowledge of the corporate context and dynamics, as well as the evolution of the same, also having regard to the relevant regulatory framework, in order for them to carry out their role in an informed and effective manner.

The Chairman has access to all information within the structure, informing the General Manager of information acquired from other sources, for the orderly management of the structure.

The Chairman, also at the request of one or more Directors, may request that the Managers of the Company and the Subsidiaries, in charge of the relevant corporate functions according to the subject, attend Board meetings to provide useful information on items on the agenda. During the Year, the Financial Reporting Officer took part in board meetings, also to provide, if necessary, the appropriate details on the topics for which he is responsible included on the agenda. At the invitation of the Chairman, the Heads of the Key Functions and some Heads of the main corporate areas also attended, in regard to issues within their area of competence.

The Chairman is also mainly responsible for planning the work of the Board of Directors, ensuring that the documentation relating to the items on the agenda is brought to the attention of Directors and Statutory Auditors sufficiently in advance of the date of the Board meeting.

As mentioned previously, the Chairman was identified as the Appointed Director.

## **7. The Deputy Chairman**

Pursuant to Art. 14 of the By-Laws, the Board of Directors elects from among its members one or more Deputy Chairmen, for three years or for the shorter period of office of the Board itself.

The Board of Directors confirmed Pierluigi Stefanini and Fabio Cerchiai as Deputy Chairmen at its meeting on 17 April 2019.

The Directors holding the office of Deputy Chairman, in addition to having the power to represent the Company pursuant to Art. 21 of the By-Laws, in case of absence or impediment of the Chairman, stand in for him/her, starting from the eldest.

The Deputy Chairman is automatically a member of the Executive Committee, where formed, pursuant to Art. 18 of the By-Laws.

## 8. The Chief Executive Officer

The Chief Executive Officer may be appointed, pursuant to Art.14 of the By-Laws, by the Board of Directors from among its members, for three financial years or for the shorter period of office of the Board itself. However, as reported in the previous Reports and referred to above, please note that - in order to fulfil, according to the terms set by the insurance Supervisory Authorities, the requirements relating to governance established by the same authorities at the time of authorising the acquisition of the control over the former Premafin/Fondiaria-SAI group, and with regard to the need to make sure that positions of Chief Executive Officer of Unipol and UnipolSai cease to coincide - the Board of Directors reviewed the Company's governance structure and, delaying the appointment of a Chief Executive Officer, as such appointment was not deemed necessary, attributed the operating guidance of the Company to a General Manager.

## 9. The General Manager

As highlighted above, with regard to adequate discretionary power in identifying the solutions deemed most appropriate for the appointment of the company bodies according to the By-Laws, the Board of Directors, in the meeting of 27 April 2016, appointed a General Manager as the body to be assigned tasks and delegated powers for business operations in the person of Mr Matteo Laterza.

The General Manager has been assigned by the Board of Directors the following functions:

- i) ensure the implementation of the resolutions of the Board of Directors and of the Shareholders' Meeting of the Company;
- ii) ensure the ordinary management of the corporate affairs of the Company as well as the governance, supervision and coordination of the entire company activity;
- iii) promote the corporate policies of the Company;
- iv) propose to the Chairman of the Board of Directors the planning of the works of the Board of Directors;
- v) formulate the proposals relating to the long-term plans and the annual budgets of the Company, to be submitted to the study and approval of the Board of Directors;
- vi) set guidelines to draw up the financial statements of the Company; prepare the proposals to be submitted to the Board of Directors on the draft separate and consolidated financial statements and on the interim financial reports;
- vii) support the Appointed Director in the execution of his tasks also:
  - taking care of maintaining the functionality and overall adequacy of the organisational structure and of the internal control and risk management system;
  - defining in detail the organisational structure of the Company, the tasks and the responsibilities of the operating units and their employees as well as the relevant decision-making processes, consistently with the directives received from the Board of Directors; in this context, ensuring proper separation of tasks among the individual subjects and the departments so to prevent conflicts of interest from arising, as much as possible;

- implementing the policies for the assessment, also forward-looking, and management of risks as set by the Board of Directors, ensuring the definition of the operating limits and their prompt verification as well as the monitoring of the exposures to risks and the compliance with the tolerance levels;
- implementing, in consideration of the strategic objectives and consistently with the risk management policy, the policies for the adoption, underwriting and reinsurance and other techniques for the mitigation of the risk and management of the operational risk as well as the other policies and guidelines defined on the subject by the Board of Directors; supporting the Appointed Director in implementing the indications of the Board of Directors regarding the measures to be adopted to fix the anomalies found and/or make improvements.

The Board of Directors has also conferred specific executive powers on the General Manager, defining the relevant methods and quantitative limits.

Upon appointment, the Board of Directors verified respect for the requirements of suitability for office by the General Manager, in compliance with the Fit&Proper Policy. This assessment is also conducted periodically by the administrative body, on an annual basis, most recently at its meeting on 9 May 2019.

## 10. The Board Committees

The Board of Directors may appoint, pursuant to Art.18 of the By-Laws, an Executive Committee, choosing the members from among its members, establishing the number and delegating to the same all or part of its powers, except for those expressly to be retained by law or according to the By-Laws by the Board of Directors.

The Chairman of the Board of Directors, the Deputy Chairman/Chairmen and the Chief Executive Officer are also members of the Executive Committee, if this is appointed.

As noted, the Board of Directors decided, inter alia, to delay the appointment of an Executive Committee, as this appointment was not deemed necessary as things currently stand.

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

More specifically, the Board of Directors of 17 April 2019 approved the establishment of the following internal Committees:

- Nomination and Corporate Governance Committee;
- Control and Risk Committee;
- Remuneration Committee;
- Related Party Transactions Committee.

The members of each Committee were appointed by the Board of Directors and chosen among the members of the latter. These Committees are composed at least in the majority by independent Directors, as specified in the following paragraphs. The Committees are dissolved at the end of the term of office of the Board of Directors. If one or more Committee members become unavailable for any reason, the Board of Directors chooses a replacement.

In line with the integrations most recently made to the application criterion 4.C.1 of the Code of Conduct in force, during the Financial Year the Committees required by the Code (i.e. the Nomination and Corporate Governance Committee, the Control and Risk Committee and the Remuneration Committee) informed the administrative body, during the first meeting possible, about the matters dealt with during the meetings of said Committees and any assessments made by them, also when not functional to audits or opinions requested, or in any case preparatory, for the administrative body to pass certain resolutions.

Remaining valid are assessments carried out already during previous financial years by the Company's Board of Directors in relation to the fact that:

- the aspects pertaining to the risk management that may become significant with respect to medium to long term sustainability are already examined by the Control and Risk Committee, which – in accordance with the regulatory and self-regulation framework of the structure of the system of internal controls and risk management adopted by the Company and the Group to implement the regulations in the insurance sector (particularly with regard to the system of the capital requirements of solvency and assessment of the corporate risks) – is part of the framework aimed at defining the annual and forward-looking risk appetite of the Company, sharing the processes and results of the Own Risk and Solvency Assessment (“ORSA”, see below);
- the aspects regarding the sustainability issues identified with regard to the interaction of the Company and the Group with their stakeholders are among the tasks of the Sustainability Committee of the Parent Company, including that of examining the guidelines and the methodology followed to prepare and monitor the three-year sustainability plan of the Group. To this end, the Sustainability Committee of Unipol annually reports to the administrative body of the Company about the activity carried out on sustainability issues referring to UnipolSai.

For the approach of social responsibility and ethics to be taken as a key element of the business activity of UnipolSai, it is indispensable to make reference to the Unipol Group and, for it, to the Parent Company, which serves as the controlling and guiding holding, providing all the Group companies with the services and tools that make it possible to include sustainability in the culture and life of the company, thus achieving the relevant objectives. This approach encouraged the definition of a specific method for the governance of sustainability and of tools that guarantee the full achievement of its objectives at Company and Group level, enhancing the inclusion at all company levels of the social and environmental aspects in the management and business choices.

It is finally highlighted that, during the Year, the Company was actively involved in preparing the Integrated Consolidated Financial Statements of the Unipol Group, in line with the provisions of Legislative Decree no. 254/2016. The Integrated Consolidated Financial Statements of the Unipol Group, prepared by the Parent Company, includes the reporting of non-financial information of UnipolSai, among others. The Company also includes non-financial information in its Sustainability Report.

## 10.1 Nomination and Corporate Governance Committee

Number of meetings held during the Year: 3.

Average length of meetings: 45 minutes, approximately.

Number of meetings planned for 2020: 4 (of which two already held as at the date of this Report).



The Board of Directors has assigned the Nomination and Corporate Governance Committee a propositional and advisory role in identifying the best composition of the Board of Directors and in defining the system of governance; this Committee is tasked as follows:

- i) to propose to the Board of Directors the candidates for the office of Director in the cases of co-option, if any independent Director must be replaced;
- ii) to define times and methods for performing the Board Performance Evaluation;
- iii) to inform and update the Board of Directors as regards any development of the regulations in force and the best practices applicable to corporate governance;
- iv) to express opinions to the Board of Directors regarding:
  - the appointment of the members of the Board Committees of the Company;
  - the appointment of the General Manager and the Deputy General Manager of the Company;
  - the implementation of the governance system of the Company;
  - the size and composition of the Board of Directors, along with recommendations as regards the professional roles to be held within the Board of Directors, as well as the maximum number of assignments and derogations to the non-compete clause.

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

The Chairman of the Committee in question handles taking minutes of its meetings, by relying on the support of a Secretary.

At its meeting held on 17 April 2019, the Board of Directors appointed the members of the Nomination and Corporate Governance Committee, and pursuant to the provisions of the Market Regulation, called for three Directors to join the Committee, all of them non-executive and independent, as shown below.

	Members	Office held	Independent	% attendance <sup>(**)</sup>	Meetings attended
<b>NOMINATION AND CORPORATE GOVERNANCE COMMITTEE</b>	Vella Francesco <sup>(*)</sup>	Chairman	x	100%	3/3
	Picchi Nicla <sup>(*)</sup>	Member	x	100%	3/3
	Righini Elisabetta	Member	x	100%	1/1

<sup>(\*)</sup> Mr Vella and Ms Picchi held the same post in the previous composition of the Nomination and Corporate Governance Committee.

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

The table that follows shows the parties that, following the expiry of the previous term of office, on the appointment of the new Board of Directors by the Shareholders' Meeting held on 17 April 2019, will no longer sit on the Committee in question, the office held and the attendance to the meetings held until the above-mentioned date of appointment.

	Members	Office held	Independent	% attendance <sup>(**)</sup>	Meetings attended
<b>NOMINATION AND CORPORATE GOVERNANCE COMMITTEE</b>	Montagnani Maria Lilla	Member	x	100%	2/2

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

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

- reviewed the Annual Report on the application of the Code of Conduct drafted by the Borsa Italiana Committee;
- examined the results of the annual Board Performance Evaluation process of the Board of Directors and intra-Board Committees;
- prepared an opinion for the Board of Directors on the size and optimal composition of the administrative body in order to support it in adopting its opinion to the shareholders in view of the Shareholders' Meeting called to appoint the new Board;
- reviewed the "Diversity policy with regards to the composition of the Board of Directors and the Board of Statutory Auditors of UnipolSai S.p.A.";
- reviewed the Annual Report on Corporate Governance referring to 2018.
- reviewed the Guidelines on the corporate governance system of the Unipol Group, the regulations governing the duties and functioning methods of the Control and Risk Committee and the Remuneration Committee (the "Committee Regulations") and the Document on the corporate governance system of UnipolSai, as activities and documents developed as part of the process of adjusting, on the part of the Company and the Unipol Group, to the provisions of IVASS Regulation 38 on the corporate governance system.

With reference to the meetings held to date in 2020, the Nomination and Corporate Governance Committee performed, inter alia, the following activities:

- reviewed the Annual Report on the application of the Code of Conduct drafted by the Borsa Italiana Committee;
- proposed to the Board of Directors to launch an annual assessment process on the size, composition and functioning of the administrative body and its Committees, referring to the year 2020, as well as to engage Egon Zehnder International S.p.A., an independent advisor with high level standing in the sector, to support the Committee and the Board of Directors in performing the Board Performance Evaluation for the years 2019-2021, following the process of evolution of the same administrative body over that three-year period;
- reviewed the resulting questionnaire;
- reviewed the recommendations set forth in the Annual Report of the Borsa Italiana Committee (see above page 6) and expressed its opinions in that regard;
- reviewed this Report.

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

## 10.2 Remuneration Committee

Number of meetings held during the Year: 3.

Average length of meetings: 1 hour, approximately.

Number of meetings planned for 2020: 3 (of which 1 already held as at the date of this Report).

The Remuneration Committee performs advisory, propositional and control functions on the Company's remuneration policies.

At its meeting on 21 June 2019, the Board of Directors approved the new Remuneration Committee regulation, in line with provisions set forth in IVASS Regulation 38, as well as the provisions of the Letter to the Market of the above-mentioned Authority of 5 July 2018 and the Code of Conduct.

In particular, the Remuneration Committee:

- performs consulting and advisory functions for the definition of Remuneration Policies, in favour of the corporate bodies, Key Managers and personnel, as identified in compliance with the regulations that apply to insurance companies ("Key Personnel"), including compensation plans based on financial instruments;
- formulates, if appropriate, proposals to the Board of Directors for the remuneration of the Directors who perform specific duties, as well as for setting up performance objectives related to the variable component of such remuneration, consistent with the Remuneration Policies adopted by the Board of Directors;
- periodically submits remuneration policies for review so as to guarantee their adequacy, overall consistency and concrete application by the Company;
- identifies potential conflicts of interest and the measures adopted to manage them;
- checks the fulfilment of conditions for the payment of incentives to Relevant Personnel;
- provides adequate disclosure to the Board of Directors on the effective functioning of the Remuneration Policies;
- formulates opinions to the Board of Directors regarding the remuneration of the members of the Supervisory Body of the Company pursuant to Legislative Decree no. 231/2001.

The Chairman of this Committee handles taking minutes of its meetings, by relying on the support of a Secretary.

The members of the Board of Statutory Auditors are also invited to attend the meetings of the Remuneration Committee. All meetings were attended by at least one member of the Board of Statutory Auditors.

At the meeting on 17 April 2019, the Board of Directors appointed the members of the Remuneration Committee, and pursuant to the provisions of the Market Regulation, called for three Directors to join the Committee, all of them non-executive and independent.

	Members	Office held	Independent	% attendance <sup>(**)</sup>	Meetings attended
<b>REMUNERATION COMMITTEE</b>	Vella Francesco <sup>(*)</sup>	Chairman	x	100%	3/3
	De Benetti Cristina	Member	x	100%	1/1
	Picchi Nicla <sup>(*)</sup>	Member	x	100%	3/3

(\*) Mr Vella and Ms Picchi held the same post in the previous composition of the Nomination and Corporate Governance Committee.

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

Mr Vella has, inter alia, adequate knowledge and experience on pay policies, as assessed by the Board of Directors on his appointment.

The table that follows shows the parties that, following the expiry of the previous term of office, on the appointment of the new Board of Directors by the Shareholders' Meeting held on 17 April 2019, will no longer sit on the Committee in question, the office held and the attendance to the meetings held until the above-mentioned appointment.

	Members	Office held	Independent	% attendance (*)	Meetings attended
<b>REMUNERATION COMMITTEE</b>	Maugeri Maria Rosaria	Member	x	100%	2/2

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

For the performance of its tasks, this Committee prepares an adequate budget, approved by the Board of Directors.

At the meetings held during the Year, the Remuneration Committee carried out mainly the following activities:

- reviewed and formulated proposals on the Remuneration policies of the insurance companies of the Unipol Group for the year 2019 in compliance with the provisions of IVASS Regulation 38, which are included within the scope of the 2019-2021 three-year period of the Business Plan;
- reviewed the criteria for the functioning of the incentive system of the insurance companies of the Unipol Group for the year 2019, confirming, without prejudice to the adjustments required following the entry into force of IVASS Regulation 38, their substantial continuity with what has already been approved in previous years;
- reviewed the results achieved by the Group and the Company in the year 2018, as well as the results achieved by the Group at the end of the 2016-2018 three-year period, positively assessing their effects for the purposes of the fulfilment of the conditions set forth for the payment of the short- and long-term variable incentives envisaged in the Regulations of the incentive plan of the insurance companies of the Unipol Group, formulating proposals on the disbursement of such variable remuneration components to Management personnel;
- examined the draft text of the Remuneration Report prepared pursuant to Art. 123-ter of the Consolidated Law on Finance, Art. 84-quater of the Issuers Regulation and IVASS Regulation 38, noting its compliance and consistency with the Remuneration Policies adopted by the Company.

During the year under way, the Remuneration Committee:

- reviewed and formulated proposals on the Remuneration Policies for the current year of the Unipol Group (insofar as UnipolSai is responsible) and of the companies in its insurance segment (including the Company), the structural and regulatory set-up of which is aligned with the Remuneration Policies approved in the prior year;
- shared - for the reasons expressed above (see paragraph 5.9) - the proposal to suspend all assessments concerning the recognition of variable remuneration for the year 2019 for all Management personnel of the Company, postponing any decision in that regard to a subsequent board meeting, to be scheduled in the coming months taking into account the development of the general context;
- examined the draft Remuneration Report prepared pursuant to Art. 123-ter of the Consolidated Law on Finance, Art. 84-quater of the Issuers Regulation and Art. 59 of IVASS Regulation 38, expressing a favourable opinion and noting their compliance and consistency with the Remuneration Policies adopted.

### 10.3 Control and Risk Committee

Number of meetings held during the Year: 10

Average length of meetings: 1 hour and 45 minutes

Average participation: 100%

Number of meetings planned for the 2020 period: 10 (of which 4 already held as at the date of this Report).

The Control and Risk Committee plays a propositional, advisory, investigative and support role to the Board of Directors in relation to the Board's assessments and decisions mainly concerning the Internal Control and Risk Management System as well as the approval of periodic financial reports.

At its meeting on 21 June 2019, to adjust to the provisions set forth in IVASS Regulation 38 on corporate governance, the Board of Directors approved the new Control and Risk Committee Regulation.

With regard to the performance of such functions, pursuant to the Regulation itself as well as policies in force, the Control and Risk Committee provides its prior opinion to the Board of Directors:

- on the definition of the guidelines for the internal control and risk management system, to correctly identify, measure, manage and monitor the main risks to which the Company and its subsidiaries are exposed (including ESG risks and, primarily, those linked to the climate), also assessing the degree of compatibility of such risks with a management of the company in line with the identified strategic objectives;
- on the valuation, at least once a year, of the current and future adequacy and functioning of the internal control and risk management system with respect to the features of the Company and its subsidiaries and to the risk appetite and risk tolerance limits it has established, as well as the effectiveness and ability of that system to grasp the evolution of corporate risks and the interaction between them.

Particularly with regard to the internal control system, the Control and Risk Committee, for example but not limited to, performs the following tasks:

- supports the Board of Directors in performing its duties attributed by regulatory provisions and legislation, as well as by the Code of Conduct, on the internal control system;
- assesses, together with the Financial Reporting Officer, after consulting with the representatives of the auditing company and with the Board of Statutory Auditors, the correct application of accounting standards and, with reference to the consolidated financial statements and the consolidated interim report, their consistent use at a Group level;
- examines the processes of drawing up the periodic accounting documents prepared by the Company and its subsidiaries in order to prepare the separate and consolidated financial statements;
- assesses, after consulting with the Board of Statutory Auditors, the results provided by the auditing company in its contingent letter with recommendations and in the report about any fundamental issues identified during auditing;
- supports the Board of Directors in defining and evaluating the adequacy of the Company's organisational structure, also with regard to the outsourcing of essential or important functions or activities, and receives the relative reporting.

Specifically as concerns risk management, the Control and Risk Committee, for example but not limited to, performs the following duties:

- supports the Board of Directors in performing its duties attributed by regulatory provisions and legislation, as well as by the Code of Conduct on the risk management system;
- expresses its opinion to the Board of Directors on proposals concerning the appointment and/or removal of Heads of the Key Functions, on the adequacy of the resources assigned to them to perform their duties, as well as on the consistency of the remuneration assigned to the above-mentioned Managers with the corporate policies on the matter; this opinion is binding for proposals relating to the Audit Function;
- assists the Board of Directors and expresses an opinion on the determination of the risk appetite and on the establishment of risk tolerance limits, as defined in the Risk Appetite Framework;
- assists the Board of Directors and expresses an opinion on the current and future assessment of risks, taking into account the criteria employed for the assessment of the main business risks, as well as specific aspects concerning their identification with reference to the Company;
- asks, if appropriate, the Audit Function to perform audits on specific operating areas, simultaneously informing the Chairman of the Board of Directors, also in his role as Director appointed to supervise the functioning of the internal control and risk management system, the Chairman of the Board of Statutory Auditors and the General Manager;
- supports, with a suitable appraisal, the assessments and decisions of the Board of Directors relating to the management of the risks deriving from events of default that the Board of Directors is aware of.

With regard to matters common to the internal control and risk management systems, the Control and Risk Committee, for example but not limited to:

- expresses, at least once per year, an opinion on the working plan prepared by the Heads of the Key Functions relating to UnipolSai and its subsidiaries;
- reviews the regular reports containing assessments about the internal control and risk management system of the Company and its subsidiaries, and those of particular relevance, prepared by the Key Functions;
- monitors the independence, adequacy, effectiveness and efficiency of the Key Functions;
- expresses an opinion on the adoption and revision of company and Group policies as required by the Solvency II regulation and/or otherwise related to the internal control and risk management system;
- expresses an opinion on the description, in the annual report on corporate governance, of the main features of the internal control and risk management system and the methods for coordination among the subjects involved in it as well as an assessment of the adequacy of that system.

The Control and Risk Committee examines the information prepared by the Risk Management Function and addressed for the approval of the Board of Directors – concerning intercompany transactions performed by UnipolSai and the insurance companies controlled by them, which cause the operating limits set by the Policy on this type of transactions adopted pursuant to IVASS Regulation no. 30 of 26 October 2016 to be exceeded.

The Control and Risk Committee puts the appropriate functional connections into place with the Board of Statutory Auditors - also in consideration of the responsibilities that Legislative Decree no. 39/2010, as amended by Legislative Decree no. 135/2016, attributes to the latter body in its role as internal control and auditing committee - so as to ensure the establishment of an information flow to the Board of Statutory Auditors for the prompt exchange of relevant

information for the performance of their respective duties and for the coordination of activities in areas over which they have shared responsibility. To this end, and to contain the cost of controls, in 2019 the Board of Statutory Auditors attended the meetings of the Committee.

In order to perform its tasks, the Committee makes use of tools and information flows provided specifically by the Key Functions of the Company, so as to allow the Committee itself to issue the required assessments within its area of competence.

In this regard, the Key Functions guarantee adequate reporting on the activities carried out and on the risk situation, as well as prompt disclosure if audit activities bring any severe irregularities to light.

The Control and Risk Committee reports to the Board of Directors at least every six months during the approval of the annual and interim financial reports on the activity performed as well as the adequacy of the internal control and risk management system with respect to the characteristics of the Company, the risk profile assumed and its effectiveness, and provides, through its Chairman, a brief disclosure to the administrative body, during its first possible meeting, concerning the matters dealt with at Committee meetings and any assessments conducted, even when the audits performed and the opinions issued are not in any case required or otherwise needed in preparation for the administrative body to pass specific resolutions.

The Chairman of the Committee in question handles taking minutes of its meetings, by relying on the support of a Secretary.

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

The Committee in question avails itself, for the performance of its tasks, of a budget approved by the Board of Directors that is adequate for the fulfilment of its tasks. It may also:

- request to the members of the bodies of the Subsidiaries to provide all information, including documents, deemed necessary to the correct performance of the assigned tasks;
- propose, within the limits of the spending budget assigned over time and providing its reasoning, the appointment of external consultants who would support the Committee itself for the performance of its assigned tasks.

The Board of Directors, at the meeting of 17 April 2019, appointed, pursuant to Art. 37 of the Market Regulation and the current Code of Conduct, the members of the Control and Risk Committee, composed exclusively of independent Directors, one of whom with adequate expertise in accounting, financial or risk management matters, as assessed by the Board of Directors at the time of his/her appointment.

The table summarising the Committee with the relative composition is shown below.

	Members	Office held	Independent	% attendance <sup>(*)</sup>	Meetings attended
<b>CONTROL AND RISK COMMITTEE</b>	Masotti Massimo <sup>(*)</sup>	Chairman	x	100%	10/10
	Rizzi Antonio	Member	x	100%	7/7
	Tadolini Barbara	Member	x	100%	7/7

<sup>(\*)</sup> Mr Masotti held the same post in the previous composition of the Control and Risk Committee.

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

Mr Masotti has, inter alia, specific and adequate accounting and financial and risk management experience, as assessed by the Board of Directors when he was appointed.

The table that follows shows the parties that, following the expiry of the previous term of office, on the appointment of the new Board of Directors by the Shareholders' Meeting held on 17 April 2019, will no longer sit on the Committee in question, the office held and the attendance to the meetings held until the above-mentioned appointment:

	Members	Office held	Independent	% attendance <sup>(*)</sup>	Meetings attended
<b>CONTROL AND RISK COMMITTEE</b>	Ghiglieno Giorgio	Member	x	100%	3/3
	Righini Elisabetta	Member	x	100%	3/3

<sup>(\*)</sup> The percentage was calculated on the basis of the number of meetings attended by the individual member of the Committee, compared with the number of meetings held during the term of office.

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

- the final reports of activities performed by the Key Functions (including the activities performed by the Anti-Money Laundering Function);
- the plans of activities carried out by the Key Functions (including the plan of activities prepared by the Anti-Money Laundering Function);
- the correct use and consistency in the application of the accounting standards used in the preparation of the consolidated financial statements, as well as the results of the assessments carried out on the internal control systems related to accounting and financial disclosures (Law 262/2005), through specific meetings with the Financial Reporting Officer and the Auditing Company;
- the proposals related to general policies applied to the remuneration of the Directors and Key Managers of UnipolSai, including the Heads of the Key Functions;
- the company's policies, prepared and/or updated pursuant to the provisions contained in IVASS Regulation 38;
- the drafts of the annual Reports on corporate governance and ownership structures referring to 2018 and 2019;
- the outcomes of the particularly relevant reports prepared by the Audit Function;
- the quarterly monitoring, required by policies, performed by the Risk Management Function;
- the annual Validation Report of the group's Partial Internal Model as well as amendments to the Model for the calculation of the solvency capital requirement, insofar as is applicable to UnipolSai.

The Committee in question also reported to the Board of Directors on its activities and their results at the time of the approval of the 2018 draft financial statements, interim financial statements as at 30 June 2019 and the 2019 draft financial statements.



Employees and external subjects, convened in reference with specific agenda topics, participated in the Committee's meetings upon invitation by the Chairman.

To adjust to the provisions of IVASS Regulation 38 and the Letter to the Market, at its meeting held on 21 June 2019, the Board of Directors approved the new regulation of the Control and Risk Committee.

## 10.4 Related Party Transactions Committee

Number of meetings held during the Year: 9.

Average length of meetings: 1 hour, approximately.

Number of meetings planned for 2020: 4 (of which 1 already held as at the date of this Report).

The Related Party Transactions Committee has functions of advice, discussion and proposition with respect to the Board of Directors and the corporate structures of UnipolSai and its Subsidiaries, on transactions with Related Parties, in compliance with the provisions of the Regulations issued by CONSOB with Resolution no. 17221 of 12 March 2010, and subsequent amendments, and the internal procedure adopted by the Board of Directors of UnipolSai for the execution of the Transactions in question (Related Party Procedure; see Paragraph 15 below).

More specifically, the Committee:

- expresses to the Board of Directors of the Company an opinion on the methods for the establishment of the registry where the Related Parties are recorded (the "Related Party Register");
- participates in the investigations and the stage of any negotiations concerning the Transactions of Greater Importance (as defined in the Related Party Procedures); expresses to the competent resolving body, on the basis of complete and timely information provided by the company's structure during the investigation, and if appropriate, during negotiations, a reasoned opinion on the interest of the Company in the execution of the same Transactions of Greater Importance, as well as on the convenience and substantial correctness of all related conditions;
- expresses to the competent body a reasoned, non-binding opinion about the interest of the Company in carrying out Transactions of Lesser Importance (as defined in the Related Parties Procedure, as well as about the convenience and substantial correctness of related conditions;
- expresses to the General Manager of UnipolSai a justified non-binding opinion on the interest of the Subsidiaries and of UnipolSai in performing Transactions with Related Parties through the Subsidiaries, of Major or Minor Significance, as well as on the cost effectiveness and substantial fairness of the relative conditions;
- expresses to the Board of Directors an opinion on the updates made to the Related Parties Procedure.

The Chairman of the Committee in question handles taking minutes of its meetings, by relying on the support of a Secretary.

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

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

Following the appointment of a new administrative body during the Shareholders' Meeting on 17 April 2019, the Board of Directors appointed the Related Party Transactions Committee, consisting of four non-executive and independent Directors.

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

	Members	Office held	Independent	% attendance	Meetings attended
<b>RELATED PARTY TRANSACTIONS COMMITTEE</b>	Masotti Massimo <sup>(*)</sup>	Chairman	x	100%	9/9
	De Benetti Cristina	Member	x	100%	3/3
	Righini Elisabetta <sup>(*)</sup>	Member	x	100%	9/9
	Rizzi Antonio	Member	x	100%	3/3

<sup>(\*)</sup> Mr Masotti and Ms Righini held the same post in the previous composition of the Control and Risk Committee.

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

The table that follows shows the parties that, following the expiry of the previous term of office, on the appointment of the new Board of Directors by the Shareholders' Meeting held on 17 April 2019, will no longer sit on the Committee in question, the office held and the attendance to the meetings held until the above-mentioned appointment:

	Members	Office held	Independent	% attendance <sup>(*)</sup>	Meetings attended
<b>RELATED PARTY TRANSACTIONS COMMITTEE</b>	Ghiglieno Giorgio	Member	x	100%	6/6
	Tadolini Barbara	Member	x	100%	6/6

<sup>(\*)</sup> The percentage was calculated on the basis of the number of meetings attended by the individual member of the Committee, compared with the number of meetings held during the term of office.

The Board of Statutory Auditors attended all meetings of the Related Party Transactions Committee.

## 11. The Board of Statutory Auditors

Number of meetings held during the Year: 20

Average length of meetings: 2 hours

Average participation: 98%

Number of meetings already held in 2020 at the date of this Report: 5.

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

## 11.1 Role and Responsibilities

In accordance with Legislative Decree no. 39/2010, as amended by Legislative Decree no. 135/2016, on the statutory audits of the annual accounts and consolidated financial statements, besides supervising compliance with legal provisions, the By-Laws and principles of sound management, the Board of Statutory Auditors is also responsible – also while carrying out its tasks as internal control and auditing committee – for:

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

## 11.2 Appointment

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

The lists are divided in two sections, one for the candidates for the office of Statutory Auditor, the other for the candidates for the office of Alternate Auditor. They must contain a number of candidates not exceeding the number of members to be elected (max. three names in each section) to be listed in sequential order. The lists must be filed with the registered office of the Company within 25 days before the date of the Shareholders' Meeting convened to resolve upon the appointment of the members of the Board of Statutory Auditors.

Each list which, considering both sections, contains a number of candidates equal to or higher than three must ensure compliance with gender balance as set forth in laws and regulations in force.

Each candidate may feature on only one list; otherwise their candidacy is declared void.

The lists can be submitted by entitled Shareholders who, alone or together with other Shareholders, own in total the stake specified by the law and other regulations in force governing the appointment of the members of the management and control bodies of the companies.

Those submitting a "minority list" are also recipients of the recommendations made by CONSOB in its document DEM/9017893 of 26 February 2009.

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

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

The election of the members takes place as follows:

1. from the list which has obtained the largest number of Shareholders' votes, according to the progressive order in which they are listed in the sections of the list, two full members and one deputy member are taken;
2. the remaining Standing Auditor and the remaining Alternate Auditors are taken from the list that came second in terms of votes and that is not linked, not even indirectly, to those who submitted or voted the list that obtained the highest number of votes. In the case of a tie vote between two or more lists, a ballot will be held between such lists, the candidates elected being from the list that obtains the relative majority of the votes.

The Board of Statutory Auditors will be chaired by the Statutory Auditor elected from the list that ranked second in terms of votes.

If a Statutory Auditor must be replaced, the replacement is the Alternate Auditor from the same list, if present. Otherwise, if a minority Statutory Auditor terminates his or her office, the first candidate of the list ranking third in terms of votes will take over. The replacement must ensure compliance with the proportion of genders required by the provisions of the law and regulations in force.

As regards the provisions of Art. 36 of Decree-Law no. 201 of 6 December 2011 (converted into Act no. 214 of 22 December 2011), which provides for the prohibition from accepting or exercising offices between companies and groups of competing companies operating in the credit, insurance and financial markets, the Company verifies the existence of potential cases of incompatibility of its Standing Auditors.

### 11.3 Composition and operation

The Shareholders' Meeting of 23 April 2018 appointed, on the basis of the two lists presented by the Shareholders – of which one jointly presented by the majority Shareholder Unipol and the other, within the extended term set forth by regulations in force in the event of the submission of just one list by the ordinary deadline, jointly, by some asset management companies and institutional investors holding a total of 0.6205% of the ordinary share capital of the Company – the Board of Statutory Auditors currently in office, comprising three Statutory Auditors and three Alternate Auditors, conferring upon the same a three-year mandate and, therefore, until the Shareholders' Meeting called to approve the 2020 financial statements.

From the majority list, which received the majority of votes, two Standing Auditors, Mr Giuseppe Angiolini and Ms Silvia Bocci, and two Alternate Auditors, Mr Domenico Livio Trombone and Ms Luciana Ravicini, were selected; while from the minority list the Chairman of the Board of Statutory Auditors, Mr Paolo Fumagalli, and an Alternate Auditor, Ms Sara Fornasiero, were selected.

The statutory auditors are unchanged compared to the previous term.

The composition of the Board of Statutory Auditors is detailed in the enclosed Table no. 3.

The curricula vitae of the statutory auditors of the board are published on the Company's website.

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

The Board of Statutory Auditors, at the meeting of 30 January 2020, verified that its members meet the independence requirements set by the Code of Conduct for Directors and observed that its composition is adequate and the above requirements are met by its members.

For its part, upon appointment, the Board of Directors verified that the members of the board of auditors met the requisites of suitability for the position as well as independence prescribed by Art.148, Paragraph 3 of the Consolidated Law on Finance, pursuant to the provisions of Art. 144-novies of the Issuers' Regulation, with subsequent amendments by CONSOB Resolution no. 17326 of 13 May 2010. At the meeting on 9 May 2019, the administrative body performed its periodic assessment on the continued fulfilment of such requirements.

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

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

The members who, on their own or through third parties, have an interest in a particular Company's operation must inform promptly and thoroughly the other members and the Chairman of the Board of Directors about the nature, terms, origin and scope of that interest. In 2019 no situations arose in respect of which the members of the Board of Statutory Auditors had to file such reports.

The Board of Statutory Auditors attended all meetings of the Board of Directors held in 2019.

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

The Board of Statutory Auditors, as the Internal Control and Auditing Committee, also carried out - as part of the process of selection of the principal Group auditor to whom to assign the Engagement for the years 2021 to 2029 - the activities within its competence, following which it prepared, in compliance with the applicable legislation and according to the objectives of the same, as well as in compliance with the specific procedure adopted by the Company, its justified recommendation for the assignment of said Engagement.

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

During the Year, the Board of Statutory Auditors attended as an invitee meetings of the Control and Risk Committee, acquiring appropriate information for the purposes of coordination of the activities of the Board with those carried out by that Committee. The Board of Statutory Auditors also participated as an invitee in meetings of the Remuneration Committee and the Related Party Transactions Committee.

The compensation of the Company's Board of Statutory Auditors can be deemed basically aligned with the average remuneration surveyed in listed companies that are part of the FTSE-MIB index, of which UnipolSai was part, as noted previously, until 4 December 2019.

## **11.4 Diversity Criteria and Policies**

As mentioned in paragraph 5.4 above, at the meeting of 7 February 2019, the administrative body approved, pursuant to Art. 123-bis of the Consolidated Law on Finance and the recommendations contained in this regard in the Code of Conduct, the Diversity Policy, which also refers to some aspects concerning the Board of Statutory Auditors.

In particular - with regard to the qualitative composition of the control body, and given the role of the same and the detailed regulatory norms of the sector envisaged for its members - Policy in question is limited to providing for the following:

- the legal provisions on gender balance relevant to the administrative body of the Company be complied with;
- in order to ensure the proper execution of their tasks and guarantee the effectiveness of the role, the Auditors must be able to devote adequate time and resources to the execution of their mandate.

## 12. Auditing Company

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

The aforesaid engagement was conferred, for the 2013-2021 period, by resolution passed at the Shareholders' Meeting of 30 July 2013.

Considering that the end of this nine-year engagement will soon be coming to an end and it cannot be assigned to PricewaterhouseCoopers S.p.A. again pursuant to regulations in force, as well as the rules governing the identification of the Group's "principal auditor", as UnipolSai represents the primary subsidiary of Unipol, the Company submitted a proposal to its Shareholders' Meeting on 17 April 2019 to engage a new auditor for the period specified below.

This decision takes into account that the parent company Unipol - in view of the expiry, with the approval of the financial statements as at 31 December 2020, of the engagement it had in turn assigned to PricewaterhouseCoopers S.p.A. - initiated a process in the second half of 2018 to select the auditing company to be engaged for the years 2021-2029, so that it could be submitted to the Shareholders' Meeting called to resolve on the financial statements for the year ended at 31 December 2018 for approval, for the priority purpose of establishing the conditions for the assumption by the selected auditor of the role of principal auditor of the Unipol Group, as well as guaranteeing respect for the prohibition set forth in reference regulations against receiving from the auditor, in the twelve months prior to the start of the Engagement, services of "*designing and implementing internal control and risk management procedures relating to the preparation and/or control of financial reporting, or the design and implementation of technological systems for financial reporting*" (the "*cooling in period*").

With regard to the need to align the duration of the engagement with that of the Parent Company, PricewaterhouseCoopers S.p.A., at the request of UnipolSai, expressed its willingness to waive the engagement for the year 2021, pursuant to Ministerial Decree no. 261 of 28 December 2021, containing the "Regulation concerning cases and methods for revocation of, resignation from and consensual resolution of the audit engagement, in implementation of Art. 13, paragraph 4 of Legislative Decree no. 39 of 27 January 2010".

The Board of Statutory Auditors, as the Internal Control and Auditing Committee, approved of the above-mentioned assessments of the Company and - as part of the process of selecting the auditor to be engaged - performed the activities under its responsibility, after which time it prepared - in compliance with regulations in force and according to the purposes thereof, as well as in keeping with the procedure adopted in this regard by the Group and by UnipolSai - the recommendation for the Board of Directors.

The procedure of selecting the principal auditor of the Group for the 2021-2029 period was performed jointly by Unipol and UnipolSai, and concluded with the decision by the Shareholders' Meeting of 17 April 2019 - after reviewing the

proposal of the Board of Directors and the recommendation of the Board of Statutory Auditors - to engage EY S.p.A. as the auditor of the Company's accounts for the years 2021-2029.

### 13. Relationships with the Shareholders

The Company maintains a constant dialogue with the financial markets, pursuant to the law and other regulations governing the matter, ensuring at the same time that any press release, financial and corporate documentation or presentations made to the financial community are readily available on the Company's website; all of this to provide the Shareholders and the financial community in general with adequate and comprehensible information.

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

- the Shareholder Office, for all issues concerning the exercise of equity and administrative rights;
- the Investor Relations Office for information about the strategy and profit and loss and financial data of the UnipolSai Group.

In 2019, relations with investors - performed, due to the configuration of the Unipol Group, jointly with Unipol Gruppo - included the presentation of the 2019-2021 Strategic Plan and the completion of the disposal to BPER Banca S.p.A. of the share in Unipol Banca S.p.A. In this regard, the group participated in 13 conferences and 18 road shows organised by financial intermediaries in the main global markets, aside from attending a number of meetings and conference calls with investors and financial analysts.

The Investor Relations Office, which is part of the Business Development and Corporate Communication General Directorate, is coordinated by Mr Adriano Donati (telephone +39 051 5077063 – email: [investor.relations@unipolsai.it](mailto:investor.relations@unipolsai.it), on the website [www.unipolsai.com](http://www.unipolsai.com), Investors Section, "Contacts").

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# 3

## PART III

### THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Il sistema di controllo interno  
e di gestione dei rischi

Operazioni infragruppo e con Parti Correlate  
e interessi degli Amministratori

L'Internal Dealing

Il trattamento delle informazioni privilegiate

## Section III

### The internal control and risk management system

## 14. The internal control and risk management system

### 14.1 Foreword

The Internal Control and Risk Management System is a key element in the overall system of governance. It consists of a set of rules, procedures and organisational structures aiming to ensure:

- effectiveness and efficiency of corporate processes;
- suitable limits on current and future risks;
- the prevention of the risk that the company be involved, even unintentionally, in illegal activities, in particular those related to money laundering, usury and terrorist financing;
- the prevention and correct management of the potential conflicts of interest, including those with Related Parties and Intra-Group Parties, as identified by regulatory provisions of reference;
- verification that corporate strategies and policies are implemented;
- safeguarding of company asset values, also in the medium to long term, and proper management of assets held on behalf of customers;
- reliability and integrity of information provided to corporate bodies and the market and of IT procedures;
- adequacy and promptness of the corporate data reporting system;
- compliance of business activities and transactions executed on behalf of customers with the law, supervisory regulations, corporate governance regulations and the company's internal measures.

The internal control and risk management system is defined in the Group Directives on the corporate governance system (the "Directives") - adopted by the UnipolSai Board of Directors on 21 June 2019 - which, inter alia, set out the role and responsibilities of the individuals involved in the internal control and risk management system.

The Directives are completed by the Key Function Policies, approved at the same Board of Directors meeting<sup>2</sup>.

The principles and processes of the risk management system as a whole are governed by the following Group policies: "Risk Management Policy", "Internal Current and Forward-looking Risk and Solvency Assessment Policy", "Operational Risk Management Policy" and "Group-level Risk Concentration Policy". Also an integral part of the risk management system are the policies that outline the principles and guidelines on: (i) management of specific risk factors (e.g. the "Group Investment Policy" for market risk and "Credit Policy" for credit risk), (ii) management of a risk within a specific process, and (iii) mitigation of a risk and (iv) management of risk measurement models.

<sup>2</sup> The documents mentioned entered into force from 1 January 2020. Indeed, following the entry into force of IVASS Regulation no. 38 of 3 July 2018 containing the provisions concerning the system of governance ("Regulation 38"), the system of documents on the corporate governance system was revised; in particular, the Directives on the internal control and risk management system, adopted by the Board of Directors before the entry into force of Regulation 38, became an integral part of the broader Directives on the Group's Corporate Governance System, introduced by Regulation 38.

The methods for coordination and information flows between the parties involved in the internal control and risk management system are represented in the above-mentioned Key Function Policies, as well as in the Board Committee Regulations.

The Internal Control and Risk Management System also includes an internal system for the reporting by personnel of acts or events which may constitute a violation of the rules governing the activity performed, which guarantees a specific and confidential information channel, as well as the anonymity of the reporting entity. This system is formalised in the Whistleblowing Procedure approved by the Board of Directors of UnipolSai at the meeting on 9 August 2018.

## 14.2 Risk Management System

The risk management system is the set of processes and tools used in support of the risk management strategy of the Unipol Group; it provides adequate understanding of the nature and significance of risks to which the Group and individual companies, including UnipolSai, are exposed. The risk management system allows the adoption of a single point of view and a holistic approach to risk management, and is an integral part of the management of the business. The risk management process, also applied by UnipolSai, is structured into the following phases:

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

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

These processes are carried out using methods that guarantee an integrated approach at Group level. The Parent Company ensures that the risk management policy is implemented consistently and continuously within the entire Group, taking into account the risks of each company in the scope of group supervision and their mutual interdependencies, with reference to the provisions pursuant to Articles 210 and 210-ter, paragraphs 2 and 3 of the Private Insurance Code.



### 14.3 *Risk Appetite and Risk Framework*

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

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

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

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

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

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

In line with said principles, UnipolSai ensures adequate levels of:

- capitalisation, to avoid revising strategic decisions;
- liquidity, to be able to meet one’s commitments even in periods of stress due to company-specific or market-wide events under reasonable conditions and in a reasonable time;
- monitoring of reputational risk, in order to protect our trust capital and minimise the risk of negative events that compromise the perception of the Group by its reference stakeholders;
- monitoring of emerging risks to anticipate the arising of risks that can damage the capital strength or business model sustainability, and arrange for their management;
- monitoring of ESG (Environmental, Social and Governance) risks, so as to preserve the capacity to create value over time of the Group and its stakeholders by mitigating environmental, social and governance impacts;
- monitoring of operational risk, to ensure, even in the case of extreme events, the continuity of business transactions and the safeguard of the corporate capital.

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

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

- capital at risk;

- capital adequacy;
- liquidity/ALM (Asset Liability Management) ratios.

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

The Risk Appetite is formalised in the Risk Appetite Statement, which indicates the risks that the Company intends to assume or avoid, sets the quantitative limits and the qualitative criteria to be taken into account for the management of unquantified risks.

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

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

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

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

#### 14.4 The ORSA process

In the risk management system, the ORSA process allows the risk profile analysis of the Company, whether final or forward-looking, based on strategy, the market scenarios and business development. In addition, ORSA is an element of the assessments made to support operational and strategic decisions.

#### 14.5 Breakdown of control levels

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

- line controls (so-called “first-level controls”), aimed at ensuring transactions are carried out correctly. These are performed by the same operating structures (e.g. hierarchical, systematic and sample controls), also through the different units which report to the heads of the operating structures, or carried out as part of back office activities; as far as possible, they are incorporated in IT procedures. The operating structures are the primary bodies responsible for the risk management process and must ensure compliance with the adopted procedures for implementing the process and compliance with the established risk tolerance level;
- risk and compliance controls (so-called “second-level controls”), which aim to ensure, inter alia:

- the correct implementation of the risk management process;
- the implementation of activities assigned to them by the risk management process;
- the observance of the operating limits assigned to the different functions;
- the compliance of company transactions with the regulations, also self-regulatory;
- the reliability and adequacy of the calculation of Solvency II technical provisions.

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

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

## 14.6 Corporate bodies

### Board of Directors

The Board of Directors is ultimately responsible for the Internal Control and Risk Management System, for which it has to ensure constant completeness, function and effectiveness. In this regard, the Board approves - inter alia - the organisational, administrative and accounting structure of the Company; it also defines, after hearing the opinion of the Control and Risk Committee, the guidelines of the internal control and risk management system, evaluating its current and future adequacy at least once per year, as well as its effectiveness and capacity to capture the evolution of business risks and the interaction between them.

Pursuant to the Directives, all parties involved in the internal control and risk management system exchange information flows as envisaged in current regulations and all other information useful to guarantee that the Board of Directors is fully aware of the significant corporate events and that the other parties involved have all the information necessary to perform their own duties.

### Appointed Director

Consistently with the recommendations laid down in the Code of Conduct - and in particular in Art. 7 of the same Code, which provides that the Board of Directors "*sets guidelines and assesses the adequacy of the system*" and "*identifies one or more directors within it, in charge of establishing and maintaining an effective system of internal control and risk management*" - the Board of Directors, lastly at the Board Meeting held on 17 April 2019, appointed as Appointed Director - by virtue of his in-depth knowledge gathered on the corporate process and the Internal Control and Risk Management System within the Unipol Group - its Chairman Mr Carlo Cimbri.

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

- a) handling the identification of the main corporate risks, taking account of the features of the activities carried out by the Company and its subsidiaries, regularly subjecting them to review by the Board of Directors;
- b) implementing the guidelines set by the Board of Directors, overseeing the design, implementation and management of the internal control and risk management system, and constantly verifying its adequacy and effectiveness;



- c) ensuring adaptation of the internal control and risk management system to changes in the operating conditions and in the legal and regulatory framework;
- d) if necessary, asking the Audit Function to perform audits on specific operating units and of compliance with internal rules and procedures in the execution of corporate transactions, reporting on these to the Chairman of the Control and Risk Committee and of the Board of Statutory Auditors;
- e) promptly informing the Control and Risks Committee and the Board of Directors of any significant problems and critical issues that emerge from his own activities or of which he has been informed, in order that they may take the appropriate action;
- f) with reference to the Heads of the Key Functions, formulating proposals to the Board of Directors, after receiving the favourable opinion from the Control and Risk Committee, for:
  - their appointment and removal;
  - the availability of suitable resources in fulfilling their responsibility;
  - defining their remuneration in line with the corporate policies;
  - expressing to the Board of Directors opinions regarding the work plans prepared by the Heads of the Key Functions, to be submitted to the Board of Directors for approval.

**Top Management** (General Manager and top managers in charge of the decision-making process and the implementation of strategies<sup>3</sup>):

Top Management supports the Director in charge of designing and implementing the Internal control and risk management system, including therein those deriving from non-compliance with the regulations, in line with the directives and the risk governance policies defined by the administrative body and with the guidelines provided by the Parent Company.

## 14.7 Key Functions (Audit, Risk Management, Compliance and Actuarial Functions)

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

The Heads of these Functions:

- are placed in an adequate hierarchical/functional position;
- are appointed and removed by the Board of Directors, according to the procedures and in compliance with the requirements of eligibility for the position in terms of integrity and professionalism as set forth in said Fit & Proper Policy and regulations, including self-regulations, applicable in relation to the relevant sector, ensuring that they have adequate resources to fulfil their responsibilities;
- have the authorities needed to ensure the independence of the function;
- have no direct responsibility for the operating areas subject to their control;

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<sup>3</sup> Key Managers are those identified for the purposes of the application of the supervisory regulations on intercompany transactions.

- report directly to the Corporate Bodies.

To execute the respective audits under their responsibility, the personnel of the above-mentioned Functions:

- have access to the company and external data required to properly perform their duties;
- are suitable in terms of number, technical/professional skill and continuous education, including through the development of continuous training programmes.

In the organisational model designed in the Directives, in addition to conducting their own activities for the Company, the Key Functions guarantee outsourcing of the service for the companies that have signed specific service agreements<sup>4</sup> with UnipolSai and which report to the corresponding Functions of the Parent Company.

## I) Audit

The Audit Function assesses and monitors the effectiveness, efficiency and adequacy of the internal control system and the additional components of the system of corporate governance, according to the nature of the business activities and the level of risks undertaken, as well as its updating, also through support and advisory activities provided to other company functions. The procedures for the performance of the tasks assigned to the Audit Function are specified and formalised in the document “Audit Function Policy”, approved by the Board of Directors of UnipolSai on 21 June 2019.

Both continuously and in relation to specific needs, and in compliance with international standards, the Audit Function verifies the operations and suitability of the internal control and risk management system by means of an audit plan, approved by the Board of Directors, based on a structured process of analysis and prioritisation of the main risks. The 2019 plan was approved by the Board of Directors on 7 February 2019 after prior examination by the Control and Risk Committee and after consulting the Board of Statutory Auditors and the Appointed Director.

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

- process audit (insurance, operational, financial and information technology);
- the drafting of the reports specified by laws and regulations or other audit, project, administrative and reporting activities;
- inspections on the sales networks and the settlement units;
- verification of internal fraud by employees, trustees and salespeople;
- cooperation with the Control and Risk Committee, the Auditing Company, the Board of Statutory Auditors and the Supervisory Body set up according to Legislative Decree 231/2001.

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

- the suitability of the management processes and the effectiveness and efficiency of the organisational procedures;
- the regularity and the functioning of the information flows between corporate sectors;

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<sup>4</sup> The Group insurance companies appoint their own Managers, meeting requirements of eligibility for office set forth in the Fit&Proper Policy, to which the overall responsibility of the function for which they are responsible is attributed.

- compliance with limits envisaged by delegated power mechanisms and the full and correct use of available information in the various activities;
- IT system adequacy and reliability in ensuring that the quality of information on which Top Management bases its decisions is not compromised;
- compliance of administrative and accounting processes with the criteria of accounting accuracy and correct record keeping;
- the effectiveness, efficiency and actual performance of the controls carried out on the outsourced activities.

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

The Audit Function is assigned an annual spending budget approved by the Board of Directors.

## II) Risk Management

The Risk Management Function supports the Board of Directors, the Appointed Director and Top Management in the evaluation of the design and effectiveness of the risk management system and reports any deficiencies and suggests ways of resolving them, as well as the methodologies and methods used, in particular within the internal risk and solvency assessment, for the management of such risks.

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

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

In this regard, it is noted that by measure of 7 February 2017, IVASS authorised UnipolSai to use the partial internal model for calculating the individual solvency capital requirement, starting from the valuations as of 31 December 2016.

Within the Company, the responsibility for the design and implementation of this model is separated from the responsibility for its validation.

The Risk Management Function is also in charge of:

- performing the role of Data Owner and Data Taker with reference to the calculation of the capital requirements under the Solvency II regulations (both with the Internal Model and with the Standard Formula);
- assessing the impact of operational risk deriving from catastrophic events as specified in the Business Continuity Management Policy; for these objectives, it co-operates with the function in charge of the Business Continuity Plan.

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

### III) Compliance

The Compliance Function is in charge of evaluating, with a risk-based approach, the adequacy of procedures, processes, policies, and internal organisation for the purposes of preventing compliance risk, i.e. the risk of incurring judicial or administrative sanctions, significant financial losses or reputational damage as a result of the failure to observe laws, regulations and European regulations directly applicable or measures of Supervisory Authorities, as well as self-regulation (e.g. by-laws, codes of conduct, or self-governance codes); compliance risk also includes the risk arising from unfavourable changes in the regulatory framework or case law orientation.

This risk is found at all levels of the organisation; accordingly its correct management is a major topic and deeply connected with day-to-day transactions, with particular reference to relations with clients. Specifically, its main feature is the considerable pervasiveness in business activities and the involvement of several organisational structures.

The Compliance Function operates through:

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

To this end, the methodology used provides for different types of activities that can be broken down into:

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

As part of the Compliance Function, the "Model 231 monitoring" Function is established, which has the responsibility of monitoring the legislative changes concerning Legislative Decree no. 231/2001, ensuring compliance with the regulations and updating the Organisation, Management and Control Model prepared pursuant to this regulation, as well as the management of the related risk mapping.

### IV) Actuarial Function

The Actuarial Function is responsible for coordinating the calculation of the Solvency II technical provisions, assessing the adequacy of the methods, models and assumptions which provide the basis for said calculation and evaluating the adequacy and quality of the data used. It also expresses an opinion on the overall risk underwriting policy and on the adequacy of reinsurance agreements. It also makes a contribution to the risk management system, also with reference to the modelling of the risk underlying the calculation of the capital requirement, and verifies the consistency between

the amounts of the technical provisions calculated according to the assessment criteria applied to the financial statements and the calculations resulting from the application of the Solvency II criteria.

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

## 14.8 Financial Reporting Officer

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

The Financial Reporting Officer is Mr Maurizio Castellina, Administration, Controlling and Operations Co-General Manager of the Company, appointed to this role by the Board of Directors at its meeting on 17 April 2019.

Pursuant to the provisions of the By-Laws, the Board appointed him after obtaining the favourable opinion of the Board of Statutory Auditors and verifying that he possessed the professional requisites established by the By-Laws which state that the Financial Reporting Officer should be an individual "*with adequate professionalism that has carried out management activities in the administrative/accounting or financial or management control or internal audit sector of a company whose financial instruments are listed in a regulated market or one that carries out banking, insurance or financial activities or, in any case, a large corporation.*"

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

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

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

## 14.9 Methods of coordination among the subjects involved in the internal control and risk management system

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

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

and the Board and corporate Committees, which ensure the involvement of and sharing with all the functions concerned.

In particular, mutual connections are already in place between the various Key Functions, implying:

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

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

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

This platform thus allows the latter:

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

#### **14.10 Main features of the internal control and risk management systems in place in relation to the financial reporting process, including consolidated accounts**

In compliance with the provisions of the Consolidated Law on Finance - Section V-bis "Financial Information", UnipolSai has implemented a control model, to support the Financial Reporting Officer, for verifying the adequacy and effective application of the administrative procedures relating to accounting and financial reporting.

The "financial reporting risk model" adopted is based on a process defined in accordance with the CoSo Framework (Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission), widely recognised as the standard of reference for the implementation and evaluation of internal control systems;

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

- control environment: monitors the integrity and the ethical values, the philosophy and the conduct of the managers, the suitability of the organisational structures, the attribution of roles, powers and responsibilities, the personnel management policies and the development of the corresponding skills.
- identification, assessment and management of risk: allows the identification and analysis of the business risks and the risks arising from the financial information that may jeopardise the achievement of the corporate objectives;
- control activities: identifies, documents and assesses the activities for proper management and mitigation of risks described earlier;
- information and communication: monitors the proper management of information flows between the different functions of the Company and the Top Management, to ensure that all parties within the structure execute properly the tasks assigned to them;
- monitoring: identifies and resolves any deficit and ensures the constant improvement of the system.

In line with the guidelines described above the risk management and internal control process on financial information comprises the following stages:

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

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

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

- verify the adequacy of the control model dimensions not covered directly through the process-level analysis, internal corporate information/communications, monitoring and risk assessment processes;
- draw a picture of the business context in which the internal control and risk management system operates, thus obtaining useful information to direct the subsequent stages of risk analysis/controls and tests in the context of the processes;
- obtain an immediate picture of the monitoring level of the controls and internal regulations of the companies of the Unipol Group, to support the statements of the Financial Reporting Officer and the Chairman, delegated for that purpose.

Stage 3 – Assessment of risks and of the chart of controls at process level: regularly, in the case of revisions of the processes of business structures as a result of organisational changes, the documentation of risks and controls related to the financial reporting process is updated. This documentation is implemented through the provision, for each

process identified as relevant in Stage 1 "Definition of the perimeter of analysis", of the Risk and Control Arrays (Risk & Control Analysis - RCA). In particular, the Risk & Control Analysis is structured as follows:

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

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

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

During the test, the following activities are carried out:

- definition of the test specimen for the key controls identified;
- performance of the tests according to three procedures, namely Observation, Analysis of evidence and Rerunning the audit activity;
- assigning a relative weight to the issues identified and their evaluation.

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

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

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



The Board of Directors, at its meeting of 19 March 2020, examined the contents of the report of the Financial Reporting Officer prepared with reference to 31 December 2019.

On the basis of the Report highlighted above and the data verification activities carried out by the administrative structures, the Chairman, purposefully delegated, and the Financial Reporting Officer will prepare the certificates laid down in Art. 154-bis of the Consolidated Law on Finance.

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

## 14.11 The Organisation, Management and Control Model

The current Organisation, Management and Control Model (the "MOG" or the "Model") of the Company adopted pursuant to Art. 6, Paragraph 1, letter a) of Legislative Decree no. 231 of 8 June 2001, carrying the "Rules on the administrative liability of legal persons, companies and associations with or without legal status, pursuant to Art. 11 of Law no. 300 of 29 September 2000" (the "Decree 231/2001"), was approved by the Board of Directors of UnipolSai on 27 September 2018, in its updated version.

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

1. offences against the Public Administration;
2. corporate offences;
3. offences and misdemeanours of abuse of privileged information, market manipulation and market rigging;
4. receiving stolen goods, money laundering, self-money laundering and offences for the purposes of terrorism or subversion of the democratic order;
5. IT crimes;
6. offences of manslaughter or personal injuries related to violations of occupational health and workplace safety standards;
7. crimes of money counterfeiting;
8. organised crime and cross-border offences;
9. environmental offences;
10. crimes against industry and trade;
11. infringement of copyrights;
12. employment of third-country citizens without the required residence permit;
13. incitement not to testify or to provide false statements to legal authorities;
14. illicit brokering and exploitation of labour

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

UnipolSai has also established the Supervisory Body (“Organismo di Vigilanza” or “ODV”) pursuant to Art. 6, Paragraph 1, lett. b) of the Decree 231/2001.

Paragraph 5.1 of the current MOG provides for the Supervisory Body to consist of five members, identified as follows:

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

With reference to these last two members, the second alternative mentioned above was chosen.

This composition was believed to be the most efficient and appropriate for the performance of the tasks that Decree 231/2001 assigns to that body.

The Supervisory Body in office was appointed, as a result of the renewal of the administrative body by the Shareholders' Meeting of UnipolSai on 17 April 2019, by the Board of Directors at the meeting held on that date and later integrated, at the meeting held on 3 October 2019, as a result of the appointment of the new Manager of the Audit Function of the Company, after verification of the subjective requirements made of its members, as required by the Model and by the laws and regulations in force.

The current composition therefore takes into account the later changes that have taken place in the Board and the succession in the corporate offices.

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

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

	Members	Office held	Independent <sup>(4)</sup>	% attendance <sup>(5)</sup>	Meetings attended
	Masotti Massimo <sup>(1)(6)</sup>	Chairman	X	100%	5/5
	Rizzi Antonio <sup>(1)</sup>	Member	X	100%	3/3
<b>SUPERVISORY BODY</b>	Tadolini Barbara <sup>(1)</sup>	Member	X	100%	3/3
	Ranieri Pietro <sup>(2)(6)</sup>	Member	X	100%	5/5
	Vidale Mario <sup>(3)</sup>	Member	X	100%	1/1

(1) Members of the Control and Risk Committee

(2) Head of the Compliance and Anti-Money Laundering Function.

(3) Head of the Audit Function.

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

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

(6) Mr Masotti and Mr Ranieri held the same post in the previous composition of the Supervisory Body.

The table below shows the members of the Supervisory Body whose office ended during the Year.

	Members	Office held	Independent <sup>(4)</sup>	% attendance <sup>(5)</sup>	Meetings attended
<b>SUPERVISOR</b>	Righini Elisabetta	Member	X	100%	2/2

Y BODY	Ghiglieno Giorgio	Member	X	100%	2/2
	Alessandri Andrea <sup>(7)</sup>	Member	X	100%	4/4

(7) Mr Alessandri has held the office of Head of the Audit Function until 15 September 2019.

The Body typically meets at least on a quarterly basis; in 2019, five meetings were held.

In the context of its supervision and control activities, the Supervisory Body, during 2019, has continued to:

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

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

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

## 14.12 Ethical and social responsibility

As noted, the Company adopts the Group Charter of Values and Code of Ethics.

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

- *accessibility*: being open interlocutors ready and willing to provide responses and solutions;
- *farsightedness*: developing a strategic design and organisational processes so as to guarantee continuously efficient and profitable business management, which excludes all forms of misuse and waste of resources, with a view to long-term sustainability;
- *respect*: considering people to be part of a stable social relationship that confers dignity, while favouring and supporting listening;

- *solidarity*: promoting a culture that protects the existence and well-being of people, families and companies and recognising reciprocal support and collaboration as foundational elements to guarantee Company efficiency and development;
- *responsibility*: becoming individually and jointly accountable for the consequences of our actions with professionalism, transparency and rectitude, without ever betraying the relationship of trust.

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

In 2019, the Group Ethics Department focused its efforts on the obligations related to its institutional role of reference on compliance with the Charter of Values and the Group's Code of Ethics for all its Stakeholders in addition to the classroom-based training addressed both to the managers and to the internal and external workforce, in cooperation with "Unica - Unipol Corporate Academy". The Charter of Values and the Code of Ethics are available on the website of the Company.

## 15 Intercompany and Related Party Transactions and Directors' Interests

### 15.1 Related Party Transactions Procedure

The Related Party Procedure originally adopted by the Board of Directors of the Company on 30 November 2010, pursuant to CONSOB Regulation no. 17221 of 12 March 2010 and subsequent amendments (the "CONSOB Regulation"), was amended most recently on 6 October 2016 with the favourable opinion of the Related Party Transactions Committee and may be viewed in the Governance Section of the Company's website.

The Related-Party Procedure aims at defining the rules, methods and principles needed to ensure the transparency as well as substantive and procedural fairness of transactions with the Related Parties of the Company, either directly or through Subsidiaries ("Transactions with Related Parties" or "Transactions"). In particular, this Procedure:

- a) identifies the scope of application of the regulatory framework, identifying the recipients as the Related Parties of the Company, whether direct or indirect, to be identified on the basis of the criteria set out in the CONSOB Regulations, also extending the definition of Related Party to additional subjects, not included among those specified in the list contained in IAS 24;
- b) identifies the methods to prepare and update the Register of Related Parties, the tool that provides support to all the business structures of the Company and its Subsidiaries, for a correct and prompt identification of Related-Party Transactions deemed relevant for the Procedure in question;
- c) identifies the scope of application of the regulatory framework, identifying types of "Exempt" transactions to which the regulations, whether procedural or information-related, do not apply, either wholly or in part;

- d) identifies the examination and decision-making process applied to transactions and identifies the rules to follow where the Company examines the Transactions entered into by its subsidiaries, as well as the information flows aimed at guaranteeing the transparency of transactions and compliance with the aforesaid procedural rules;
- e) pursuant to the CONSOB Regulation, provides for the approval of Related Party Transactions to be conditional to the prior reasoned opinion of the Related Party Transactions Committee, as described earlier on, that such transactions are in the Company's interest and that the related terms and conditions are correct and represent good value for money.

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

Unless dealing with Transactions under the responsibility of the Shareholders' Meeting, approval of the Transactions of Greater Importance pertains to the Board of Directors after a favourable reasoned opinion of the Related Party Transactions Committee. The Related Party Procedure also regulates the situation in which this Committee was to express an opinion against the Transaction.

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

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

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

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

## 15.2 Policy on intercompany transactions

On 9 May 2019, the Board of Directors of the Company carried out the annual update of the Policy on intercompany transactions (the "Intragroup Policy"), adopted pursuant to IVASS Regulation no. 30 of 26 October 2016 (the "IVASS Regulation"), concerning supervisory provisions on intercompany transactions and the risk concentrations according to Title XV (Group Supervision), Section III (Supervisory instruments on the group), of Legislative Decree no. 209 of 7 September 2005 – Private Insurance Code – amended by Legislative Decree no. 74 of 12 May 2015.

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

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

## 16 Internal dealing

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

Pursuant to the Procedure:

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

The Internal Dealing Procedure guarantees adequate transparency and standardisation of information on transactions which - as they were carried out by (i) Managers and Relevant Persons, as parties which actively take part in decision-making processes or who have, in any case, considerable knowledge of the company’s strategies, considering the functions performed or the fact that they are shareholders with either a significant or a controlling stake in UnipolSai,

or (ii) the People Closely Related to them - may serve a specific “reporting purpose” for the market regarding the perception that such parties have on the prospects of the Company and its group.

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

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

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

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

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

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

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

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

## 17 Processing of privileged information

In relation to the processing of privileged information:

- the "Guidelines on the management and communication of privileged information" ("Guidelines") were adopted in compliance with the current regulatory framework on market abuse - as governed by Directive 2014/57/EU and by Regulation (EU) no. 596/2014 of the European Parliament and Council ("MAR"), as well as the implementing provisions and rules for the adaptation of national legislation and the Consob Guidelines of 13 October 2017 (together with MAR, the "Market Abuse Provisions");
- to supplement, at an operational level, the Guidelines, the "Operating instructions for the management and communication of privileged information" (the "Operating Instructions") were drafted, providing support for the performance of the tasks identified therein and identifying the models to be used for the purposes of the communications and registrations required.

The Guidelines were approved by the Board of Directors at the meeting held on 8 August 2018 and later updated, notably, with regard to the list of the senior roles of the parties permanently listed in the register of people having access to privileged information ("Insider List"), at the board meeting held on 3 October 2019.

Illustrated below are the primary aspects of the Guidelines/Operating Instructions:

- specification of the rules and principles for drafting and updating the Insider List, for which the structure, content, record-keeping procedures, update and recording in the corresponding sections are specified, each of which apply to each piece of privileged information generated. The following is required: an additional section in the Insider List, with the details of those who always have access to all privileged information (the "permanent insiders");
- the creation and management of the Register of Specific Relevant Information (meaning individual information that subsequently or soon may take on a privileged nature), referred to as the Relevant Information List ("RIL"), in which the structure, content, storage methods, updating and registration in the relevant sections are identified, also providing for the creation of a permanent section in this case, as for the Insider List;
- establishment of the process for mapping the types of relevant information and the Organisational Functions Responsible for Privileged Information ("FOCIP"), which are usually in possession of such types of information, in order to identify preliminarily the persons who, on the basis of Unipol's organisational structure, are expected to have access to Specific Relevant Information and/or Privileged Information, within the scope of the types of relevant information mapped, and which, on a need-to-know basis, are normally involved or may be involved in the management of both such information; the mapping process is set out in the Operating Provisions;
- identification and definition of the organizational function - named the Privileged Information Management Functions ("FGIP") - responsible for managing the organizational process for the fulfilment of obligations relating to the publication of privileged information and the consequent implementing procedures. One of the main tasks of FGIP is to identify the moment in which information becomes privileged and to decide on the timing of publication of the privileged information (i.e. activation or not of the Delay);
- identification and definition of the structure that operates in support of FGIP for the performance by the latter of its tasks ("Info-Room").



The Board of Directors



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## ATTACHMENTS

## Annex:

TABLE N. 1 – Board of Directors

Name	Office held	Date of birth	Date of first appointment	In office since (date latest appointment)	In office until approval of the financial statements as at	List <sup>(1)</sup> M/m	Exec.	Non Exec.	Independ. as per Code <sup>(2)</sup>	Independ. as per Consolidated Law on Finance <sup>(3)</sup>	% BoD <sup>(4)</sup>	Number of BoD meetings attended	Other positions <sup>(5)</sup>
Cimbri Carlo	Chairman	31/05/1965	30/10/2012	17/04/2019	31/12/2021	M	x				100%	9/9	3
Cerchiai Fabio	Deputy Chairman	14/02/1944	30/10/2012	17/04/2019	31/12/2021	M		x			100%	9/9	5
Stefanini Pierluigi	Deputy Chairman	28/06/1953	30/10/2012	17/04/2019	31/12/2021	M		x			100%	9/9	1
Chiodini Fabrizio	Director	06/04/0958	17/04/2019	17/04/2019	31/12/2021	M		x			100%	7/7	2
Cottignoli Lorenzo	Director	13/05/1953	29/04/2013	17/04/2019	31/12/2021	M		x	x	x	100%	9/9	7
Dalle Rive Ernesto	Director	02/12/1960	30/10/2012	17/04/2019	31/12/2021	M		x			100%	9/9	3
De Benetti Cristina	Director	29/04/1966	09/11/2017	17/04/2019	31/12/2021	M		x	x	x	100%	9/9	3
Masotti Massimo	Director	07/02/1962	29/04/2013	17/04/2019	31/12/2021	M		x	x	x	100%	9/9	0
Maugeri Maria Rosaria	Director	20/02/1965	29/04/2013	17/04/2019	31/12/2021	M		x	x	x	100%	9/9	2
Montagnani Maria Lilla	Director	03/04/1971	30/10/2012	17/04/2019	31/12/2021	M		x	x	x	67%	6/9	0
Picchi Nicla	Director	12/07/1960	30/10/2012	17/04/2019	31/12/2021	M		x	x	x	100%	9/9	2
Recchi Giuseppe	Director	20/01/1964	13/11/2014	17/04/2019	31/12/2021	M		x	x	x	89%	8/9	0
Righini Elisabetta	Director	25/03/1961	27/04/2016	17/04/2019	31/12/2021	M		x	x	x	100%	9/9	1
Rizzi Antonio	Director	14/12/1965	17/04/2019	17/04/2019	31/12/2021	M		x	x	x	100%	7/7	0
Tadolini Barbara	Director	20/03/1960	29/04/2013	17/04/2019	31/12/2021	M		x	x	x	89%	8/9	4
Turrini Adriano	Director	15/11/1986	17/04/2019	17/04/2019	31/12/2021	M		x			57%	4/7	4
Vella Francesco	Director	05/02/1958	29/04/2013	17/04/2019	31/12/2021	M		x	x	x	100%	9/9	0

## Directors whose office ended during the Year:

Name	Office held	Date of birth	Date of first appointment	Date of termination	List <sup>(1)</sup> M/m	Exec.	Non Exec.	Independ. as per Code <sup>(2)</sup>	Independ. as per Consolidated Law on Finance <sup>(3)</sup>	% BoD <sup>(4)</sup>	Number of BoD meetings attended
Cattabiani Paolo	Director	11/07/1958	20/03/2014	17/04/2019	M		x			100%	2/2
Ghiglieno Giorgio	Director	12/10/1955	29/04/2013	17/04/2019	m		x	x	x	100%	2/2
Giovetto Vittorio	Director	26/12/1963	10/05/2017	17/04/2019	(*)		x	x	x	100%	2/2

## Directors whose office ended after the end of the Year:

Name	Office held	Date of birth	Date of first appointment	In office since (date of last appointment)	List <sup>(1)</sup> M/m	Exec.	Non-Exec.	Independ. as per Code <sup>(2)</sup>	Independ. as per Consolidated Law on Finance <sup>(3)</sup>	% BoD <sup>(4)</sup>	Number of BoD meetings attended
Berardini Francesco	Director	11/07/1947	30/10/2012	17/04/2019	M		x			100%	9/9

- (1) This column indicates if the member was elected from a list voted with majority (M) or minority (m) votes.  
As regards the appointment of the Board of Directors, only one list was submitted by the majority shareholder of Unipol Gruppo S.p.A.
- (2) Indicates whether the Director was classified by the Board of Directors as independent according to the criteria established by the Code of Conduct.
- (3) Indicates if the Director meets the requirements of independence established by Art. 148, Paragraph 3, of the Consolidated Law on Finance.
- (4) Indicates the attendance, in percentage, of the Director at the meetings of the Board of Directors (in calculating this percentage, the number of meetings attended by the Director is compared with the number of meetings held by the Board during the period or after accepting the assignment).
- (5) Indicates the total number of offices held in other companies listed in regulated markets (including foreign markets), or in financial, banking and insurance companies or other large companies. The list of these companies, with reference to each Director, is included in Table 2.

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

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

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

Name	Office held in UnipolSai	Offices held in other companies
Cimbri Carlo	Chairman	Chief Executive Officer, Group CEO and General Manager of Unipol Gruppo S.p.A. (*)
		Director of Rizzoli Corriere della Sera Mediagroup S.p.A.
		Chairman Istituto Europeo di Oncologia S.r.l.
Cerchiai Fabio	Deputy Chairman	Chairman of Arca Assicurazioni S.p.A. (*)
		Chairman of Arca Vita S.p.A. (*)
		Chairman of Atlantia S.p.A.
		Director of Cerved Group S.p.A.
		Director of Edizione S.r.l.
Stefanini Pierluigi	Deputy Chairman	Chairman of Unipol Gruppo S.p.A. (*)
Chiodini Fabrizio	Director	Director of Chiodini & Santomieri Consulting S.r.l.
		Sole Director of Chiodini Consulting S.r.l.
Cottignoli Lorenzo	Director	Director of Assicoop Toscana S.p.A.
		Director of Assicoop Bologna Metropolitana S.p.A.
		Director of Assicoop Emilia Nord S.r.l.
		Chairman of Assicoop Romagna Futura S.p.A.
		Member of the Supervisory Body of Consorzio Integra Soc. Coop.
		Deputy Chairman of Integra Broker S.r.l.
		Director of DIPAS S.r.l.
Dalle Rive Ernesto	Director	Deputy Chairman of Unipol Gruppo S.p.A. (*)
		Chairman, Chief Executive Officer and General Manager Nova Coop Soc. Coop.
		Director Coop Italia Soc. Coop.
De Benetti Cristina	Director	Director of Atlantia S.p.A.
		Director of Autogrill S.p.A.
		Director of Mobilità di Marca S.p.A.
Masotti Massimo	Director	--
Maugeri Maria Rosaria	Director	Director of MAPS S.p.A.
		Director of Trentitalia S.p.A.
Montagnani Maria Lillà	Director	--
Picchi Nicla	Director	Director of Borgosesia S.p.A.
		Deputy Chairman of SABAF S.p.A.

Recchi Giuseppe	Director	--
Righini Elisabetta	Director	Director of Biesse S.p.A.
Rizzi Antonio	Director	--
Tadolini Barbara	Director	Chairman of the Board of Statutory Auditors of ENEL S.p.A.
		Statutory Auditor of Luxottica Group S.p.A.
		Statutory Auditor of Parmalat S.p.A.
		Chairman of the Board of Statutory Auditors for Tiscali S.p.A.
Turrini Adriano	Director	Director of Unipol Gruppo S.p.A. (*)
		Chairman Coop Alleanza 3.0 Soc. Coop.
		Director Centrale Adriatica Soc. Coop.
		Director Coop Italia Soc. Coop.
Vella Francesco	Director	--



**TABLE No. 3 – Board of Statutory Auditors**

Name	Office held	Date of birth	Date of first appointment	In office since (date latest appointment)	In office until approval of the financial statements as	M/m List(1)	Independ. as per Code	% BoD (2)	Number of BoD meetings attended	% BSA (3)	Number of Board of S.A. meetings attended	Other assignments (4)
Fumagalli Paolo	Chairman	24/06/1960	17/06/2015	23/04/2018	31/12/2020	m	x	100%	9/9	100%	20/20	8
Angiolini Giuseppe	Statutory Auditor	18/06/1939	24/04/2012	23/04/2018	31/12/2020	M	x	100%	9/9	95%	19/20	-
Bocci Silvia	Statutory Auditor	28/04/1967	17/06/2015	23/04/2018	31/12/2020	M	x	100%	9/9	100%	20/20	14

- (1) This column indicates if the member was elected from a list voted with majority (M) or minority (m) votes.
- (2) Indicates the attendance, in percentage, by the Statutory Auditor at the meetings of the Board of Directors (in calculating this percentage, the number of meetings attended by the Statutory Auditor was considered compared with the number of Board meetings held during the year or after accepting the assignment).
- (3) Indicates the attendance, in percentage, by the Statutory Auditor at the meetings of the Board of Statutory Auditors (in calculating this percentage, the number of meetings attended by the Statutory Auditor was considered compared with the number of meetings held by the Board during the year or after accepting the assignment).
- (4) Indicates the number of positions as Director or Statutory Auditor held by the person in other companies.

All members of the Board of Statutory Auditors meet the requirements of experience and integrity as set forth in the applicable legal and regulatory provisions. As regards the personal and professional characteristics of each Statutory Auditor, please see the information posted on the website: "[www.unipolsai.com](http://www.unipolsai.com)" Governance/Corporate bodies/Board of Statutory Auditors Section.

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

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