





Unipol Group

**Annual Report  
on Corporate  
Governance  
and Ownership  
Structures for the  
financial year**

**2019**

Bologna, 2 April 2020

*This Report is available in the Governance Section of the Company's  
website [www.unipol.it](http://www.unipol.it)*

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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:

**Appointed Director:**

Director appointed by the Board of Directors to oversee the functioning of the internal control and risk management system.

**Bank of Italy:**

Central Bank of the Italian Republic.

**Integrated Report:**

document that supplements the financial results with sustainability results, prepared on the basis of the content of the International Integrated Reporting Framework, issued by the International Integrated Reporting Council (IRCC) in September 2015.

**Private Insurance Code, CAP:**

Legislative Decree no. 209 of 7 September 2005, with subsequent amendments.

**Code of Conduct, Code:**

the Code of Conduct for listed companies approved in March 2006, in the text 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 [www.borsaitaliana.it](http://www.borsaitaliana.it).

**Board of Statutory Auditors:**

the controlling body of the Company.

**Borsa Italiana Committee:**

Italian Committee for the Corporate Governance, promoted by ABI, ANIA, Assonime, Confindustria, Assogestioni and Borsa Italiana.

**Board of Directors, the Board:**

the Board of Directors of the Company.

**Guidelines on Corporate Governance, Guidelines:**

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

**Financial Reporting Officer:**

Manager charged with preparing a company's financial reports, pursuant to Art. 154-bis of the Consolidated Law on Finance.

**Financial year, Year:**

the financial year ended 31 December 2019.

**ESG:**

Environmental, Social and Governance

**Key functions:**

the Audit, Compliance, Risk Management and Actuarial functions of the Company.

**Group, Unipol Group:**

Unipol Group S.p.A and its Subsidiaries (as defined below).

**Insurance Group:**

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.

**Instructions to Stock Exchange Regulations:**

the Instructions to the Regulations of Markets organized and managed by Borsa Italiana S.p.A.

**IVASS or Authority:**

the Insurance Sector Regulator.

**Shareholders' Agreement:**

Shareholders' Agreement material pursuant to art. 122 of the Consolidated Finance Law, effective 15 December 2017, concluded by some shareholders of Unipol, operating as a voting and blocking syndicate on the Company shares involved, representing 30.053% of the share capital with voting rights

**Plan, Business Plan, 2019-2021**

**Business Plan:**

the Business Plan for 2019-2021 approved on 9 May 2019 by the Board of Directors of Unipol.

**Internal Dealing Procedure:**

the procedure adopted by the Company for the reporting of transactions on its shares or other financial instruments linked to them.

**Shareholders' Meetings Regulation:**

regulation approved by the Shareholders' Meeting, aimed at regulating the orderly and efficient conduct of General Meetings, ordinary and extraordinary.

**Issuer's Regulations:**

the Regulations on issuers published by CONSOB by way of Resolution No. 11971 of 1999, with subsequent amendments.

**IVASS Regulation 38:**

IVASS Regulation no. 38 of 3 July 2018 containing the provisions concerning the system of governance.

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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 Unipol, 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 Art. 89-bis of the Issuers' Regulation.

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**Company's website:**

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

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**Subsidiaries:**

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

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**Parent Company, Unipol:**

Unipol Group S.p.A.

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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.

**Consolidated Law on Finance:**

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

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**UnipolSai**

UnipolSai Assicurazioni S.p.A..

## 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 Unipol.

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 Corporate 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 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.

Section One contains the main information on the shareholding structure and in particular on the structure of share capital and share ownership.

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

Lastly, Section 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 "inside" 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 Unipol was not affected by the provisions of nonnational laws.

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

## The issuer and the Unipol Group

### Profile of the Company and the Group

Unipol is a company with shares listed on the Computerised Stock Market managed by Borsa Italiana S.p.A. and included, at the date of this Report, in the FTSE-MIB index, which contains the securities of the companies with the highest level of capitalisation.

Indeed, Unipol is the holding company of the Unipol Insurance Group, one of the leading Italian insurance groups.

Unipol is classified as “ultimate Italian Parent Company” pursuant to the provisions of the Private Insurance Code and the corresponding implementing provisions, and it is the Parent Company of the Unipol Insurance Group. In 2019, the Unipol Banking Group, for which the Company acted as Parent Company, ceased to exist as a result of the transfer of the entire direct and indirect holding in Unipol Banca S.p.A..

The Unipol Group operates in the following business areas:

- a) insurance, divided into the following sectors:
  - insurance, in which the Group operates historically in the branches Non-Life and Life; and
  - bank-insurance;
- b) finance, with regard to collective management of savings, financial intermediation and the management of the collection of non-performing loans;
- c) real estate;
- d) other activities, providing secondary management services in the hotel, agricultural and medical segments.

During the year, the Board of Directors of the Company has approved, and disclosed to the public, the 2019-2021 Business Plan, which aims at reinforcing the leadership of Unipol, 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 Unipol in the reference three-year period, establishing the basis for confirming its leadership position even beyond the horizon of the Plan.

Unipol 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 Group has developed and implemented, over time, strategies that have made it possible to create value and build its 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 “Mission Evolve” Plan calls for an evolution from an insurance leader to a leader of mobility, welfare and property ecosystems.

By leveraging on its distinctive assets, the Business 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 UnipolSai, 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, later bought by UnipolSai.

During 2019, additional Group policies were adopted and updated, in line with current European and national industry regulations.

## The governance system

Unipol has chosen to adopt a "traditional" administration and control system which provides for the presence of a Board of Directors (which works with the support of intra-Board Committees with advisory and consulting functions) and a Board of Statutory Auditors (with control functions over administration), both appointed by the Shareholders'

Meeting. 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.

In the context of the governance and the internal control and risk management system of the Group, some internal committees have been established by the Board of Directors, or the Chief Executive Officer and Group CEO, mainly consisting of the Heads of the Top Management of Unipol, with functions of support to the Chief Executive Officer and Group CEO in the implementation and supervision of the policies of direction, coordination and operational strategy defined by the Board of Directors and specified by Top Management.

The year saw the approval of the Group Corporate Governance Guidelines, articulated – with reference to the different companies of the Group – according to the principle of proportionality; these specify the principles, laid out by the Board of Directors of Unipol, which must be used as the wider self-regulation framework for the main aspects of the corporate governance system of the Group, 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.

To ensure the overall consistency and effectiveness of the Group's governance structure, especially with regard to the need to establish adequate and linear areas of responsibility, duties and methods for liaising amongst the company bodies, units and functions of the various Group members, particularly those with control duties, the Parent Company has provided for each Group company to consequently also adopt the "traditional" administration and control system, distinguished by a clear separation between the Company's strategic supervision and management functions, on one hand, and management control and auditing functions, on the other.

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

## Unipol 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 directions, 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 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 Group has identified the three sustainable development targets (*Sustainable Development Goals*, "SDGs") of the United Nations 2030 Agenda, to the pursuit of which it shall focus, and precisely: 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 the reward 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 contribute *pro quota* to the payment of the long-term incentive for the Managers of the Group for the reference three-year period, 2019-2021, contributing to maintain a high level of control on this key asset.

In order to guide correctly the management of the Company and the Group, the Board of Directors has adopted the 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" for the Group, according to the "materiality matrix", which is enclosed with this Policy, as well as being published in the Integrated Report approved by the administrative body of the Company. 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 Group and is aimed at identifying the significant economic, social and environmental issues that may result from the activities of the Company and the Group and that, by affecting the expectations, decisions and actions of the stakeholders, are perceived by these 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 and the Group together 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 the processes".

The identification of the control guidelines for the ESG risks provided in the Policy in question finds then application 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 and the Group are exposed were also identified in the Risk Management Policy, after involvement of the Control and Risk Committee.

The correct implementation of all these policies is also guaranteed by the "ESG Task Force", a 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.

The administrative body of Unipol approves once a year the Integrated Report, which includes the Consolidated Non-Financial Report, covering the environmental and social issues concerning the personnel, the respect of human rights and the fight against corruption believed to be relevant given the activities and characteristics of the Group, discussed to the extent needed to ensure the understanding of the activities of the Group, its performance, results and impact. The significance of the issues is established through the materiality analysis already mentioned.

The activities of the Board of Directors of the Company are supported by the Sustainability Committee, created within the administrative body, which analyses and assesses the strategic set-up, the identification and management of ESG risk, 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 the Unipol Group, 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 indicator of the overall correct management in 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.

Lastly, the Group adopted the Group’s Charter of Values and Code of Ethics, described in detail in the Report of below, in 2008 and 2009 respectively.

## Comments on the Annual report of Borsa Italiana Committee

In line with previous years, in December 2019, with the aim of encouraging an increasingly conscious application of the Code, 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 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 motivation – 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 use to assess the significance of the relations in question.

We note in this regard that the failure to apply some of the independence criteria specified by the Code has concerned, in the previous term of the administrative body, the sole principle of the time limit of nine years in office with reference to one of the Directors: therefore this circumstance should be considered as an exception and not as a systematic failure to apply said principle. We note however that, since the appointment of the Board of Directors by the Shareholders' Meeting of the Company on 18 April 2019, all independence criteria specified by the Code have been applied.

In addition, the *Fit&Proper Policy* approved by the Board of Directors provides additional criteria, of a substantive character, with respect to those specified by the Code, to assess the independence of the members of this body: pursuant to this policy, 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 this is partner or shareholder or, in any case, in excess of the amount of Euro 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 size of the remuneration awarded to these parties be suitable to the skills, professionalism and commitment demanded by their mandate. 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.

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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, Unipol's share capital, fully subscribed and paid up, amounts to Euro 3,365,292,408.03, divided into 717,473,508 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
Unipol ordinary shares	717,473,508	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 Power 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 Authorisations to purchase treasury shares

The Ordinary Shareholders' Meeting called on 18 April 2019 authorised the Board of Directors to purchase and sell treasury shares pursuant to Art. 2357 and 2357-ter of the Italian Civil Code, for a period of 18 months from the Shareholders' Meeting resolution.

Based on these authorisations, the Company purchased:

- in 2019, a total of 762,000 treasury shares, exclusively for the purpose of allocating shares to its Managers in execution of the compensation plan based on financial instruments of the performance share type approved



for 2016-2018 years by the Shareholders' Meeting on 28 April 2016 and updated at the Shareholders' Meeting of 28 April 2017, in accordance with Art. 114-bis of the Consolidated Law on Finance (the "2016-2018 Plan");

- in the current year, as of the date of this Report, 1,100,000 treasury shares in the context of 2016-2018 Plan and compensation plan based on financial instruments of the performance share type for Managers of the Unipol Group companies for the three-year period 2019-2021, approved by the Shareholders' Meeting of the Company on 18 April 2019 (the "2019-2021 Plan" and together with 2016-2018 Plan, the "Plans").

On 25 April 2019 the Chief Executive Officer and Group CEO, the General Manager and the Managers of the Company were jointly allocated 1,173,467 treasury shares in the context of 2016-2018 Plan.

At the date of this Report, the Company holds a total of 3,208,913 treasury shares (equal to 0.447% of the share capital), of which 1,436,332 directly and 1,772,581 indirectly, through the following subsidiaries:

- UnipolSai S.p.A., for 1,540,221 shares;
- Compagnia Assicuratrice Linear S.p.A., for 14,743 shares;
- Arca Vita S.p.A., for 11,353 shares;
- Arca Assicurazioni S.p.A., for 18,566 shares;
- SIAT S.p.A., for 55,566 shares;
- Unisalute S.p.A., for 46,816 shares;
- UnipolSai Servizi Consortili S.c.r.l., for 48,490 shares;
- Alfaevolution Technology S.p.A., for 1,736 shares;
- Group UNA S.p.A., for 18,454 shares;
- Leithà S.r.l., for 16,636 shares.

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

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

- to use the treasury shares for their allocation for the purposes of the compensation plan based on financial instruments, of the performance share type, 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 a form of investment 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 proposal to the Shareholders' Meeting of 30 April 2020 provides for the purchase and sale of treasury shares in the quantities and with the procedures set out below:

- the purchase may be carried out up to the maximum amounts permitted by law, in the manner provided for by Art. 132 and Art. 144-bis, paragraph 1, letters a), b), c) and d)-ter) and paragraph 1-bis of CONSOB Regulation No. 11971 of 14 May 1999 as amended (Issuers' Regulation), as well as by any other regulatory national and European provision, where applicable;
- the disposal may be made pursuant to current provisions, even carrying out, one or more times, subsequent transactions of purchase and sale, 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;
- both the purchase and the sale may be made at a price of no more than 15% above and no less than 15% below the reference price recorded on the trading day before the date of each transaction, with a maximum spending limit for purchases of Euro 300 million.

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

The existing By-Laws of Unipol 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 Unipol, as shown by the Register of Shareholders at the date of this Report, is approximately 62 thousand.

### 2.1 Shareholders' Agreements

As mentioned in the Reports for previous years, on 15 December 2017, the non-proportional global spin-off became effective of the former holding company Finsoe (the "Finsoe 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 - along with the respective former Finsoe shareholders (all signatories, jointly, the "Parties to the Agreement") and as of the effective date of the Finsoe Spin-off - entered into a shareholders' agreement pursuant to Art. 122 of the Consolidated Law on Finance (the "Shareholders' Agreement"), which is classified as a voting and lock-up agreement on the Unipol shares restricted by it. The Unipol Shareholders Agreement 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.

The essential information relating to the Shareholders' Agreement can be found on the [www.unipol.it](http://www.unipol.it) website, Investors/Shareholders/Shareholders' Agreement section.

Some of the former Finsoe shareholders that are Parties to the Agreement hold additional stakes in Unipol not covered by the Shareholders' Agreement, equal to a total of 17.82% of the share capital.

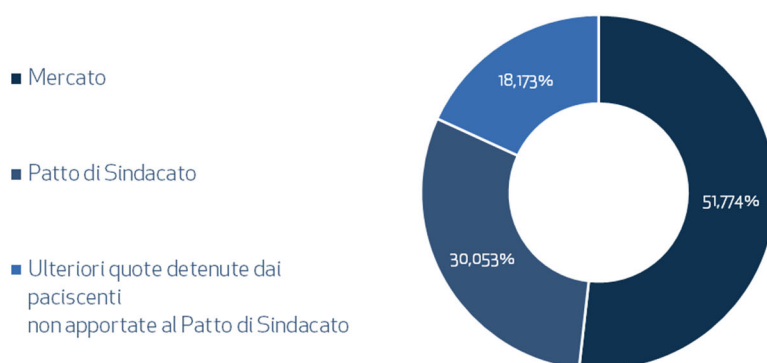
After the conclusion of the Shareholders' Agreement, some of the aforementioned beneficiary companies merged by incorporation with their respective parent companies, which therefore adhere directly to the Shareholders' Agreement.

## 2.2 Major holdings 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 2019, the Shareholders who directly or indirectly, through an intermediary or trust companies, have holdings exceeding 3% of the share capital with voting rights are shown in the following Table:

Declarant	Direct shareholder	% on the share capital
Coop Alleanza 3.0 Soc. Coop.	Coop Alleanza 3.0 Soc. Coop.	22.246%
Holmo S.p.A.	Holmo S.p.A.	6.665%
Nova Coop Scarl	Nova Coop Soc. Coop.	5.995%
Cooperare S.p.A.	Cooperare S.p.A.	3.782%
Coop Liguria Soc. Coop. di Consumo	Coop Liguria Soc. Coop. di Consumo	3.568%
Norges Bank	Norges Bank	2.646%
Coop Lombardia Soc. Coop.	Coop Lombardia Soc. Coop.	2.191%
Unicoop Tirreno Soc. Coop.	Unicoop Tirreno Soc. Coop.	1.798%

## Main shareholders of Unipol Group S.p.A. as at 31 December 2019



## 2.3 Special control rights

No securities conferring special control rights have been issued.

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

The regulations of 2019-2021 Compensation plan based on financial instruments do not provide for the exercise of voting rights by persons other than the employees who have been assigned shares.

## 2.5 Restrictions on voting rights

There are no restrictions on voting rights.

## 2.6 Change of control clauses

Unipol has not concluded loan agreements which include clauses giving the parties a right to change or terminate those agreements in the event of a change of control of the Company.

As regards the Subsidiaries of Unipol, distribution agreements for insurance products were concluded with the Unicredit Group that may lapse in the event of change of control of UnipolSai itself.

Other financing agreements signed by some Subsidiaries provide for the 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

Unipol is not controlled by any party, either individually or jointly.

Under Art. 2497-bis of the Italian Civil Code, the Subsidiaries of Unipol have indicated the latter as exercising direction and coordination on the same.

Since 5 October 2011, Unipol has been the Parent Company of the Unipol Insurance Group, entered in the Parent Company Register under no. 046, as referred to in Art. 210-ter of Legislative Decree no. 209 of 7 September 2005 and IVASS Regulation no. 22 of 1 June 2016.

# 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 of the Consolidated Law on Finance, available on the Company's website.

### **3.2 Rules applicable to the functioning of the Meeting**

The call and operation of the Shareholders' Meeting are governed by Art. 8 and 9 of the By-Laws and the rules of the Shareholders' Meetings Regulation approved by the General Meeting itself. For a brief description of these rules, reference is made to Chapter 4, Section II, of this Report.

### **3.3 Rules concerning the composition, appointment and operation of the governing body**

The composition, appointment and operation of the Board of Directors are governed by Art. 10, 11 and 12 of the By-Laws. For a summary description of these provisions we refer to Section II, Ch. 5, of this Report.

### **3.4 Rules applicable to statutory changes**

Amendments to the By-Laws are resolved by the Extraordinary Shareholders' Meeting or, only for the changes made merely to ensure compliance with regulations, by the Board of Directors.

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

The description of the main features of the internal control and risk management system in regard to the financial reporting of Unipol is given in Ch. 14, 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

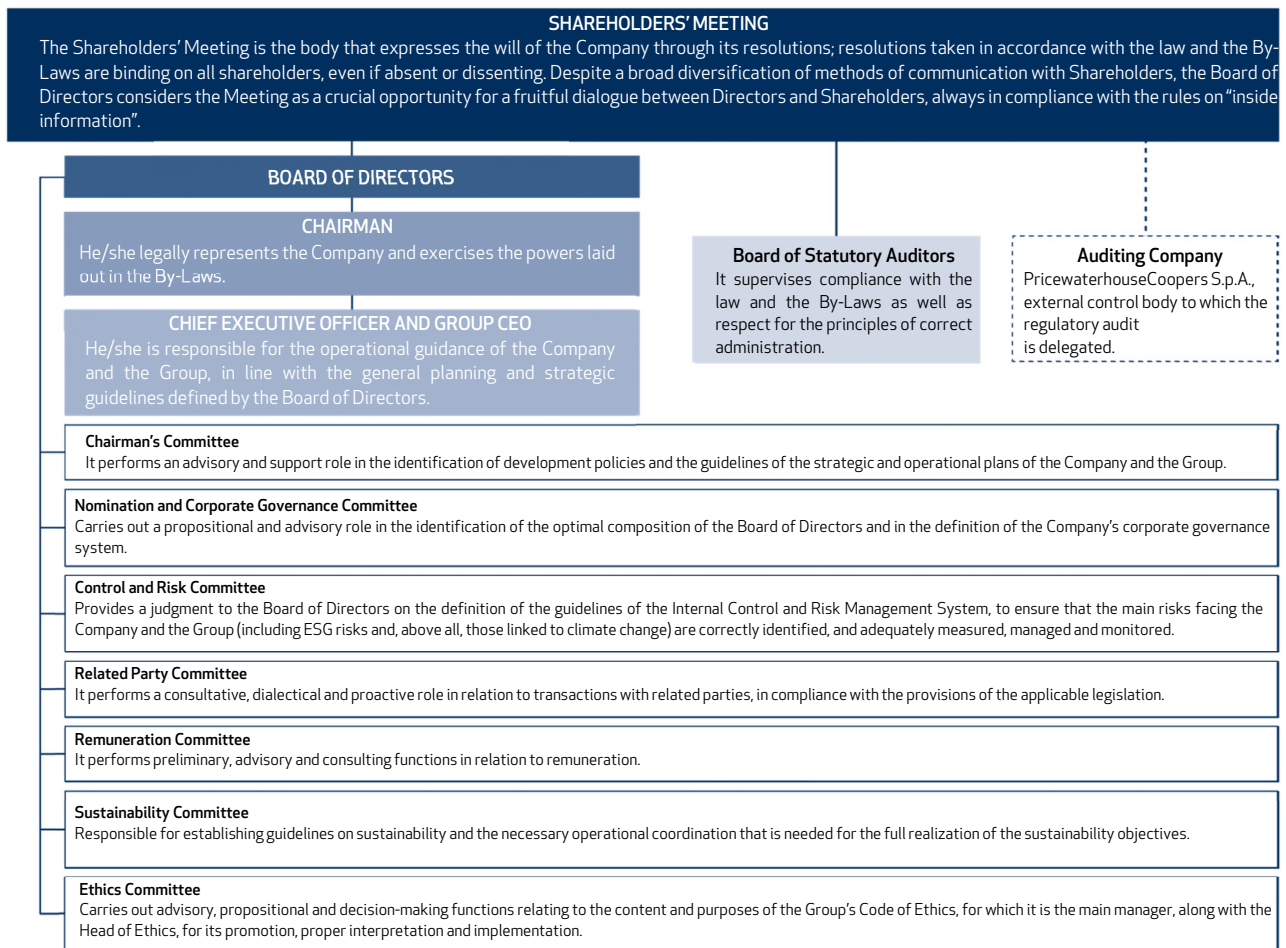
Relationship with the Shareholders

## 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 Unipol



## Main governance events of the year



## 4. The 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.

Despite a broad diversification of methods of communication with Shareholders, the Board of Directors considers the Meeting as a crucial opportunity for a fruitful dialogue between Directors and Shareholders, always in compliance with the rules on "inside information"

Pursuant to Article 8 of the By-Laws, as allowed by current laws, the Shareholders' Meeting is convened in a single call, with application of the constitutive and deliberative quorum under the provisions of the law, without prejudice to the possibility of setting in the notice of meeting calls following the first one, for a different day, pursuant to the provisions of Art. 2369, Paragraph 1, of the Italian Civil Code.

The Shareholders' Meeting is chaired by the Chairman of the Board of Directors, or in his/her absence, by the Deputy Chairman, or in his/her absence by a Director, failing that, 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 convocation must in that case specify, by reference to the Company's website, the terms of participation in the Meeting.

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 designated 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 Regulations of the Shareholders' Meeting, approved by the Shareholders' Meeting and available on the Company's website in the Section Governance/Shareholders' Meetings, govern the operation of the Shareholders' Meeting.

## 5. The Board of Directors

Number of meetings during the Year: 9.

Average length of meetings: approximately 2 hours and 40 minutes.

Average participation: approximately 94%.

Number of meetings planned for 2020: 11 (of which 3 already held as at the date of this Report).

### 5.1 Role, responsibilities and functioning

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 Board of Directors, Art. 13 of the By-Laws allocates to the competence of this all resolutions concerning, among other matters:

- i. merger and demerger with subsidiaries, in cases permitted by legislation;
- ii. decrease of the share capital, should a Shareholder withdraw;
- iii. amendment of the By-Laws to comply with legal provisions;
- iv. the issuing of non-convertible bonds.

Pursuant to the law, the By-Laws and the internal policies in force, the Board, inter alia:

- a) reviews and approves the strategic, financial and business plans of the Company and the Group, taking into account the long-term financial interests and solvency of the Group itself, regularly monitoring their implementation;
- b) defines the corporate governance system, the corporate structure and the governance models and guidelines of the Group itself, reviewing them at least once for year and guaranteeing their overall consistency.

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 - and the nature and frequency of reporting between the Key Functions and the various Group functions, the board committees and between these and the corporate bodies of Unipol;
  - 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 methods of liaising and collaborating with the corporate bodies and the Key Functions of the insurance companies belonging to the Group and cooperating with the corporate bodies and the functions of the other Group companies;
  - v. the nature and level of risk consistent with the strategic objectives of the Group, including in its valuations all the risks that may assume importance in light of the medium to long term sustainability of the Company's and Group's business;
- c) defines the business model, being aware of the risks to which this model exposes the Company and understanding the ways in which the risks are observed and assessed, ensuring that the structure of the Company is consistent with the activity carried out and with the business model adopted, avoiding the creation of complex structures not justified for operating purposes;
- d) approves the organisational, administrative and accounting structure of the Parent Company and evaluates the adequacy of the Group structure, particularly with regard to the internal control and risk management system;
- e) defines and reviews the Group's policies, ensuring the appropriate involvement of the administrative body of the Group companies and handling the relative transmission within the Group, all while guaranteeing that they are implemented by the Insurance Companies and consistently applied by the other Group companies;
- f) appoints one or more Directors responsible for the internal control and risk management system chosen among its members;
- g) also in the exercise of its activity of direction and coordination towards the Subsidiaries:
  - approves – after review of the Group's Risk Committee and the Sustainability Committee of the Parent Company – the Sustainability Policy, taking into account the activities, the risks and the stakeholders of each Subsidiary;
  - ensures the consistency of the Sustainability Policy and the specific Risk management policies;
  - approves – after review of the Sustainability Committee of the Parent Company, within its area of competence – the Integrated Report and the Non-financial Report therein included;
- h) after hearing the opinion of the Control and Risk Committee,
  - i. defines the reference guidelines of the system of internal control and risk management, so that the main risks relating to the Company and the Group are correctly identified and adequately measured, managed and monitored, also verifying the compatibility of these risks with a management of the company which is consistent with the identified strategic objectives, including of the Group;

- 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 Parent Company and the Group and to the risk appetite defined, as well as its effectiveness and its ability to grasp the evolution of corporate risks, including of the Group, 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 plans prepared by the Managers 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;
- i) verifies that the governance system is consistent with the strategic objectives, the risk appetite and the risk tolerance limits of the Group and is capable of taking into account the evolution of the business risks for insurance companies and the interaction between them, as well as the risks deriving from being part of the Group;
  - j) orders periodic audits on the effectiveness and adequacy of the Group's 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;
  - k) determines the system of Group risk targets identifying, also on the basis of the internal risk and solvency assessment, (i) the risk appetite of the Group in accordance with its overall solvency requirements, (ii) the types of risks it wishes to assume, establishing consistent, and (iii) levels of risk tolerance, which it reviews once a year, to ensure their effectiveness over time;
  - l) 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 Managers 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;
  - m) appoints, replaces and removes the Manager of the Anti-Money Laundering Function;
  - n) 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 the Company and the Group and, when established in the Group companies, defines their guidelines within the scope of the Guidelines on corporate governance, ensuring that there is adequate and continuous interaction between them, the Top Management and the Key Functions;
  - o) defines and annually reviews the remuneration policies, including of the Group, submitting them to the Ordinary Shareholders' Meeting for approval, and is responsible for their proper application;
  - p) grants and revokes powers to the Chief Executive Officer and Group CEO, defining their limits and operating modes; it also establishes the intervals, which must not, however, be more than a quarter, at which the delegated bodies must report to the Board of Directors about the activities carried out in the exercise of the powers conferred on them;



- q) after reviewing the proposals of the Remuneration Committee and consulting the Board of Statutory Auditors, sets the remuneration of the Chief Executive Officer and Group CEO and the Directors holding particular offices - also within the Board Committees - and the allocation of the total compensation to the members of the Board of Directors that may be approved by the Shareholders' Meeting, if this allocation is not carried out by the Shareholders' Meeting itself;
- r) 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;
- s) 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;
- t) carries out, at least once a year, with the support of the Nomination and Corporate Governance Committee, an evaluation of the operation of the Board of Directors and its Committees, as well as of their size and composition, taking into account factors such as the characteristics of professional managerial experience and the gender of its members, and their seniority in office;
- u) 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 on the professional figures whose presence in the Board is deemed appropriate;
- v) approves, ensuring adjustment to the context, the system of delegation and powers and responsibilities of the Group, taking care to avoid excessive concentration of powers in a single person and putting in place monitoring instruments on the exercise of delegated powers, resulting in the possibility of providing for adequate emergency plans (the so-called "contingency arrangements") if the administrative body decides to take over the delegated powers itself;
- w) resolves on the transactions of the Parent Company and/or Subsidiaries, when these transactions have a significant strategic, economic, capital or financial importance for Unipol itself, paying particular attention to situations in which one or more Directors have an interest on their own or 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;
- x) approves transactions with intra-group parties as well as - with the support, when required, of the Related Party Committee <sup>2</sup> - 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 reservations of competence to the Board of Directors are envisaged by (i) the policies adopted by the Company in relation, amongst other things, to insurance underwriting and investment, reservation and disposal of financial assets, real estate and participatory management of sources of financing and credit as well as (ii) the system of

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<sup>2</sup> Until 31 July 2019, date of completion of the transfer of the holding in Unipol Banca S.p.A. and the resulting elimination of the Unipol Banking Group, the Board of Directors has resolved - with the support, where necessary, of the Related Party Committee appointed for the purpose - also in regard to the transactions with Associated Parties carried out by the Parent Company and/or Subsidiaries within the Unipol Banking Group

delegation of powers granted to the Chief Executive Officer and Group CEO. These internal regulations give to the Board of Directors the power to review and resolve on transactions of strategic importance and significant amount.

Under Art. 12 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, i.e. on the written request of at least one third of the Directors in office. The Board of Directors may also be called by the Board of Statutory Auditors, or at least one member of it, on notice to the Chairman.

The validity of the resolutions of the Board of Directors is regulated by Art. 2388 of the Italian Civil Code. In an open vote, in the case of a draw, the Chairman has the casting vote.

At the time of Board meetings held during the Year, the Chief Executive Officer and Group CEO has reported to the Board and the Board of Statutory Auditors on the general performance and foreseeable development, and on transactions which, by their size or characteristics, have had significant strategic, economic, patrimonial or financial importance for it, carried out by the its Company and its Subsidiaries.

The Chief Executive Officer and Group CEO, in particular, has reported regularly to the Board on the progress of the individual business sectors of the Group, as well as its objectives and activities undertaken, comparing them with the forward-looking plans and expected results.

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

- the Chairman's Committee, the Nomination and Corporate Governance Committee, the Remuneration Committee and the Related Party Committee, which have issued supporting opinions and also formulated proposals to be submitted to the Board of Directors in relation to specific matters within their competence;
- the Control and Risk Committee, the Sustainability Committee and the Ethics Committee, which have reported regularly on the analysis and the activities carried out and on the findings and proposals for interventions and actions to be started.

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).

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, in regard to the regular reports provided to the Board of Directors by the Key Functions and other corporate functions – reports that represents a significant, if not predominant, portion of the issues submitted to the review of the administrative body –, we note that the corresponding documentation is usually made available to Directors and 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 objects 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 the law and the By-Laws, the Board of Directors is appointed on the basis of lists, with no more than 25 candidates, submitted by Shareholders who, at the time the lists are submitted, are entitled to vote at the related Shareholders' Meetings, filed at the Company's registered office, no later than the twenty-fifth day before the date of the Meeting. The candidates on each list must be listed by means of a sequential number.

The Extraordinary Shareholders' Meeting of 18 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. Where the number of candidates meeting the requirements in question is equal to the minimum number established by the By-Laws, the last two sequential numbers of these lists cannot be assigned to an independent candidate.

In regard to the requirements of independence of the Directors, IVASS Regulation 38 has introduced the provision according to which a "suitable number" of Directors must meet independence requirements additional with respect to those specified, for the insurance sector, by the Decree of the Minister for Economic Development n. 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, it is necessary, however, to remember that, pursuant to art. 147-ter, Par. 4, of the Consolidated Law on Finance, at least two Directors (when the Board has more than seven members) must meet the

requirements set for Auditors by art. 148, Par. 3, of the Consolidated Law on Finance. In addition, the Corporate Governance Code in force provides for the companies in the FTSE-MIB index to have an administrative body consisting, for at least one third, of Directors classified as independent under the criteria indicated in art. 3 of the Code (in the case of a fraction, the number is rounded down). In the light of the above, the By-laws of Unipol – in line with the aforementioned provision of the Code and also taking into account the nature of the Company and its role of Parent Company – provide for at least one third of the Directors to meet the requirements of independence specified for the Auditors of listed companies by art. 148, Par. 3, of the Consolidated Law on Finance (in the case of a fraction, the number is rounded down). Without prejudice to the above, in view of the acceptance of the Code, as self-regulation, by the Company, the additional criteria and requirements of independence specified by the Code in force also continue to apply.

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 Consolidated Law on Finance, cannot present or participate to the presentation, not even through a third party or a fiduciary company, of more than one list, nor can vote, not even through a third party or a fiduciary, for lists other than the list they have presented 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.

Lists may be submitted by Shareholders who, alone or together with others, are holders of a stake determined pursuant to legal and regulatory provisions in force, as each time notified in the notice of call of the Meeting. With reference to the appointment of the Board of Directors in force by the Shareholders' Meeting of 18 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.

The lists will be accompanied by full information regarding the personal and professional characteristics of the candidates, with an indication of their suitability to qualify as independent, and are immediately published on the Website.

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

- the Board of Directors appoints the deputies from among the candidates belonging to the same list as the departing Directors in order starting with the first non-elected candidate, provided that, if the Deputy must meet the requirements of independence and/or must belong to the less represented gender, the first unelected independent candidate on the same list will be appointed and/or the first unelected candidate belonging to the less represented gender on the same list;
- if the above list does not contain candidates not previously elected, or candidates with the requirements demanded, or in any case when, for any reason, it is not possible to comply with the provisions of the previous paragraph, the Board of Directors provides for the replacement of the departing Directors without observing the provisions of that paragraph, while, nevertheless, respecting the gender proportion laid down by the laws and regulations in force.

If there ceases to be a majority of the Directors appointed by the Meeting, the entire Board will be deemed to have resigned and the Meeting must be called without delay by the Directors still in office for the reconstitution of it according to the above schedule.

For the resolutions replacing Directors pursuant to art. 2386 of the Italian Civil Code, the Shareholders' Meeting resolves with the majorities required by the law without the use of lists, making sure of guaranteeing the presence in the Board of independent Directors and/or the gender quotas according to the afore-mentioned by-laws provisions.

### 5.3 Composition

The By-Laws allocate the management of the Company to a Board of Directors composed of no less than 15 and no more than 25 members, appointed by the Shareholders' Meeting, after having established the number, and meeting the eligibility requirements set by the applicable laws and regulations.

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

The Ordinary Shareholders' Meeting of 18 April 2019 has, most recently, appointed the Board of Directors of the Company, consisting of 19 members, giving them a mandate of three years and, therefore, up to the Meeting called to approve 2021 financial statements.

Under Art. 10 of the By-Laws and pursuant to current legislation and regulations, the appointment of the members of the Board of Directors took place on the basis of the lists submitted, in accordance with the Law and the By-Laws, one by the Shareholders that had joined the Shareholders' Agreement and the other, jointly, by some asset management companies and institutional investors holding a stake of 1.2199%. These lists were 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 a 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 lists with the aforementioned statements are available in the Section Governance/Shareholder's Meetings of the Company's website.

The first 18 candidates of the list that had received the highest number of votes (the one presented by the Shareholders parties to the Shareholders' Agreement) were elected as well as the first candidate of the list that had received the second highest number.

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 presenting said Advice, the outgoing administrative body had also taken into account the applicable provisions, 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 18 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 18 members, as a result of the untimely death, on 1 February 2020, of the non-executive and independent Director Francesco Berardini. Mr. Berardini had been appointed by the Ordinary Shareholders' Meeting on 18 April 2019 from the majority list submitted by the Shareholders' Agreement regarding Unipol shares: this included 19 candidates, 18 of whom (including Mr. Berardini himself) had later been elected by the Shareholders' Meeting, together with the first candidate on the list that received the second greatest number of votes, as already said. As the last person designated on the majority list, candidate to replace the outgoing Director pursuant to the By-Laws, has disclosed that he/she was unable to assume office taking into account his/her current professional commitments, and as there were no further candidates to be taken from that list, the Board of Directors resolved to refer to the Shareholders' Meeting scheduled for 30 April 2020 all decisions regarding the composition of the Board itself.

The Secretary of the Board of Directors, elected pursuant to art. 11 of the By-laws, is Ms Fulvia Pirini, Head of the Corporate Affairs Department of the Company.

The structure, composition and the additional information required by the Code of Conduct concerning the Board of Directors is provided in tables 1 and 2 attached to this 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 related to the composition of the Board of Directors and the Board of Statutory Auditors of Unipol Group S.p.A." ("Diversity Policy").

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

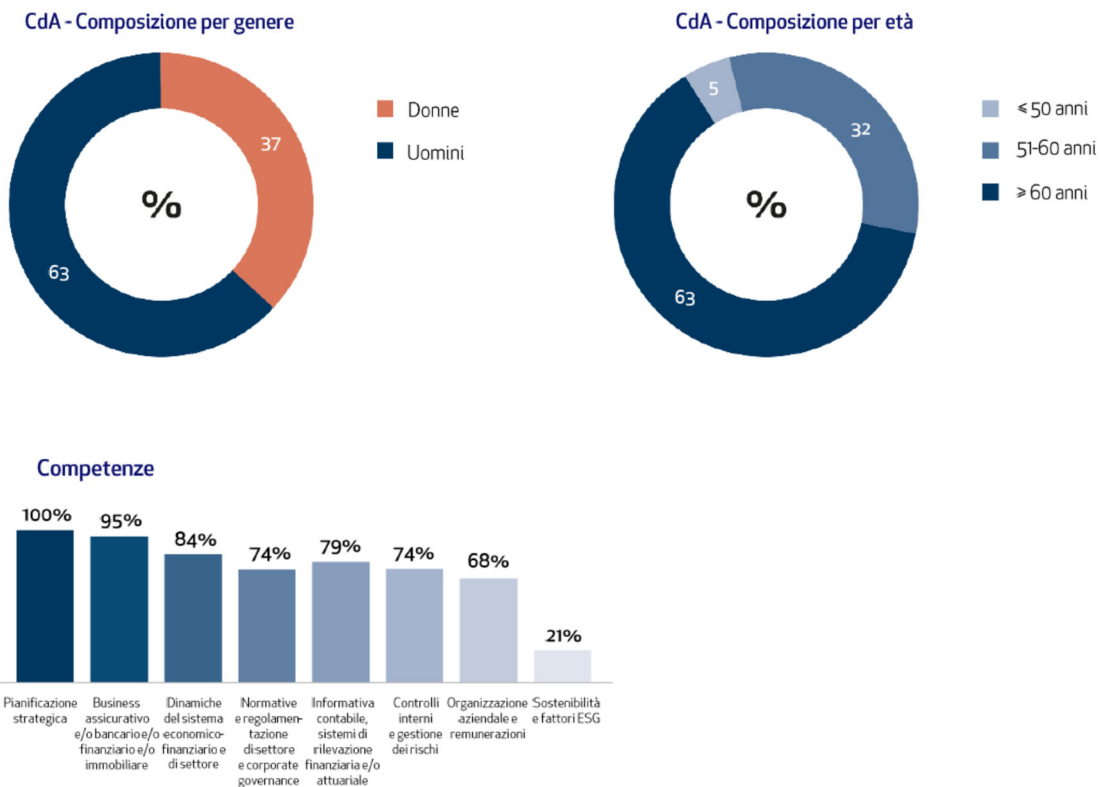
- as regards the composition of the administrative body, provided that:
  - as recommended by the Code, the Board of Directors - upon expiry of its mandate and at the time of calling the Shareholders' Meeting to deliberate upon the related resolutions - expresses to Shareholders - also by taking into 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 times, 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:
  - integrating the provisions of the Consolidated Law on Finance and the By-laws and in compliance with applicable sector regulations, at least one third of the Directors are in any case in possession of the independence requirements in compliance with the Code of Conduct, thereby allowing for - amongst other items- a heterogeneous composition of the Board committees;
  - the legal provisions on gender balance relevant to the administrative body of the Company must be complied with;
  - a balanced combination of different seniority and age brackets must be ensured within the Board of Directors, thereby expressing the significant value that the experience gained and the knowledge of the Group's activities and dynamics can bring in terms of contribution to the effective functioning of the administrative body;
  - 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/assemblee-degli-azionisti/2019, together with the Annual Report on Corporate Governance.

In expressing its advice in view of the Shareholders' Meeting of 18 April 2019, the outgoing administrative body took into account the guidelines contained in the Diversity Policy.



## 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 Board of Directors, starting from 2009, has adopted a specific Regulation 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, pursuant to the Code of Conduct; 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 structures.

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 Unipol Director holds in other companies, as well as 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 Unipol, 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 was changed by the Board of Directors in its meeting of 14 February 2013 for the purpose of aligning it to the prohibitions introduced by Art. 36 of Decree-Law no. 201 of 6 December 2011, converted, with amendments, by Law no. 214 of 22 December 2011 (the so-called "prohibition of interlocking positions").

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 18 April 2019 had been met, deeming all members of the Board of Directors 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 to the Code, 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 and the Group operates, the business dynamics and their evolution, as well as the regulatory reference framework. The 2018 board performance evaluation has shown a high level of satisfaction for the training and induction activities carried out for the benefit of Directors and 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

In line with international best practice, placing particular attention on the requirement for substantial independence of its non-executive Directors, the Company adopts a restrictive interpretation of the provisions contained in the Code of Conduct, in order to ensure the interests of all Shareholders, both majority and minority.

Without prejudice to the fact that the current Code of Conduct recommends that the Board of Directors of the Company be composed of at least one third independent Directors, taking into account the current shareholding structure of Unipol, all of the following Directors have been considered as non-independent:

- members of the Management Committee of the Shareholders' Agreement concluded by some Unipol shareholders; or
- key representatives (*i.e.* Chairman, General Manager or Executive Directors) of the main Shareholder of the Company.

Again for the purpose of respecting the substantial interests involved and in line with the general prudential approach in question, the Directors performing said roles were considered as non-independent also pursuant to the Consolidated Law on Finance.

The current Board of Directors is composed - with the exception of the Chief Executive Officer and Group CEO - of non-executive Directors, *i.e.* without management powers and not holding strategic or management positions in the Company or the Subsidiaries of strategic importance, as provided for in the Code of Conduct.

It should be noted that the Fit&Proper Policy approved 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 which the same is an important representative of the Professional or Consulting Firm of which the same is a partner or shareholder or, at any rate, exceeding the amount of Euro 200,000.

As already said, 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 outcome of the assessment is shown in Table 1, enclosed.

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.

CONSIGLIO DI AMMINISTRAZIONE				
Il Consiglio di Amministrazione è investito dei più ampi poteri per l'amministrazione ordinaria e straordinaria della Società. Esso ha pertanto la facoltà di compiere tutti gli atti, anche di disposizione, che ritiene opportuni per il conseguimento dell'oggetto sociale, esclusi soltanto quelli che la legge espressamente riserva all'Assemblea.				
COMPOSIZIONE DEL CONSIGLIO DI AMMINISTRAZIONE NOMINATO DALL'ASSEMBLEA DEL 18 APRILE 2019 (*)				
○		○ (a)		●
Presidente Stefanini Pierluigi		Vice Presidente Dalle Rive Ernesto		AD / Group CEO / DG Cimbri Carlo
○ (a) Alemagna Paolo	○▲ Balducci Gianmaria	○▲ Datteri Roberta	○▲ De Luise Patrizia	○▲ Desiderio Massimo
○ (a) Ferrè Daniele	○▲ Gualtieri Giuseppina	○□ Morara Pier Luigi	○▲ Mundo Antonietta	○ (a) Pacchioni Milo
○▲ Pasquariello Maria Antonietta	○▲ Trovò Annamaria	○ (a) Turrini Adriano	○▲ Zambelli Rossana	○ (a) Zini Carlo
● Esecutivo    ○ Non Esecutivo    ▲ Indipendente da Codice e da TUF (†)    □ Indipendente solo da TUF				

(†) 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 stabiliti dall'art. 148, comma 3, del TUF.  
 (a) Amministratore escluso, con riferimento all'esercizio 2019, dal novero degli Amministratori indipendenti in quanto, ai sensi della Fit&Proper Policy e dell'attuale assetto partecipativo di Unipol, sono stati ritenuti non indipendenti tutti gli Amministratori della Società che siano: (i) componenti del Comitato di Direzione del Patto Parasociale che lega taluni soci di Unipol ovvero (ii) esponenti di rilievo del principale azionista della Società.  
 (\*) Alla data di redazione della presente Relazione, l'organo amministrativo è composto da 18 Amministratori, in seguito alla prematura scomparsa del Consigliere Francesco Berardini.

## 5.8 Lead Independent Director

The Chairman has not been delegated operational powers, and has no specific role in developing corporate strategies. The separation of the roles of Chairman and Chief Executive Officer and Group CEO 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.

## 5.9 Remuneration

The Shareholders' Meeting of 18 April 2019 resolved on a gross annual remuneration for each Director of €60,000, on top of the expenses incurred to perform the office, and awarded 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, Deputy Chairman and Chief Executive Officer and Group CEO for the offices held.

At the same meeting, the Board of Directors also awarded the Directors a fixed gross attendance fee of Euro 1,000 for each meeting of the Board Committees on which they sit, reduced to Euro 500 in case of participation through telephone or audiovisual connection.



The remuneration of non-executive Directors does not depend on the performance of the Company, nor are there any plans for share-based incentives or, in general, those based on financial instruments for members of the Board of Directors. The Chief Executive Officer and Group CEO as well as General Manager, pursuant to normal market practice and taking into account the principles of the Code of Conduct concerning the correlation between the remuneration of top management positions and company results, receives a short and long-term variable remuneration component, calculated by applying the criteria provided for in the variable remuneration system for Group Managers.

The remuneration of the Non-executive directors of the Company is basically in line with the average remuneration observed with reference to Italian listed companies included in the FTSE-MIB index.

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 18 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 with the payment to the Management 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) has specified the Group Remuneration Policies of the insurance sector 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 epidemics, has 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, has resolved to suspend all assessments concerning the awarding of the 2019 variable remuneration for the entire Management of the Group, including the Chief Executive Officer, 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) has approved the Remuneration report drafted pursuant to art. 123-ter of the Consolidated Law on Finance, which includes the Group Remuneration Policies for the insurance sector, and pursuant to art. 93, Par. 6, of IVASS Regulation 38 and which, together with the document set forth under (i) above, shall 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, the Chief Executive Officer and Group CEO as well as the General Manager and the total remuneration received by the Key Managers and the other personnel relevant pursuant to art. 93, Par. 2, of IVASS Regulation 38.

## 5.10 Succession plans

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, in consideration:

- of the consolidation of the Succession Planning for the key managers of the Group;
- of the structure of the executive powers delegated to the first line managers of the Company, which allows the execution of its ordinary business operations;
- of the stable structure of the control 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.

In this respect, it is pointed out that the Company has continued the activities aimed at implementing the Succession Planning project for Key Managers.

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 also 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 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 advisor of primary standing in the sector, which also carries out the same functions for UnipolSai. To accompany the full term in office of the Board of Directors, ended with the Shareholders' Meeting of the Company of 18 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 independent *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 Appointments 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 corporate bodies shall 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. 11 of the By-Laws, by the Board of Directors from among its members, for three years or for the shorter period of office of the Board itself.

After the appointment of the new administrative body for the years 2019, 2020 and 2021, the Board of Directors, in its meeting of 18 April 2019, confirmed Mr. Pierluigi Stefanini as Chairman of the Company.

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 Directors holding special offices, stimulating their activity and ensuring a fruitful mutual collaboration.

The Chairman ensures that Directors and Statutory Auditors may take part, subsequent to appointment and for the duration of their term of office, in initiatives aimed at providing them with adequate knowledge of the industry in which the Company and the Group operate, corporate dynamics and evolution of the same, as well as the relevant regulatory framework (see Par. 5.6 above).

The Chairman and Chief Executive Officer and the Group CEO, keeping constant dialogue, identify opportunities and risks of the insurance businesses, and finance in general, on which the Chairman keeps the Board of Directors informed, in order for it to be able to take its own decisions regarding the direction and coordination of the Company and Group. The Chairman collects the aspirations of Shareholders for these to be translated into strategic and operational guidelines for the Board of Directors. The Chairman is also responsible for ensuring that transactions, apart from the

income and financial results, are qualitatively such as to produce continuity of results, competitiveness in the business and protection of resources and assets.

The Chairman has access to all information within the corporate structure, informing the Chief Executive Officer and Group CEO of information acquired from other sources, for the orderly management of the structure itself.

The Chairman, at the request of one or more Directors, may request the Chief Executive Officer and Group CEO that Managers of the Company and its Subsidiaries, responsible for 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, in consultation with the Chief Executive Officer and Group CEO <sup>3</sup>, is also 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;
- submitting to the Board – after hearing the opinion of the Appointments and Corporate Governance Committee – proposals for the appointment of the General Manager and, if necessary, the Deputy General Manager of the Company, as well as for the appointment of the members of the Board Committees.

In terms of remuneration, during the year, the Chairman carried out (and continues to carry out at the moment) the duties described in the Remuneration Report drafted pursuant to Art. 123-ter of the Consolidated Law on Finance, which may be consulted within legal terms in the Governance Section of the Company's website.

The Chairman is by rights a member of the Chairman's Committee, and participates as a permanent invitee - unless already a member - in meetings of the Nomination and Corporate Governance Committee, the Remuneration Committee, the Sustainability Committee and Ethics Committee as well as the Control and Risk Committee.

## 7. The Deputy Chairman

The Deputy Chairman is elected, pursuant to Art. 11 of the By-Laws, by the Board of Directors from among its members, for three years or for the shorter period of office of the Board itself.

The Board of Directors, in the meeting of 18 April 2019, has elected as Deputy Chairman of the Company Mr Ernesto Dalle Rive.

The Deputy Chairman, together with the Chairman, Chief Executive Officer, Group CEO and other members appointed by the Board of Directors, is a member of the Chairman's Committee. He/she is entitled to attend meetings of the Nomination and Corporate Governance Committee, the Remuneration Committee and the Sustainability Committee and Ethics Committee and is invited to meetings of the Control and Risk Committee.

The Deputy Chairman stands for the Chairman, in the case of absence or impediment of the latter.

<sup>3</sup> If the Chief Executive Officer and Group CEO is in a situation of potential conflict of interest in performing the functions that he/she must carry out in agreement with the Chairman, these functions are exercised, instead, by the Deputy Chairman.

## 8. The Chief Executive Officer, GROUP CEO and General Manager

The Chief Executive Officer is appointed by the Board of Directors from among its members, for three financial years or for the shorter period of office of the Board itself.

During its meeting on 18 April 2019, the administrative body of Unipol confirmed Mr Carlo Cimbri as Chief Executive Officer of the Company, attributing him the role of Group CEO, as the main subject in charge of promoting the managing directives and policies of the Unipol Group in Italy and abroad as well as coordinating and monitoring its business operations, giving him the tasks listed below, to be carried out consistently with the general programmatic and strategic policies defined by the Board of Directors:

- ensure the execution of the resolutions of the administrative body and the Shareholders' Meeting of the Company;
- ensure the ordinary management of the corporate affairs of the Company as well as the governance, supervision and coordination of the entire activity of the Unipol Group;
- promote the corporate policies of the Company and the Unipol Group;
- formulate the proposals relating to the long-term plans and the annual budgets of the Company and the Group to be submitted to the study and approval of the Board of Directors;
- ensure that the organisational, administrative and accounting structure is adequate for the Company and the Unipol Group;
- 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.

The Chief Executive Officer and Group CEO - in his capacity as Executive Director of the Company - carries out primarily the following functions:

- a) jointly with the Chairman:
  - identifies strategies regarding the structure of the Company and the Unipol Group to be submitted to the Board of Directors;
  - examines in advance transactions of significant economic and financial importance, according to the criteria established by the administrative body, with particular reference to Transactions with Related Parties of "Greater Importance" to be submitted case by case to the Board of Directors;
  - ensures that Directors can carry out their role in an informed and effective manner;
- b) ensures pursuit of the objectives defined by the Board of Directors, issuing the consequent operating directives; ensures implementation of the corresponding resolutions and operational management of corporate affairs, making use of the Top Management of the Company;
- c) defines the guidelines and lines of action of the Group as a whole by ensuring proper operation of the vertical relationships between the Company and the different Group entities;
- d) formulates any proposals to supplement the annual audit plan and may request specific audits not envisaged in the plan itself;

- e) identifies, in agreement with the Chairman, candidates for the position of General Manager and Deputy General Manager of the Company so that the Chairman can submit them to the Nomination and Corporate Governance Committee and propose them to the Board of Directors;
- f) supervises management of the process of appointing “key Group resources” for the main managerial positions in the different Group entities.

In terms of remuneration, the Chief Executive Officer and Group CEO carried out (and continues to carry out) the tasks described in the Remuneration Report prepared pursuant to Art. 123-ter of the Consolidated Law on Finance, which may be consulted within legal terms in the Governance Section of the Company’s website.

If the Chief Executive Officer and Group CEO is in a situation of potential conflict of interest, the functions listed above that are to be carried out by said Chief Executive Officer in agreement with the Chairman, are exercised, in his stead, by the Deputy Chairman.

The Board of Directors has also conferred specific executive powers on the Chief Executive Officer and Group CEO, defining the relevant methods and limits.

The Chief Executive Officer is a member by rights of the Chairman’s Committee.

The Chief Executive Officer and Group CEO also has the position of General Manager, as resolved by the Board of Directors pursuant to Art. 15 of the By-Laws, carrying out in such capacity the function of overseeing the management of the Group’s business, in line with strategic planning as defined by the administrative body.

## 9. The Board Committees

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.

In particular, the following Committees have been created within the Board of Directors:

- Chairman’s Committee;
- Nomination and Corporate Governance Committee;
- Remuneration Committee;
- Control and Risk Committee;
- Related Party Committee <sup>4</sup>;
- Sustainability Committee;
- Ethics Committee.

The members of each Committee are appointed by the Board of Directors, most recently at the meeting held on 18 April 2019, and chosen among its members. These Committees, with the exception of the Chairman’s Committee, are composed at least in the majority by independent Directors, as specified in the following paragraphs. The Committees

<sup>4</sup> Until 31 July 2019 – on the completion of the transfer of the holding in Unipol Banca S.p.A. and the resulting elimination of the Unipol Banking Group – the Related Party Committee had also been given the tasks and functions specified by the regulations issued by the Bank of Italy on risk activities and conflict of interest with “Associated Parties” as set forth in the Bank of Italy Circular no. 263/2006.

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 application criterion 4.C.1 of the current Code of Conduct, during the year, the Committees required by the Code (i.e. the Nomination and Corporate Governance Committee, the Control and Risk Committee, the Remuneration Committee and the Sustainability Committee) and the Ethics Committee informed the administrative body - during the first meeting that was 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.

All of the above without prejudice to the assessments carried out by the Board of Directors of the Company in relation to the fact that:

- the aspects relating to the risk management that may become significant with respect to medium to long term sustainability are currently being 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, including that of examining the guidelines and the methodology followed to prepare and monitor the three-year sustainability Plan of the Group.

## 9.1 The Chairman's Committee

Number of meetings held during the Year: 6.

The Chairman's Committee is composed of the Chairman of the Board of Directors, the Deputy Chairman, the Chief Executive Officer and Group CEO and the other Directors appointed by the Board of Directors.

At the date of this Report, the composition of the Chairman's Committee was as follows.

	Members	Office held	% Shareholding <sup>(*)</sup>	Meetings attended
<b>CHAIRMAN'S COMMITTEE</b>	Stefanini Pierluigi	Chairman	100%	6/6
	Balducci Gianmaria	Member	83%	5/6
	Cimbri Carlo	Member	100%	6/6
	Dalle Rive Ernesto	Member	100%	6/6
	Ferrè Daniele	Member	100%	6/6
	Pacchioni Milo	Member	83%	5/6
	Turrini Adriano	Member	33%	2/6

(\*) 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 table below shows those who, as a result of the appointment of the new Board of Directors by the Shareholders' Meeting held on 18 April 2019, no longer sit on the Committee in question, the office they held and their attendance to meetings until the end of the term of office:

	Members	Office held	% attendance (*)	Meetings attended
<b>CHAIRMAN'S COMMITTEE</b>	Cattabiani Paolo	Member	100%	2/2
	Pasquariello Maria Antonietta	Member	100%	2/2
	Zucchelli Mario	Member	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 term of office.

The table below shows the members of the Committee whose office ended after the end of the year

	Members	Office held	% attendance	Meetings attended
<b>CHAIRMAN'S COMMITTEE</b>	Berardini Francesco	Member	100%	6/6

The Chairman's Committee has advisory functions and cooperates in the identification of development policies and guidelines for the strategic and operating plans to be submitted to the Board of Directors; in particular concerning the following topics:

- dividends and/or remuneration of the capital policies;
- transactions of an extraordinary nature under the responsibility of the Shareholders' Meeting, more specifically capital increases and issues of convertible bonds, mergers, demergers, reserves distribution, purchase of own shares and amendments to the By-Laws;
- extraordinary transactions of a relevant strategic interest, or intended to significantly affect the value or structure of the share capital or to significantly affect the price of stocks, such as acquisitions or disposals of relevant shareholdings, aggregations or alliances with other groups as well as significant changes in the structure or composition of the Group;
- multi-year strategic plans and annual budgets of the Company and the Group.

## 9.2 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 2 already held as at the date of this Report).

The Committee guarantees an adequate level of independence of the Directors from management, as it holds a propositional and advisory role in identifying the best composition of the Board of Directors, and in defining the system of governance, as a body in charge of the following:

- a) to propose to the Board of Directors the candidates for the offices of Directors in the cases of co-option, if any independent Director must be replaced;



- b) to define times and methods for performing the Board Performance Evaluation;
- c) to inform and update the Board of Directors as regards any developments in the regulations in force and the best practices referring to corporate governance.

The Nomination and Corporate Governance Committee is called upon to express opinions on the following:

- 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, if appropriate;
- the candidates to be nominated to the offices of Director and Auditor, with their replacements, as well as to the offices of Chairman, Deputy Chairman, Chief Executive Officer and/or General Manager, and Chairman of the Board of Statutory Auditors (without prejudice to the procedures specified by the law for the appointment to this office) of the relevant companies, whether these are operating companies with strategic significance or investee companies;
- the implementation of the governance system, model and guidelines for the Group;
- 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 in question 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 is in charge of the minutes of the meetings, with the support of a Secretary.

At its meeting held on 18 April 2019, the Board of Directors appointed the members of the Nomination and Corporate Governance Committee, calling three Directors, all non-executive and mostly independent, to be part of it, as described below:

	Members	Office held	Independent	% attendance (**)	Meetings attended
<b>NOMINATION AND CORPORATE GOVERNANCE COMMITTEE</b>	Stefanini Pierluigi (*)	Chairman		100%	3/3
	Datteri Roberta	Member	x	100%	1/1
	De Luise Patrizia (*)	Member	x	100%	3/3

(\*) Mr Stefanini and Ms De Luise held the same position in the previous composition of the Appointments 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 term of office.

The table below shows those who, as a result of the appointment of the new Board of Directors by the Shareholders' Meeting held on 18 April 2019, no longer sit on the Committee in question, the office they held and their attendance of the meetings held until said appointment

	Members	Office held	Independent	% attendance (**)	Meetings attended
<b>NOMINATION AND CORPORATE GOVERNANCE COMMITTEE</b>	Candini Silvia Elisabetta (*)	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 term 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 Corporate Governance Code 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 for 2018;
- prepared an opinion for the Board of Directors on the size and optimal composition of the administrative body, in order to support it in proposing its opinion to the shareholders in view of the Shareholders' Meeting called to appoint the new Board of Directors on 18 April 2019;
- defined criteria and methods to carry out the annual Board Performance Evaluation of the Board of Directors, with reference to the year 2019.
- reviewed the "Diversity policy with regard to the Composition of the Board of Directors and the Board of Statutory Auditors of Unipol Group S.p.A.";
- reviewed the Annual Report on Corporate Governance referring to 2018.
- reviewed the documentation drafted pursuant to IVASS Regulation 38, notably the Guidelines on corporate governance system of the Unipol Group, the Regulations governing the tasks and operating procedures of the Control and Risk Committee and Remuneration Committee and the Document on the corporate governance system of the Company;

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 Corporate Governance Code drafted by the Borsa Italiana Committee;
- proposed to the Board of Directors the start of the annual assessment on the size, composition and operation of the administrative body and its Committees, for the year 2020, as well as the appointment to the position of Egon Zehnder International S.p.A., as independent advisor of prime standing of the sector, to provide support to the Committee itself and to the Board of Directors in the management, for the 2019-2021 period, of the Board Performance Evaluation, following the evolution of this administrative body in the corresponding three-year period;
- reviewed the resulting questionnaire;
- reviewed the recommendations set forth in the Annual Report of the Borsa Italiana Committee (see above page 11) 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 and external parties, upon invitation by the Chairman, in order to provide input on the agenda items.

### 9.3 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 remuneration policies of the Company and the Group.

At its meeting on 21 June 2019, the Board of Directors approved the new Remuneration Committee regulation, adjusted to the 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 (“IVASS Letter to the Market”) and the Code of Conduct.

It is also specified, among other things, that, in application of the principle of proportionality set forth in the Letter to the Market and in line with the Guidelines on corporate governance, the Committee in question, like the Control and Risk Committee, should carry out the same tasks indicated in this, specified at the individual level for the Company, also on behalf of the insurance companies of the Unipol Group based in Italy that have adopted a “strengthened” corporate governance system based on the classification deriving from the parameters indicated in said Letter to the Market, except for UnipolSai, which has created its own Committees. This provision has come into force on 1 January 2020.

In particular, the Remuneration Committee:

- performs consulting and advisory functions for the definition of Remuneration Policies, also of the Group, 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 proposals to the Board of Directors for the remuneration of the Chief Executive Officer and the other Directors who perform specific duties, as well as for setting up performance objectives related to the variable component of the remuneration, consistent with the Remuneration Policies adopted by the Board of Directors;
- verifies the appropriateness of the remuneration system as a whole, as well as the proportionality of the remuneration of the Chief Executive Officer with respect to the Relevant Personnel;
- periodically submits Remuneration Policies for review so as to guarantee their adequacy, overall consistency and concrete application by the Company and by the Group companies, relying, in this last regard, on the information provided by the corporate bodies of the Group companies;
- 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 the Committee in question is in charge of the minutes of the meetings, with the support of a Secretary.

The Chairman of the Board of Statutory Auditors or another Auditor appointed by this takes part in the meetings of the Remuneration Committee by rights.

The Chairman of the Remuneration 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.

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

At the meeting held on 18 April 2019, the Board of Directors appointed the members of the Remuneration Committee all independent pursuant to art. 147-ter of the Consolidated Law on Finance and mostly independent pursuant to the Code.

	Members	Office held	Independent Art.147-ter Consolidated Law on Finance	Independent Code	% attendance (**)	Meetings attended
REMUNERATION COMMITTEE	Gualtieri Giuseppina(*)	Chairwoman	x	x	100%	3/3
	De Luise Patrizia	Member	x	x	0%	0/1
	Morara Pier Luigi (*)	Member	x		67%	2/3

(\*) Ms Gualtieri and Mr Morara held the same position in the previous composition of the Appointments 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 term of office.

Ms Gualtieri has adequate knowledge and expertise in financial matters or remuneration policies, as assessed by the Board of Directors at the time of her appointment.

The table below shows those who, as a result of the appointment of the new Board of Directors on 18 April 2019, no longer sit on the Committee in question, the office they held and their attendance of the meetings held until said date of appointment

	Members	Office held	Independent	% attendance (**)	Meetings attended
REMUNERATION COMMITTEE	Candini Silvia Elisabetta	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 term of office.

The Chairman and at least one Statutory Auditor of the Board of Statutory Auditors participated in every meeting of the Remuneration Committee.

To carry out the assigned tasks the Remuneration Committee may make use, under the terms and according to the economic resources allocated by the Board of Directors, of external advisers with extensive expertise in remuneration policies as long as (i) these do not provide the corporate structures in charge of human resources management, the

Directors or the Key Managers with services of such a significance as to concretely damage the independence of the advisers themselves and (ii) no exceptions of incompatibility of the advisers identified within the overall corporate context are raised by the corporate structures in charge of the management of human resources or by the Chief Executive Officer and Group CEO.

The Remuneration Committee avails itself, for the performance of its tasks, of 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 made proposals in regard to the Group Remuneration Policies for the year, in compliance with the provisions of IVASS Regulation 38, that fall within the three-year period 2019-2021 of the Business Plan; also reviewed the Remuneration Policies of the different segments of the Group, laid out based on the guidelines provided in this regard in the Group Remuneration Policies;
- reviewed the operating criteria of the 2019 incentive system of Unipol and the companies of the Unipol Group, observing, without prejudice to the adjustments that have been made necessary by the coming into force of IVASS Regulation 38, its substantial continuity with that which had already been approved in previous years;
- compared the objectives assigned to the Chief Executive Officer, Group CEO and General Manager for the financial year 2018, with the results that were actually achieved, noting their full attainment. Following this analysis, the Committee therefore verified the conditions for the full disbursement of the variable remuneration component envisaged by said incentive plan, in which the Chief Executive Officer, Group CEO and General Manager participates;
- reviewed the results achieved by the Group in 2018, as well as at the end of the three-year period 2016-2018, positively assessing the effects for the purposes of the fulfilment of the conditions set forth for the payment to the Management of the short- and long-term variable incentives specified in the Regulation of the incentive system of the 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 and Art. 84-quater of the Issuers' Regulation, noting the correspondence and consistency with the Remuneration Policies adopted by Unipol.

During the year under way, the Remuneration Committee:

- reviewed and made proposals on the Group Remuneration Policies for the current year, the structural and regulatory framework of which is in line with those approved in the previous year, reviewing also the Remuneration Policies of the different segments of the Group, drafted following the guidelines provided in this regard in the Group Remuneration Policies;
- proposed the identification of the Group Relevant Personnel, pursuant to art. 93, Par. 2, of IVASS Regulation 38;
- 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 Group, including the Chief Executive Officer, 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. 93, par. 6 of IVASS Regulation 38, expressing a favourable opinion and noting their compliance and consistency with the Remuneration Policies adopted.

## 9.4 Control and Risk Committee

Number of meetings held during the Year: 9

Average length of meetings: 2 hours and 45 minutes.

Average participation: 100%

Number of meetings planned for 2020: 11 (of which 4 already held as at the date of this Report).

The Control and Risk Committee performs, for the Board of Directors, propositional, advisory, investigation and support activities regarding the assessments and resolutions to be issued by the Board in reference mainly to the internal control and risk management system, as well as to the approval of regular financial reports.

With regard to the performance of such functions, pursuant to the Regulation of the Committee as well as to the policies in force, the Control and Risk Committee notably provides its preventive 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 the Group are exposed (including ESG risks and, first of all, climate risk), also assessing the 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 the Group and to the risk appetite and 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 legal and regulatory provisions, as well as by the Code of Conduct on the internal control system;
- together with the Financial Reporting Officer, after consulting with the auditing company and the Board of Statutory Auditors, assesses 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;
- reviews the processes of drawing up the periodic accounting documents prepared by the Group companies 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 in the Board of Directors in defining and evaluating the adequacy of the organisational structure of the Company and the Group also with regard to the outsourcing of essential or important functions or activities, and receives information about it.

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 an opinion to the Board of Directors on proposals concerning the appointment and/or removal of Managers 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 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 and the Unipol Group;
- asks, if applicable, the Audit Function to carry out assessments on specific operational areas and informs, at the same time, the Chairman of the Board of Directors, the Chief Executive Officer and Group CEO (also in the capacity of Appointed Director) and the Chairman of the Board of Statutory Auditors about such assignments;
- 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 Committee, by way of example but not limited to:

- expresses, at least once a year, an opinion on the working plan prepared by the Heads of the Key Functions of the Company and the Group;
- reviews the regular reports containing assessments about the internal control and risk management system of the Company and the Group, and the reports 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 coordination methods among the subjects involved in it as well as an assessment of the adequacy of that system.

The Control and Risk Committee is also identified as the body competent to examine the information – prepared by the Risk Management Function and subject to the approval of the Board of Directors – concerning intercompany transactions performed by Unipol and the insurance companies controlled by them, which cause the operating limits set in the Policy on intercompany 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 this 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 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 Control and Risk 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 and the Group, the risk profile and its effectiveness, and provides, through its Chairman, a brief disclosure to this 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 the 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 has a budget, approved by the Board of Directors, which is adequate for the performance 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.
- propose, promote and call joint meetings to establish and maintain proper functional connections with equivalent Committees set up in the companies of the Group and establish reciprocal information flows.

The Board of Directors, at the meeting of 18 April 2019, appointed, pursuant to the 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.

Members	Office held	Independent	% attendance (**)	Meetings attended
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<b>CONTROL AND RISK COMMITTEE</b>	Zambelli Rossana <sup>(*)</sup>	Chairwoman	x	100%	9/9
	Desiderio Massimo <sup>(*)</sup>	Member	x	100%	9/9
	Trovò Anna Maria	Member	x	100%	6/6

<sup>(\*)</sup> Ms Zambelli and Mr Desiderio held the same position 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 term of office.

Ms Zambelli has, inter alia, specific and adequate accounting and financial and risk management experience, as assessed by the Board of Directors at the time of her appointment.

The table below shows those who, as a result of the appointment of the new Board of Directors by the Shareholders' Meeting held on 18 April 2019, no longer sit on the Committee in question, the office they held and their attendance of the meetings held until said appointment

	Members	Office held	Independent	% attendance <sup>(**)</sup>	Meetings attended
<b>CONTROL AND RISK COMMITTEE</b>	Ferraboli Annamaria <sup>(*)</sup>	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 2019 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 respectively to 2018 and 2019;
- the results, where relevant, of the reports drafted 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 for the calculation of the solvency capital requirement, as well as the changes to the Model.

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 parties, invited in reference with specific items on the agenda, participated in the meetings of the Control and Risk Committee upon invitation by the Chairman.

As a result of the coming into force of IVASS Regulation 38, as well as in compliance with the principle of proportionality set forth in the IVASS Letter to the Market, the Control and Risk Committee carries out similar tasks, specified at the individual level for Unipol, also for the insurance companies of the Unipol Group based in Italy that have adopted a "strengthened" and "ordinary" corporate governance system according to the classification deriving from the parameters indicated in said Letter to the Market, except for UnipolSai, which has created its own Committee. This provision has come into force on 1 January 2020.

To comply with 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.

## 9.5 The Sustainability Committee

Number of meetings held during the Financial Year: 4.

Average length of meetings: approximately 1 hour and 30 minutes.

Number of meetings planned for 2020: 4 (of which 2 already held as at the date of this Report).

The Sustainability Committee has investigative, propositional and advisory functions, more specifically carrying out the following tasks:

- providing support to the administrative body in the specification of the model of identification, assessment and management of the main ESG risks, among which in particular climate risks, their impact on the business strategy and the policies implemented to achieve the objectives of the convention on climate changes COP21, as well as in the specification of the commitments and the monitoring of the indicators, among which those specified for the reporting of climate-related information;
- reviews the guidelines and the methodology adopted to prepare and monitor the sustainability strategies integrated in the Business Plan;
- examines the sustainability issues identified during the interactions with the stakeholders of the Company and the Group, proposing ameliorating measures;
- assesses the methodology approach adopted to develop the materiality matrix, mentioned before, and reviews the material issues as identified for the development of the Non-Financial Report (*Dichiarazione Non Finanziaria* or "DNF"), included in the Integrated Report;
- evaluates the regular updates on the main activities of preparation for the full achievement of the Group's sustainability objectives;

- periodically monitors alignment between the sustainability indicators of the Business Plan and the activities of the Subsidiaries and the business activities of the Group;
- reviews the Group Integrated Report, with the Non-Financial Report, and UnipolSai Sustainability Report.

At its meeting on 18 April 2019, the Board of Directors appointed the members of the Sustainability Committee, the majority of whom are independent.

	Members	Office held	Independent	% attendance (**)	Meetings attended
<b>SUSTAINABILITY COMMITTEE</b>	Stefanini Pier Luigi <sup>(*)</sup>	Chairman		100%	4/4
	Mundo Antonietta <sup>(*)</sup>	Member	x	100%	4/4
	Pasquariello Maria Antonietta	Member	x	100%	2/2

(\*) Mr Stefanini and Ms Mundo held the same position in the previous composition of the Sustainability 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 term of office.

The table below shows those who, as a result of the appointment of the new Board of Directors by the Shareholders' Meeting held on 18 April 2019, no longer sit on the Committee in question, the office they held and their attendance of the meetings held until said appointment

	Members	Office held	Independent	% attendance (**)	Meetings attended
<b>SUSTAINABILITY COMMITTEE</b>	Trovò Anna Maria	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 term of office.

At the time of said meetings, the Sustainability Committee reviewed the monitoring of the KPIs and the actions of the 2016-2018 Business Plan, acknowledging that the commitments in this regard have been fulfilled. In particular, it reviewed the methodology adopted to develop the Business Plan in an integrated direction and the KPI identified, expressing opinions and assessments to develop initiatives to qualify further the sustainability strategy, policies and actions of the Group in a multistakeholder approach. The Committee has reviewed the econometric model adopted for the impact analysis of the Unipol Group.

The issues of particular significance included the review of the Sustainability Policy, with the adoption of increased commitments for the management of the ongoing climate change emergency, as well as the integration of the control of ESG risks in the business policies (underwriting, investments, outsourcing).

During the year, the Committee also reviewed the 2018 Integrated Report of the Unipol Group, which includes the DNF, later approved by the Board of Directors, as well as the 2018 Sustainability Report of UnipolSai, later approved by the administrative body of the latter.

In the current year, the Sustainability Committee has presented the report “Communication on Progress” of the Global Compact, and the 2019 Integrated Report of the Unipol Group, which includes the DNF, then approved by the Board of Directors, as well as the 2019 Sustainability Report of UnipolSai, later approved by the administrative body of the latter.

## 9.6 The Ethics Committee

Number of meetings held during the Year: 3.

Average length of meetings: 1 hour, approximately.

Number of meetings planned for 2020: 2.

The Ethics Committee meets at least twice for year, or every time the Chairman or at least two Committee members deem it necessary.

The Ethics Committee consists of at least three and at most five members, meeting the independence requirements laid out by legislative and regulatory provisions in force.

The Ethics Committee operates in close cooperation with the Ethics Officer, who is the reference point of the Group for the aspects concerning the implementation of the Code of Ethics. The Ethics Officer is charged with promoting unity and dialogue on the importance of the principles of conduct, promoting the culture of and compliance with the corporate ethics. To prevent and solve the main “ethical dilemmas” and deal with the different cases of suspected disregard and/or violation of the Code of Ethics, the Ethics Officer:

- promotes and organises, in conjunction with the different corporate functions and with the Ethics Committee, regular activities to disseminate the knowledge and raising the awareness of the Code of Ethics;
- provides clarifications on the meaning and interpretation of the Code of Ethics in regard to the specific questions asked by the different stakeholders;
- receives directly the notifications of the suspected violations of the Code of Ethics from the different stakeholders and assesses the conditions to open an investigation; carries out, in the simpler cases, the corresponding verifications and settles disputes;
- may carry out studies and consultations with the different stakeholders on violations of the Code of Ethics, gathering the necessary information;
- consults the Ethics Committee to assess the more complex cases, carrying out a preliminary investigation and presenting to the Committee all the documentation necessary for the final assessment, protecting the confidentiality of the parties involved;
- drafts the Ethics Report, the annual document showing the consistency between the ethical principles and the organisational activity, identifies the areas exposed to risk and verifies the practical implementation of the Code of Ethics.

The Ethics Officer is chosen among authoritative and independent parties, with an in-depth knowledge of the operations of the Group and a recognised sensitivity of the issues of corporate ethics and responsibility.

The Ethics Officer supports the work of the Ethics Committee by promoting and monitoring the consistency between the organisational activity of the Group and the principles expressed in the Code of Ethics.

The Committee in question has advisory, propositional and decision-making functions. In particular, that body is given the task of:

- promoting consistency between the principles of the Code of Ethics and the corporate policies, also by interacting with the Supervisory Body, the Control and Risk Committee and the company Departments concerned;
- contributing to the definition of initiatives to promote the knowledge and understanding of the Code of Ethics;
- defining the set-up of the plan of ethics communication, knowledge and awareness-raising in collaboration with the Ethics Officer and with the company Departments concerned;
- monitoring compliance with the Code of Ethics. To this end, through the Ethics Officer, it may carry out assessments on the compliance with the Code of Ethics by the recipients of this, collecting all necessary information and documentation;
- issuing opinions on the more complex reports received by the Ethics Officer of alleged breaches of the Code of Ethics;
- submitting to the attention of the competent bodies of the Unipol Group companies the situations in which violations of the principles laid out in the Code of Ethics have been confirmed so that, in full compliance with legislative provisions and the internal procedures in force over time, such bodies may evaluate the application of any penalty proceedings against those responsible for such violations;
- receiving and reviewing the Ethics Report prepared by the Ethics Officer, handling its publication.

The Ethics Committee has adopted its own regulation for the management of activities and, in particular, as regards the investigatory activities to be carried out in exercising its functions.

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

At its meeting on 18 April 2019, the Board of Directors appointed the current members of the Ethics Committee, all of whom are independent.

	Members	Office held	Independent	% attendance (**)	Meetings attended
	Morara Pier Luigi	Chairman	x	100%	2/2
<b>ETHICS COMMITTEE</b>	De Luise Patrizia (*)	Member	x	100%	3/3
	Pasquariello Maria Antonietta	Member	x	100%	2/2

(\*) Ms De Luise held the same position in the previous composition of the Sustainability 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 term of office.

The table below shows those who, as a result of the appointment of the new Board of Directors by the Shareholders' Meeting held on 18 April 2019, no longer sit on the Committee in question, the office they held and their attendance of the meetings held until said appointment

	Members	Office held	Independent	% attendance (**)	Meetings attended
<b>ETHICS COMMITTEE</b>	Gualtieri Giuseppina	Chairwoman	x	100%	1/1
	Trovò Anna Maria	Member	x	100%	1/1

(\*\*) 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 Ethics Committee brought to the attention of the Board of Directors of the 2019 Ethics Report and the report of the Board of Directors concerning, inter alia, the general consistency between the principles declared in the Ethics Code and the company management. The entire Ethics Report was published on the Group's institutional website and a summary version is included in the Group's Integrated Report.

In order to ensure complete dissemination of the Charter of Values and the Code of Ethics within the Group, the implementation of an online training plan for employees, agents and agency personnel has been planned for this year. The project was started in cooperation with "Unica - Unipol Corporate Academy" and it is currently at an advanced definition stage, with the involvement of all structures concerned, with a view to extensive sharing of the chosen learning methods and presentation of the topics covered. A key objective is to encourage internal and external staff to progress from theoretical and passive learning about the Code of Ethics to involved reflection on the values and principles contained in the Charter of Values of Unipol. In 2020, following the launch of the campaign on the company intranets (Futur@ for employees and Ueba for agencies), the course will be provided in e-learning format.

The project is aimed at increasing the training on ethical issues provided to the entire workforce, complementing the project of classroom training for the managers started in 2017. At 31 December 2019, a total of approximately 1,450 managers had been involved. The completion of the project is forecast for 2020.

Through the dynamics activated by the classroom sessions as well as based on the increasing involvement of the Ethics Officer by employees asking for support in the management of the associates in presence of ethically sensitive situations, also in 2019 it was possible see how the progress of this training is gradually raising awareness of values and ethical issues, making clear the fundamental importance of their practical application in the daily activity and in the relations with colleagues, associates and clients.

## 9.7 The Related Party Committee

Number of meetings held during the Year: 6.

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 Committee provides advice, discussion and proposals to the Board of Directors and the corporate structures of Unipol and its Subsidiaries, on this category of transactions ("Transactions"), 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 for the execution of the Transactions in question (the "Related Party Procedure"; in this regard, see Chapter 14 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 "Most Significant Transactions" (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 Most Significant Transactions, 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 and Group CEO of Unipol a justified non-binding opinion on the interest of the Subsidiaries and the Unipol Group on the execution of Transactions with Related Parties carried out through the Subsidiaries, whether Most Significant or not, as well as on the cost effectiveness and substantial fairness of the corresponding conditions;
- expresses to the Board of Directors an opinion on the updates made to the Related Parties Procedure.

In addition, until 31 July 2019 – on the completion of the transfer of the holding in Unipol Banca S.p.A. and the resulting elimination of the Unipol Banking Group – the Related Party Committee had also been given the tasks and functions that the regulations issued by the Bank of Italy Circular no. 263/2006 ("Circular") on "Risk activities and conflict of interest with Associated Parties" assign to the Independent Directors; Therefore, up to then, the Committee had provided advice, discussion and proposals to the Board of Directors, the corporate structures of Unipol and the other companies of the Banking Group controlled by the latter, on transactions with Associated Parties, in compliance with the provisions of the Circular.

The Committee 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 Committee.

Following the appointment of a new administrative body during the Shareholders' Meeting held on 18 April 2019, the Board of Directors has appointed the Related Party Committee, consisting of four non-executive and independent Directors.

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

Members	Office held	Independent	% attendance	Meetings attended
Gualtieri Giuseppina	Chairwoman	x	100%	3/3

<b>RELATED PARTY COMMITTEE</b>	Desiderio Massimo <sup>(*)</sup>	Member	x	100%	6/6
	Paquariello Maria Antonietta	Member	x	100%	3/3
	Zambelli Rossana <sup>(*)</sup>	Member	x	67%	4/6

(\*) Mr Desiderio and Ms Zambelli held the same position in the previous composition of the Related Party 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 term of office.

The table below shows those who, as a result of the appointment of the new Board of Directors by the Shareholders' Meeting held on 18 April 2019, no longer sit on the Committee in question, the office they held and their attendance of the meetings held until said appointment

	<b>Members</b>	<b>Office held</b>	<b>Independent</b>	<b>% attendance</b>	<b>Meetings attended</b>
<b>Related Party Committee</b>	Morara Pier Luigi	Chairman	x	100%	3/3
	Ferraboli Annamaria	Member	x	100%	3/3

(\*\*) 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 Committee.

The Chairman of the Committee in question is in charge of the minutes of the meetings, with the support of a Secretary.

On 31 July 2019 – with transfer of the holding in Unipol Banca S.p.A. – the legal and regulatory conditions to qualify Unipol as the Parent Company of the Banking Group with the same name ceased to be met; therefore, the Procedure for the management of the transactions with Associated Parties of the Unipol Banking Group adopted by the Company (the "Associated Party Procedure") – as Parent Company of that Banking Group, pursuant to the Title V, Ch. 5, of the Bank of Italy Circular n. 263 of 27 December 2006 9th update (the "Circular") – does no longer apply. Moreover, until then, the Related Party Committee had been assigned the tasks and the functions that the provisions of the Circular on "Risk activities and conflict of interest towards associated parties" assign to the Independent Directors.

In particular, in this latter regard, until 31 July 2019, the Committee had:

- participated in the negotiation and in the investigation of Most Significant Transactions (as defined by the Associated Party Procedure);
- expressed to the competent body a reasoned, non-binding opinion on the interest of the Company in the execution of Transactions of Lesser Importance (as defined in the Associated Party Procedure), as well as on the convenience and substantial correctness of their conditions;
- expressed to the competent body, on the basis of complete and timely information provided by the company's structure during the investigation, and if appropriate, during negotiations, a favourable and reasoned opinion on the interest of the Company in the execution of Most Significant Transactions (as defined in the Associated Party Procedure), as well as on the convenience and substantial correctness of all related conditions;
- expressed to the body called upon to resolve on Transactions of Greater/Lesser Importance (as defined in the Associated Party Procedure) carried out by the companies of the Banking Group, with the exception of



those carried out by the Bank and its subsidiaries, a reasoned, non-binding opinion on the interest of the Company in the execution of the transactions, as well as on the convenience and substantial correctness of their conditions;

- expressed to the Board of Directors a binding opinion, detailed and reasoned, at the time of substantial amendments or integrations to the Associated Party Procedure and/or the Internal Policy on controls on the risk activities and conflict of interest towards Associated Parties.

## 10. The Board of Statutory Auditors

With the Shareholders' Meeting held on 18 April 2019, the term of the Board of Statutory Auditors appointed by the Shareholders' Meeting of Unipol on 28 April 2016 has expired. The aforementioned Shareholders' Meeting appointed the new board of statutory auditors confirming the same components of the previous Board (Chairman and Statutory Auditors).

Number of meetings held during the Year: 20

Average length of meetings: approximately 1 hour and 20 minutes.

Average participation: 96%

Number of meetings already held 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 Committee and the Remuneration Committee.

### 10.1 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, 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 audit 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 these 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.

## 10.2 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, composed of two sections, one for candidates for the office of Statutory Auditor (maximum three people), the other for the candidates for the office of Alternate Auditor (two nominees) are filed at the Company's registered office by the twenty-fifth day before the date of the Meeting.

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 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: with reference to the appointment of the Board of Statutory Auditors in office by the Shareholders' Meeting of 18 April 2019, said stake, determined by CONSOB with Resolution no. 13 of 24 January 2019, was equal to 1% of ordinary share capital.

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. two Statutory Auditors and one Alternate Auditor are taken from the list that has obtained the largest number of Shareholders' votes, according to the progressive order in which they are listed in the sections of the list;
2. the remaining Statutory Auditor and the remaining Alternate Auditor are taken from the list that has obtained the second greatest number of votes according to the progressive order in which candidates are listed in the sections of that list. In the event of a tie between the minority lists, the candidates of the list that was submitted by the Shareholders in possession of the largest holding are elected, or, alternatively, by the greatest number of Shareholders.

The presidency of the Board of Statutory Auditors will fall to the person indicated in first place in the minority list.

If a member has to be replaced, this is replaced by the deputy member belonging to the same list, subject, however, to the gender balance provisions of the laws and regulations in force. In cases where, in addition to the Statutory Auditor elected from the minority list, the Alternate Auditor on this list is also absent, he is replaced by the candidate placed later belonging to the same list or, failing that, the first candidate on the minority list that came in second in terms of votes, subject, however, to the gender proportion laid down by the laws 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.

### 10.3 Composition and operation

The Shareholders' Meeting of 18 April 2019 appointed, on the basis of the two lists presented by the Shareholders – of which one jointly presented by the Shareholders that had joined the Shareholders' Agreement and the other by some asset management companies and institutional investors holding in total 1.2199% of the ordinary share capital of the Company – the Board of Statutory Auditors currently in office, comprising three Statutory Auditors and two Alternate Auditors, conferring upon this a three-year mandate and, therefore, until the Shareholders' Meeting called to approve the 2021 financial statements.

From the majority list, which received the majority of votes, two Standing Auditors, Mr Roberto Chiusoli and Ms Silvia Bocci, and an Alternate Auditors, Mr Domenico Livio Trombone, were selected; from the minority list the Chairman of the Board of Statutory Auditors, Mr Mario Civetta, and an Alternate Auditor, Mr Massimo Gatto, 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 repeated once a year, 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. In particular, in regard to the Statutory Auditor Mr Roberto Chiusoli, who, having held the office of Auditor of Unipol for a period exceeding nine of the last twelve years, has referred to the Board the assessment on his meeting the independence requirement, the Board of Statutory Auditors has stated that it believes him to meet the independence requirement, pursuant to the Code, believing his case not to be covered by the provisions of principle 3.C.1 of the Code where it includes the holding of office in this issuer for more than nine years in the last twelve among the situations in which a Director or Auditor is not usually deemed independent, in the absence of other circumstances that may jeopardise or limit the independence of assessment and opinion of the Auditor, being understood that Mr Chiusoli does not have significant relations or business, financial, or professional relations, with Unipol or other companies of the Unipol Group.

For its part, upon appointment of the board of auditors at the meeting held on 9 May 2019, the Board of Directors verified that the members of the board of auditors continued to meet 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.

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 ninety 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.

As indicated in more detail below, the Board of Statutory Auditors, as the Internal Control and Auditing Committee, also carried out - as part of the process of selection of EY S.p.A. as the main Group auditor which has received the mandate for the years 2021-2029 at the ordinary Shareholders' Meeting held on 18 April 2019 - 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 mandate.

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 invited 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 Committee.

The remuneration of the members of the Board of Statutory Auditors of the Company is believed to be basically in line with the average observed with reference to Italian listed companies included in the FTSE-MIB index.

## 10.4 Diversity Criteria and Policies

As mentioned in paragraph 5.4 above, at the meeting of 7 February 2019, pursuant to Art. 123-bis of the Consolidated Law on Finance and the recommendations made in this regard by the Code of Conduct, the administrative body approved 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 - this Policy is limited to providing for the following:

- the legal provisions on gender balance relevant to the administrative body of the Company must 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.

## 11. 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 carrying out the limited audit of the half-yearly abbreviated consolidated financial statements.

The aforesaid engagement was conferred, for 2012-2020 nine-year period, by resolution passed at the Shareholders' Meeting of 28 April 2011.

As mentioned before, as the end of said nine-year mandate is approaching and given that the mandate to PricewaterhouseCoopers S.p.A. cannot be renewed pursuant to the provisions in force, in the second half of 2018, Unipol initiated a process to select the auditing company to be engaged for the 2021-2029 period, 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*").

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 Unipol - the recommendation for the Board of Directors.

The procedure of selecting the main Group Auditing Company for the 2021-2029 period was performed jointly with UnipolSai, as main subsidiary of the Group and listed company and concluded with the decision by the Shareholders' Meeting of 18 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.

## 12. 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 in the Investors and Governance sections of 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 the economic and financial data of the Unipol Group.

In 2019, relations with investors - performed, due to the configuration of the Unipol Group, jointly with UnipolSai - included the presentation of the 2019-2021 Business Plan and the completion of the transfer to BPER Banca S.p.A. of

the holding 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@unipol.it](mailto:investor.relations@unipol.it), on the website [www.unipol.it](http://www.unipol.it), 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

## 13. The internal control and risk management system

### 13.1 Foreword

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

- effectiveness and efficiency of corporate processes;
- suitable limits on current and future risks;
- 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;
- prevention and correct management of the potential conflicts of interest with Related Parties and Intra-Group Counterparties, as identified by reference provisions;
- verification of the implementation of corporate strategies and policies;
- safeguarding of company asset values and proper management of assets held on behalf of customers;
- reliability and integrity of information provided to corporate bodies and the market as well as 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") - approved by the Unipol Board of Directors on 21 June 2019 and updated at the time of the Board meeting held on 19 December 2019 <sup>5</sup>- which, inter alia, set out the role and responsibilities of the individuals involved in the internal control and risk management system. The Guidelines are complemented by the Policies of the Key Functions, approved at the same board meeting of June 2019 <sup>6</sup>. The principles and the processes of the risk management system as a whole are regulated by the following Group policies: "Risk Management Policy", "Current and Forward-looking Risk Assessment Policy", "Operational Risk Management Policy" and "Group-level Risk Concentration Policy". Another integral part of the risk management system is represented by 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 the

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5 With respect to the previous version approved the Guidelines were integrated by adding the articulation of the corporate governance systems of the subsidiaries under the supervision of the Bank of Italy, in line with the structure adopted by the Group as a result of the transfer of the entire holding in Unipol Banca S.p.A., with resulting elimination of the Unipol Banking Group, as well as of the registration of UnipolReC S.p.A. to the Single Register ex art. 106 of the Consolidated Law on Banking.

6 The aforementioned documents entered into force on 1 January 2020. Indeed, following the entry into force of IVASS Regulation no. 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.

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.

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 Unipol at the meeting on 9 August 2018.

## 13.2 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 are exposed. The risk management system allows the Group to have 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 is structured into the following stages:

- 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 the Unipol 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 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 actions and interventions required and/or useful in mitigating existing or prospective levels of risk not in line with the risk 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 on an ongoing basis within the

entire Group, taking into account the risks of each company within the scope of Group supervision as well as their mutual interdependencies, making reference to the provisions of Art. 210 and Art. 210-*ter*, Par. 2 and 3 of the Private Insurance Code. We continue to apply the proportionality principle, taking into account the nature, the size and the complexity of the risks characteristic of the business activity carried out by the different companies of the Group.

### 13.3 Risk Appetite and Risk Appetite Framework

The risk management system is designed with an Enterprise Risk Management 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 Group is 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 rating;
- 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, Unipol and the Subsidiaries concerned maintain 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, the Group's Risk Appetite is determined on the basis of the following elements:

- capital at risk;
- capital adequacy;
- liquidity/ALM ratios.

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

The Risk Appetite is formalised in the Risk Appetite Statement, which indicates the risks that the Group and/or individual 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 Business Plan, the Own Risk and Solvency Assessment Process (ORSA) for insurance business and, as long as the Company was the Parent Company of the Unipol Banking Group, the Internal Capital Adequacy Assessment Process (ICAAP), the Internal Liquidity Adequacy Assessment Process, ("ILAAP") for the banking business, the budget, the corporate 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, etc.).

The RAF is structured into several factors 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.

The RAF of the Group keeps into account the specific transactions and the corresponding risk profile of each company of the Group, to ensure an integrated and consistent approach.

## 13.4 The ORSA process

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

## 13.5 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.

## 13.6 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 context, the Board approves - among other things - the organisational, administrative and accounting structure of the Parent Company and assesses the suitability of the structure of Group, ensuring the appropriate separation of the functions; 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 that may be used to guarantee that the



administrative body is fully aware of the significant corporate events and that the other parties involved have all the information needed to perform their 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 Chief Executive Officer and Group CEO Mr Carlo Cimbri.

The Board of Directors assigned the following functions, duties and powers 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, also as Parent Company of the Unipol Group, 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) requesting that the Audit Function perform audits on specific operating units and 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 the Board of Statutory Auditors;
- e) promptly informing the Control and Risk Committee and the Board of Directors of any problem and critical issue identified during his/her activities or anyway notified, so that the appropriate initiatives may be carried out by said bodies;
- 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 purposely adopted corporate policies;
  - expressing opinions regarding the work plan prepared by the Managers of the Key Functions, to be submitted to the Board of Directors for approval.

**Top Management** (Chief Executive Officer and Group CEO, General Manager and managers in charge of the decision-making process and the implementation of strategies) <sup>7</sup>)

The Top Management supports the Appointed Director in 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.

### 13.7 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 Managers 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;
- 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 laid out in the Guidelines, the Key Functions created at the Parent Company carry out the activities within their area of competence for Unipol, as well as at the Group level, performing activities of direction and coordination on the Subsidiaries.

#### 1) Audit

The Audit Function assesses and monitors, also at Group level, the effectiveness, efficiency and adequacy of the internal control system and the additional components of the system of 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 Unipol on 21 June 2019.

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<sup>7</sup> The latter include the Key Managers identified for the purposes of the application of the legal and regulatory provisions on intercompany transactions.



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, banking, financial and information technology);
- the drafting of the reports specified by laws and regulations or other verification, project, administrative and reporting activities;
- the inspections on the sales networks and the settlement units;
- verification of internal fraud by employees, trustees and persons pertaining to the sales networks;
- 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 no. 231/2001.

As part of its 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 functionality of the information flows between corporate sectors;
- compliance with limits envisaged by delegated power mechanisms and the full and correct use of available information in the different 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 and efficiency 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, including at Group level, 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 should be noted that, with measure dated 24 April 2018, IVASS authorized the use of the partial internal model for the calculation of the group solvency capital requirement, effective as of the assessments implemented in relation to the annual requirement on 31 December 2017. The subsidiaries UnipolSai and Arca Vita S.p.A. are authorized to use the partial internal model for calculating the individual solvency capital requirement, effective as of the valuations of 31 December 2016.

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);
- defining the methodologies for the analysis of the IT risk, in collaboration with the IT Services Division in order to integrate the operational risk profile with the specific aspects of IT processes;
- 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.

With specific reference to the banking business, until 31 July 2019, the Risk Management Function had taken part in the definition and execution of the RAF and of the corresponding risk management policies, through an adequate risk management process. With reference to the risk management system, in the ICAAP-ILAAP and in the Risk Self-Assessment the results of the assessments carried out, the improvement areas identified and the corrective actions taken are formalised and presented annually to the corporate bodies. The Function reports, within its area of competence, on the completeness, adequacy, functionality and reliability of the internal control system.

### **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, ethics codes, 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. In particular it is strongly characterised by its pervasiveness within the Company and by the involvement of multiple organisational structures.

The Compliance Function operates through:

- the identification on an ongoing basis of the applicable provisions and the assessment of their impact on the corporate processes and procedures, providing support and advice to the corporate bodies and the other corporate functions on the issues for which compliance risk become relevant, with particular reference to the planning of new products and the substantial changing of existing products;
- 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;
- the provision of direct information flows to the bodies and structures involved.

For this purpose, the methodology used involves different operational and working stages that can be distinguished as:

- ex-ante activities, with the aim of supporting Top Management in the adjustment activity in relation to new products/projects/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 individual companies, where determined, and of the Group;
- ex-post activities that are aimed at representing the level of compliance of the procedures, the process, the policies and the internal organisation of the individual companies and of the Group to the applicable legislation and the compliance risk.

#### **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 provides advice and expresses opinions with regard, among other things, to the Policy on reinsurance and the other risk mitigation techniques and to the reinsurance programme of the Group as a whole. It also gives 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 reserves 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.

### 13.8 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.

Under Art. 154-bis of the Consolidated Law on Finance and Art. 13 of the By-Laws, the Board of Directors appoints the Financial Reporting Officer, after consulting the Board of Statutory Auditors, choosing between those who have overall experience of at least three years in the performance of (a) administrative tasks or control or managerial tasks in companies that have registered capital of no less than Euro ten million or consortia of companies that have a total registered capital of no less than Euro ten million or (b) professional or academic activities of a legal, economic, financial and technical-scientific nature, closely related to the activities of the Company, or (c) managerial functions in public bodies or public administrations involved in the insurance, financial and credit sectors or in activities closely related to activities of the Company or of the Group headed by the Company.

The Board of Directors has confirmed, most recently at the Board meeting held on 18 April 2019, as Administration, Controlling and Operations General Manager of the Company, Mr Maurizio Castellina, and given him all the powers and responsibilities that are needed to fulfil his mandate.

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.

### 13.9 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, also 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.

### **13.10 Main features of the current risk management and internal control systems with regard to the financial reporting process, also at the consolidated level**

In compliance with the provisions of the Consolidated Law on Finance - Section V-bis "Financial Information", Unipol 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.

Specifically, 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 keeping with the guidelines described above, the process of risk management and internal control of financial reporting, which is implemented by Unipol, is divided into 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;
- sketch out a reference framework 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 necessary delegated Chairman.

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;
  - identifying the type of control;
  - the evaluation of the adequacy and effectiveness of the audit activities, in terms of risk mitigation, on the basis of the evidence collected;
  - the 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 in 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 Chief Executive Officer and Group CEO, 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 Chief Executive Officer 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 date to the results of the accounting books and records.

### 13.11 The Organization, 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 Unipol on 27 September 2018, in its updated version.

Unipol 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 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. organised crime and cross-border offences;
8. environmental offences;
9. infringement of copyrights;
10. employment of third-country citizens without the required work permits;
11. incitement not to testify or to provide false statements to legal authorities.
12. illicit brokering and exploitation of labour

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

Unipol has also established the Supervisory Body ("*Organismo di Vigilanza*" or "ODV" pursuant to Art. 6, Par. 1(b) of 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 ODV in office was appointed, as a result of the renewal of the administrative body by the Shareholders' Meeting of Unipol on 18 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 Head 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 ODV is the same as for the Board of Directors.

The composition of the ODV is shown in the Table below.

	Members	Office held	Independent <sup>(4)</sup>	% attendance <sup>(5)</sup>	Meetings attended
	Zambelli Rossana <sup>(1)(6)</sup>	Chairwoman	X	100%	5/5
	Trovò Annamaria <sup>(1)</sup>	Member	X	100%	3/3
<b>SUPERVISOR</b>	Desiderio Massimo <sup>(1)(6)</sup>	Member	X	100%	5/5
<b>Y BODY</b>	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 Zambelli, Mr Desiderio and Mr Ranieri held the same position in the previous composition of the Supervisory Board.

The table below shows those who, as a result of the appointment of the new Board of Directors by the Shareholders' Meeting held on 18 April 2019, no longer sit on the Supervisory Board, the office they held and their attendance of the meetings held until said appointment

	Members	Office held	Independent <sup>(4)</sup>	% attendance <sup>(5)</sup>	Meetings attended
<b>SUPERVISOR</b>	Ferraboli Anna Maria	Member	X	100%	2/2
<b>Y BODY</b>	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 Legislative Decree no. 231/2001;
- verify that the requirements of strength and reliability of the Model are retained over time;
- dynamically update the Model as necessary by formulating specific suggestions and adjustment proposals and through subsequent checks of the implementation and effective functionality of the solutions proposed.

The Supervisory 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.

### 13.12 Ethical and social responsibility

Since 2008, with the definition of the Charter of the Group's Values, which constituted the basis for the preparation of the Group's Code of Ethics in 2009, marked the beginning of a process aimed to give the Group a stronger, better-shared and clearer identification of values, as part of an important process of reorganisation and integration. In order to take into account the evolution of the Unipol Group in recent years and meet the highest international standards, the Charter of Values and the Code of Ethics were updated by the Board of Directors on 23 March 2017. Subsequently, the new texts were adopted with resolutions of the respective Boards of Directors by the Group Companies as well.

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

1. *accessibility*: being open interlocutors ready and willing to provide responses and solutions;
2. *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;
3. *respect*: considering people to be part of a stable social relationship that confers dignity, while favouring and supporting listening;
4. *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;
5. *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 Officer's Function 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 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.

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

### 14.1 Related Party Procedure

The Procedure for the Transactions with Related Parties (the "Related Party Procedure"), originally adopted by the Board of Directors of the Company on 11 November 2010, pursuant to CONSOB Regulation no. 17221 of 12 March 2010 and subsequent amendments (the "CONSOB Regulation"), was amended most recently on 7 November 2019 with the favourable opinion of the Related Party Committee and may be viewed in the Governance Section of the Company's website.

The Related Party Procedure defines the rules, modalities and principles necessary to ensure the transparency and substantial and procedural correctness of the Transactions carried out with related parties of Unipol ("Related Party Transactions" or "Transactions"), directly or through Subsidiaries. In particular, this Procedure:

- a) defines the subjective scope of application of the regulation, identifying its recipients in the direct and indirect Related Parties of Unipol, to be identified on the basis of criteria specified by the CONSOB Regulation, extending the status of Related Party also to certain parties other than those specified in the list referred to in IAS 24;
- b) defines the way in which the Register of Related Parties must be created, developed and managed, as a tool to support all business structures of Unipol and its Subsidiaries, to ensure the correct and timely identification of Transactions with Related Parties significant for the purposes of the Procedure in question;
- c) defines the objective scope of application of the regulation, identifying certain categories of transactions as "Exempt", to which the rules, both procedural and informational, do not apply, fully or in part;
- d) defines the investigation and resolution process of the transactions and identifies the rules in the cases where the Company examines Transactions carried out by its own Subsidiaries, as well as the information flows within the Group, aimed at ensuring the transparency of transactions and compliance with 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 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) "Most Significant Transactions", 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.

Without prejudice to any operations falling under the competence of the Shareholders' Meeting, the approval of the Most Significant Transactions pertains to the Board of Directors after a favourable reasoned opinion of the Related Party 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 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 the latter.

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.

## 14.2 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 ISVAP 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:

- a) the internal rules, identified by the Parent Company and aimed at equipping the Group and the insurance companies 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;
- b) 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;
- c) the obligations to communicate the transactions to IVASS for the Company as the ultimate Italian Parent Company.

### 14.3 Associated Party Procedure

On 31 July 2019 – as a result of the transfer of the holding in Unipol Banca S.p.A. – the following are no longer relevant: (i) the legal and regulatory conditions to qualify Unipol as the Parent Company of the Banking Group with the same name and (ii) the tasks and the functions assigned to the Related Party Committee by the Procedure for the management of the transactions with Associated Parties of the Unipol Banking Group adopted by the Company - as Parent Company of the Banking Group same, pursuant to Title V, Ch. 5, of the Bank of Italy Circular n. 263 of 27 December 2006 – 9th update.

The Associated Party Procedure, in force until then, integrated the procedural and organisational controls already in force within the Unipol Group for the transactions with Related Parties and the management of the conflicts of interest, formalising the principles and rules applied to transactions with Related Parties, in terms of investigation procedures, decisional powers, reporting and information, valid for all the companies of the Banking Group.

Analogously, until 31 July 2019, the internal policy on controls on risk activities and on the conflicts of interest with Associated Parties had remained in force: this policy had been adopted pursuant to the Circular, setting the levels of propensity to the risk consistent with the strategic profile and the organisational characteristics of the Banking Group, and identifying the organisational processes for the identification of the Related Parties and the corresponding transactions, as well as the control processes aimed at guaranteeing the correct measuring and management of the risks taken with these.

## 15 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), the People Closely Related to them (as defined in the Procedure) and Unipol of the obligations of disclosure to CONSOB and to the market in the case of purchase, sale, subscription or exchange transactions involving Unipol shares or financial instruments linked to Unipol shares carried out by these parties, directly or through a third party (the “Internal Dealing Procedure” or the “Procedure”).

Pursuant to the Procedure:

- the term “Manager” refers to:

- a) the Directors, the Standing Statutory Auditors and the Chief Executive Officer and General Manager of Unipol;
  - b) the other Key Managers of Unipol (other than the persons under a) above) - who have regular access to privileged information directly or indirectly concerning Unipol 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 Unipol, represented by shares with voting rights, as well as any other party that controls Unipol.

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 Unipol, 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 its 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 privileged information and have the power to take management decisions that can affect the evolution and future prospects of Unipol 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 (v) 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 Unipol 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 Unipol (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.

## 16 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, in 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.

The main aspects of the Guidelines/Operating Instructions are as follows:

- 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 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 Relevant Information List ("RIL"), in which the structure, content, storage methods, updating and registration in the relevant sections is 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").

Bologna, 2 April 2020

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	M/m List <sup>(1)</sup>	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>
Stefanini Pierluigi	Chairman	28/06/1953	27/01/2001	18/04/2019	31/12/2021	M		x			100%	9/9	1
Dalle Rive Ernesto	Deputy Chairman	02/12/1960	29/04/2010	18/04/2019	31/12/2021	M		x			100%	9/9	3
Cimbri Carlo	CEO/GM	31/05/1965	29/04/2010	18/04/2019	31/12/2021	M	x				100%	9/9	3
Alemagna Paolo	Director	07/08/1967	18/04/2019	18/04/2019	31/12/2021	M		x			57%	4/7	1
Balducci Gianmaria	Director	08/02/1975	28/04/2016	18/04/2019	31/12/2021	M		x	x	x	100%	9/9	2
Datteri Roberta	Director	29/03/1966	18/04/2019	18/04/2019	31/12/2021	M		x	x	x	100%	7/7	0
De Luise Patrizia	Director	02/10/1954	28/04/2016	18/04/2019	31/12/2021	M		x	x	x	100%	9/9	0
Desiderio Massimo	Director	29/05/1965	03/08/2017	18/04/2019	31/12/2021	m		x	x	x	100%	9/9	0
Ferrè Daniele	Director	27/02/1956	28/04/2016	18/04/2019	31/12/2021	M		x			100%	9/9	5
Gualtieri Giuseppina	Director	26/05/1957	30/04/2013	18/04/2019	31/12/2021	M		x	x	x	100%	9/9	2
Morara Pier Luigi	Director	28/02/1955	03/05/2006	18/04/2019	31/12/2021	M		x		x	100%	9/9	3
Mundo Antonietta	Director	11/09/1946	28/04/2016	18/04/2019	31/12/2021	M		x	x	x	100%	9/9	0
Pacchioni Milo	Director	04/11/1950	24/02/2006	18/04/2019	31/12/2021	M		x			100%	9/9	2
Pasquariello Maria Antonietta	Director	29/08/1954	10/02/2015	18/04/2019	31/12/2021	M		x	x	x	89%	8/9	0
Trovò Annamaria	Director	04/12/1963	28/04/2016	18/04/2019	31/12/2021	M		x	x	x	89%	8/9	0
Turrini Adriano	Director	15/11/1956	30/06/2011	18/04/2019	31/12/2021	M		x			78%	7/9	4
Zambelli Rossana	Director	05/11/1958	30/04/2013	18/04/2019	31/12/2021	M		x	x	x	89%	8/9	0
Zini Carlo	Director	04/06/1955	13/11/2014	18/04/2019	31/12/2021	M		x			100%	9/9	2

## Directors whose office ended during the Year:

Name	Office held	Date of birth	Date of first appointment	Date of termination	M/m List <sup>(1)</sup>	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
Candini Silvia Elisabetta	Director	02/07/1970	28/04/2016	18/04/2019	m		x	x	x	100%	2/2
Cattabiani Paolo	Director	11/07/1958	20/03/2014	18/04/2019	M		x	(a)	(b)	100%	2/2
Ferraboli Anna Maria	Director	05/07/1947	28/04/2016	18/04/2019	M		x	x	x	100%	2/2
Lavorato Claudio	Director	15/02/1949	23/06/1995	18/04/2019	M		x		x	0%	0/2

Zucchelli Mario	Director	23/01/1946	27/04/2001	18/04/2019	M		x		100%	2/2
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## Directors whose office ended after the end of the Year:

Name	Office held	Date of birth	Date of first appointment	In office since (date latest appointment)	M/m List <sup>(1)</sup>	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	25/06/2009	18/04/2019	M		x		(b)	100%	9/9

<sup>(1)</sup> This column indicates if the member was elected from a list voted with majority (M) or minority (m) votes.

In regard to the appointment of the Board of Directors, two lists were presented, one by the shareholders parties to the Shareholders' Agreement, relevant pursuant to art. 122 of the Leg. Decree n. 58/1998, involving some Shareholders of Unipol, and the other by some asset management companies and institutional investors.

<sup>(2)</sup> Indicates whether the Director was classified by the Board of Directors as independent according to the criteria established by the Code of Conduct.

<sup>(3)</sup> Indicates if the Director meets the requirements of independence established by Art. 148, Paragraph 3, of the TUF.

<sup>(4)</sup> 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).

<sup>(5)</sup> 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 in large companies, as at the date of this report.

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

Name	Office held in Unipol	Offices held in other companies
Stefanini Pierluigi	Chairman	Deputy Chairman of UnipolSai Assicurazioni S.p.A. (*)
Dalle Rive Ernesto	Deputy Chairman	Director UnipolSai Assicurazioni S.p.A. (*)
		Chairman, Chief Executive Officer and General Manager Nova Coop Soc. Coop.
		Director Coop Italy Soc. Coop.
Cimbri Carlo	Chief Executive Officer Group CEO General Manager	Chairman UnipolSai Assicurazioni S.p.A. (*)
		Director of Rizzoli Corriere della Sera Mediagroup S.p.A.
		Chairman Istituto Europeo di Oncologia S.r.l.
Alemagna Paolo	Director	Director Coop Italy Soc. Coop.
Balducci Gianmaria	Director	Chairman Cefla Soc. Coop.
		Member of the Supervisory Board of Consorzio Integra Soc. Coop.
Datteri Roberta	Director	--
De Luise Patrizia	Director	--
Desiderio Massimo	Director	--
Ferrè Daniele	Director	Deputy Chairman Coop Consorzio Nord Ovest S.c. a r.l.
		Director Coop Italy Soc. Coop.
		Director Ente Autonomo Fiera Internazionale di Milano
		Chairman Coop Lombardia Soc. Coop.
		Chairman Energia S.p.A.
Gualtieri Giuseppina	Director	Chairwoman and Chief Executive Officer of TPER S.p.A.
		Director of Company Emiliana Trasporti Autofiloviari S.p.A.
Morara Pier Luigi	Director	Director of Coop Reno Soc. Coop.
		Director of Gestione CNS Soc. Coop.
		Director Doxee S.p.A.
Mundo Antonietta	Director	--
Pacchioni Milo	Director	Chairman and Chief Executive Officer of Assicoop Modena & Ferrara S.p.A.
		Chairman Bonterre S.p.A.
Pasquariello Maria Antonietta	Director	--
Trovò Annamaria	Director	--
Turrini Adriano	Director	Director UnipolSai Assicurazioni S.p.A. (*)
		Chairman Coop Alleanza 3.0 Soc. Coop.
		Director Centrale Adriatica Soc. Coop.
		Director Coop Italy Soc. Coop.
Zambelli Rossana	Director	--
Zini Carlo	Director	Chairman and Chief Executive Officer C.M.B. Soc. Coop.
		Deputy Chairman of the Supervisory Board of Consorzio Integra Soc. Coop.



TABLE N. 3 – Board of Statutory Auditors

Name	Office held	Date of birth	Date of first appointment	In office since	In office until approval of the financial statement	M/m List <sup>(1)</sup>	Indep. as per Code	% BoD <sup>(2)</sup>	Number of BoD meetings attended	% S.A. <sup>(3)</sup>	Number of Board of S.A. meetings attended	Other assignments <sup>(4)</sup>
Civetta Mario	Chairman	10/04/1966	28/04/2016	18/04/2019	31/12/2021	m	x	100%	9/9	100%	20/20	19
Chiusoli Roberto	Statutory Auditor	15/09/1964	24/04/2007	18/04/2019	31/12/2021	M	x	89%	8/9	80%	16/20	14
Bocci Silvia	Statutory Auditor	28/04/1967	30/04/2013	18/04/2019	31/12/2021	M	x	100%	9/9	95%	19/20	14

(1) This column indicates if the member was elected from a list voted with majority (M) or minority (m) votes.

In regard to the appointment of the Board of Statutory Auditors, two lists were presented, of which one presented jointly by the companies that had joined the Shareholders' Agreement and the other by some asset management companies and institutional investors.

(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 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 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 Company's website, Governance/Organi societari/Collegio Sindacale Section.

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

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Share capital  
€3,365,292,408.03 fully paid-up  
Bologna Register of Companies  
Tax No. 00284160371  
VAT No. 03740811207  
R.E.A. No.160304

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

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