



**Advice for Shareholders
on the size and qualitative composition
of the Board of Directors
for the 2025-2027 three-year period**



Advice for Shareholders on quantitative and qualitative composition of the Board of Directors for the 2025-2027 three-year period



13 February 2025



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1. Introduction

As of 31 December 2024, the merger by incorporation (the “**Merger**”) of UnipolSai Assicurazioni S.p.A. – as well as Unipol Finance S.r.l., UnipolPart I S.p.A. and Unipol Investment S.p.A. – into Unipol Gruppo S.p.A. became effective, assuming the new name Unipol Assicurazioni S.p.A. (also “**Unipol**”, the “**Company**”, the “**Group**” or the “**Parent Company**”) and the role of listed insurance company headed by a leading insurance Group.

The Merger, approved by the Extraordinary Shareholders' Meeting of 21 October 2024, has allowed, among other things, streamlining the corporate structure of the Unipol Group, while simplifying the decision-making processes of the unitary management and governance of the Group itself.

At the same time, the Shareholders' Meeting approved the increase in the number of Company Directors from 15 to 19 and the consequent appointment of four new Directors, approving the proposal submitted by the shareholders participating in the shareholders' agreement to which some Shareholders of Unipol adhere. In view of the new role of Parent insurance company, the four new Directors were selected for their professionalism and skills suitable to guarantee full supervision of the insurance business in light of direct experience in leading insurance companies, each of them having held the position of Board Member at UnipolSai.

In addition, at the meeting of 8 November 2024, the Company Board of Directors appointed Board Member Matteo Laterza, former General Manager of the same and Chief Executive Officer of the merged entity UnipolSai, as Chief Executive Officer. The mandate of the newly-appointed Directors will expire at the same time as that of the other Directors in office, on the occasion of the Shareholders' Meeting to approve the 2024 financial statements, called for 29 April 2025 (the “**Meeting**”).

The Corporate Governance Code for listed companies (the “**Corporate Governance Code**”) recommends that the administrative body express, in view of each of its renewals, guidance to shareholders on what is considered its optimal quantitative and qualitative composition. This guidance must be expressed also taking into account the results of the self-assessment on the size, composition and actual functioning of the Board of Directors and the internal Committees (the “**Committees**”), considering also the role that the latter plays in defining the strategy and in monitoring the progress of management and the adequacy of the internal control and risk management system. Likewise, the provisions of IVASS Regulation no. 38 of 3 July 2018¹ (“**Regulation 38/2018**”) and the guidelines on the *governance* system issued by EIOPA², require the administrative body to express guidelines regarding the professional figures whose presence in the administrative body is deemed appropriate.

In compliance with the aforementioned indications, the Board of Directors of Unipol, with the support of the Appointments, Governance and Sustainability Committee, has drawn up this advice on the quantitative and qualitative composition deemed optimal (the “**Advice**”) in view of the renewal of the administrative body for the three-year period 2025-2027 by the next Shareholders' Meeting.

¹ Specifically:

- Art. 71, Par. 2, letter bb) of Regulation 38/2018 establishes that, with reference to the last Italian holding company (like Unipol), the Board of Directors should express “... *guidelines on the professional figures whose presence in the Board is deemed appropriate, also considering the group’s structure, particularly with regard to the companies pursuant to Article 210-ter, Par. 2 of the Code*”;
- Art. 5, Par. 2, letter z) of Regulation 38/2018 establishes that the Board of Directors of insurance companies must express “... *guidelines on the professional figures whose presence in the Board is deemed appropriate and propose any corrective actions*”.

² The guidelines on system of governance issued by EIOPA establish, inter alia, that the administrative body pursuant to Art. 1.28 Sect. 1 “*should have an appropriate knowledge of the corporate organisation of the group, the business model of its different entities and the links and relationships between them and the risks arising from the group’s structure*” and in compliance with Art. 1.43 of Section 3, “*should collectively have appropriate qualification, experience and knowledge about at least: a) insurance and financial markets; b) business strategy and business model; c) system of governance; d) financial and actuarial analysis; e) regulatory framework and requirements*”.

Specifically, the Advice was drafted with the hope that the Shareholders, when submitting the lists for the appointment of the new Board of Directors, will, also in light of the same, evaluate the size deemed adequate for the body itself and the skills, professionalism, personal characteristics, and experience, including managerial, as well as the gender of the candidates in relation to the size and structure of the Company and its operational complexity as a listed insurance company Parent Company, resulting from the Merger.

The Advice also takes into account the Diversity Policy for the composition of corporate bodies approved by the Board of Directors pursuant to art. 123-*bis*, paragraph 2, letter d-*bis*, of Italian Legislative Decree no. 58/1998 (Consolidated Law on Finance, the “TUF”), available on the Company’s website in the *governance section*.

It is also recalled that, starting from the next renewal, the Italian Ministerial Decree of 2 May 2022 no. 88 (hereinafter the “MD 88/2022”) will apply to the Board of Directors of Unipol, which regulates *ex novo* the requirements and criteria for suitability for the office of corporate representatives, including members of the administrative body, of insurance companies, in terms of honourableness, correctness, professionalism, competence, independence (including of judgement), and availability of time to carry out the office and of the limits on the accumulation of offices.

The Policy on the requirements of suitability for office of corporate officers approved by this administrative body (the “**Fit & Proper Policy**”) provides that:

- pursuant to art. 10 of MD 88/2022:
 - the composition of the Board of Directors is adequately diversified in order to achieve the objectives set out in the said provision, namely *“to foster discussion and internal dialectics within the body; to encourage the emergence of a plurality of approaches and perspectives in the analysis of issues and in making decisions; to effectively support the company processes of strategy development, management of activities and risks, and control over the work of senior management; to take into account the multiple interests that contribute to the sound and prudent management of the company”*;
 - for these purposes, consideration should be give to the presence in the administrative body of representatives:
 - a) diversified in terms of age, gender and duration of office;
 - b) whose skills, collectively considered, are suitable for achieving the objectives indicated in the preceding paragraph;
 - c) adequate in number to ensure the functionality and non-profusion of the body;
- in line with the provisions of Regulation 38/2018, the Board of Directors must possess, as a whole, adequate technical skills:
 - in order to carry out the tasks required by the structure, the activity and the risk profile of the Group;³
 - at least with regard to insurance and financial markets, governance systems (including personnel incentive systems), financial and actuarial analysis, regulatory framework, commercial strategies and business models.⁴

³ Art. 71, paragraph 2, lett. p), of Regulation 38/2018.

⁴ Art. 5, paragraph 2, lett. n), of Regulation 38/2018.

This Guidance also takes into account the results of the self-assessment on the size, composition and functioning of the Board itself and its Committees (the “*Board Review*”), carried out annually over the three-year period 2022-24 by Unipol and conducted with the support from Egon Zehnder International S.p.A. (the “*Advisor*”). Specifically, with reference to 2024 (third year of mandate), the self-assessment concerned both the summary of the mandate of the administrative body of Unipol in its role as a *holding* company of parent companies *prior to* the Merger, and the qualitative and quantitative profile considered optimal for the future administrative body of the new Parent Company insurance company following the Merger.

The Advice is published on the Company's *website* well in advance of the publication of the notice of call of the Shareholders' Meeting relating to its renewal, in order to allow the Shareholders to promptly initiate all the necessary and appropriate activities for the identification of candidates possessing, among other things, the skills, professionalism and *standing* appropriate to the size and operational complexity of the Parent insurance company resulting from the Merger.

2. Quantitative composition of the Board of Directors

In accordance with Art. 10 of the Articles of Association in force, the administrative body of Unipol shall comprise no fewer than 15 and no more than 25 members. As mentioned, its current size, resolved by the Shareholders' Meeting of 21 October 2024, is 19 members.

The size of the Board of Directors must adequately support the strategic direction and coordination tasks that this body will be called upon to perform, taking into account the need to structure the delegation of the analysis and consultative and proactive support functions to the Committees, also in consideration of the complexity of the Group and the need to ensure the adequate functioning of the Committees themselves.

This number must take into account:

- on the one hand, the related complexities:
 - (i) the acquisition by the Company, following the Merger, of the authorisation to carry out insurance and reinsurance activities in the Non-Life and Life business and the role of parent company of a leading insurance group;
 - (ii) the presence in the Group of equity investments in companies operating in the banking and financial sectors;
 - (iii) the diversification of the Group's *business*;
 - (iv) the need to ensure the adequate collective composition of the body, pursuant to art. 11 of MD 88/2022, as well as a heterogeneous composition of the Committees;
- on the other hand, the need to avoid an excessive number of members, without prejudice to the requirements, also in quantitative terms, deriving from the above aspects.

In this context, taking into account the need to diversify the skills deemed necessary, the role of parent insurance company assumed by the Company, as well as the size and complexity of the organisational structure of the Group in order to effectively oversee the entire corporate operation, the outgoing Board of Directors, with the support of the Appointments and Corporate Governance Committee, considers the current size (19 members) of the Board itself to be adequate and to be confirmed, given that the composition of the new administrative body must in any case guarantee efficient and effective management of the functioning of this body, allowing problems to be examined in depth and permitting each member to express themselves, providing their personal contribution to the development of a profitable dialectic, also with reference to the functioning of the Committees, while avoiding excess of the same. With this in mind, the Board of Directors proposes to the Shareholders' Meeting, in an extraordinary session, to amend the Articles of Association by reducing, inter alia, the maximum number of Directors to 19 compared to the current 25.

3. Qualitative composition of the Board of Directors

First of all, it should be remembered that the legislation applicable to the Company provides specific requirements and criteria of suitability for the position that must be satisfied by the members of the administrative body, also identifying certain impediments and incompatibilities.

Given the above, with regard to the qualitative composition of the Board of Directors, Shareholders who intend to submit a “long” list are invited to:

- provide for suitable candidates to allow the newly appointed administrative body to assign, in a similar manner to what is currently provided for, the position of Chief Executive Officer;
- provide suitable candidates to allow the identification of a Board Member in possession of adequate skills in this area to be responsible for anti-laundering, pursuant to IVASS Measure no. 144/2024. On the occasion of the renewal, in fact, a Board Member responsible for anti-laundering at the Group level and one at the Company level must be appointed, who will assume the role of executive Administrator. These responsibilities may also be combined in the same person and possibly be entrusted to the Chief Executive Officer;
- taking into account that, with regard to independence:
 - (a) at least 2 Directors must be independent pursuant to the Consolidated Finance Act;
 - (b) at least half of the Directors must be independent pursuant to the Corporate Governance Code;
 - (c) at least 25% of the Directors must be independent pursuant to MD 88/2022, with rounding to the lower unit in the case of a decimal equal to or less than 5 and to the higher unit in the case of a decimal greater than 5,

all this in compliance with the additional independence criteria envisaged by the Company's *Fit & Proper Policy* and allowing, inter alia, a heterogeneous composition of the Committees;

- comply with the gender quotas envisaged for listed companies by the Consolidated Finance Act (higher than those envisaged by MD 88/2022), pursuant to which at least two fifths of the Directors must belong to the less represented gender, with rounding up;
- ensure within the Board of Directors a balanced combination of different seniority and age groups, thereby sharing in any case 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 Board itself;
- provide for managerial and/or professional and/or academic and/or institutional profiles of each of the candidates, in accordance with the provisions of the applicable sector legislation, such as to allow the administrative body as a whole to have different and complementary technical skills and experiences available in order to carry out its tasks.

Examining more specifically the profiles of candidates for the position of Director who are suitable to ensure, considered as a whole, an optimal qualitative composition of the Board of Directors, the outgoing administrative body, with the assistance of the Appointments, Governance and Sustainability Committee, also in light of the results of the self-assessment processes carried out annually over the three-year period, has defined a set of skills whose presence in the body itself is considered necessary, according to a principle of graduality, for the correct and effective performance of its duties, also taking into account:

- what is provided for in this regard by the aforementioned national legislation applicable to

the insurance sector⁵ according to the principle of proportionality, as well as by the *Fit&Proper Policy*;

- of the instructions issued by the European institutions and *authorities*⁶;
- of the functions assigned to the Board itself, of its functioning and of its structure into Committees⁷, as well as of the complexity and size of the Group, of the type of activity carried out and of its listing on regulated markets;
- of the *best practices* widespread in the market.

For the purposes of assessing the appropriate collective composition of the Board of Directors, in line with the provisions of art. 9 of MD 88/2022, the skills (*i.e.* theoretical knowledge and practical experience) possessed in more than one of the following areas by each Director will also be assessed and then collectively considered:

- financial markets;
- regulation of the insurance, banking and financial sectors;
- strategic policies and planning;
- organisational and corporate governance structures;
- risk management (identification, assessment, monitoring, control and mitigation of the main types of risk of a company, including the responsibilities of the representative in these processes);
- internal control systems and other operational mechanisms;
- insurance, banking and financial activities and products;
- statistical and actuarial sciences;
- accounting and financial reporting;
- information technology,

integrated with those regarding sustainability and Environmental, Social and Governance (“ESG”) factors and, pursuant to the aforementioned IVASS Measure no. 144/2024, regarding anti-laundering.

In formulating this Guidance, the outgoing Board of Directors also took into account the results of the *Board Review*, cited above, as well as the further assessment of its adequate collective composition conducted by the same management body on 21 March 2024, pursuant to art. 11 of DM 88/2022, in light of the criteria established by art. 10 of the same Decree, the “**Recognition**”). Depending on the expression of the Guidance, the Recognition was subject, with the support of the Advisor, to review and update, in light of the new role the of listed Parent insurance assumed by the Company.

The outgoing Board of Directors believes that, in general, its current structure correctly and

⁵ At present, the relevant regulatory legislation of the sector is represented, as mentioned, by MD 88/2022 and Regulation 38/2018.”

⁶ At EU level, Article 273, paragraphs 2 and 3 of Delegated Regulation (EU) 2015/35, of 10 October 2014, which integrates Directive 2009/138/EC (Solvency II), states the following: “(...) the assessment of a person’s competence shall include an assessment of the person’s professional and formal qualifications, their knowledge and relevant experience within the insurance sector, other financial sectors or other business areas and shall take into account the duties assigned to that person and, where relevant, of their skills in the insurance, financial, accounting, actuarial and management areas.
– the assessment of the competence of the members of the administrative, management or supervisory body takes into account the tasks assigned to the individual members so as to ensure an appropriate diversity of relevant qualifications, knowledge and experience, to thus guarantee that the undertaking is managed and supervised in a professional manner.”

⁷ In addition, pursuant to the Corporate Governance Code, at least one member of the Control and Risk Committee and the Remuneration Committee must be in possession, respectively, of adequate:
– experience in accounting and financial issues or risk management;
– knowledge and experience in financial issues or remuneration policies.

adequately reflects the various components (executive, non-executive, independent, gender and age/seniority in office) and the different competencies required.

During the self-assessment and review and updating of the Recognition, the Board considered that, in order to guarantee an optimal qualitative composition of the management body, it would be appropriate that, based on the relevance and specific bearing of the activity carried out by Unipol:

- *the knowledge and experience in the areas listed below were present in the same with a high degree of dissemination (i.e. possessed by at least one third of the Directors):*
 - *organisational and corporate governance structures;*
 - *risk management (identification, assessment, monitoring, control and mitigation of the main types of risk of a company, including the responsibilities of the representative in these processes);*
 - *strategic policies and planning;*
 - *financial markets;*
 - *internal control systems and other operational mechanisms;*
 - *insurance, banking and financial activities and products;*
 - *regulation of the insurance, banking and financial sectors;*
- *the knowledge and experience in the areas listed below were present with an average degree of dissemination (i.e. possessed by at least one fifth of the Directors):*
 - *sustainability and ESG factors;*
 - *accounting and financial reporting;*
- *the more technical-specialist skills listed below were present with a limited degree of dissemination (i.e. possessed by at least one Administrator):*
 - *statistical and actuarial sciences;*
 - *information technology;*
 - *anti-money laundering.*

The outgoing Board recommends that, taking into account the provisions of the above-mentioned sector legislation and the results of the Board Review, the professionalism and skills represented within the new Administrative Body as a whole be attributable to the areas and degree of diffusion mentioned above, in order to maintain an optimal composition. In addition, an adequate representation of managerial profiles, experience in the insurance business and knowledge in the banking sector is considered important.

Following the self-assessment process, the outgoing administrative body recognises the value of diversity and, in view of the renewal, hopes for a distinctive diversification within the new Board in terms of skills and professionalism, gender, experience, training and professional path, age and seniority of office.

Importance is also given to the so-called soft skills and to the aptitude profiles indicated below:

- *authenticity and independence of thought;*
- *ability to manage conflicts constructively;*
- *ability to interact with top management;*
- *decision-making aptitude;*
- *orientation towards results;*

- *ability to collaborate;*
- *ability to integrate the issues of sustainability into the Company's strategic and business vision;*
- *standing-up capacity.*

The outgoing administrative body also invites the Shareholders to pass their resolutions on the renewal of the Board of Directors, taking care to ensure an adequately diversified composition of the Board of Directors in order to achieve the objectives set out in art. 10 of MD 88/2022 referred to above.

In order to ensure an adequate dialectic within the Administrative Body, aimed at encouraging the adoption of company decisions with ever greater awareness, as well as to assigning different roles to the Directors within the Board of Directors and the Committees, the outgoing Administrative Body also hopes, in accordance with the indications of the sector legislation, for the contribution within the new body of a plurality of knowledge, experiences and cultures, both general and specialist, as the coexistence of diversified skills and experiences ensures that professional profiles are complementary and promotes the aforementioned dialectics and the efficient functioning of the Board and the Committees themselves.

In conclusion, the outgoing administrative body, considering the provisions of the Corporate Governance Code and MD 88/2022, considers it worth reiterating the importance that:

- i. the above-mentioned managerial and professional skills are adequately represented, according to the gradation set out above, taking into account the benefits that may derive from the presence of different genders and experiences in this body, also ensuring a balanced combination of different age groups and seniority of office within it, and evaluating, in this last regard, the opportunity to maintain an adequate number of Directors currently in office;*
- ii. in particular, taking into account the sector legislation, that the Board is equipped with skills in matters of internal controls and risk management, also with a view to allowing for an adequate composition of the Control and Risk Committee, as well as in matters of money laundering;*
- iii. the non-executive Directors are capable of ensuring adequate debate within the Board of Directors, in order to support knowledgeable joint decision-making, through the simultaneous presence of multiple types of knowledge, experiences and cultures, general and specialised, in order to ensure that professional profiles are complementary and favour the efficient functioning of the Board of Directors and the Committees.*

In order to ensure the correct performance of their duties and guarantee the effectiveness of the role, it is noted that candidates for the position of Director must be able to dedicate adequate time and resources to the performance of their duties, also in compliance with the limits on the accumulation of positions established by MD 88/2022, all as specified in paragraph 4 below.

Finally, this Board of Directors recommends that those who submit a list containing a number of candidates greater than half of the members to be elected indicate their own candidate for the office of (non-executive) Chairman of the Board of Directors, it being understood that the latter will be elected, pursuant to the Articles of Association, by the Board itself, as well as to refer, for everything not expressly referred to herein, to the provisions contained in the Corporate Governance Code.

4. Considerations on the time commitment required to carry out the office

The adequate availability of time and energy to be devoted to carrying out the office, in consideration of the nature, quality and complexity of the same, is a fundamental requirement that Directors must ensure, also in relation to activities associated with participation in the work of the Committees.

The following table (Table 1) summarises the number of meetings of the Board of Directors and the Committees in the financial years 2022, 2023 and 2024 and the average duration of these meetings.

Table 1

| Body | 2022 | | 2023 | | 2024 | |
|--|--------------|------------------|--------------|-------------------------|--------------|-------------------------|
| | no. meetings | Average duration | no. meetings | Average duration | no. meetings | Average duration |
| Board of Directors | 9 | 3 hours | 9 | 2 hours and 15 minutes. | 12 | 2 hours and 20 minutes. |
| Control and Risk Committee | 10 | 3 hours | 15 | 2 hours | 14 | 2 hours |
| Appointments, Governance and Sustainability Committee | 4 | 1 hour | 4 | 1 hour and 20 minutes. | 4 | 1 hour and 10 minutes. |
| Remuneration Committee | 6 | 1 hour | 2 | 1 hour | 7 | 50 minutes |
| Related-Party Transactions Committee | 6 | 50 minutes | 4 | 20 minutes | 12 | 1 hour and 15 minutes |
| Strategic Committee | 6 | 2 hours | 8 | 2 hours | 8 | 2 hours |

At collective level, during the three-year period 2022-2024 the average attendance of the members of the Board of Directors was nearly 100%.

It is also necessary to consider the commitment required to prepare the meetings of the administrative body and the Committees, taking into account the topics to be examined and the documentation supporting these meetings, which are characterised by particularly challenging content. Added to this is the commitment required to participate in the *induction* sessions, as well as any *off-site* discussions.

The Chairman of the Board of Directors also dedicates his time to planning the meetings of the body and reviewing the related minutes.

Finally, it is also necessary to consider any other duties, commitments and work activities of the Administrators, in compliance with the limits on the accumulation of duties provided for by MD 88/2022.

Given the above, the outgoing Board of Directors, with the aim of ensuring the proper functioning of the future control body and the active contribution of each member to the internal dialogue of the Board itself, has made an estimate of the minimum time deemed necessary for properly carrying out an office. This estimate is shown in the following table (Table 2).

Table 2

| Office held | Estimated time necessary for effectively carrying out the office at Unipol Assicurazioni (days/year) |
|---|--|
| Chairperson of the Board of Directors | 60 |
| Chief Executive Officer | <i>Full time</i> |
| Non-executive director | 22 |
| Additional days for participation in Committees | |
| Member Control and Risk Committee | 18 |
| Member of Appointments, Governance and Sustainability Committee | 3 |
| Member of Remuneration Committee | 3 |
| Member of Related-Party Transactions Committee | 4 |
| Member of Strategic Committee | 9 |

In addition to the above, it should be noted that, for the Chairmen of the Committees, an additional amount of time is provided, equal to one fifth of the days required for the members of the specific Committee.

With regard to the accumulation of roles, it is recalled that MD 88/2022 has introduced new specific limits on the accumulation of roles for larger or more complex companies, which include Unipol Assicurazioni. Specifically, the Decree establishes that: *“each representative of larger or more operationally complex companies may not hold a total number of offices in enterprises or other commercial companies greater than one of the following alternative combinations:*

- a) *1 executive office and 2 non-executive offices;*
- b) *4 non-executive offices”*,

clarifying that for the calculation of the above limits, the office held in the company is included and that the set of offices held within the same group and in the companies in which the company holds a qualified shareholding is considered to be a single position (see Articles 16 and 17 of MD 88/2022).



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Company entered in Section I
of the Insurance and Reinsurance Companies List
at No. 1.0083
and parent company of the
Unipol Insurance Group, entered in the
Register of the parent companies
No. 046

