

UNIPOLSAI S.P.A. REMUNERATION POLICIES

REMUNERATION REPORT

prepared pursuant to Articles 41 and 59 of IVASS
Regulation no. 38 of 3 June 2018 and to Art. 123-ter
of the Consolidated Law on Finance (TUF)

Bologna, 2 April 2020

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GLOSSARY

In addition to any further definitions indicated in other parts of this report, for the same purposes, the terms and expressions shown below with initial capital letters, in all contexts in which they are used and regardless of their singular or plural form, the meanings attributed are as follows:

Supplementary Company Agreements	second-level agreements with company Trade Union Representatives on issues of an economic and/or regulatory nature.
Accrual Year	every calendar year into which the 3-year Accrual Period is divided and in relation to which the attainment of the Individual Performance Level is verified for calculation of the Variable Incentive.
Shares	the set of Unipol Shares and UnipolSai Shares, to be assigned to the Recipients, at the terms and conditions set by the UPM System for payment of the short term (STI) and long term (LTI) incentives.
Unipol Shares	the ordinary shares representing the share capital of Unipol Gruppo S.p.A.
UnipolSai Shares	the ordinary shares representing the share capital of UnipolSai Assicurazioni S.p.A.
Benefit	remuneration paid in kind pursuant to Art. 2099, paragraph 3 of the Italian Civil Code.
STI Bonus or STI	<i>Short Term Incentive</i> : the total short-term variable remuneration referring to the performance results in a given Accrual Year, subject to achieving the targets for the Accrual Year, for which payment is arranged after the end of the Accrual Year.
LTI Bonus or LTI	<i>Long Term Incentive</i> : the total long-term variable remuneration referring to the performance results in the 3-year Accrual Period, subject to achieving the targets for the 3-year Accrual Period, for which payment is arranged after the end of the 3-year Accrual Period.
Actual Bonus or Total Bonus	the total amount actually accrued for the Variable Incentive linked to the UPM System. Depending on the context in which it is mentioned, it can be the sum of STI Bonuses and LTI Bonuses or refer to only one of the two.
Opportunity Bonus	the maximum amount of the Variable Incentive linked to the Incentive System. Depending on the context in which it is mentioned, it can be the sum of maximum STI Bonuses and maximum LTI Bonuses or refer to only one of the two.
Claw-back	a clause that envisages the demand for full or partial reimbursement of the STI Bonus and/or LTI Bonus disbursed to the Recipient, if the conditions defined in the Group and/or Segment or Company Remuneration Policies should arise.
Corporate Governance Code	The Code of Conduct for listed companies adopted by the <i>Committee for Corporate Governance</i> and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, 2018 update.
Fixed Component or Fixed Remuneration	the part of remuneration of a stable and irrevocable nature, determined and paid on the basis of predefined criteria and not dependent upon Group and/or Company and/or individual performance. Can include the GAR, sundry indemnities paid, conversion to cash of social security components, compensation paid for administrative offices held and/or for membership of Board Committees.
Variable Component or Variable Remuneration	the part of remuneration that is not of a stable and irrevocable nature, the recognition or disbursement of which depends on achieving Group, reference Company and individual performance levels and is calculated and paid in accordance with the conditions envisaged in the Group and/or Segment/Company Remuneration Policies.

Recipient	the person to whom the Remuneration Policy provisions apply and who, unless otherwise stated, participates in a Variable Incentive Plan. The Recipients of the Remuneration Policies are members of the corporate bodies, Relevant Personnel and all Executives of the consolidated Companies.
Deferral	time lapse between the end date of the measurement period of results used to determine accrual of the Variable Incentive and its actual disbursement.
IDD	Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 (Insurance Distribution Directive).
Key Managers	the persons who, directly or indirectly, have the power and the responsibility for the planning, management and control of companies, according to their respective responsibilities identified in Unipol and the Group insurance companies by the Group General Manager of Unipol, approved by the Chairman and by the Chief Executive Officer and Group CEO of Unipol.
Bracket	the classification method for Executives of the Unipol Group, associated with the importance and complexity of the role and position.
Key Functions and/or Company Control Functions	The Compliance Function, Risk Management Function, Audit Function and, for the insurance companies and the Parent Company, the Actuarial Function.
Insurance Group	Unipol and its subsidiaries, members of the Unipol Insurance Group registered in the parent companies register held by IVASS under number 046 ¹ .
Unipol Group or Group	Unipol and its subsidiaries.
Holding Period	time horizon during which the Shares assigned as Variable Incentive cannot be sold.
Particularly High Amount	<p>In accordance with IVASS Guidance, the overall variable remuneration component that represents a particularly high amount. This component, for not less than 60% is subject to at least 5 years' deferral.</p> <p>The Variable Remuneration paid to the Chief Executive Officer and Group CEO and to the General Manager of Unipol and Executive Bracket Executives represents a "Particularly High Amount of Variable Remuneration", in that it is potentially higher than 100% of fixed remuneration.</p>
Variable Incentive	generically indicates a form of income accrued in proportion to Group, company and individual performance results achieved.
Individual Performance Level	for each Accrual Year, the value between 0% and 100% that expresses the level of attainment of individual targets. The Individual Performance Level is used in calculating the extent of the Variable Incentive.
Malus	a clause that envisages the reduction or zeroing of the Variable Incentive already accrued but not yet disbursed, if the conditions defined in the Group and/or Segment or Company Remuneration Policies should arise.
IVASS Guidance	the IVASS Letter to the Market of 5 July 2018, "IVASS Guidance on application of the principle of proportionality in the system of governance of insurance and reinsurance companies and groups".
Pay mix	the ratio, normally expressed as a percentage, between the various components of the Recipient's remuneration package: fixed remuneration, variable remuneration paid as STI Bonus and variable remuneration paid as LTI Bonus.
Pay-out	the ratio, normally expressed as a percentage, between the Actual Bonus and the Opportunity Bonus.

¹ The parent company Register may be consulted on the IVASS website in the "Registers" section. The parent company and the associated subsidiaries are listed in the Register as (i) insurance and reinsurance undertakings (ii) ancillary services undertakings (iii) insurance holding companies and mixed financial holding companies.

Relevant Personnel	the persons whose activities may have a significant impact on the reference Company's risk profile, identified on the basis of criteria envisaged in Art. 2, paragraph 1.m) of IVASS Regulation no. 38 and the identification process illustrated in the Group Remuneration Policies.
Variable Incentives Plan	the set of rules governing the conditions for benefiting from Variable Incentives.
Group Business Plan	the Unipol Group business plan for the three-year period 2019-2021.
Segment or Company Remuneration Policies	the Remuneration Policies applicable to a Segment or Company of the Group, which supplement the Group Remuneration Policies with the necessary regulatory and/or operating adjustments for their particular segment/company.
Group Remuneration Policies or Group Policies	the Remuneration Policies defined by the Parent Company pursuant to Art. 71, paragraph 2.n), and Art. 93 of IVASS Regulation no. 38, which outline the principles and guidelines to be adopted by the consolidated companies when defining their remuneration policies.
Procedure	procedure defined pursuant to Art. 4 of CONSOB Regulation no. 17221 of 12 March 2010, as amended, on related party transactions.
GAR	the fixed Gross Annual Remuneration, with the exclusion of the Employee Severance Indemnity, or any reserve or payment of the type and/or having pension purposes incurred by the employer, and any Variable Component, be it paid on a one-off basis or in a continuous, reiterated or deferred manner, and with the exclusion of any bonus, travel indemnity or conversion to cash of social security components. Forms the main reference for determining the Variable Incentive: to this end, its total at 31 December in the Accrual Year is considered.
Issuers' Regulation	CONSOB Regulation no. 11971 of 14 May 1999, implementing Italian Legislative Decree no. 58 of 24 February 1998 (Issuers' Regulation), as amended.
IVASS Regulation no. 38	Regulation no. 38 of 3 July 2018 issued by IVASS (the Italian Insurance Regulator), with particular reference to Part Two, Chapter VII ("Remuneration and Incentive Policies") and Part Three, Chapter VII ("Group Remuneration Policies").
Remuneration Report or Report	This Report on remuneration policies and the remuneration paid, prepared by listed companies in accordance with Art. 123-ter of the TUF.
UPM System	variable incentive system adopted for Executive personnel of all the consolidated companies.
Consolidated companies	the Group Companies that adopt the Group Remuneration Policies and the Segment or Company Remuneration Policies.
Secondment Provider	the Group Company to which the Recipient was hired and from which he/she is seconded, fully or partially, also in the interests of the company, to one or more Group companies to which his/her professional services will be provided.
Secondment Beneficiary	the Group company to which the Recipient is seconded, fully or partially, also in the interests of the Secondment Provider.
Reference Company	the company to which the Recipient provides all or most of his/her professional services.
Solvency II	Regulatory system referring to Directive 2009/138/EC on the access and performance of insurance and reinsurance activities (Solvency II Directive).
Employee severance indemnity (TFR)	The Employee Severance Indemnity.
3-Year Accrual Period	the period of observation and measurement of results used to determine the LTI Bonus. Coincides with the three-year Group Business Plan (2019-2020-2021).
Additional Relevant Personnel	personnel categories other than the General Manager, the Key Managers and managers, and also personnel of the Key Functions of a higher level and the other personnel categories, whose professional activities may significantly impact the reference company's risk profile.

Unipol or Parent Company	Unipol Gruppo S.p.A.
UnipolSai	UnipolSai Assicurazioni S.p.A.
Gross Consolidated Profit	Gross Profit indicated in the consolidated financial statements of the Parent Company Unipol.
Welcome Bonus	one-off cash compensation, not linked to attaining performance levels, agreed on joining the company and limited to the first year of employment. This cannot be recognised more than once to the same person.

INTRODUCTION

This document, approved by the Board of Directors of UnipolSai (or the “Company”) on 2 April 2020, contains the Remuneration Report - prepared pursuant to Art. 123-ter of Italian legislative Decree no. 58 of 24 February 1998, i.e. the Consolidated Law on Finance (the “TUF”) and in accordance with the models contained in Annex 3A, Schedules 7-bis and 7-ter of the Issuers’ Regulation and Art. 59 of IVASS Regulation no. 38 - with a view to illustrating to the Shareholders’ Meeting convened to approve the financial statements at 31 December 2019 the policies adopted by UnipolSai, in line with Group Remuneration Policies, with regard to the remuneration of members of the administration and control bodies (the “Corporate Bodies”), the General Manager, Additional Relevant Personnel and other Key Managers of the Company for 2020 (the “Remuneration Policies” or “Policies”).

The UnipolSai Remuneration Policies are also compliant with the recommendations on remuneration set forth in the Corporate Governance Code, in the last edition of July 2018, adopted by UnipolSai.

This Report has two sections:

- **Section One: 2020 Remuneration Policies**

Section One illustrates the Remuneration Policies adopted by UnipolSai - with particular reference to members of the administration, management and control bodies, including the General Manager, Key Managers (including Key Function Managers) and Additional Relevant Personnel - for the year 2020, as well as the procedures used for their adoption and implementation;

- **Section Two: Implementation of the 2019 Remuneration Policies**

Section Two provides reports on the application of existing UnipolSai remuneration policies in 2019, providing an adequate representation of each of the items that comprise remuneration and illustrating, individually by name for the members of the administration and control Bodies and for the General Manager, and in aggregate form for the Key Managers of the Company (including the Key Function Managers), the compensation paid by the Company in 2019 for any reason and in any form. Lastly, information is provided about the shareholdings held by the aforementioned persons in UnipolSai and its subsidiaries.

The Shareholders’ Meeting approves the Remuneration Policies. The result of voting is made available to the public pursuant to Art. 125-quater, paragraph 2, of the TUF.

As envisaged by CONSOB Regulation no. 17221 of 12 March 2010 regarding related party transactions, as later amended and assimilated in the “Procedure for the performance of transactions with related parties” (the “Procedure”), adopted by UnipolSai and available on the website www.unipolsai.com, in the Governance/Related Party Transactions Section, the approval of the Remuneration Policies by the Shareholders’ Meeting exonerates UnipolSai from application of the Procedure in resolutions of the Board of Directors regarding the remuneration of Directors and Key Managers, in accordance with the further conditions set forth in Art. 13, paragraph 3, lett. b) of the cited Regulation.

This Report is made available to the public at the registered office of UnipolSai, Via Stalingrado 45, Bologna, as well as on the UnipolSai website www.unipolsai.com, in the Governance/Shareholders’ Meetings/Ordinary and Extraordinary Shareholders’ Meetings section, in accordance with the regulatory provisions in force.







Pursuant to Art. 123-ter, paragraph 5, of the TUF, the disclosure documents relating to compensation plans based on financial instruments, prepared pursuant to Art. 114-bis of the TUF, are available on the UnipolSai website www.unipolsai.com, in the Governance/Shareholders’ Meetings Section.

SECTION ONE

2020 REMUNERATION POLICIES

EXECUTIVE SUMMARY:

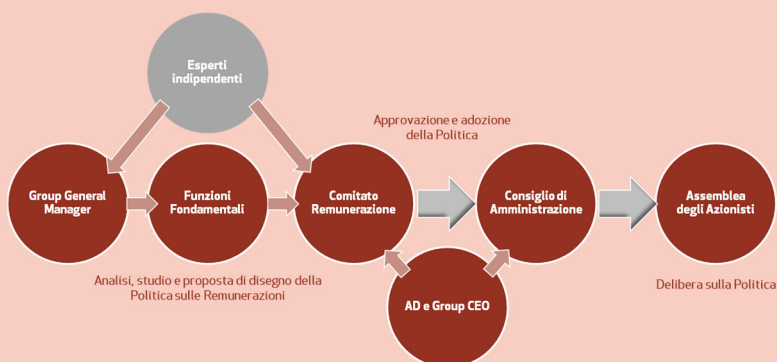
the UnipolSai approach to Remuneration Policies

 <p>Values and mission</p>	<h3>Our Guiding Values</h3> <ul style="list-style-type: none"> • Accessibility • Far-sightedness • Respect • Solidarity • Responsibility 	<p>The Guiding Values, expressed in the Charter of Values, are broken down in the Code of Ethics into principles of conduct towards the various stakeholders.</p> <p>These principles, styles of conduct and objectives of the corporate culture are also outlined in the Group Remuneration Policies, which are based not only on quantitative aspects, but also on qualitative aspects.</p> <p>The Group pursues business management that is efficient, profitable and sustainable over time, based on the contribution and empowerment of our people. This statement provides important guidance regarding not only the general formulation of Remuneration Policies, which seek to pursue a long-term sustainable approach, but also highlights its vocation to be an important tool for professional development.</p>	 <p>Guidelines page 17</p>
 <p>Targets and principles</p>	<p>To guarantee fair remuneration, adequate to the role, responsibilities, degree of professionalism and individual skillset, in compliance with legal, regulatory and statutory provisions and with any codes of ethics, and consistent with sustainable performance requirements.</p>	<p>All stakeholders of the Unipol Group, particularly Shareholders and Investors, Employees, Agents and Professionals, Future Generations, who enjoy the benefits of a remuneration policy that seeks to attract, reward and empower the best professional competences in a fair, adequate and ongoing manner, in a framework that includes, inter alia, the following aspects:</p> <ul style="list-style-type: none"> • sound, prudent and controlled risk management; • internal fairness; • meritocracy; • dialogue with the reference markets. 	 <p>Targets, principles page 17</p>
 <p>Regulatory compliance</p>	<p>The Remuneration Policies are drafted in compliance with the provisions of Italian and EU regulations for the sector, with regulatory provisions concerning issuers and with the Corporate Governance Code.</p>	<p>In particular, for the Parent Company:</p> <ul style="list-style-type: none"> • Corporate Governance Code, particularly Art. 6 • Art. 93, IVASS Regulation no. 38 of 3 July 2018 <p>The Segment or Company Policies, in line with Group Policies, supplement the principles and guidelines by including necessary adjustments, also of a regulatory nature.</p>	 <p>page 11</p>
 <p>Link between results and remuneration</p>	<p>The incentive systems are based on variable remuneration components linked to reaching short and medium/long-term targets defined beforehand, of which a portion is significantly deferred, and observe rigorous balancing between the monetary component and the share-based component, whether short or long-term.</p> <p>The reference model on which the remuneration system architectures are designed is based on correlation among the following elements:</p> <ul style="list-style-type: none"> • Unipol Group results; • Reference Company results; • results of the operating area for which the Recipient is responsible; • individual performance levels. 	<p>It is guaranteed through:</p> <ul style="list-style-type: none"> • an adequate balance between the Fixed and Variable Components of remuneration and the connection between the latter and pre-determined and measurable efficiency criteria; • an adequate balance between disbursement of the variable remuneration in cash and in the form of financial instruments; • a correct balance between short-and long-term efficiency criteria through payment of the Variable Component in instalments; • the inclusion of Malus and Claw-back clauses that envisage up to full reimbursement of this component if certain prerequisites are met, as well as clauses that envisage inescapable measures for Relevant Personnel; • the ex ante establishment of limits for the Variable Component; • the Deferral of a significant portion of the variable remuneration; • the establishment of a holding period in reference to portions disbursed in the form of financial instruments; • a different impact on the risk profiles of the Group, depending on the position held and the responsibilities assigned. 	 <p>Purpose of the different remuneration components page 18</p>

The Governance process

For the Parent Company, the main bodies and persons involved are:

- The Board of Directors
- Ordinary Shareholders' Meeting
- Remuneration Committee
- The Chief Executive Officer and Group CEO
- The Group General Manager of Unipol
- The Key Functions



Remuneration Policy governance and decision-making processes
page 20

Elements of the remuneration package for Recipients

The elements that make up the remuneration package of the Recipients of the Remuneration Policies, in line with Group Remuneration Policies, are summarised in the chart.

Destinatari	ELEMENTI DEL PACCHETTO RETRIBUTIVO			
	COMPONENTE FISSA**	VARIABILE		Benefit
		STI	LTI	
Amministratori non esecutivi	●			●
Amministratori Esecutivi	●			●
DG, DRS, PR e Personale Dirigente*	●	●	●	●

Note
 *DG: General Manager - DRS: Dirigenti con Responsabilità Strategiche - PR: Personale rilevante
 ** da intendersi come Emolumento e/o Retribuzione Annuale lorda

Remuneration Policies of the Corporate Bodies
page 22

Remuneration of the General Manager, Relevant Personnel and Executives
page 23

Fixed Remuneration component

The **Fixed Remuneration** component provides compensation for the **skills, capabilities, role** and, in particular, the **responsibilities** relating to the role. Reasons relating to internal fairness, competitiveness, attractiveness, meritocracy or the assignment of greater responsibility can determine the recognition of additions to fixed income.

The Fixed Remuneration component is determined, in addition to that envisaged by the applicable National Collective Labour Agreements, also by the following fundamental parameters:

- **importance** of the assigned position;
- **complexity** of the role covered;
- **significance** of the responsibilities attributed;
- **qualitative weight** of the skills possessed and acquired;
- alignment with sector-related and comparable market benchmarks.



Variable Remuneration component

Governed by the Unipol Performance Management Incentive System (the UPM System), operating in favour of all Executive personnel.

The short-term component (STI) is paid in full in the year after the accrual year (50% in cash and 50% in the form of financial instruments). The long-term component (LTI) is paid in three pro rata tranches from 2023 (stricter rules apply for personnel whose variable remuneration is particularly high).

The Variable Remuneration component rewards results achieved in the short and medium/long-term, expressed not only in the form of economic revenue, but also in the form of attention to risks and qualitative performance. The UPM System envisages an Opportunity Bonus, broken down by Bracket: all Executives of the Unipol Group Companies are divided into 4 Brackets related to the weight of the organisational position, and to the importance and complexity of the role and position. The Opportunity Bonus comprises an STI Bonus, disbursement of which is linked to achieving an annual performance level, and an LTI Bonus, disbursement of which is based on assessment of performance over three years (2019-2021).

The opportunity bonuses are illustrated below:

Opportunity Bonus					
Recipients	max % vs. GAR	of which: (max % vs. RAL)		% weight compared to the Total Bonus	
		STI	LTI	STI	LTI
Managers - Executive bracket (including the General Manager)	125%	50%	75%	40%	60%
Managers - Bracket 1	100%	50%	50%	50%	50%
Managers - Bracket 2	70%	35%	35%	50%	50%
Managers - Bracket 3	40%	20%	20%	50%	50%



Variable Incentives System

page 24



Conditions for access to the UPM System and KPIs

- Two Group gates
- Two UnipolSai gates
- **STI:** 4 Individual Targets, 60% threshold as the sum of individual targets to be achieved
- **LTI:** 4 Targets with different gate-opening thresholds
- **The Consolidated Gross Profit of Unipol as per the budget approved for the accrual year:**
 - for the General Manager, other Key Managers and Relevant Personnel, attainment of at least **90%** of the target;
 - for the other Recipients, attainment of at least **80%** of the target.
- a consolidated coverage ratio (financial stability) of Unipol, calculated using Solvency II metrics, equal to the target set for the Accrual Year by the pertinent decision-making bodies, is a condition for full determination of the Actual Bonus, whilst a value of between 100% and 80% of the target - provided the result is not less than 1.0 - reduces the Actual Bonus by 25%. The Actual Bonus drops to zero if said value is lower;
- **The IAS Individual Gross Profit of UnipolSai as per the budget approved for the accrual year:**
 - for the General Manager, other Key Managers and Relevant Personnel, attainment of at least **90%** of the target;
 - for the other Recipients, attainment of at least **80%** of the target.



Access to the System of the Executives who operate in the Key Functions is not tied to the attainment of the Consolidated Gross Profit condition.

The STI Bonus is linked to the achievement of four Individual Targets assigned to the Recipient each year, with weights applied as follows:

- First individual quantitative target (weight: 30%)
- Second individual quantitative target (weight: 30%)
- Individual qualitative target (weight: 20%)
- Management skills development target (weight: 20%).

The minimum individual performance threshold to be achieved for disbursement of the bonus is 60%. The Individual Performance Level is proportionately linked to disbursement of the STI Bonus, as a percentage of its maximum value:



Conditions for access to the UPM System - Short-term Company Performance

page 26

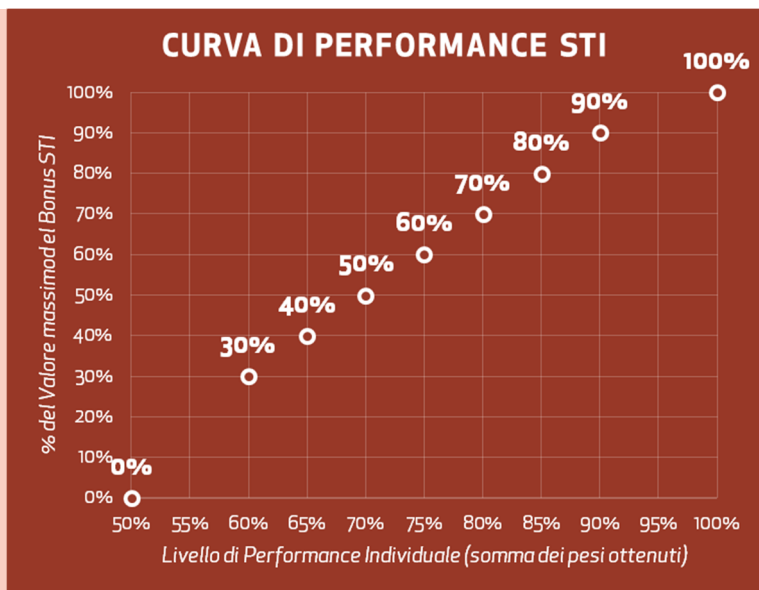
Access conditions page 26

Short-Term Bonus (STI) Short-Term Bonus (STI) page 27

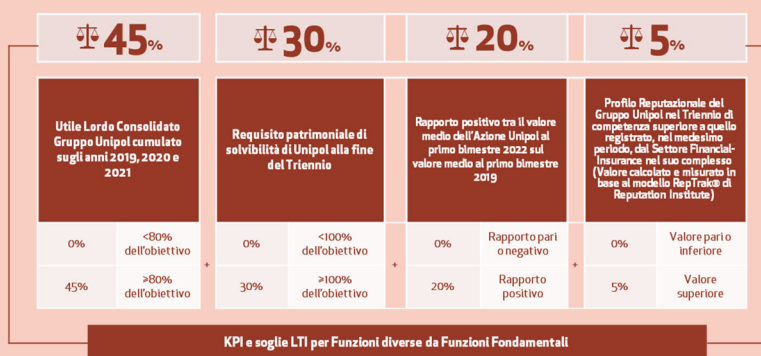
Long-Term Bonus (LTI) Long-Term Bonus (LTI) page 29

Short-term individual targets Short-term individual targets page 27

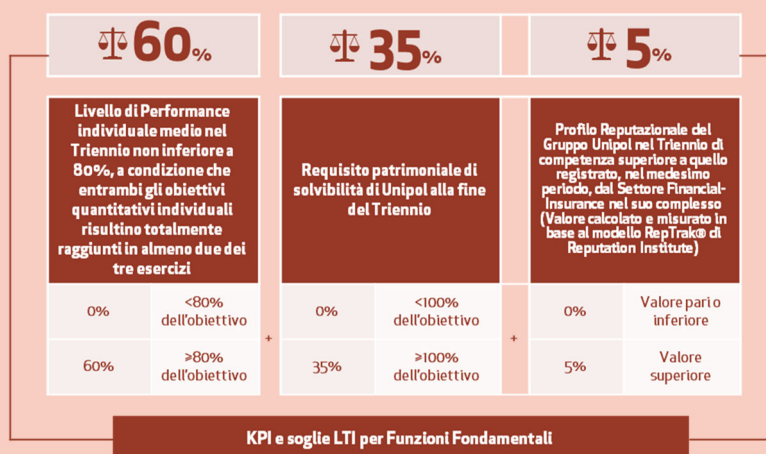
Long-term targets page 29



The extent of the LTI Bonus for Recipients not operating in the Key Functions is based on individual or joint achievement of the following weighted indicators:



The extent of the LTI Bonus for Recipients operating in the Key Functions is determined on the basis of individual or joint achievement of the following weighted indicators:





1 SISTEMA UPM 2019-2021: BILANCIAMENTO CASH ED EQUITY

- Il Sistema UPM per il 2019-2021 prevede che le quote STI e le quote LTI siano erogate per il 50% cash e per il 50% equity;
- La componente LTI è erogata a fronte di un piano chiuso 2019-2021;
- Restano invariati la struttura e i KPI del Sistema UPM.

2 DEFINIZIONE «IPE» (Importo Particolarmente Elevato della retribuzione variabile)

- È stato identificato, come da *requirement*, l'importo particolarmente elevato della componente variabile, per l'applicazione dei criteri di maggior rigore in tema di differimento (60% del bonus, 5 anni);
- La componente è identificata in termini di incidenza percentuale rispetto al compenso fisso; ad oggi rientrano in questa casistica i Dirigenti di Fascia Executive, nonché il General Manager.

3 DIFFERIMENTO DELLA COMPONENTE LTI

- La componente LTI è soggetta a tre anni di differimento rispetto al termine del periodo di osservazione della *performance*. Il piano 2019-2021 verrà pertanto erogato in tre tranches pro-quota, a partire dal 2023. Per i destinatari IPE, sarà soggetta a ulteriore differimento temporale e il piano 2019-2021 verrà erogato in cinque tranches pro-quota, a partire dal gennaio 2023.

4 FASCE DI DIRIGENTI

- In base al peso della posizione, tutti i Dirigenti del Gruppo sono suddivisi in 4 Fasce.

5 CLAUSOLE SPECIFICHE PER LA COMPONENTE VARIABILE

- È fissato in tre anni l'orizzonte temporale entro cui esercitare il *Claw-back*;
- È fissato un *Holding Period* di dodici mesi sui pagamenti in equity;
- Come da *requirement*, è operativa una clausola di *Hedging* sulla remunerazione variabile.

INTRODUCTION

Through a remuneration policy which is structured and based on clear, sustainable principles consistent with legislative and regulatory provisions, UnipolSai intends to support and enhance the best skills, building pay packages that can adequately reward the most capable and experienced resources.

The consistency with medium and long-term business strategies of UnipolSai and the Group, continuous focus on the quality and competitiveness of the service to customers and the constant alignment with the interests of the key Shareholders are the underlying inspiration for the Remuneration Policies, rendering them a sound means of support for business development.

This document, approved at the meeting of 2 April 2020 by the UnipolSai Board of Directors, subject to opinion from the Remuneration Committee, outlines the principles, guidelines and characteristics of the UnipolSai Remuneration Policies for 2020, in compliance with the provisions of Art. 40 of IVASS Regulation no. 38.

Again on 2 April 2020, pursuant to Art. 93 of the IVASS Regulation and as ultimate Italian parent company in accordance with Art. 210 of the Private Insurance Code, the Unipol Board of Directors approved, inter alia, the Group Remuneration Policies, containing the principles and guidelines for remuneration policies applying to the Unipol Group, which pursuant to IVASS Regulation no. 38 will be submitted for approval of the Parent Company's Shareholders' Meeting called for 30 April. The Group companies, including UnipolSai, define their own remuneration policies in line with Group Policies and with Parent Company instructions, through the adoption of specific Segment or Company Remuneration Policies which supplement the aforementioned principles and guidelines, also including necessary adjustments of a regulatory and/or operational nature typical of the respective business sectors.

Specifically, the UnipolSai Board of Directors meeting of 2 April 2020, as a company in the Unipol Insurance Group, approved its Remuneration Policies and, to the extent of its responsibilities, adopted the Remuneration Policies defined for the Insurance Segment of the Unipol Group and, again to the extent of its responsibilities, the Group Policies.

In addition to being consistent with developments in the relevant legislation, the Remuneration Policies are in line, inter alia, with relevant regulatory developments² and, as previously mentioned, comply with the principles and criteria of Art. 6 of the Corporate Governance Code adopted by UnipolSai, are in continuity and consistent with previous years, confirming the aim of guaranteeing the company's results, including medium/long-term ones, in accordance with the expectations of the stakeholders and adopting a prudent approach to risk management and the sustainability of costs, within a competitive market aligned with international standards.

The Remuneration Policies further confirm the principle by which the incentive systems are based on variable remuneration components linked to reaching short and medium/long-term targets defined beforehand, of which a portion is significantly deferred, and observe rigorous balancing between the monetary component and the share-based component, whether short or long-term. In fact, UnipolSai and the Unipol Group are convinced that this aspect is also able to encourage, as an indirect but no less important result, the promulgation of a professional culture directed towards creating sustainable value over time and direct participation in the results, therefore creating joint responsibility for and real involvement in business objectives.

² In particular the following legal and regulatory provisions: (i) Art. 114-bis and Art. 123-ter, Italian Legislative Decree no. 58 of 24 February 1998, with related implementing rules which respectively govern the compensation plans based on financial instruments and the Remuneration Report; (ii) Art. 84-bis and Art. 84-quater of the Issuers' Regulation, adopted by Consob Resolution no. 11971 of 14 May 1999 and related reference annexes, which respectively govern information on the assignment of financial instruments and the Remuneration Report. Art. 7 of IVASS Regulation no. 44/2019 should also be remembered, in accordance with which Unipol issued instruments to promote and disseminate an internal control culture to monitor money laundering risk and avoid corporate policies and remuneration practices that conflict with the purpose of preventing such risk.

Lastly, note the remuneration principles referred to in the IDD, which prescribe - with particular reference to parties involved in the governance and control process for insurance products, financial management of assets and resources underlying the insurance and welfare products and direct insurance distribution activities - an incentive system that does not prejudice the obligation of always behaving with honesty, impartiality and professionalism in the best interest of customers, in line with the "Policy on managing conflict of interest - Insurance Segment" of the Unipol Group.

1. Guidelines

In continuity with last year, the UnipolSai Remuneration Policies are based on key elements common to all the Group companies:

- the Mission of the Unipol Group, illustrated in the Charter of Values, which states, inter alia, that “The Group pursues business management that is efficient, profitable and sustainable over time, based on the contribution and empowerment of our people”. This statement provides important guidance regarding not only the general formulation of Remuneration Policies, which seek to pursue a long-term sustainable approach, but also highlight its vocation to be an important tool for professional development;
- the Values of the Unipol Group, which include Farsightedness, Respect and Responsibility, give the Remuneration Policies a perspective that is also based on qualitative and not only quantitative aspects;
- the focus on the interests of all stakeholders of the Unipol Group, particularly Shareholders and Investors, Employees, Agents and Professionals, Future Generations, who enjoy the benefits of a remuneration policy that seeks to attract, reward and empower the best professional competences in a fair, adequate and ongoing manner;
- the business strategies of the Unipol Group, based on Sustainability, and as such encouraged in the Group’s Business Plan, which guides Remuneration Policies from a time horizon and operational perspective, projecting the effects and the benefits towards sustainable milestones;
- the Unipol Group’s Corporate Governance system which, by virtue of a corporate and organisational model that pursues prompt and constant compliance with rules and regulations, respect of the correct distribution of powers between governance bodies and corporate structures, and the observance, the adequacy and the control of the risk management system, facilitates not only the full legal compliance of the Remuneration Policies, but also guarantees the development of an adequate internal training process and its coherence with wider management policies.

2. Targets, principles and comparison with previous year

Again in continuity with previous years, the primary objective of the Remuneration Policies is confirmed as that of guaranteeing fair remuneration, adequate to the role, responsibilities, degree of professionalism and individual skillset, in compliance with legal, regulatory and statutory provisions and with any codes of ethics that promote the adoption of compliant conduct, and consistent with sustainable performance requirements.

The remuneration does not prejudice the company’s capacity to maintain basic capital adequacy and remuneration agreements with service providers do not encourage excessive undertaking of risks, in consideration of the business risk management strategy.

The consequences of any violation of regulations or codes of ethics are made known to personnel through appropriate internal communication channels.

The following principles are essential parameters for the determination of remuneration:

- a sound and prudent risk management policy, in line with strategic objectives, profitability and balance of Unipol and the Group in the long term, in line with the different specific features of the business segments, avoiding Remuneration Policies based exclusively or mainly on short-term results, which could lead to excessive exposure to risk or to the undertaking of risks that exceed the risk tolerance thresholds set by the Board of Directors;
- internal fairness, so that the fixed and variable remuneration components are consistent with (i) the position held and the connected responsibilities, with the role assigned, experience, skillset, capacities demonstrated and actual performance, and (ii) the nature, extent and complexity of risks inherent to the business activities;
- **meritocracy**, so that the results achieved and the conduct enacted to achieve them are rewarded;
- **dialogue with the reference markets**, in order to create **competitive** pay packages, with a view to the trends, the directions and best practices, in order to sustain sound, lawful and effective competitiveness;
- the level of risk monitoring, differentiated according to Unipol and on the basis of the business line to which it refers, for the purpose of basing Remuneration Policies on sound and prudent risk management.

As illustrated in the Introduction, UnipolSai, as a Company belonging to the Unipol Insurance Group, adopts Remuneration Policies that are consistent with the Group Remuneration Policies and with guidelines provided by Unipol regarding remuneration.

The Unipol Group Remuneration Policies were prepared in continuity with the previous year’s policies and confirm their structure and contents. In particular, the 2020 Group Policies envisage:

- maintaining the threshold for achievement of the gross profit resulting from the Parent Company's consolidated financial statements, as regards the short-term component, established at 90% for Relevant Personnel and 80% for remaining personnel eligible as recipients of the Remuneration Policies. As regards the long-term component, at 80% for all personnel;
- maintaining the threshold for achievement of the IAS Individual Gross Profit for UnipolSai, established as 90% for Relevant Personnel and 80% for remaining personnel, respectively;
- maintaining the average reputation performance target achieved by the Unipol Group in the 3-year Accrual Period, which is used in the pro rata calculation of payment of the long-term incentive;
- payment, also for short-term variable incentives, of a percentage in cash and a percentage in the form of financial instruments (Unipol Shares and UnipolSai Shares);
- maintaining the holding period for financial instruments assigned as variable incentive for a period of one year;
- establishing a deferral period of three years, starting from the end of the measurement period for short-term results, prior to the payment of any long-term incentive accrued.

2.1. Purpose of the different remuneration components

The Fixed Remuneration component provides compensation for the skills, capabilities, role and, in particular, the responsibilities relating to the role. It envisages a fixed economic base, envisaged by sector-related Collective Labour Agreements, Supplementary Company Agreements and any other bilateral agreements, as well as specific internal regulations, and is determined by the employment category. Reasons relating to internal fairness, competitiveness, attractiveness, meritocracy or the assignment of greater responsibility can determine the recognition of additions to fixed income, consolidating these over time.

The Variable Remuneration component is based on two main objectives:

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

The incentive systems are based on variable remuneration components linked to reaching short and medium/long-term targets defined beforehand, of which a portion is significantly deferred, and observe rigorous balancing between the monetary component and the share-based component, whether short or long-term.

The following principles, identified as incentives for Recipients, are therefore specific parameters in reference to the Remuneration Policies where Variable Components are included:

- an adequate balance between the Fixed Remuneration and Variable Remuneration components and the connection between the latter and pre-determined and measurable efficiency criteria, to strengthen the correlation between results and remuneration;
- with regard to the variable remuneration component, envisaging an adequate balance between disbursement in cash and in the form of financial instruments;
- long-term sustainability through a correct balance between short -and long-term efficiency criteria, on which remuneration is dependent, through the payment of the variable component in instalments. This sustainability is also strengthened by envisaging Malus and Claw-back clauses that envisage the reduction or zeroing of this component in the presence of certain prerequisites, or reimbursement of this component if certain prerequisites are met;
- the ex ante establishment of limits for the Variable Component;
- the deferral of a significant portion of the variable remuneration for a period not less than that required by regulations applying to UnipolSai, differentiating the duration of the deferral based on the impact of the Variable Remuneration;
- the establishment of a one-year holding period in reference to portions disbursed in the form of financial instruments;
- the banned use of hedging strategies or specific insurance against the risk of downward correction of the remuneration that could alter or impact the effects associated with payment of the bonuses in instalments and disbursed in the form of financial instruments;³

³For example, stipulating with third parties option contracts or other forward derivatives with underlying financial instruments subject to incentives.

- a different impact on the risk profiles of UnipolSai, depending on the position held and the responsibilities assigned.

The reference model on which the remuneration system architectures are designed is based on correlation among the following elements:

- results of the Unipol Group (including results in terms of the adequacy of risks undertaken compared to predefined targets);
- results of UnipolSai, where the Recipient provides his/her professional services;
- results of the operating area for which the Recipient is responsible;
- individual performance levels.

2.2. Hedging

Pursuant to Art. 275, paragraph 2 (g), Delegated Regulation (EU) 35/2015, Relevant Personnel, and Recipients in general, are prohibited from using personal hedging strategies or insurance cover in relation to remuneration and to liabilities that could jeopardise the effects of alignment with the risk embedded in their contracts as regards remuneration.

3. Recipients of the Remuneration Policies

The Remuneration Policies apply to members of the corporate bodies, the General Manager, Key Managers, including the Heads of Key Functions, and to all top-level personnel in the Key Functions, Additional Relevant Personnel identified in accordance with the criteria and principles of Art. 2, letter m) of the IVASS Regulation, and to all Executive personnel of the Company.

3.1. Relevant Personnel

Relevant Personnel are identified on the basis of the criteria and principles of Art. 2, letter m) of IVASS Regulation no. 38.

Relevant Personnel, in addition to the General Manager, the Key Managers, including the Heads of Key Functions, top-level personnel of the Key Functions, are other personnel categories whose activities can have a significant impact on the company's risk profile, identified as illustrated below.

The following were identified as Additional Relevant Personnel:

- the organisational roles placed at the top of each business area, in accordance with the map of the main risk categories to which UnipolSai is exposed;
- the organisational roles that have been assigned the greatest powers, in accordance with the system of delegation adopted by UnipolSai;
- any person for whom the weight of the organisational position places them in a higher bracket. The weight of organisational positions is measured using a methodology certified by leading specialist companies and recognised at international level, as well as in accordance with the metrics adopted for the pay surveys, and entails attributing an indicator to identify positions that are similar to each other, grouped into brackets;
- persons responsible for essential or important activities.

3.1.1. Key managers

Note that the Relevant Personnel identified for the purpose of IVASS Regulation no. 38 includes all Key Managers, as identified by the Chairman and by the Chief Executive Officer and Group CEO of Unipol, at the proposal of the Group General Manager of the Parent Company, which at the date of adoption of these Remuneration Policies are for UnipolSai, in addition to the General Manager:

- the Insurance Business Co-General Manager;
- the Administration, Controlling and Operations CO-General Manager;
- the Business Development and Corporate Communication CO-General Manager;
- the Governance, Legal Affairs and Human Resources CO-General Manager;

- the Chief Investment Officer;
- the Chief Strategic Planning and Organisation Officer;
- the Chief Risk Officer;
- the IT Services Director;
- the Head of Management Control;
- the Welfare and Life Insurance Director;
- the Commercial Director;
- the Life Insurance and Integrated Welfare Solutions Director;
- the Technical Non-Life and Claims Director;
- the Claims Director;
- the Head of Reinsurance;
- the Head of the Audit Function;
- the Head of the Compliance and Anti-Money Laundering Function;
- the Head of the Actuarial Function.

4. Remuneration Policy governance and decision-making processes

The governance process adopted by the Unipol Group and by UnipolSai assigns roles, duties and responsibilities in the approval procedure for the Remuneration Policies, also in compliance with applicable legal and regulatory provisions.

The main bodies and persons involved in this process are indicated below.

4.1. The Shareholders' Meeting

The Ordinary Shareholders' Meeting of UnipolSai, in addition to establishing the annual compensation for members of the bodies appointed by the same, approves the Remuneration Policies for members of the Corporate Bodies, General Manager, Key Managers and Additional Relevant Personnel, including compensation plans based on financial instruments.

4.2. The Board of Directors

The Board of Directors of UnipolSai establishes and periodically reviews Remuneration Policies, at the proposal of the Remuneration Committee and in accordance with Group Remuneration Policies, with a view to their approval by the Ordinary Shareholders' Meeting, and is responsible for their correct application; in addition, on the basis of the proposals made by the Remuneration Committee, it establishes the remuneration of Executive Directors and of other Directors who hold specific positions, in accordance with Parent Company guidelines.

In line with guidelines issued by the Parent Company, the Board of Directors can recognise an indemnity for office to the General Manager, which can be considered useful to determining the variable remuneration component.

In compliance with the provisions of applicable regulations, the Board of Directors also provides to the Shareholders' Meeting: (i) information on the Remuneration Policies for the purpose of their approval and (ii) on an annual basis, suitable reporting on their application.

4.3. The Chief Executive Officer and Group CEO of Unipol

The Chief Executive Officer and Group CEO of Unipol, in agreement with the Chairman of Unipol:

- expresses to the Remuneration Committee indications for the formulation of proposals to be submitted to the Board of Directors concerning general remuneration policies for the Key Managers of UnipolSai and Relevant Personnel (including the Heads of Key Functions);

- formulates to the Company's Board of Directors, in accordance with the guidelines identified in the general policies approved by the latter, proposals regarding the remuneration of the General Manager of UnipolSai, as well as determination of the related financial package, setting the performance targets related to the variable component of such remuneration in line with Group Remuneration Policies;
- defines the remuneration of Key Managers of UnipolSai (including the Heads of Key Functions), setting the performance targets related to the variable component, in accordance with Group Remuneration Policies and the guidelines identified by the Board of Directors in the general policies and without prejudice to the responsibilities of the Control and Risk Committee with reference to the Heads of the Key Functions.

4.4. Remuneration Committee

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

- (i) performs consulting and advisory functions for the definition of remuneration policies in favour of the corporate bodies and Relevant Personnel, including compensation plans based on financial instruments;
- (ii) formulates proposals to the Board of Directors as regards the remuneration of the key Directors and the General Manager, taking into consideration the directions set forth by the Parent Company, and sets performance targets related to the variable component of such remuneration, thus monitoring the application of the decisions adopted by the Board of Directors and verifying, in particular, the actual fulfilment of such performance targets;
- (iii) periodically audits the Remuneration Policies in order to guarantee the overall consistency and correct application by the Company of the Policies for the general remuneration policies for Directors, the General Manager and other Key Managers (including the Heads of the Key Functions) of UnipolSai, availing itself, in this last regard, of the information provided by the Chief Executive Officer-Group CEO and the General Manager of Unipol and submitting proposals to the Board of Directors on these matters;
- (iv) identifies potential conflicts of interest and the measures adopted to manage them;
- (v) provides adequate disclosure to the Board of Directors on the effective functioning of the Remuneration Policies.
- (vi) checks the fulfilment of conditions for the payment of incentives to Relevant Personnel;
- (vii) formulates opinions to the Board of Directors regarding the remuneration of the members of the Supervisory Body of the Company pursuant to Italian Legislative Decree no. 231/2001.

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All the members of the Committee have adequate knowledge and expertise in financial matters and/or remuneration policies, as assessed by the Board of Directors at the time of their appointment.

The Remuneration Committee in office on the date of publication of this Report was comprised of three Non-Executive Directors, appointed by the Board of Directors at the meeting held on 17 April 2019, all meeting the independence requirements laid out by the Corporate Governance Code and pursuant to Art. 16 of the Markets Regulation adopted by Consob with Resolution no. 20249 of 28 December 2017, formerly Art. 37 of the Markets Regulation adopted by Consob Resolution no. 16191 of 29 October 2007.

In 2020, at the date of publication of this Report, the Remuneration Committee had met on 31 March in order to:

- agree, in view of the Unipol Board of Directors meeting of 2 April 2020, on reasons for postponing all decisions regarding recognition, to the General Manager and all Executive personnel of the Company, of the variable remuneration component for 2019 (see Part Two of this Report for further details);
- formulate proposals in relation to the Company's Remuneration Policies for 2020 and examine this Report.

Further information on the work performed and the main issues handled by the Remuneration Committee in 2019 is contained in the Annual Report on corporate governance and ownership structures for 2019, which can be found in the Governance/Shareholders' Meetings section of the UnipolSai website, www.unipolsai.com.

4.5. The Group General Manager of Unipol

The General Manager of Unipol is responsible for establishing and overseeing the process of drawing up proposals relating to the Remuneration Policies, and sees to their implementation, involving the other functions where necessary and/or appropriate.

4.6. The Key Functions

To the extent of their responsibilities, the Key Functions are involved in the ex ante phase of defining the Remuneration Policies and the ex post phase of verifying their correct application.

In particular:

- the Risk Management Function helps to ensure that the Remuneration Policies are in line with the risk appetite, also by defining suitable risk indicators and verifying their correct use;
- the Compliance and Anti-Money Laundering Function performs compliance checks to confirm compliance with self-governance regulations, as well as with regulations in force, so as to prevent and contain legal and reputational risks and, with regard to managing money laundering risk, verifies that the Remuneration Policies do not contain provisions that are potentially in conflict with the purpose of control and prevention of such risk;
- the Audit Function audits the correct application of the Remuneration Policies with a view to efficiency and protection of the Company's assets.

The aforementioned functions report the results of their audits to the competent bodies for the adoption of any corrective measures. On an annual basis, the audit results are also brought to the attention of the UnipolSai Shareholders' Meeting as part of the report on application of the Remuneration Policies.

4.7. Independent experts

UnipolSai makes use of advice from independent experts in carrying out its remuneration-related activities. In particular, the Company can request advice in support of the definition of remuneration policies, to verify remuneration best practices in its operating segment and to develop an analysis of external competition based on market benchmarks for comparable companies in the sector.

5. Remuneration Policies of the Corporate Bodies

5.1. The remuneration of Directors

The annual compensation of Directors is determined as a fixed amount. In addition to the reimbursement of expenses incurred in carrying out their duties, an attendance fee can be added for attending all meetings of the administrative body and Shareholders' Meetings. Also envisaged, with costs borne by UnipolSai, is insurance coverage relating to risks connected to third-party liability deriving from the legal and contractual obligations inherent in the function of Director and the associated legal protection.

Furthermore, the Board of Directors can recognise an additional fixed fee to the members of Board Committees for attendance at every respective meeting.

No Variable Remuneration component is envisaged for Directors.

For Directors who hold specific offices, the Board of Directors may, with the approval of the Board of Statutory Auditors, recognise additional fixed compensation. Such Directors can also be assigned supplementary benefits relating to accommodation and/or the use of company cars.

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

5.2. The remuneration of the Control body

The annual compensation for members of the Board of Statutory Auditors is determined as a fixed amount and differs between Standing Auditors and the Chairman of the Board of Statutory Auditors; in addition, they

will be reimbursed for the expenses incurred in relation to the office held, and will also be provided with insurance coverage at the expense of the Company for risks related to third party liability arising from the legal and contractual obligations associated with the office of Statutory Auditor and the associated legal protection.

Statutory Auditors are not paid any form of Variable Remuneration.

6. Remuneration of the General Manager, Relevant Personnel and Executives

The remuneration of the General Manager, Key Managers (including the Heads of Key Functions), top-level personnel of the Key Functions, Additional Relevant Personnel and other Executives envisages a Fixed Component, a Variable Component and Benefits in accordance with the terms and conditions specified below.

The same conditions apply to the General Manager of UnipolSai as to managers in the Executive Bracket. As mentioned early, the Board of Directors of UnipolSai can recognise an indemnity for office to the General Manager that can be considered useful in calculating the related Variable Component using the methods indicated in paragraph 6.3.

6.1. Fixed Remuneration component

The Fixed Remuneration component is determined, in addition to that envisaged by the applicable National Collective Labour Agreements, also by the following fundamental parameters:

- importance of the assigned position;
- complexity of the role covered;
- significance of the responsibilities attributed;
- qualitative weight of the skills possessed and acquired;
- alignment with sector-related and comparable market benchmarks.

In any event, this component is determined in a manner sufficient to ensure adequate remuneration even if variable incentives are not disbursed.

6.2. Benefits

Non-monetary benefits, also used to calculate the social security contribution and taxes, represent an important component of the pay package, both in terms of appreciation by the Recipients and in terms of total remuneration, as a supplementary and/or alternative element to payment in cash, which has proved to be advantageous in establishing effective Remuneration Policies, but at the same time ensures the optimal economic impact.

The Benefits change according to the category of Recipients both by type and by overall value, and mostly regard supplementary pension schemes and health assistance for Executives and their respective families.

The assignment of a company car for personal and business use is envisaged for Executives in the 1st and 2nd Executive Brackets.

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

Executives have the option to subscribe to both a Pension Fund and to a Welfare Fund, the contributions to which are borne by UnipolSai. As regards the Pension Fund, subscribers have the option of contributing by paying from their Post-employment benefits.

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

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

The benefits provided by the Welfare Fund to subscribers and beneficiary family members take the form of insurance arrangements, and most regard healthcare advice and information over the phone, reimbursements for admission to hospital, surgery, dentist treatment, specialist medical check-ups, diagnostic checks and treatment.

In addition, insurance cover provided by the Welfare Fund is envisaged for the reimbursement of healthcare expenses in the event that the Executive or spouse is not self-sufficient.

6.3. Variable Remuneration component

6.3.1. Breakdown into Executive Brackets

All Executives of Unipol Group companies are divided into 4 Brackets related to the weight of the organisational position, and to the importance and complexity of the role and the position. The “weight” is measured using a method certified by leading specialist companies recognised at international level.

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

The assignment process, starting from an organisational complexity analysis based on the type of business, steps in the value chain monitored and the main dimensional elements, calls for the evaluation of all organisational positions on the basis of various factors, which measure not only the professional and management skills required to properly fulfil the role, the qualitative/quantitative characteristics of the team through which to exercise them and the relative geographical area of application, but also the type and level of contribution to the business, the type of communication and the context of the interlocutors typically managed by this role, as well as the degree of innovation required within the improvement and development of procedures, services and products and the levers available to achieve this.

In particular:

- the **Executive Bracket** includes the Top Executives of the Group (the Area General Managers of the Group, as well as other Managers as identified from time to time who hold offices of particular organisational importance);
- the **1st Bracket** includes the holders of roles of the highest strategic complexity and organisational relevance;
- the **2nd Bracket** includes the holders of roles with particular organisational relevance;
- the **3rd Bracket** includes the remaining holders of other roles.

Allocation to the Brackets is made on the proposal of the Group General Manager of Unipol, who uses the most appropriate methods to weigh the positions present on the market as specified above, and the approval of the Group CEO and General Manager of Unipol. The allocation to the Brackets is updated and revised at least once a year.

Different and differentiated approaches to the Remuneration Policies are associated with the Brackets breakdown, including the remunerative opportunity relating to the Variable Incentive as described below.

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

- comparable market references;
- the professional category to which the resources belongs;
- the need for loyalty.

6.3.2. Variable Incentives System

Recognition of the Variable Remuneration component is governed by the UPM System for all Executive personnel, with a view to developing a culture of sustainable performance, correlating the results of the Group and individual companies with individual performance.

The UPM System generates effects on individual companies from the time they adopt the Group and/or Segment or Company Remuneration Policies through the competent bodies and applicable procedures, in this way assuming liability for charges deriving from their application to Recipients for which they are the reference company.

The UPM System, adopted by Unipol and implemented by the consolidated companies, is based on the logic of self-financing. An essential requirement for the recognition of the incentives envisaged is therefore, in addition to the persistence of positive effective economic results and to the minimisation of the risk factors, the presence of a Dividend Capability, i.e. the conditions, in terms of economic result and of minimum solvency requirements of Unipol, for the possible distribution of a dividend to Unipol shareholders, in accordance with statutory and legal provisions in force at the time.

In line with the requirements of regulations in force on Remuneration Policies, the UPM System complies with the following principles:

- setting of results on which to measure remuneration against the risk profiles of the Group and Group companies, with a focus on quality (e.g. compliance with external and internal regulations) and not only on economic results;
- where applicable, the role of Key Functions, each to their respective responsibilities and according to regulatory provisions called upon to participate in the process to verify UPM System consistency and its application to the Remuneration Policies,
- independence of the Variable Remuneration component of Heads and top-level personnel of the Key Functions from the results achieved by the operating units under their control, and the component's dependence on reaching the targets associated with control action efficiency and quality, provided they are not a source of conflicts of interest;
- greater independence from bonuses linked to short-term financial results;
- recognition of a substantial portion of the Actual Bonus in the form of financial instruments, the assignment of which is structured in such a way as to ensure that achievement of the related economic benefits is gradual over time;
- deferral of a significant portion of the Actual Bonus;
- a one-year Holding Period of Variable Incentive amounts recognised in the form of financial instruments, whether disbursed as STI or as LTI;
- suitable clauses that allow:
 - (i) non-disbursement of all or part of the compensation already accrued due to Malus-related provisions (see paragraph 6.3.2.10);
 - (ii) reimbursement of all or part of the compensation already paid to be claimed, due to *Claw-back* related provisions (see paragraph 6.3.2.10).

The UPM System governs the prerequisites and criteria for disbursement of the Opportunity Bonus, the maximum annual value of which is determined as a percentage of the GAR of the Recipient at 31 December in the Accrual Year, the percentage being differentiated depending upon the Recipient's Bracket.

The UPM System Recipients are all the Executives of the Unipol Group, as better specified below, in service for at least six months in the Accrual Year, applying the effects of participation in the UPM System on a pro rata basis.

The UPM System governs the terms, conditions and methods for disbursement of a short-term Variable Component and a long-term Variable Component.

The UPM System applies, adopting criteria differentiated according to:

- (i) whether or not the Recipient qualifies as a Key Manager, provided that this qualification is assigned to the Recipient over a prevalent period during the Accrual Year;
- (ii) the role of the Recipient (e.g. in one of the Key Functions), provided the role is covered for a prevalent period during the Accrual Year.

The actual degree of application of the UPM System to an individual Recipient is determined on the basis of the professional service effectively and prevalently provided by the Recipient to a Company (also under secondment), with the contractual category not relevant for UPM System purposes.

The Secondment Provider defines the individual targets in concert with the Secondment Beneficiary/ies.

The Secondment Provider also assigns, monitors and calculates the Individual Targets in concert with and on behalf of the Secondment Beneficiary/ies, from which it receives a formal mandate for this purpose and to which it charges the related expense as is customary. The mandate must specify all the elements useful to formulating a target assignment and completion procedure which also takes into account the interests of the Secondment Provider.

6.3.2.1. Opportunity Bonus

As illustrated in Table 2, the Opportunity Bonus is broken down by Executive Bracket into the following components:

- (i) an STI component, the disbursement of which is made 50% in cash and the remaining 50% in the form of financial instruments;
- (ii) an LTI component, the disbursement of which is made 50% in cash and the remaining 50% in the form of financial instruments.

Table 2 - Opportunity Bonus					
Recipients	max % vs. GAR	of which: (max % vs. RAL)		% weight compared to the Total Bonus	
		STI	LTI	STI	LTI
General Manager and Managers - Executive bracket	125%	50%	75%	40%	60%
Managers - Bracket 1	100%	50%	50%	50%	50%
Managers - Bracket 2	70%	35%	35%	50%	50%
Managers - Bracket 3	40%	20%	20%	50%	50%

6.3.2.2. Conditions for access to the UPM System - Short-term Company Performance

Access to the UPM System is subject to the pursuit of performance targets that also take into account the current or forward-looking risks associated with the results preset by the Group and the Company, and the associated expense in terms of the cost of capital employed and necessary liquidity.

The following are envisaged:

- two access conditions linked to Group targets (see paragraph 6.3.2.3) which apply to Unipol and to all Group Companies;
- in addition, further access conditions for UnipolSai which reflect the regulatory requirements and its self-financing capacity.

6.3.2.3. Access conditions

Access to the UPM System is subject to a given percentage of the target Consolidated Gross Profit of Unipol as per the budget approved by the Parent Company for the Accrual Year being achieved. Specifically:

- for the General Manager, other Key Managers and Additional Relevant Personnel, attainment of at least 90% of the Consolidated Gross Profit target;
- for the other Recipients, attainment of at least 80% of the Consolidated Gross Profit target.

Furthermore, also for a more accurate compliance with measures issued by the competent Supervisory Authorities on sound and prudent risk management, the existence of a consolidated coverage ratio (capital adequacy) of Unipol, calculated using Solvency II metrics, equal to the target set for 31 December of the Accrual Year by the pertinent decision-making bodies, is a condition for full determination of the Actual Bonus, whilst a value of between 100% and 80% of the target - provided the result is not

less than 1.0 - reduces the Actual Bonus by 25%.⁴ The Actual Bonus drops to zero if said value is below 80% of the target or at 1.0.

For UnipolSai, the target of 90% of IAS Individual Gross Profit (80% for Executives not classed as Relevant Personnel), as per the budget approved for Accrual Year, must be achieved.

Also necessary is the existence of an individual solvency ratio (financial stability) for UnipolSai calculated using Solvency II metrics, and net of transactions on share capital and/or with an impact on said ratio, already performed, underway or to be resolved upon in the future, made by the majority shareholder, corresponding to the target set for the Accrual Year by the pertinent decision-making bodies.

Regardless of any positive verification of the Group-related conditions, the failure to satisfy even one of the two previous conditions results in a zero amount for any Variable Incentive originating from the UPM System for the Accrual Year.

Access to the System of the Executives who operate in the Key Functions is not tied to the attainment of the Consolidated Gross Profit condition.

6.3.2.4. Short-Term Bonus (STI)

The UPM System envisages disbursement of an STI Bonus, the amount of which is determined (as illustrated below) based on the Individual Performance Level achieved and the allocated Bracket of the Recipient.

Without prejudice to the Malus and/or Claw-back provisions, the STI Bonus, the amount of which is determined on completion of all the steps of the assessment and measurement process, can be paid to Recipients according to the methods envisaged in paragraph 6.3.2.5 below.

The reference Bracket is that to which the Recipient is assigned over a prevalent time horizon in the Accrual Year.

6.3.2.5. Short-term individual targets

Each Recipient is annually assigned four individual targets, both qualitative and quantitative, each of which "weighted" to identify their importance with respect to the total of individual targets.

The first two are quantitative targets relating to the individual's own area of responsibility. These targets are structured in line with the strategic objectives of the Group and consistent with the risk profiles defined for the Group.

The breakdown of the four individual targets is as follows:

- First individual quantitative target (weight: 30%);
- Second individual quantitative target (weight: 30%);
- Individual qualitative target (weight: 20%);
- Management skills development target (weight: 20%).

The final total for each individual target is reached by applying the following percentage values to the weight for that target:

- Not achieved = 0% of the weight of the individual target;
- Partially achieved = 50% of the weight of the individual target;
- Achieved = 100% of the weight of the individual target.

The overall Individual Performance Level is obtained by adding together the performance values of individual targets determined in this manner, as summarised in the table below.

An Individual Performance Level of less than 60% - the sum of the weights of the single targets achieved - results in an Actual Bonus of zero.

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

In the event of a “Not achieved” classification of even just one of the two quantitative objectives, even if the result calculated as envisaged generates a value equal to or over 60%, the Total Bonus will be zero.

Table 3 - Summary table of Individual Performance Level			
Individual targets	Weights assigned		
	Not achieved	Partially achieved	Achieved
First quantitative target	0%	15%	30%
Second quantitative target	0%	15%	30%
Qualitative target	0%	10%	20%
Management skills development target	0%	10%	20%
<ul style="list-style-type: none"> • Overall performance threshold for access to disbursement of the Actual Bonus: 60% • If the “Not achieved” condition applies to one of the two quantitative targets, the Actual Bonus will in any event be zero. 			

Table 4 illustrates the Pay-out curve for the STI Bonus, based on the Individual Performance calculated as above:

Table 4 - Individual Performance Level / STI Pay-out	
Individual Performance Level	STI Bonus
60%	30% of maximum value of STI Bonus
65%	40% of maximum value of STI Bonus
70%	50% of maximum value of STI Bonus
75%	60% of maximum value of STI Bonus
80%	70% of maximum value of STI Bonus
85%	80% of maximum value of STI Bonus
90%	90% of maximum value of STI Bonus
100%	Maximum value of STI Bonus

Any disbursement is arranged by the end of May in the year following the Accrual Year (i.e. in May 2021 for 2020).

The STI Bonus is paid in two parts: one equal to 50% of its total, paid in cash; the other, for the remaining 50%, paid in Shares. The provisions of paragraph 6.3.2.11 apply to the latter.

The number of Shares attributable is calculated by dividing 50% of the value of the STI Bonus into two equal parts. One part is related to the average value of the ordinary Unipol share recorded in January of the Accrual Year, while the other part is related to the average value of the ordinary UnipolSai share recorded also in January of the Accrual Year.

6.3.2.6. Long-Term Bonus (LTI)

On termination of the 3-year Accrual Period, the UPM System also envisages disbursement of an LTI Bonus, the amount of which is determined (as illustrated below) as a proportion of the Actual STI Bonus.

The Long-Term Incentive is assigned on the basis of a closed plan covering the period of the Three-Year Business Plan (2019-2020-2021).

6.3.2.7. Long-term targets

The extent of the LTI Bonus for Recipients not operating in the Key Functions is determined on the basis of individual or joint achievement of the indicators shown in Table 5.

Table 5 - LTI Targets Functions other than the Key Functions	
Indicator	Contribution to the LTI Bonus amount
Attainment of at least 80% of the result of the Unipol Group, measured on the Consolidated Gross Profit accumulated in 2019, 2020 and 2021 of the values as established each year by the pertinent corporate bodies	45%
Attainment at the end of the Three-year Accrual Period of the target solvency capital requirement of Unipol, as defined by the relevant corporate bodies	30%
Positive ratio between the average value of the Unipol Share in the first quarter of 2022 and the average value for the first quarter of 2019	20%
Reputational Profile of the Unipol Group in the 3-year Accrual Period (considered to be the average of monthly measurements) higher than that recorded, in the same period, by the Financial-Insurance Sector as a whole. ⁵	5%

The extent of the LTI Bonus for Recipients operating in the Key Functions is based on individual or joint achievement of the indicators shown in Table 6.

Table 6 - LTI Targets Key Functions	
Indicator	Contribution to the LTI Bonus amount
Attainment of an average Individual Performance Level over the three-year period of not less than 80%, on condition that both individual quantitative objectives have been fully reached in at least two of the three years	60%
Attainment at the end of the Three-year Accrual Period of the target solvency capital requirement of Unipol, as defined by the relevant corporate bodies	35%
Reputational Profile of the Unipol Group in the 3-year Accrual Period (considered to be the average of monthly measurements) higher than that recorded, in the same period, by the Financial-Insurance Sector as a whole. ⁶	5%

For Recipients to which the provisions on the Particularly High Amount of Variable Remuneration do not apply, the total annual LTI Bonus is one third of the total of Actual LTI Bonuses accrued in the 3-year Accrual Period and is re-proportioned on the basis of the Long-Term Targets achieved. Any disbursement is arranged on a pro rata basis, by the end of January each year in 2023, 2024 and 2025.

For Recipients to which the provisions on the Particularly High Amount of Variable Remuneration do apply, the total annual LTI Bonus is one fifth of the total of Actual LTI Bonuses accrued in the 3-year Accrual Period and is re-proportioned on the basis of the Long-Term Targets achieved. Any disbursement is arranged on a pro rata basis, by the end of January each year in 2023, 2024, 2025, 2026 and 2027.

⁵ Value calculated and measured using the RepTrak® model of Reputation Institute.

⁶ See previous note.

The LTI Bonus is paid in two parts: one equal to 50% of its total, paid in cash; the other, for the remaining 50%, paid in Shares. The provisions of paragraph 6.3.2.11 apply to the latter.

The number of Shares attributable is calculated by dividing 50% of the value of the LTI Bonus into two equal parts. One part is related to the average value of the ordinary Unipol share recorded in January 2019, while the other part is related to the average value of the ordinary UnipolSai share recorded also in January 2019.

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

The process for the assignment, assessment and measurement of the targets involves the direct hierarchical superior of the Recipient, the Head of his/her Department and the Chief Executive Officer and Group CEO of Unipol.

The Group General Manager and the Chief Executive Officer and Group CEO of Unipol, also in this respect, supervise the entire process.

The targets assignment phase envisages the delivery to each Recipient of the Remuneration Policies relating to him or her. In a specific statement, the Recipient declares awareness of the contents and acceptance of the documentation in question.

The Group Remuneration Policies and the Segment or Company Remuneration Policies are in any event provided to all Recipients through publication on the company Intranet.

In the measurement, the bodies described above shall also duly take into account the total individual contribution provided for the good operation of the entity, in a broader framework of consistency and overall stability of the corporate system.

The process of calculating final amounts is performed with the assistance of the Group Risk Management and Management Control Functions to check quantitative indicators ex ante and ex post.

The extent of the STI and LTI Bonuses to be paid is defined on completion of all the steps prescribed by the assessment and measurement process.

If during the year the Recipient is affected by organisational changes that also involve a change in their direct line manager, the previous manager will be responsible for agreeing the targets already assigned with the new manager, also providing them with all the necessary documentation. The new Manager will assess, together with the bodies and persons indicated above, the opportunity of assigning targets different from those previously set, and consequently repeating the process. In this case, the measurement is proportionate on a pro rata basis on achievement of the previous and new targets and, in the measurement process, the previous manager will be required to assess the part under their responsibility.

6.3.2.9. Disbursement conditions

Disbursement of the cash component and the assignment of Shares relating to the STI and LTI Bonuses due will, under the terms indicated previously, be arranged provided that at the assignment date the Recipient is a serving employee of UnipolSai or other Unipol Group company and is not serving a period of notice or leave of absence, except for the following.

1. In the following cases, the amount of the cash component to be paid and the number of Shares to be assigned, relating to the percentage STI Bonus due, are recalculated on a pro rata bases over the number of complete months actually served by the Recipient concerned:
 - i. for Recipients terminating their employment with UnipolSai and/or with other Unipol Group companies during the Accrual Year for the percentage Bonus, as a result of reaching pension age, or other forms of entitlement to their pension, provided they are adopted at the company's initiative invoking legal or contractual provisions;
 - ii. for Recipients terminating their employment with Unipol and/or with other Unipol Group companies during the Accrual Year for the percentage Bonus, as

- a result of mutual agreement with the employer based on the conditions defined in the aforementioned agreement;
 - iii. for Recipients affected by extraordinary corporate transactions resulting in the transfer of ownership of the controlling interest in the company of which they are employees to another entity that is not a member of the Unipol Group, on conclusion of the Accrual Year for the percentage Bonus.
2. Shares relating to LTI Bonus percentages is arranged in the following cases:
- i. for Recipients terminating their employment with UnipolSai and/or with other Unipol Group companies, with effect from 31 December of the last year of the 3-year Accrual Period as a result of reaching pension age, or other forms of entitlement to their pension, provided they are adopted at the company's initiative invoking legal or contractual provisions;
 - ii. for Recipients terminating their employment with UnipolSai and/or with other Unipol Group companies from 31 December of the final year in the 3-year Accrual Period, as a result of mutual agreement with the employer, based on the conditions defined in the aforementioned agreement;
 - iii. for Recipients affected by extraordinary corporate transactions resulting in the transfer of ownership of the controlling interest in the company of which they are employees to another entity that is not a member of the Unipol Group, concluded from 31 December of the final year of the 3-year Accrual Period.

6.3.2.10. Conditions for non-disbursement or reduced disbursement of incentives

The Recipient subject to a disciplinary measure of suspension from service shall in any case lose his/her entitlement to payments of the short and/or long term variable remuneration.

Clauses are also envisaged for non-disbursement of the bonus, in terms of:

a. *Malus*

The bonuses envisaged by the incentive system will not be paid if the trend of results of the Group and/or UnipolSai deteriorate, as defined in paragraph 6.3.2.3 if the Recipient does not comply with regulatory or supervisory provisions, the consequence of which has entailed a disciplinary sanction against the Recipient in question, or if the Key Functions discover that the Recipient has behaved in such a way so as to commit a serious infringement of internal, external provisions or of the applicable standards of conduct, or if such are determined on the basis of data that later clearly proves incorrect;

b. *Claw-back*

UnipolSai will request the return of any compensation that may have been paid if the Recipient has acted in violation of the Supervisory Provisions or if the Recipient has acted fraudulently and/or has committed wilful misconduct or gross negligence with regard to the performance of his/her duties, and this had led to a deterioration of the risk profiles and/or the results of the Group and/or UnipolSai, or violations of the Code of Ethics⁷ and/or conduct not compliant with legal, regulatory or statutory provisions, based on the contents of regulations, without prejudice to any further action, or paid on the basis of data that later proves clearly incorrect.

With reference to deterioration of the risk profiles, UnipolSai will request the return of any compensation paid if the fraudulent conduct and/or wilful misconduct or gross negligence of the Recipient has resulted in an impact on the Solvency II Ratio of the Group and/or UnipolSai. For this purpose, the Risk Management Function, with support from other company functions concerned, will recalculate the Solvency II Ratio in order to verify whether such conduct has

⁷ The assessments of cases of violation of the Code of Ethics are the responsibility of the competent function.

resulted in failure to comply with risk appetite targets established for 31 December of the Accrual Year by the competent decision-making bodies.

The duration of the period in which the clause applies is established as three years from payment of a single amount (STI or LTI) of Variable Remuneration.

6.3.2.11. Holding Period

The Shares cannot be sold for an entire year.

This duration is considered adequate in relation to the characteristics of the results measurement systems, based on which risks are undertaken in the various business units, including risk-adjustment mechanisms.

The Holding Period begins from the moment that the Recipient takes material possession of the Shares.

6.4. Other components of remuneration

Remuneration may also include:

- a one-off amount and/or individual company bonuses, paid in monetary form and up-front, and in accordance with the following conditions:
 - (i) occurrence of objective circumstances that are completely exceptional and unforeseeable which required a particularly significant professional commitment, meant to obtain a result of strategic importance for the Group and/or UnipolSai;
 - (ii) determination of the amount in compliance with the principles of proper balancing between the Fixed and Variable Remuneration components, as set forth in laws in force;
 - (iii) recognition on approval of the Board of Directors of UnipolSai.
- Welcome Bonus, provided in exceptional cases when new personnel is hired, to make up for documented pay disadvantages arising from the loss of benefits offered by the previous employer. This cannot be recognised more than once to the same person;
- *seniority bonuses*, amounts paid on completing a certain year of service, based on provisions of the reference CCNL applied;
- compensation based on stability agreements for a period normally not exceeding three years, recognised to guarantee adequate continuity of the employment relations, ensure greater company stability and help to further incentivise the quality of professional services of certain Key Managers and/or other human resources in any event considered relevant.

6.5. Termination of employment indemnity

For retention purposes, with a view to achieving Group governance, growth and development targets, loyalty bonuses may be paid to Executives who have worked for UnipolSai or for the Group for a certain number of years. The amount of said bonuses, which will be paid at the time of the termination of employment, cannot exceed the amount of five years of Total Compensation, calculated for the variable part as envisaged by Art. 2121, paragraph 2 of the Italian Civil Code (the "Total Compensation").

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

7. Remuneration Policies for non-executive personnel

In addition to a Fixed Component, the remuneration for non-executive personnel can include a Variable Component as explained below.

The Fixed Remuneration component provides compensation for the skills, capabilities, role and, in particular, the responsibilities relating to the role. It envisages a fixed economic base, envisaged by sector-related Collective Labour Agreements, Supplementary Company Agreements, where present, and any other bilateral agreements, as well as specific internal regulations, and is determined by the employment category. Reasons relating to internal fairness, competitiveness, attractiveness, meritocracy or the assignment of greater responsibility can determine the recognition of additions to fixed income, consolidating these over time.

The current National Collective Labour Agreements applying to personnel working with the Companies envisage, inter alia, the disbursement of a “Variable Company Bonus” (ANIA CCNL), which constitutes a variable percentage of remuneration.

The Variable Remuneration component is based on two main objectives:

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

Variable Remuneration may also include:

- a one-off amount, paid in monetary form and up-front, where objective circumstances required a particularly significant professional commitment;
- Cash bonuses originating from the achievement of targets assigned after participation in the annual or interim incentive systems;
- Welcome Bonus, provided in exceptional cases when new personnel is hired, to make up for documented pay disadvantages arising from the loss of benefits offered by the previous employer. This cannot be recognised more than once to the same person;
- seniority bonuses, amounts paid on completing a certain year of service, based on provisions of the reference CCNL applied;
- compensation based on stability agreements for a period normally not exceeding three years, recognised to guarantee adequate continuity of the employment relations, ensure greater company stability and help to further incentivise the quality of professional services of human resources considered relevant.

SECTION TWO

PART ONE

INFORMATION ON THE IMPLEMENTATION OF THE UNIPOLSAI S.P.A. REMUNERATION POLICIES ADOPTED FOR 2019

BREAKDOWN

This Section of the Report consists of three parts:

- **part one**, which provides a description of the compensation of recipients of the Remuneration Policies relating to 2019;
- **part two**, which in table format illustrates the compensation paid to Directors, Statutory Auditors, General Manager and Key Managers of UnipolSai, as well as their interests held in the Company and its subsidiaries, again in relation to 2019;
- **part three**, which provides a summary of the audits conducted by the Key Functions (Risk Management, Compliance and Anti-Money Laundering and Audit).

PART ONE

Remuneration of Directors

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

Said Shareholders' Meeting resolved, consistent with the remuneration policies approved by the UnipolSai Board of Directors at the board meeting held on 14 March 2019 and illustrated in the First Section of the remuneration report published in 2019 (the "2019 Remuneration Policies") to recognise the following:

- a fixed gross annual remuneration due to each Director of Euro 50,000;
- a gross attendance fee of Euro 1,000 for each board meeting attended, reduced to Euro 500 in case of participation through telephone or audio-visual link.
- reimbursement of expenses incurred to exercise duties, with cost borne by the Company;
- insurance coverage for risks related to third party liability arising from the legal and contractual obligations associated with the office of director and the associated legal and economic protection, in compliance with regulations in force (see below).

The Board of Directors, after consultation with the Remuneration Committee and the Board of Statutory Auditors, in its meeting of 1 August 2019 defined the remuneration of the Chairman and Deputy Chairmen as Euro 900,000 and Euro 200,000, respectively, plus company benefits based on their duties in such roles (car, accommodation, etc.).

Lastly, the members of Board committees were awarded a further fixed fee for attendance at each respective Committee meeting, corresponding to Euro 1,000, reduced to Euro 500 in case of participation through phone or audio-visual link, plus the reimbursement of out-of-pocket expenses borne with relation to the office held.

Instead, Directors were not acknowledged any variable remuneration component linked to results or based on financial instruments.

Details of the compensation paid to the members of the Board of Directors for 2019 are shown in Table 1 below.

Remuneration of the Control body

In accordance with the Remuneration Policies adopted by the Company and with that resolved by the Shareholders' Meeting on 23 April 2018, which appointed the same, the annual compensation for 2019 of the Statutory Auditors of UnipolSai has been established as a fixed amount and differs between Statutory Auditors and the Chairman of the Board of Statutory Auditors, corresponding to Euro 50,000 (for each Statutory Auditor) and Euro 75,000 respectively; in addition, they will receive a gross amount of Euro 1,000 for each board meeting, Shareholders' Meeting or Board Committee meeting attended, reduced to Euro 500 if attendance is via phone or audio-visual link, plus insurance coverage at the expense of the Company for risks related to third party liability arising from the legal and contractual obligations associated with the office of statutory auditor and the associated legal and economic protection, in compliance with the law in force.

Statutory Auditors are paid no variable remuneration.

Details of the compensation paid to members of the Board of Statutory Auditors in 2019 are shown in Table 1 below.

Group D&O Policy

The Company, in line with the other companies belonging to the Unipol Group, has subscribed to the Group D&O Policy stipulated by the Parent Company. The conditions of the policy, with a yearly duration from 20 November 2019, envisage a limit, at Group level, of a total of Euro 75 million to the benefit of the insured parties. The total cost of the policy is shared among all Unipol Group companies, applying a percentage to it that corresponds to the weighted average of the relationships between the following economic-capital ratios of each company and those of the Group: (i) Balance Sheet Assets; (ii) Shareholders' equity; (iii) revenue calculated on the basis of Antitrust Authority criteria.

At 31 December 2019, the Company bore a cost of around Euro 916,000.

In this respect, note that in the column "Non-monetary benefits" of Table 1 it is not possible to indicate an *ad personam* value of benefits associated with insurance hedging of third party liability risks, stipulated for Directors and Statutory Auditors with costs borne by the Company. This impossibility is due to the fact that: (i) the subjective scope of the insured parties benefitting from the policy does not coincide with that of the parties for which information must be provided in this Section of the Report, as it is much wider (it extends, in general, to any person considered the equivalent of a member of the administration, management and control bodies, including therein parties to whom proxies have been awarded and members of the supervisory bodies pursuant to Italian Legislative Decree 231/01) and that (ii) said scope is subject to change during the validity of said policy.

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

Remuneration of the General Manager, Relevant Personnel and Executives

Again in 2019, the Company's remuneration policies were applied, in a standardised manner, to the General Manager, other Key Managers, Additional Relevant Personnel and all Executives of UnipolSai.

In line with Group Policies, an indemnity for office is recognised to the General Manager of UnipolSai of Euro 100,000, qualifying as part of the Variable Remuneration component.

In addition to the General Manager, the year in question saw the presence of 24 individuals in the category of Key Managers, of which 9 employees of Unipol (other than the General Manager) partially seconded to UnipolSai, in turn eligible as Key Managers in Unipol. In this regard, note that seconded Executives received the fixed component of their remuneration and the variable one from the Parent Company; it is hereby understood that UnipolSai shall return the cost borne by Unipol as consideration for the related secondments and for its own portion.

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

Fixed remuneration component

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

Variable remuneration component

Again in 2019, the variable remuneration component comprised the following items: (i) monetary incentives and (ii) incentives in the form of financial instruments, to be paid on the basis of the incentive system dedicated to Executives in the Insurance Business.

Implementation of the 2016-2018 incentive system

With reference to the UPM System adopted by UnipolSai for the three-year period 2016-2018 (the "**2016-2018 System**"), note that during its board meeting held on 14 March 2019, the Board of Directors, having acknowledged the satisfaction of conditions for access to the above-mentioned system for the year 2019, resolved to proceed with the disbursement of short-term monetary incentives, which were actually paid to those entitled with their April 2019 salaries.

For details on the extent of the incentives accrued in 2018 and disbursed in 2019, please see Table 3B below.

At the same meeting held on 14 March 2019, the Administrative Body also ascertained full satisfaction of the conditions for the recognition of the long-term incentive pursuant to the 2016-2018 System, as implemented by the relative compensation plan based on financial instruments for 2016-2018 (the **"2016-2018 Plan"**), furthermore recognising that the conditions for recognition of the additional bonus envisaged under the 2016-2018 Plan had not been met.

As a result of this calculation, in implementation of the Regulation of the 2016-2018 Plan, it was therefore possible to arrange disbursement to beneficiaries of the three tranches of Unipol Shares and UnipolSai Shares (the "Shares"), the first of which was paid on 25 April 2019. In particular, UnipolSai recognised to the General Manager and other eligible Key Managers the first tranche of Shares, equal to 1/3 of the total actually accrued at the end of the vesting period, a third which corresponds to 383,459 Unipol Shares, of which 79,222 to the General Manager, and a total of 708,753 UnipolSai shares, of which 146,426 assigned to the General Manager. In this regard, it should be remembered that the Share value used as a reference for the calculation of the number of Shares due to each recipient of the above-mentioned Plan is the average Stock Exchange value recorded by the Unipol Share and UnipolSai Share in May 2016, equal to Euro 1.7575 and Euro 3.2484, respectively.

In April 2020, again in implementation of the 2016-2018 Plan, the General Manager and other eligible Key Managers will receive payment of the second tranche of Unipol Shares and UnipolSai Shares.

Except with regard to that specified in the next paragraph on the Variable Incentive for 2019, note that Table 3A below was not completed with the data relating to the implementation of the 2016-2018 Plan, as its monetary effects were exhausted in previous years and the equity effects, noted above, refer to vested financial instruments at the end of the three-year period 2016-2018, the disbursement of which in 2019 depended exclusively on the recipient remaining employed by the Unipol Group.

Implementation of the 2019-2021 incentive system

The 2019-2021 incentive system, approved by the Company's Board of Directors at the meeting held on 19 March 2019, for the three-year period 2019-2021 envisages that by the end of May in the year after the accrual year (i.e. next May for 2019), the short-term bonus (STI) was paid 50% in cash and the remaining 50% in shares (Unipol Shares and UnipolSai Shares) and, in parallel, the corresponding long-term component (LTI) was allocated as 50% in cash and the remaining 50% in shares (Unipol Shares and UnipolSai Shares) to be paid in multiple tranches from 2023, subject to verification each year that the performance conditions envisaged for the three-year period have been met.

Taking into account, however, the spread of the COVID-19 pandemic and related effects on the Italian economy, and the IVASS requirements communicated on 30 March this year, at the meeting of 2 April 2020 the UnipolSai Board of Directors, in line with the Parent Company decisions and subject to opinion in favour from its Remuneration Committee, decided to suspend all assessment of the variable remuneration component for 2019 for the General Manager and for all Executive personnel of the Company, postponing all related decisions to a later meeting of the administrative body, taking into account developments in the general scenario.

For this reason, unlike in Reports of recent years, Tables 1, 3A and 3B below do not include columns referring to either cash or financial instrument-based incentives for 2019.

Information documents on Compensation plans based on financial instruments

Detailed information regarding the 2016-2018 Plan and the 2019-2021 Plan is contained in the Information Documents, prepared pursuant to Art. 114-bis of the TUF and Art. 84-bis of the Issuers' Regulation, and published on the Company's website at www.unipolsai.com, in the Governance/Shareholders' Meetings Section.

Other components of remuneration

In 2019, the following also formed part of the remuneration:

- a one-off amount, paid in monetary form and up-front, and in accordance with the following conditions:

- (i) occurrence of objective circumstances that are completely exceptional and unforeseeable which required a particularly significant professional commitment, meant to obtain a result of strategic importance for the Company and/or the Unipol Group;
 - (ii) determination of the amount in compliance with the principles of proper balancing between the Fixed and Variable Remuneration components, as set forth in laws in force;
 - (iii) recognition on approval of the Company's Board of Directors, after obtaining the opinion of the Remuneration Committee;
- seniority bonuses: amounts paid after reaching the 25th and 35th year of actual service with the same Company, equal to 8% and 16%, respectively, of the GAR;
 - benefits, on which social security and tax contributions are also calculated, which may include assets such as company cars and the use of lodgings;
 - *compensation based on stability agreements for a period normally not exceeding three years, recognised to guarantee adequate continuity of the employment relations, ensure greater company stability and help to further incentivise the quality of professional services of certain Key Managers and/or other human resources in any event considered relevant;*
 - Welcome Bonus, provided in exceptional cases when new personnel is hired, to make up for documented pay disadvantages arising from the loss of benefits offered by the previous employer. This cannot be recognised more than once to the same person.

Agreements granting compensation in the case of early termination of employment

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

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

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

*** **

Based on the above, in 2019, the remuneration in favour of Directors, Statutory Auditors, the General Manager and other Key Managers is consistent with the principles applying to the reference year.

PART TWO

Compensation paid in 2019

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

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees	Compensation for end of office or termination of employment	
							Bonus and other incentives	Profit sharing						
CIMBRI Carlo	Chairman	1/1-31/12/2019	2021 Financial Statements											
	Member of the Chairman's Committee	1/1-17/4/2019	17/4/2019											
Compensation from the company that draws up the financial statements				957,095.89	(1)							957,095.89		
Compensation from subsidiaries and associates												0.00		
TOTAL				957,095.89		0.00	0.00		0.00	0.00	957,095.89	0.00	0.00	

(1) Compensation not received but paid directly to Unipol Gruppo S.p.A.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees	Compensation for end of office or termination of employment			
							Bonus and other incentives	Profit sharing								
CERCHIAI Fabio	Deputy Chairman	1/1-31/12/2019	2021 Financial Statements													
	Member of the Chairman's Committee	1/17/4/2019	17/4/2019													
Compensation from the company that draws up the financial statements				256,595.89						8,537.30			265,133.19			
Compensation from subsidiaries and associates				174,500.00	(1)								174,500.00			
TOTAL				431,095.89		0.00		0.00		0.00	8,537.30		0.00	439,633.19	0.00	0.00

(1) compensation for the offices held in Arca Assicurazioni S.p.A. and Arca Vita S.p.A.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees	Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
STEFANINI Pierluigi	Deputy Chairman	1/1-31/12/2019	2021 Financial Statements									
	Member of the Chairman's Committee	1/1-17/4/2019	17/4/2019									
Compensation from the company that draws up the financial statements				257,095.89	(1)					257,095.89		
Compensation from subsidiaries and associates										0.00		
TOTAL				257,095.89		0.00	0.00		0.00	257,095.89	0.00	0.00

(1) Compensation not received but paid directly to Unipol Gruppo S.p.A.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees	Compensation for end of office or termination of employment
							Bonus and other incentives	Profit sharing					
BERARDINI Francesco	Director	1/1-31/12/2019	1/2/2020										
Compensation from the company that draws up the financial statements				57,095.89							57,095.89		
Compensation from subsidiaries and associates				25,284.25	(1)						25,284.25		
TOTAL				82,380.14		0.00	0.00		0.00	0.00	82,380.14	0.00	0.00

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

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees	Compensation for end of office or termination of employment	
							Bonus and other incentives	Profit sharing						
CATTABIANI Paolo	Director	1/1-17/4/2019	17/4/2019											
Compensation from the company that draws up the financial statements				12,616.44								12,616.44		
Compensation from subsidiaries and associates												0.00		
TOTAL				12,616.44		0.00	0.00	0.00	0.00	0.00	12,616.44	0.00	0.00	

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees	Compensation for end of office or termination of employment	
							Bonus and other incentives	Profit sharing						
CHIODINI Fabrizio	Director	17/4-31/12/2019	2021 Financial Statements											
Compensation from the company that draws up the financial statements				42,479.45								42,479.45		
Compensation from subsidiaries and associates												0.00		
TOTAL				42,479.45		0.00	0.00		0.00		0.00	42,479.45	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees	Compensation for end of office or termination of employment
							Bonus and other incentives	Profit sharing					
COTTIGNOLI Lorenzo	Director	1/1-31/12/2019	2021 Financial Statements										
Compensation from the company that draws up the financial statements				57,095.89	(1)						57,095.89		
Compensation from subsidiaries and associates				60,450.00	(2)				3,594.72		64,044.72		
TOTAL				117,545.89		0.00	0.00	0.00	3,594.72	0.00	121,140.61	0.00	0.00

(1) Compensation not received but repaid to the company of origin totalling Euro 11,863.01.

(2) compensation for the offices held in: Assicoop Bologna Metropolitana S.p.A., Assicoop Emilia Nord S.r.l., Assicoop Toscana S.p.A., Assicoop Romagna Futura S.r.l., Pegaso Finanziaria S.p.A. and Tenute del Cerro S.p.A. The compensation from Pegaso Finanziaria S.p.A. is not received but repaid to the company of origin.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees	Compensation for end of office or termination of employment	
						Bonus and other incentives	Profit sharing						
DALLE RIVE Ernesto	Director	1/1-31/12/2019	2021 Financial Statements										
Compensation from the company that draws up the financial statements				57,095.89							57,095.89		
Compensation from subsidiaries and associates											0.00		
TOTAL				57,095.89		0.00		0.00		0.00	57,095.89	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees	Compensation for end of office or termination of employment			
						Bonus and other incentives	Profit sharing								
DE BENETTI Cristina	Director	1/1-31/12/2019	2021 Financial Statements												
	Member of the Related Party Transactions Committee	17/4-31/12/2019													
	Member of the Remuneration Committee														
Compensation from the company that draws up the financial statements				57,095.89		3,500.00						60,595.89			
Compensation from subsidiaries and associates				14,616.44	(1)	4,200.00	(2)					18,816.44			
TOTAL				71,712.33		7,700.00		0.00		0.00		0.00	79,412.33	0.00	0.00

(1) Compensation for the office held in Unipol Banca S.p.A.

(2) Fees for attendance of the Control and Risk Committee and the Related Parties Committee of Unipol Banca S.p.A.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees	Compensation for end of office or termination of employment	
						Bonus and other incentives	Profit sharing						
GHIGLIENO Giorgio	Director	1/1-17/4/2019	17/04/2019										
	Member of the Related Party Transactions Committee												
	Member of the Control and Risk Committee												
	Member of the Supervisory Board												
Compensation from the company that draws up the financial statements				14,616.44		11,404.11					26,020.55		
Compensation from subsidiaries and associates											0.00		
TOTAL				14,616.44		11,404.11	0.00	0.00	0.00	0.00	26,020.55	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees	Compensation for end of office or termination of employment
							Bonus and other incentives	Profit sharing					
GIOVETTI Vittorio	Director	1/1-17/4/2019	17/4/2019										
Compensation from the company that draws up the financial statements				14,616.44							14,616.44		
Compensation from subsidiaries and associates											0.00		
TOTAL				14,616.44	0.00	0.00	0.00	0.00	0.00	0.00	14,616.44	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees	Compensation for end of office or termination of employment	
						Bonus and other incentives	Profit sharing						
MASOTTI Massimo	Director	1/1-31/12/2019	2021 Financial Statements										
	Member of the Control and Risk Committee												
	Chairman of the Supervisory Board												
	Member of the Related Party Transactions Committee												
Compensation from the company that draws up the financial statements				57,095.89		34,000.00					91,095.89		
Compensation from subsidiaries and associates				1,000.00	(1)						1,000.00		
TOTAL				58,095.89		34,000.00	0.00	0.00	0.00	0.00	92,095.89	0.00	0.00

(1) Compensation for the office held in Pegaso Finanziaria S.p.A.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees		Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees		Compensation for end of office or termination of employment
								Bonus and other incentives	Profit sharing						
MAUGERI Maria Rosaria	Director	1/1-31/12/2019	2021 Financial Statements												
	Member of the Remuneration Committee	1/1-17/4/2019	17/4/2019												
Compensation from the company that draws up the financial statements				57,095.89		1,500.00						58,595.89			
Compensation from subsidiaries and associates												0.00			
TOTAL				57,095.89		1,500.00	0.00	0.00	0.00	0.00	58,595.89	0.00		0.00	

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees	Compensation for end of office or termination of employment	
						Bonus and other incentives	Profit sharing						
MONTAGNANI Maria Lillà	Director	1/1-31/12/2019	2021 Financial Statements										
	Member of the Nomination and Corporate Governance Committee	1/1-17/4/2019	17/4/2019										
Compensation from the company that draws up the financial statements				53,595.89		2,000.00					55,595.89		
Compensation from subsidiaries and associates											0.00		
TOTAL				53,595.89		2,000.00	0.00	0.00	0.00		55,595.89	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees	Compensation for end of office or termination of employment	
						Bonus and other incentives	Profit sharing						
PICCHI Nicla	Director	1/1-31/12/2019	2021 Financial Statements										
	Member of the Remuneration Committee												
	Member of the Nomination and Corporate Governance Committee												
Compensation from the company that draws up the financial statements				57,095.89		5,000.00					62,095.89		
Compensation from subsidiaries and associates											0.00		
TOTAL				57,095.89		5,000.00	0.00	0.00	0.00	0.00	62,095.89	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees	Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
RECCHI Giuseppe	Director	1/1-31/12/2019	2021 Financial Statements									
Compensation from the company that draws up the financial statements				53,095.89						53,095.89		
Compensation from subsidiaries and associates										0.00		
TOTAL				53,095.89	0.00	0.00	0.00	0.00	0.00	53,095.89	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees	Compensation for end of office or termination of employment	
						Bonus and other incentives	Profit sharing						
RIGHINI Elisabetta	Director	1/1-31/12/2019	2021 Financial Statements										
	Member of the Related Party Transactions Committee												
	Member of the Nomination and Corporate Governance Committee	17/4-31/12/2019											
	Member of the Control and Risk Committee	1/1-17/4/2019	17/4/2019										
	Member of the Supervisory Board												
Compensation from the company that draws up the financial statements				55,595.89		13,904.11					69,500.00		
Compensation from subsidiaries and associates											0.00		
TOTAL				55,595.89		13,904.11	0.00	0.00	0.00	0.00	69,500.00	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees	Compensation for end of office or termination of employment					
						Bonus and other incentives	Profit sharing										
RIZZI Antonio	Director	17/4-31/12/2019	2021 Financial Statements														
	Member of the Related Party Transactions Committee																
	Member of the Control and Risk Committee																
	Member of the Supervisory Board																
Compensation from the company that draws up the financial statements				42,479.45			17,095.89						59,575.34				
Compensation from subsidiaries and associates				14,616.44	(1)		4,200.00	(2)						18,816.44			
TOTAL				57,095.89			21,295.89		0.00		0.00		0.00		78,391.78	0.00	0.00

(1) Compensation for the office held in Unipol Banca S.p.A.

(2) Fees for attendance of the Control and Risk Committee and the Related Parties Committee of Unipol Banca S.p.A.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees	Compensation for end of office or termination of employment	
						Bonus and other incentives	Profit sharing						
TADOLINI Barbara	Director	1/1-31/12/2019	2021 Financial Statements										
	Member of the Control and Risk Committee	17/4-31/12/2019											
	Member of the Supervisory Board												
	Member of the Related Party Transactions Committee	1/1-17/4/2019	17/4/2019										
Compensation from the company that draws up the financial statements				56,095.89		19,095.89					75,191.78		
Compensation from subsidiaries and associates											0.00		
TOTAL				56,095.89		19,095.89	0.00		0.00	0.00	75,191.78	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees	Compensation for end of office or termination of employment	
							Bonus and other incentives	Profit sharing						
TURRINI Adriano	Director	17/4-31/12/2019	2021 Financial Statements											
Compensation from the company that draws up the financial statements				39,479.45	(1)							39,479.45		
Compensation from subsidiaries and associates												0.00		
TOTAL				39,479.45		0.00	0.00		0.00	0.00		39,479.45	0.00	0.00

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

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees	Compensation for end of office or termination of employment	
						Bonus and other incentives	Profit sharing						
VELLA Francesco	Director	1/1-31/12/2019	2021 Financial Statements										
	Member of the Remuneration Committee												
	Member of the Nomination and Corporate Governance Committee												
Compensation from the company that draws up the financial statements				57,095.89		6,000.00					63,095.89		
Compensation from subsidiaries and associates				14,316.44	(1)						14,316.44		
TOTAL				71,412.33		6,000.00	0.00	0.00	0.00	0.00	77,412.33	0.00	0.00

(1) Compensation for the office held in Unipol Banca S.p.A.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees	Compensation for end of office or termination of employment	
						Bonus and other incentives	Profit sharing						
FUMAGALLI Paolo	Chairman of the Board of Statutory Auditors	1/1-31/12/2019	2020 Financial Statements										
Compensation from the company that draws up the financial statements				83,500.00		15,000.00					98,500.00		
Compensation from subsidiaries and associates											0.00		
TOTAL				83,500.00		15,000.00	0.00	0.00	0.00	0.00	98,500.00	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees	Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
ANGIOLINI Giuseppe	Statutory Auditor	1/1-31/12/2019	2020 Financial Statements									
Compensation from the company that draws up the financial statements				59,500.00	18,500.00					78,000.00		
Compensation from subsidiaries and associates										0.00		
TOTAL				59,500.00	18,500.00	0.00	0.00	0.00	0.00	78,000.00	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees	Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
BOCCI Silvia	Statutory Auditor	1/1-31/12/2019	2020 Financial Statements									
Compensation from the company that draws up the financial statements				60,000.00	21,000.00					81,000.00		
Compensation from subsidiaries and associates				14,321.91	(1) 4,060.28	(2)				18,382.19		
TOTAL				74,321.91	25,060.28	0.00	0.00	0.00	0.00	99,382.19	0.00	0.00

(1) compensation for the offices held in Casa di Cura Villa Donatello S.p.A. and Centro Oncologico Fiorentino S.r.l. (in liquidation).

(2) Compensation for the office of Chairman of the Supervisory Body of Casa di Cura Villa Donatello S.p.A. and Florence Centro di Chirurgia Ambulatoriale S.r.l.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees	Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
TROMBONE Domenico Livio	Alternate Auditor	1/1-31/12/2019	2020 Financial Statements									
Compensation from the company that draws up the financial statements										0.00		
Compensation from subsidiaries and associates				74,093.90	(1) 7,728.77	(2)				81,822.67		
TOTAL				74,093.90	7,728.77	0.00	0.00	0.00	0.00	81,822.67	0.00	0.00

(1) compensation for the offices held in: Arca Assicurazioni S.p.A., Arca Vita S.p.A., Tenute del Cerro S.p.A., Unipol Banca S.p.A., Unisalute S.p.A. and Unisalute Servizi S.r.l.

(2) Compensation for the office of member of the Supervisory Body of Tenute del Cerro S.p.A. and Unipol Banca S.p.A.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees	Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
FORNASIERO Sara	Alternate Auditor	1/1-31/12/2019	2020 Financial Statements									
Compensation from the company that draws up the financial statements												
Compensation from subsidiaries and associates												
TOTAL				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees	Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
RAVICINI Luciana	Alternate Auditor	1/1-31/12/2019	2020 Financial Statements									
Compensation from the company that draws up the financial statements										0.00		
Compensation from subsidiaries and associates				1,139.73	(1)					1,139.73		
TOTAL				1,139.73	0.00	0.00	0.00	0.00	0.00	1,139.73	0.00	0.00

(1) Compensation for the office held in Pronto Assistance Servizi S.c.r.l.

Surname and Name	Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees		Compensation for end of office or termination of employment
							Bonus and other incentives	Profit sharing						
LATERZA Matteo	General Manager	1/1-31/12/2019	until revoked											
Compensation from the company that draws up the financial statements				680,014.82			478,124.99		20,937.17		1,179,076.98			
Compensation from subsidiaries and associates				0.00	(1)						0.00			
TOTAL				680,014.82		0.00	478,124.99	0.00	20,937.17	0.00	1,179,076.98	0.00	(2)	0.00

(1) Compensation totalling Euro 34,252.06 for the offices held in Arca Assicurazioni S.p.A., Arca Vita S.p.A., Compagnia Assicuratrice Linear S.p.A., Leithà S.r.l. and Unisalute S.p.A. is not shown. Compensation not received but paid directly to Unipol Gruppo S.p.A.

(2) No amount was calculated as on 2 April 2020, the Board of Directors decided to suspend all assessments for the recognition of the variable remuneration for 2019 for the General Manager and for all Executive personnel, postponing all related decisions to a later meeting of the Administrative Body to be held in the next few months, taking into account developments in the general scenario.

Office held	Period for which office has been held	End of term in office	Fixed compensation		Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity fees		Compensation for end of office or termination of employment
						Bonus and other incentives	Profit sharing						
KEY MANAGERS (24*)	1/1-31/12/2019												
Compensation from the company that draws up the financial statements			5,565,309.83	(1)	19,506.85	3,725,062.34	(2)	443,641.76	(3)	9,753,520.78			
Compensation from subsidiaries and associates			0.00	(4)	20,813.01					20,813.01			
TOTAL			5,565,309.83		40,319.86	3,725,062.34	0.00	443,641.76	0.00	9,774,333.79	0.00	(5)	0.00

(*) 18 on 31/12/2019

(1) Said amount includes the sum of Euro 129,140.58 paid by Unipol Gruppo, as the consideration for the secondment of several Key Managers.

(2) Part of that amount was incurred for Euro 55,853.25 by Unipol Gruppo to which some Key Managers of the Company are partially seconded.

(3) Said amount includes the sum of Euro 13,778.51 paid to Unipol Gruppo for the secondment of several Key Managers.

(4) Compensation totalling Euro 899,756.32 is not shown for offices held in the subsidiaries and associates. Compensation not received but paid directly by the respective companies to Unipol Gruppo S.p.A. and/or to UnipolSai Assicurazioni S.p.A.

(5) On 2 April 2020, the Board of Directors decided to suspend all assessments for the recognition of the variable remuneration for 2019 for the General Manager and for all Executive personnel, postponing all related decisions to a later meeting of the Administrative Body to be held in the next few months, taking into account developments in the general scenario.

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

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

Tabella 3A – Piani di incentivazione basati su strumenti finanziari diversi dalle stock option, a favore dei componenti dell'organo di amministrazione, ai direttori generali e agli altri dirigenti con responsabilità strategiche

			Strumenti finanziari assegnati negli esercizi precedenti non <i>vested</i> nel corso dell'esercizio		Strumenti finanziari assegnati nel corso dell'esercizio					Strumenti finanziari <i>vested</i> nel corso dell'esercizio e non attribuiti	Strumenti finanziari <i>vested</i> nel corso dell'esercizio e attribuibili		Strumenti finanziari di competenza dell'esercizio
(A)	(B)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Cognome e Nome	Carica	Piano	Numero e tipologia di strumenti finanziari	Periodo di <i>vesting</i>	Numero e tipologia di strumenti finanziari	Fair Value alla data di assegnazione	Periodo di <i>vesting</i>	Data di assegnazione	Prezzo di mercato all'assegnazione	Numero e tipologia di strumenti finanziari	Numero e tipologia di strumenti finanziari	Valore alla data di maturazione	Fair Value
(I) Compensi nella società che redige il bilancio													
LATERZA Matteo	Direttore Generale	STI 2019 (18 Aprile 2019)			21.752 n. massimo di azioni Unipol Gruppo potenzialmente attribuibili, al pieno raggiungimento di tutti gli obiettivi, al termine del periodo di <i>vesting</i> .	99.167,37	2019	18 Aprile 2019	4.5590				0,00
					39.348 n. massimo di azioni UnipolSai potenzialmente attribuibili, al pieno raggiungimento di tutti gli obiettivi, al termine del periodo di <i>vesting</i> .	95.934,36			2.4381				0,00
		LTI 2019 - 2021 (18 Aprile 2019)			97.884 n. massimo di azioni Unipol Gruppo potenzialmente attribuibili, al pieno raggiungimento di tutti gli obiettivi, al termine del periodo di <i>vesting</i> .	446.252,52	2019-2021	18 Aprile 2019	4.5590				0,00
					177.067 n. massimo di azioni UnipolSai potenzialmente attribuibili, al pieno raggiungimento di tutti gli obiettivi, al termine del periodo di <i>vesting</i> .	431.707,41			2.4381				0,00
Altri Dirigenti con Responsabilità Strategiche (n. 24, di cui n. 18 al 31/12/2019)		STI 2019 (18 Aprile 2019)			151.733 n. massimo di azioni Unipol Gruppo potenzialmente attribuibili, al pieno raggiungimento di tutti gli obiettivi, al termine del periodo di <i>vesting</i> .	691.750,75	2019	18 Aprile 2019	4.5590				0,00
					274.480 n. massimo di azioni UnipolSai potenzialmente attribuibili, al pieno raggiungimento di tutti gli obiettivi, al termine del periodo di <i>vesting</i> .	669.209,69			2.4381				0,00
		LTI 2019 - 2021 (18 Aprile 2019)			558.715 n. massimo di azioni Unipol Gruppo potenzialmente attribuibili, al pieno raggiungimento di tutti gli obiettivi, al termine del periodo di <i>vesting</i> .	2.547.180,49	2019-2021	18 Aprile 2019	4.5590				0,00
					1.010.688 n. massimo di azioni UnipolSai potenzialmente attribuibili, al pieno raggiungimento di tutti gli obiettivi, al termine del periodo di <i>vesting</i> .	2.464.157,90			2.4381				0,00

(II) Compensi da controllate e collegate													
LATERZA Matteo	Direttore Generale												
Altri Dirigenti con Responsabilità Strategiche (n. 24, di cui n. 18 al 31/12/2019)													
(III) Totale						Euro 7.445.360,49						Euro 0,00	Euro 0,00

Colonna (4), Righe LTI 2019-2021: numero massimo di Azioni potenzialmente attribuibili, in **cinque tranches** a partire dal 2023 e per i successivi quattro anni per il Direttore Generale e per i Dirigenti con Responsabilità strategiche appartenenti alla Fascia Executive, in **tre tranches** a partire dal 2023 e per i successivi due anni per i Dirigenti con Responsabilità strategiche non appartenenti alla Fascia Executive, subordinatamente al raggiungimento degli obiettivi ed ai termini ed alle condizioni del Piano 2019-2021.

Colonna (5): In tale importo sono compresi € 115.224,61 che saranno sostenuti da altre società del Gruppo presso le quali i Dirigenti con Responsabilità strategiche e il Direttore Generale della società sono parzialmente distaccati.

Colonna (8): prezzi delle Azioni registrati alla data di assegnazione.

Colonne (10)(11)(12): il Consiglio di Amministrazione del 2 aprile 2020 ha deliberato di sospendere ogni valutazione in merito al riconoscimento della remunerazione variabile di competenza dell'esercizio 2019 per il Direttore Generale, e per tutto il personale Dirigente, rinviando ogni decisione in merito ad una successiva riunione dell'Organo Amministrativo, da fissarsi nei prossimi mesi tenuto conto dell'evoluzione del contesto generale.

Tabella 3B – Piani di incentivazione monetari a favore dei componenti dell'organo di amministrazione, dei direttori generali e degli altri dirigenti con responsabilità strategiche

		(1)	(2)			(3)			(4)
Cognome e Nome	Carica	Piano	Bonus dell'anno			Bonus anni precedenti			Altri bonus
			(A)	(B)	(C)	(A)	(B)	(C)	
			Erogabile	Differito	Periodo di differimento	Non più erogabili	Erogato	Ancora differiti	
(I) Compensi nella società che redige il bilancio									
LATERZA Matteo	Direttore Generale	IBT 2018 (24 Aprile 2018)					343.124,99		
		STI 2019 (18 Aprile 2019)							
		LTI 2019-2021 (18 Aprile 2019)							
									135.000,00
Altri Dirigenti con Responsabilità Strategiche (n. 24, di cui n. 18 al 31/12/2019)		IBT 2018 (24 Aprile 2018)					3.184.039,59		
		STI 2019 (18 Aprile 2019)							
		LTI 2019-2021 (18 Aprile 2019)							
									630.000,00
(II) Compensi da controllate e collegate									
LATERZA Matteo	Direttore Generale								
Altri Dirigenti con Responsabilità Strategiche (n. 24, di cui n. 18 al 31/12/2019)									
(III) Totale			Euro 0,00	Euro 0,00			Euro 3.527.164,58		Euro 765.000,00

Colonne (2)(A) e (2)(B): il Consiglio di Amministrazione del 2 aprile 2020 ha deliberato di sospendere ogni valutazione in merito al riconoscimento della remunerazione variabile di competenza dell'esercizio 2019 per il Direttore Generale, e per tutto il personale Dirigente, rinviando ogni decisione in merito ad una successiva riunione dell'Organo Amministrativo, da fissarsi nei prossimi mesi tenuto conto dell'evoluzione del contesto generale.

Colonna (3) (B): In tale importo sono compresi € 55.852,25 sostenuti da altre società del Gruppo presso le quali i Dirigenti con Responsabilità strategiche e il Direttore Generale sono parzialmente distaccati

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

Table 1: Investments of members of the Administration and Control Bodies and of General Managers							
Surname and Name	Office held	Investee company	Class of shares	Number of shares held at the end of the previous year	Number of shares purchased	Number of shares sold	Number of shares held at the end of the current year
CIMBRI Carlo	Chairman	UnipolSai Assicurazioni S.p.A.	ORD	0	889,047 ^(*)	408,962 ^(**)	480,085
CERCHIAI Fabio	Deputy Chairman	UnipolSai Assicurazioni S.p.A.	ORD	150,000	0	0	150,000
DE BENETTI Cristina	Director	UnipolSai Assicurazioni S.p.A.	ORD	4,000	0	0	4,000
GIOVETTI Vittorio	Director	UnipolSai Assicurazioni S.p.A.	ORD	9,650	0	0	9,650 ^(a)
LATERZA Matteo	General Manager	UnipolSai Assicurazioni S.p.A.	ORD	0	162,696 ^(*)	74,840 ^(**)	87,856

^(*) Assignment free of charge on 25 April 2019 of UnipolSai shares, as set forth in the Compensation Plan based on financial instruments (Performance Share type), intended for the managers of Unipol Group companies for 2016-2018 (first tranche).

^(**) Shares sold in the period 26-30 April 2019, to pay tax expenses connected to the assignment of shares in accordance with the Compensation Plans based on financial instruments (Performance Share type), assigned on 25 April 2019.

^(a) Referring to the period 1 January-17 April 2019.

Table 2: Investments of other Key Managers						
Number of Key Managers	Investee company	Class of shares	Number of shares held at the end of the previous year	Number of shares purchased	Number of shares sold	Number of shares held at the end of the current year
24 ^(*)	UnipolSai Assicurazioni S.p.A.	ORD	3,600	879,120 ⁽¹⁾	420,938 ⁽²⁾	461,782 ⁽³⁾

^(*) of which 18 on 31 December 2019.

⁽¹⁾ Assignment free of charge on 25 April 2019 of 878,620 shares, as set forth in the Compensation Plan based on financial instruments (Performance Share type), intended for the managers of Unipol Group companies for 2016-2018 (first tranche).

⁽²⁾ Of which 404,165 shares sold in the period 26-30 April 2019, to pay tax expenses connected to the assignment of shares in accordance with the Compensation Plans based on financial instruments (Performance Share type), assigned on 25 April 2019.

⁽³⁾ of which 1,100 shares held by spouse.

PART THREE

Audit of the Key Functions

The Key Functions of the Company conduct audits, within their scope of responsibility, on the implementation of the remuneration policies adopted at least once a year.

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

Ex ante audits of the Risk Management Function and the Compliance and Anti-Money Laundering Function

The Risk Management Function and the Compliance and Anti-Money Laundering Function have examined the Remuneration Policies that will be submitted to the approval of the Shareholders' Meeting of UnipolSai convened to approve the 2019 financial statements.

The results of the audit activities, in reference to the Compliance and Anti-Money Laundering Function, confirmed that the Insurance Segment Policies, which the Company plans to adopt for 2020, are in line with regulatory requirements, comply with statutory provisions and are consistent with principles established in the Charter of Values and Code of Ethics of the Group, and, with reference to the Risk Management Function, the objectives and principles of the Policies and their breakdown are in line with the Company's risk appetite, in accordance with regulatory provisions in force.

Ex-post audits of the Audit Function

The Audit Function must ensure that the Remuneration policies are correctly applied, in accordance with the guidelines established by the Board of Directors, with a view to the efficiency and protection of the Company's assets.

To this end, audits have been conducted to ensure consistency between that implemented in 2019 and that envisaged by the Remuneration Policies adopted by the pertinent bodies of UnipolSai and in force at the time.

No irregularities emerged from the audits carried out.

UnipolSai Assicurazioni S.p.A.

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