

# Consolidated Corporate Governance Report

UNIQA has been committed to compliance with the Austrian Code of Corporate Governance since 2004 and publishes the declaration of conformity both in the Group report and on [www.uniqagroup.com](http://www.uniqagroup.com) in the Investor Relations section. The Austrian Code of Corporate Governance is also publicly available at [www.uniqagroup.com](http://www.uniqagroup.com) and [www.corporate-governance.at](http://www.corporate-governance.at).

The Corporate Governance Report and the Consolidated Corporate Governance Report of UNIQA Insurance Group AG are summarised in this report in accordance with Section 267b in conjunction with Section 251(3) of the Austrian Commercial Code.

Implementation and compliance with the individual rules in the Austrian Code of Corporate Governance, with the exception of Rules 77 to 83, are evaluated annually by PwC Wirtschaftsprüfung GmbH. Rules 77 to 83 of the Austrian Code of Corporate Governance are evaluated by the law firm Schönherr Rechtsanwälte GmbH. The evaluation is carried out based mainly on the questionnaire for the evaluation of compliance with the Code that is published by the Austrian Working Group for Corporate Governance. The reports on the external evaluation in accordance with Rule 62 of the Austrian Code of Corporate Governance can also be found at [www.uniqagroup.com](http://www.uniqagroup.com).

UNIQA also declares its continued willingness to comply with the Austrian Code of Corporate Governance as currently amended. However, UNIQA deviates from the provisions of the Code as amended with regard to the following C rules (comply or explain rules), and the explanations are set out below.

#### **Rule 49 of the Austrian Code of Corporate Governance**

Due to the growth of UNIQA's shareholder structure and the special nature of the insurance business with regard to the investment of assets, there are a number of contracts with individual members of the Supervisory Boards of related companies in which these Supervisory Board members discharge duties as members of governing bodies. If such contracts require approval by the Supervisory Board in accordance with Section 95(5)(12) of the Austrian Stock Corporation Act (Rule 48 of the Austrian Code of Corporate Governance), the details of these contracts cannot be made public for reasons of company policy and competition law. All transactions are in any case entered into and processed on an arm's length basis.

## Members of the Management Board

Name	Responsible for	Supervisory Board appointments or comparable functions in other domestic and foreign companies not included in the consolidated financial statements
<b>Andreas Brandstetter</b> , Chief Executive and Investment Officer (CEO/CIO) * 1969, appointed 1 January 2002 until 30 June 2020	Innovation, Investor Relations, Digital Services/Digital Data Management, Group Communication, Group Marketing, Group Human Resources, Group Internal Audit, Group Asset Management, Group General Secretary	<ul style="list-style-type: none"> <li>▪ Member of the Supervisory Board of STRABAG SE, Villach (since 25 May 2018)</li> </ul>
<b>Erik Leyers</b> , Chief Operating Officer (COO) * 1969, appointed 1 June 2016 until 30 June 2020	Strategic Business Organisation, Group IT, OPEX (Operational Excellence), Group Service Center Slovakia	<ul style="list-style-type: none"> <li>▪ Member of the Supervisory Board of Raiffeisen Informatik GmbH, Vienna</li> </ul>
<b>Kurt Svoboda</b> , Chief Financial and Risk Officer (CFO/CRO) * 1967, appointed 1 July 2011 until 30 June 2020	Group Finance, Group Controlling, Group Actuarial and Risk Management, Group Reinsurance, Regulatory & Public Affairs, Legal & Compliance, Group Internal Audit	<ul style="list-style-type: none"> <li>▪ Member of the Supervisory Board of CEESEG Aktiengesellschaft, Vienna (since 15 June 2018)</li> <li>▪ Member of the Supervisory Board of Wiener Börse AG, Vienna (since 15 June 2018)</li> </ul>

## The work of the Management Board

The work of the members of the Management Board of UNIQA Insurance Group AG is regulated by the rules of procedure. The division of the business responsibilities as decided by the entire Management Board is approved by the Supervisory Board. The rules of procedure govern the obligations of the members of the Management Board to provide the Supervisory Board and each other with information and approve each other's activities. The rules of procedure also specify a list of activities that require consent from the Supervisory Board. The Management Board generally holds meetings every two weeks in which the members of the Management Board report on the current course of business, determine what steps should be taken and make strategic corporate decisions. The meetings of the Management Boards for UNIQA Österreich Versicherungen AG and UNIQA International AG are usually scheduled in between the meetings of UNIQA Insurance Group AG. In addition, there is a continuous exchange of information between the members of the Management Board regarding relevant activities and events.

The Management Board of UNIQA Insurance Group AG meets, whenever possible, every 14 days as a Group Executive Board together with the respective chairmen of the Management Boards of UNIQA Österreich Versicherungen AG (acting concurrently as CFO/CRO of UNIQA Insurance Group AG) and UNIQA International AG, along with the member of the Management Board of UNIQA Österreich Versicherungen AG responsible for Raiffeisen Austria bank sales and, until 31 January 2019, with Mark-Alexander Bockelmann, member of the Management Board of UNIQA Österreich Versicherungen AG and UNIQA International AG responsible for digitalisation, each of whom has an advisory vote.

The Management Board informs the Supervisory Board at regular intervals, in a timely and comprehensive manner, about all relevant questions of business development, including the risk situation and the risk management of the Group. In addition, the Chairman of the Supervisory Board is in regular contact with the CEO to discuss the company's strategy, business performance and risk management.

Management and monitoring functions in significant subsidiaries	Number of UNIQA shares held
<ul style="list-style-type: none"> <li>▪ Chairman of the Supervisory Board of SIGAL UNIQA Group AUSTRIA sh.a., Tirana</li> <li>▪ Chairman of the Supervisory Board of SIGAL Life UNIQA Group AUSTRIA sh.a., Tirana</li> <li>▪ President of the Board of Directors of UNIQA Re AG, Zurich</li> </ul>	as at 31 December 2018: 25,219 shares
<ul style="list-style-type: none"> <li>▪ Member of the Management Board of UNIQA Österreich Versicherungen AG, Vienna</li> <li>▪ Member of the Management Board of UNIQA International AG, Vienna</li> <li>▪ Member of the Executive Management of UNIQA internationale Beteiligungs-Verwaltungs GmbH, Vienna</li> <li>▪ Member of the Supervisory Board of UNIQA Asigurari S.A., Bucharest</li> <li>▪ Member of the Supervisory Board of UNIQA Asigurari de Viata S.A., Bucharest</li> <li>▪ Member of the Supervisory Board of UNIQA Towarzystwo Ubezpieczeń S.A., Lodz</li> <li>▪ Member of the Supervisory Board of UNIQA Biztosító Zrt., Budapest</li> <li>▪ Member of the Supervisory Board of UNIQA pojišťovna, a.s., Prague</li> <li>▪ Chairman of the Supervisory Board of UNIQA Group Service Center Slovakia, spol. s r.o., Nitra</li> <li>▪ Chairman of the Supervisory Board of sTech d.o.o., Belgrade</li> </ul>	as at 31 December 2018: 4,590 shares
<ul style="list-style-type: none"> <li>▪ Chairman of the Management Board of UNIQA Österreich Versicherungen AG, Vienna</li> <li>▪ Member of the Management Board of UNIQA International AG, Vienna</li> <li>▪ Member of the Executive Management of UNIQA internationale Beteiligungs-Verwaltungs GmbH, Vienna</li> <li>▪ Member of the Supervisory Board of PremiQaMed Holding GmbH, Vienna (until 10 February 2018)</li> <li>▪ Member of the Supervisory Board of UNIQA Asigurari S.A., Bucharest</li> <li>▪ Member of the Supervisory Board of UNIQA Asigurari de Viata S.A., Bucharest</li> <li>▪ Member of the Supervisory Board of UNIQA Towarzystwo Ubezpieczeń S.A., Lodz (until 30 April 2018)</li> <li>▪ Member of the Supervisory Board of UNIQA Towarzystwo Ubezpieczeń na Życie S.A., Lodz (until 30 April 2018)</li> <li>▪ Member of the Supervisory Board of UNIQA poisťovňa a.s., Bratislava (until 6 March 2018)</li> <li>▪ Member of the Supervisory Board of UNIQA Insurance Company, Private Joint Stock Company, Kiev (until 24 April 2018)</li> <li>▪ Member of the Supervisory Board of UNIQA Life Insurance Company, Private Joint Stock Company, Kiev (until 24 April 2018)</li> <li>▪ Member of the Supervisory Board of UNIQA Biztosító Zrt., Budapest (until 19 July 2018)</li> <li>▪ Member of the Supervisory Board of UNIQA pojišťovna, a.s., Prague (until 28 February 2018)</li> <li>▪ Chairman of the Board of Directors of UNIQA Versicherung AG, Vaduz</li> <li>▪ Vice President of the Board of Directors of UNIQA Re AG, Zurich</li> </ul>	as at 31 December 2018: 14,597 shares

## Members of the Supervisory Board

Name	Supervisory Board appointments in domestic and foreign listed companies	Management and monitoring tasks in significant subsidiaries	Number of UNIQA shares held
<b>Walter Rothensteiner</b> , Chairman * 1953, appointed 3 July 1995 until the 20th AGM (2019)			
<b>Christian Kuhn</b> , 1st Vice Chairman * 1954, appointed 15 May 2006 until the 20th AGM (2019)			
<b>Erwin Hameseder</b> , 2nd Vice Chairman * 1956, appointed 21 May 2007 until the 20th AGM (2019)	<ul style="list-style-type: none"> <li>▪ Chairman of the Supervisory Board of Raiffeisen Bank International AG, Vienna</li> <li>▪ Chairman of the Supervisory Board of AGRANA Beteiligungs-Aktiengesellschaft, Vienna</li> <li>▪ Vice Chairman of the Supervisory Board of STRABAG SE, Villach</li> <li>▪ 2nd Vice Chairman of the Supervisory Board of Südzucker AG, Mannheim</li> </ul>		
<b>Burkhard Gantenbein (since 28 May 2018)</b> , 3rd Vice Chairman * 1963, appointed 29 May 2017 until the 20th AGM (2019)		<ul style="list-style-type: none"> <li>▪ Member of the Supervisory Board of UNIQA Österreich Versicherungen AG, Vienna</li> <li>▪ Member of the Supervisory Board of UNIQA International AG, Vienna</li> </ul>	as at 31 December 2018: 10,250 shares
<b>Eduard Lechner (until 28 May 2018)</b> , 3rd Vice Chairman * 1956, appointed 25 May 2009 until 28 May 2018			
<b>Markus Andréewitch</b> , Member * 1955, appointed 26 May 2014 until the 20th AGM (2019)			
<b>Klemens Breuer (until 28 May 2018)</b> , Member * 1967, appointed 29 May 2017 until 28 May 2018			
<b>Marie-Valerie Brunner (since 28 May 2018)</b> , Member * 1967, appointed 28 May 2018 until the 20th AGM (2019)			as at 31 December 2018: 1,750 shares
<b>Elgar Fleisch (since 28 May 2018)</b> , Member * 1968, appointed 28 May 2018 until the 20th AGM (2019)			
<b>Burkhard Gantenbein (until 28 May 2018)</b> , Member * 1963, appointed 29 May 2017 until the 20th AGM (2019)		<ul style="list-style-type: none"> <li>▪ Member of the Supervisory Board of UNIQA Österreich Versicherungen AG, Vienna</li> <li>▪ Member of the Supervisory Board of UNIQA International AG, Vienna</li> </ul>	as at 31 December 2018: 10,250 shares
<b>Jutta Kath</b> , Member * 1960, appointed 30 May 2016 until the 20th AGM (2019)		<ul style="list-style-type: none"> <li>▪ Member of the Board of Directors of UNIQA Re AG, Zurich</li> </ul>	
<b>Rudolf Könighofer</b> , Member * 1962, appointed 30 May 2016 until the 20th AGM (2019)	<ul style="list-style-type: none"> <li>▪ Member of the Supervisory Board of Raiffeisen International AG, Vienna</li> </ul>		
<b>Kory Sorenson</b> , Member * 1968, appointed 26 May 2014 until the 20th AGM (2019)	<ul style="list-style-type: none"> <li>▪ Member of the Board of Directors of SCOR SE, Paris</li> <li>▪ Member of the Board of Directors of Phoenix Group Holdings, Cayman Islands</li> <li>▪ Member of the Board of Directors of Pernod Ricard, Paris</li> <li>▪ Member of the Board of Directors of Prometic Life Sciences Inc., Québec (since 9 May 2018)</li> </ul>		as at 31 December 2018: 10,000 shares

**Delegated by the Central Works Council**

<b>Peter Gattinger</b> * 1976, from 10 April 2013 to 26 May 2015 and since 30 May 2016	
<b>Heinrich Kames</b> * 1962, since 10 April 2013	as at 31 December 2018: 56 shares
<b>Harald Kindermann</b> * 1969, since 26 May 2015	as at 31 December 2018: 750 shares
<b>Franz-Michael Koller</b> * 1956, since 17 September 1999	as at 31 December 2018: 912 shares
<b>Friedrich Lehner</b> * 1952, from 31 May 2000 to 1 September 2008 and since 15 April 2009	as at 31 December 2018: 1,162 shares

**Committees of the Supervisory Board**

<b>Committee</b>	<b>Chairman</b>	<b>Vice Chairman</b>	<b>Members</b>	<b>Delegated by the Central Works Council</b>
<b>Committee for Board Affairs</b>	Walter Rothensteiner	Christian Kuhn	Burkhard Gantenbein (since 28 May 2018), Erwin Hameseder, Eduard Lechner (until 28 May 2018)	
<b>Working Committee</b>	Walter Rothensteiner	Christian Kuhn	Klemens Breuer (until 28 May 2018), Marie-Valerie Brunner (since 28 May 2018), Elgar Fleisch (since 28 May 2018), Burkhard Gantenbein, Erwin Hameseder, Eduard Lechner (until 28 May 2018)	Peter Gattinger, Heinrich Kames, Franz-Michael Koller
<b>Audit Committee</b>	Walter Rothensteiner	Christian Kuhn	Burkhard Gantenbein (since 28 May 2018), Erwin Hameseder, Jutta Kath, Eduard Lechner (until 28 May 2018), Kory Sorenson	Peter Gattinger, Heinrich Kames, Franz-Michael Koller
<b>Investment Committee</b>	Kory Sorenson (since 28 May 2018), Klemens Breuer (until 28 May 2018)	Christian Kuhn	Marie-Valerie Brunner (since 28 May 2018), Burkhard Gantenbein (since 28 May 2018), Jutta Kath, Rudolf Könighofer, Eduard Lechner (until 28 May 2018), Kory Sorenson (until 28 May 2018)	Peter Gattinger, Heinrich Kames, Franz-Michael Koller
<b>IT Committee</b>	Markus Andréewitch	Jutta Kath	Elgar Fleisch (since 28 May 2018), Rudolf Könighofer	Heinrich Kames, Franz-Michael Koller

## The work of the Supervisory Board and its committees

The Supervisory Board advises the Management Board in its strategic planning and projects. It decides on the matters assigned to it by law, the Articles of Association and its rules of procedure. The Supervisory Board is responsible for supervising the management of the company by the Management Board. It is comprised of ten shareholder representatives and five employee representatives and it convened for six meetings in 2018. One decision was made by way of circular resolution.

A **Committee for Board Affairs** has been appointed to handle the relationship between the company and the members of its Management Board relating to employment and salary; this committee also acts as the **Nominating and Remuneration Committee**. The Committee for Board Affairs dealt with legal employment formalities concerning the members of the Management Board and with questions relating to remuneration policy and succession planning at its four meetings in 2018.

The **Working Committee** of the Supervisory Board is called upon to make decisions only if the urgency of the matter means that the decision cannot wait until the next meeting of the Supervisory Board. It is the Chairman's responsibility to assess the urgency of the matter. The resolutions passed must be reported in the next meeting of the Supervisory Board. Generally, the Working Committee can make decisions on any issue that is the responsibility of the Supervisory Board, but this does not include issues of particular importance or matters that must be decided upon by the full Supervisory Board by law. The Working Committee did not convene for any meetings in 2018. Three decisions were made by way of circular resolution.

The **Audit Committee** of the Supervisory Board performs the duties assigned to it by law. The Audit Committee convened for three meetings, which were also attended by the auditor of the (consolidated) financial statements. The meetings dealt with all the documents relating to the financial statements, the Corporate Governance Report and the appropriation of profit proposed by the Management Board (each for the 2017 financial year). Furthermore, the audit of the 2018 financial statements of the companies of the consolidated group was planned, and the auditor reported on the results of preliminary audits. Discussions were held on the strategic focus of the audit work and the Committee's working

methods in view of new legal requirements. In particular, the Audit Committee received quarterly reports from Internal Auditing concerning audit areas and material findings based on the audits conducted.

The **Investment Committee** advises the Management Board with regard to its investment policy; it has no decision-making authority. The Investment Committee held four meetings during which the members discussed the capital investment strategy, questions concerning capital structure and the focus of risk management and asset liability management.

Over the course of four meetings, **IT Committee** dealt with the ongoing monitoring of the progress of the project implementing UNIQA Insurance Platform (new IT core system), especially in relation to compliance with the financial framework.

The chairmen of the respective committees informed the entire Supervisory Board about the meetings and their committees' work.

For information concerning the activities of the Supervisory Board and its committees, please also refer to the details in the Report of the Supervisory Board.

## Independence of the Supervisory Board

All members of the Supervisory Board elected during the Annual General Meeting have declared their independence under Rule 53 of the Austrian Code of Corporate Governance. Both Kory Sorenson and Jutta Kath also satisfy the criteria of Rule 54 of the Austrian Code of Corporate Governance.

A Supervisory Board member is considered independent if he or she is not in any business or personal relationship with the company or its Management Board that represents a material conflict of interest and is therefore capable of influencing the behaviour of the member concerned.

UNIQA has established the following additional criteria for determining the independence of a Supervisory Board member:

- The Supervisory Board member should not have been a member of the Management Board or a senior executive of the company or a subsidiary of the company in the past five years.

- The Supervisory Board member should not maintain or have maintained within the last year any business relationship with the company or a subsidiary of the company that is material for the Supervisory Board member concerned. This also applies to business relationships with companies in which the Supervisory Board member has a significant economic interest, but does not apply to functions performed on decision-making bodies in the Group.
- The Supervisory Board member should not have been an auditor of the company or a shareholder or salaried employee of the auditing company within the last three years.
- The Supervisory Board member should not be a member of the Management Board of another company in which a Management Board member of the company is a member of the other company's Supervisory Board unless one of the companies is a member of the other company's group or holds an investment in the other company.
- The Supervisory Board member should not be a member of the Supervisory Board for longer than 15 years. This does not apply to Supervisory Board members who are shareholders with a business investment or who are representing the interests of such a shareholder.
- The Supervisory Board member should not be a close family relative (direct descendant, spouse, life partner, parent, uncle, aunt, sibling, niece or nephew) of a Management Board member or of persons who are in one of the positions described in the above points.

### Measures to promote women on the Management Board, the Supervisory Board and in executive positions

UNIQA is convinced that a high degree of diversity can enhance its success on a sustainable basis. Diversity at management levels makes us successful together and has a positive influence on corporate culture. By diversity we mean different nationalities, cultures and a mix of women and men who together contribute to a "diversity of thought".

With Marie-Valerie Brunner, a third female Supervisory Board member was appointed for UNIQA Insurance Group AG in 2018, increasing the proportion of female elected Supervisory Board members to 30 per cent.

Over the course of 2018, the proportion of women on Management Boards and in senior executive positions through-

out the Group amounted to 37.1 per cent. The proportion of female managers in top positions in office and field sales in Austria, below the Management Board level, stands at precisely 18.5 per cent, while the proportion of women in Management Board roles in the international area is over 28.6 per cent.

UNIQA organised various group-wide leadership development programmes in 2018 in which also female executives were prepared for future tasks and further career steps. Women make up 26 per cent of the participants in the SHAPE programme for leading managers, and 37 per cent in the NEXT International programme for management talent at the next hierarchical level. In our executive programme for all Austrian managers NEXT AT, the proportion of female participants was 24 per cent in 2018.

Enabling employees to achieve a work-life balance and providing them with easy access to services that make everyday life easier, especially for mothers, are key factors in promoting women. UNIQA has created a comprehensive range of services known as "Freiraum" (Latitude) that addresses these needs. Together with an external partner, the company offers comprehensive childcare services even on "bridge days" (between a public holiday and the weekend). Within the scope of the mental health hotline "Keep Balance", a cooperation with Hilfswerk Austria, completely anonymous advice and support is offered for all professional and personal problems.

UNIQA also relies on flexible working hours. In addition to the long-established option for teleworking, which 14 per cent of employees use in Austria in the administrative departments, "mobile work" was launched at the end of 2018 following corresponding pilot projects. In future, employees will be able to work up to eight days a month from home, on the road or wherever. The aim is to promote the further development of a management style based on trust and performance, to further strengthen employee satisfaction and to increase flexibility in coping with professional challenges. For teleworking, the proportion of women using this form of work amounts to 41 per cent (180 employees) and for mobile work 38 per cent (310 employees).

### Diversity concept

A comprehensive diversity concept is currently being developed at UNIQA. After the priority areas had been mapped out in 2018, the concept will now be adopted in the first half of 2019.



## Remuneration Report

### Remuneration of the Management Board and Supervisory Board

The members of the Management Board of UNIQA Insurance Group AG received remuneration of €3.4 million in 2018.

In € thousand	2018	2017
The remuneration of the members of the Management Board for the financial year		
Fixed remuneration <sup>1)</sup>	1,612	1,570
Variable remuneration	1,745	1,220
Current remuneration	3,356	2,790
Termination benefit entitlements	0	0
<b>Total</b>	<b>3,356</b>	<b>2,790</b>
of which proportionately recharged to operating subsidiaries	1,663	1,387
Paid to former members of the Management Board and their surviving dependants	2,492	2,648

<sup>1)</sup> The fixed salary components include remuneration in kind equivalent to €34,788 (2017: €40,656).

The breakdown of the total Management Board remuneration among the individual members of the Management Board was as follows:

Member of the Management Board In € thousand	Fixed remuneration	Variable remuneration <sup>1)</sup>	Multi-year share-based remuneration <sup>2)</sup>	Total current remuneration	Termination benefit entitlements	Total for the year
Andreas Brandstetter	669	478	257	1,404	0	1,404
Erik Leyers	388	359	0	746	0	746
Kurt Svoboda	555	458	193	1,207	0	1,207
<b>Total 2018</b>	<b>1,612</b>	<b>1,295</b>	<b>450</b>	<b>3,356</b>	<b>0</b>	<b>3,356</b>
Total 2017	1,570	1,052	167	2,790	0	2,790

<sup>1)</sup> The Short-Term Incentive (STI) comprises a variable remuneration component which is paid beginning with the 2017 financial year, partly in the following year and partly after three years (the "deferred component").

<sup>2)</sup> The Long-Term Incentive (LTI) corresponds to a share-based remuneration agreement first introduced in 2013, with the beneficiary entitled to receive a cash settlement following a four-year term. Details can be found in the notes to the consolidated financial statements.

In the 2018 financial year, the members of the Management Board of UNIQA Insurance Group AG received variable remuneration and multi-year share-based payments amounting to €1.7 million. Payments (STI) in the amount of €0.4 million are expected to be made in subsequent years for the 2017 financial year. For the 2018 financial year, payments (STI) in the amount of €1.6 million are expected to be made in the years 2019 and 2022. As part of the multi-year share-based payment (LTI), payments of €0.5 million were made to the members of the Management Board of UNIQA Insurance Group AG in 2018. For the subsequent years 2019 to 2022, a payment of €2.1 million is expected for the virtual shares allocated up to 31 December 2018.

The members of the Management Board who are also members of the Management Board of UNIQA Österreich Versicherungen AG received variable remuneration of €0.2 million for their work for UNIQA Österreich Versicherungen AG.

In addition to the above-mentioned employee benefits, the following pension fund contributions were made for the existing pension commitments to the members of the Management Board during the financial year. The compensation payments arise if a member of the Management Board steps down before the age of 65 because pension entitlements are generally funded in full until the age of 65 to avoid over-financing.

<b>Pension funds contributions</b> In € thousand	Current contributions	Compensations	Total for the year
Andreas Brandstetter	84	0	84
Erik Leyers	105	0	105
Kurt Svoboda	170	0	170
<b>Total 2018</b>	<b>359</b>	<b>0</b>	<b>359</b>
Total 2017	359	0	359

The remuneration paid to the members of the Supervisory Board for their work in the 2017 financial year amounted to €481,875. Provisions of €739,375 have been set aside for the remuneration to be paid for work completed in 2018. In 2018, a total of €67,400 was paid to cover attendance fees and out-of-pocket expenses (2017: €61,400). Given

the raised requirements and the increasing time necessary for activities in the Audit Committee and in the other committees of the Supervisory Board, the remuneration components for committee functions performed have been increased. This explains the rise from €543,275 in 2017 to €806,775 in 2018.

In € thousand	2018	2017
Current financial year (provision)	739	482
Attendance fees and out-of-pocket expenses	67	61
<b>Total</b>	<b>807</b>	<b>543</b>

The breakdown of the total remuneration (including attendance fees and out-of-pocket expenses to employee

representatives) paid to the individual members of the Supervisory Board was as follows:

<b>Member of the Supervisory Board</b> In € thousand	2018 <sup>1)</sup>	2017
Walter Rothensteiner	104	74
Christian Kuhn	106	66
Erwin Hameseder	88	60
Eduard Lechner	40	65
Burkhard Gantenbein	84	24
Markus Andréewitch	50	40
Klemens Breuer	26	27
Marie-Valerie Brunner	40	0
Ernst Burger	0	14
Elgar Fleisch	40	0
Jutta Kath	80	50
Rudolf Könighofer	65	44
Johannes Schuster	0	17
Kory Sorenson	65	44
Out-of-pocket expenses to employee representatives	21	21
<b>Total</b>	<b>807</b>	<b>543</b>

<sup>1)</sup> The Management Board and Supervisory Board intend to propose the remuneration of €739,375 to the 2019 Annual General Meeting for resolution.

Burkhard Gantenbein received Supervisory Board remuneration (including attendance fees) of €18,000 for his activities on the Supervisory Boards of UNIQA Österreich Versicherungen AG and UNIQA International AG

in addition to the Supervisory Board remuneration of UNIQA Insurance Group AG. Besides Supervisory Board remuneration (including attendance fees) from UNIQA Insurance Group AG, Jutta Kath

also received Supervisory Board remuneration of 19,200 Swiss francs for her work on the Supervisory Board of UNIQA Re AG.

Former members of the Supervisory Board did not receive any remuneration.

The disclosures in accordance with Section 239(1) of the Austrian Commercial Code in conjunction with Section 80b of the Austrian Insurance Supervision Act must be included in the notes to the consolidated financial statements for the financial statements to be in accordance with IFRSs and to release the company from the requirement to prepare financial statements in accordance with the Austrian Commercial Code. The disclosures are defined more broadly for the separate financial statements in accordance with the provisions of the Austrian Commercial Code. The separate financial statements include not only the remuneration for the decision-making functions (Management Board) of UNIQA Insurance Group AG, but also the remuneration paid to the Management Boards of the subsidiaries if such remuneration is based on a contract with UNIQA Insurance Group AG.

### **Principles of profit sharing for the Management Board**

A short-term incentive (STI) is offered in which a one-off payment is made based on the relevant earnings situation if the specified individual objectives for the payment of the incentive have been met. The STI comprises a variable remuneration component which is paid beginning with the 2017 financial year, partly in the following year and partly after three years (the “deferred component”). A long-term incentive (LTI) is also provided in parallel as a share-based payment arrangement with cash settlement, and this provides for one-off payments after a period of four years in each case based on virtual investments in UNIQA shares each year and the performance of UNIQA shares, the P&C Net Combined Ratio, and the return on risk capital over the period. Maximum limits are agreed. This LTI is subject to an obligation on the members of the Management Board to make an annual investment in UNIQA shares with a holding period of four years in each case. The system complies with Rule 27 of the Austrian Code of Corporate Governance.

Following the Solvency II requirements for remuneration policy for board members, payment of the STI shall be made in two stages. One part will be paid out directly after the determination of earnings, and the remainder will be allocated. Upon a positive sustainability audit for the vesting period, this amount will be paid out three years later. The

STI is thereby designed to ensure an appropriate balance between fixed and variable remuneration elements.

### **Principles and requirements for the company pension scheme provided for the Management Board**

UNIQA has agreed retirement pensions, occupational disability benefits and surviving dependants’ pensions for the members of the Management Board. The beneficiaries’ actual pension entitlements are a contractual arrangement with Valida Pension AG, which is responsible for managing the pensions. The retirement pension generally becomes due for payment when the beneficiary reaches 65 years of age. The pension entitlement is reduced in the event of an earlier retirement, with the pension eligible for payment once the beneficiary reaches the age of 60 at the earliest. In the case of the occupational disability pension and survivor’s benefits, basic amounts are provided as a minimum pension.

The pension fund at Valida Pension AG is funded by UNIQA through ongoing contributions from management board members. Compensation payments to Valida Pension AG are mandatory if members of the Management Board resign before reaching 65 years of age (calculated duration of premium payments to avoid over-financing).

### **Principles for vested rights and entitlements of the Management Board in the event of termination of their position**

Termination payments have been agreed based on the former provisions of the Austrian Salaried Employee Act. These termination payments, which are made if the employment contract of a member of the Management Board is terminated prematurely, comply with the criteria set out in Rule 27a of the Austrian Code of Corporate Governance. The member of the Management Board generally retains his or her pension entitlements if his or her position is terminated, but the entitlements are subject to curtailment rules.

### **Essential principles of remuneration policy for the companies included in the consolidation (UNIQA Österreich Versicherungen AG, UNIQA International AG and all international insurance subsidiaries)**

Bearing in mind the UNIQA business strategy, as well as legal and regulatory requirements, UNIQA’s remuneration policy aims to create a direct connection between the company’s economic goals and board member remuneration. Thus, in addition to the base salary, there is a performance-based, variable remuneration component (STI) which is regularly compared to the external market.

This is a bonus payment that depends on the attainment of agreed qualitative and quantitative objectives in the relevant financial year. An essential criterion for determining and formulating the objectives is that they support UNIQA's Group strategy and are therefore in harmony with the overall strategic orientation. The structure of the total remuneration – the ratio of the basic salary to the variable salary – depends on the respective position. In principle, the variable portion of the total remuneration increases with the size of the area of responsibility. The sustainability of the business activity and its contribution to sustainable corporate growth is an essential component. This is incentivised by delaying the payment of a portion of the STI.

The Solvency II requirements for the remuneration policy for board members are met by the above. Furthermore, the Management Boards of UNIQA Österreich Versicherungen AG and UNIQA International AG (insofar as they do not have a claim as an identical board member of UNIQA Insurance Group AG) are included in the long-term incentive programme described above.

### Supervisory Board remuneration

The remuneration paid to the Supervisory Board is approved at the Annual General Meeting as a total amount for the work in the previous financial year. The remuneration applicable to the individual Supervisory Board members is based on their position within the Supervisory Board and the number of committee positions held.

### D&O insurance, POSI insurance

UNIQA has taken out directors' & officers' (D&O) insurance and, in connection with the implementation of the re-IPO in 2013, public offering of securities insurance (POSI) for the members of the Management Board, Supervisory Board and senior executives (including Group companies). The costs are borne by UNIQA.

### Risk report, directors' dealings

A comprehensive risk report (Rules 69 and 70 of the Austrian Code of Corporate Governance) is included in the notes to the consolidated financial statements. The notifications concerning directors' dealings in the year under review (Rule 73 of the Austrian Code of Corporate Governance) can be found in the Investor Relations section of the Group website at [www.uniqagroup.com](http://www.uniqagroup.com)

### External evaluation

Implementation of, and compliance with, the individual rules in the Austrian Code of Corporate Governance were evaluated by PwC Wirtschaftsprüfung GmbH for the 2018 financial year – with the exception of Rules 77 to 83. Rules 77 to 83 of the Austrian Code of Corporate Governance are evaluated by the law firm Schönherr Rechtsanwälte GmbH. The evaluation is carried out based mainly on the questionnaire for the evaluation of compliance with the Code that is published by the Austrian Working Group for Corporate Governance.

The evaluation by PwC Wirtschaftsprüfung GmbH and Schönherr Rechtsanwälte GmbH confirming that UNIQA had complied with the rules of the Austrian Code of Corporate Governance in 2018 – to the extent that these rules were covered by UNIQA's declaration of conformity – will be published simultaneously with the annual financial report for the 2018 financial year. Some of the rules were not applicable to UNIQA in the evaluation period.

Vienna, 22 March 2019



Andreas Brandstetter  
Chairman of the Management Board



Erik Leyers  
Member of the Management Board



Kurt Svoboda  
Member of the Management Board