

# 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 the 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 largely based on the questionnaire concerning the evaluation of compliance with the Code, which 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	
<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	Member of the Supervisory Board of Raiffeisen Informatik GmbH, Vienna
<b>Kurt Svoboda</b> , Chief Financial and Risk Officer (CFO/CRO) * 1967, appointed 1 July 2011 until 30 June 2020	Group Finance – Accounting, Group Finance – Controlling, Group Actuarial and Risk Manage- ment, Group Reinsurance, Regulatory & Public Affairs, Legal & Compliance, Group Internal Audit	

## 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 responsibility 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 and UNIQA International AG, along with the member of the Management Board of UNIQA Österreich Versicherungen AG responsible for Raiffeisen Austria bank sales, and with the 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 2017: 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 (since 2 March 2017)</li> </ul>	as at 31 December 2017: 4,590 shares
<ul style="list-style-type: none"> <li>▪ Chairman of the Management Board of UNIQA Österreich Versicherungen AG, Vienna (since 18 December 2017)</li> <li>▪ Member of the Management Board of UNIQA Österreich Versicherungen AG, Vienna (until 18 December 2017)</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</li> <li>▪ Member of the Supervisory Board of UNIQA Towarzystwo Ubezpieczeń na Życie S.A., Lodz</li> <li>▪ Member of the Supervisory Board of UNIQA poisťovňa a.s., Bratislava</li> <li>▪ Member of the Supervisory Board of UNIQA Insurance Company, Private Joint Stock Company, Kiev</li> <li>▪ Member of the Supervisory Board of UNIQA Life Insurance Company, Private Joint Stock Company, Kiev</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 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 2017: 14,597 shares

## Members of the Supervisory Board

Name	Supervisory Board appointments in domestic and foreign listed companies	Monitoring duties in significant subsidiaries	Number of UNIQA shares held
<b>Walter Rothensteiner, Chairman</b> * 1953, appointed 3 July 1995 until the 20 <sup>th</sup> AGM (2019)	<ul style="list-style-type: none"> <li>▪ Chairman of the Supervisory Board of Raiffeisen Bank International AG, Vienna (until 22 June 2017)</li> </ul>		
<b>Christian Kuhn, 1<sup>st</sup> Vice Chairman</b> * 1954, appointed 15 May 2006 until the 20 <sup>th</sup> AGM (2019)			
<b>Erwin Hameseder, 2<sup>nd</sup> Vice Chairman</b> * 1956, appointed 21 May 2007 until the 20 <sup>th</sup> AGM (2019)	<ul style="list-style-type: none"> <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>▪ 1<sup>st</sup> Vice Chairman of the Supervisory Board of Flughafen Wien Aktiengesellschaft, Vienna Airport (until 31 May 2017)</li> <li>▪ 1<sup>st</sup> Vice Chairman of the Supervisory Board of Raiffeisen Bank International AG, Vienna (until 22 June 2017)</li> <li>▪ Chairman of the Supervisory Board of Raiffeisen Bank International AG, Vienna (since 29 June 2017)</li> <li>▪ 2<sup>nd</sup> Vice Chairman of the Supervisory Board of Südzucker AG, Mannheim</li> </ul>		
<b>Eduard Lechner, 3<sup>rd</sup> Vice Chairman</b> * 1956, appointed 25 May 2009 until the 20 <sup>th</sup> AGM (2019)			
<b>Markus Andréewitch, Member</b> * 1955, appointed 26 May 2014 until the 20 <sup>th</sup> AGM (2019)			
<b>Klemens Breuer (since 29 May 2017), Member</b> * 1967, appointed 29 May 2017 until the 20 <sup>th</sup> AGM (2019)			
<b>Ernst Burger (until 29 May 2017), Member</b> * 1948, appointed 25 May 2009 to 29 May 2017	<ul style="list-style-type: none"> <li>▪ Vice Chairman of the Supervisory Board of Josef Manner &amp; Comp. Aktiengesellschaft, Vienna (until 30 May 2017)</li> <li>▪ Chairman of the Supervisory Board of Josef Manner &amp; Comp. Aktiengesellschaft, Vienna (since 30 May 2017)</li> </ul>		
<b>Burkhard Gantenbein (since 29 May 2017), Member</b> * 1963, appointed 29 May 2017 until the 20 <sup>th</sup> AGM (2019)		<ul style="list-style-type: none"> <li>▪ Member of the Supervisory Board of UNIQA Österreich Versicherungen AG, Vienna (since 17 May 2017)</li> <li>▪ Member of the Supervisory Board of UNIQA International AG, Vienna (since 17 May 2017)</li> </ul>	as at 31 December 2017: 10,250 shares
<b>Jutta Kath, Member</b> * 1960, appointed 30 May 2016 until the 20 <sup>th</sup> 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, Member</b> * 1962, appointed 30 May 2016 until the 20 <sup>th</sup> AGM (2019)	<ul style="list-style-type: none"> <li>▪ Member of the Supervisory Board of Raiffeisen Bank International AG, Vienna (since 22 June 2017)</li> </ul>		
<b>Johannes Schuster (until 29 May 2017), Member</b> * 1970, appointed 29 May 2012 to 29 May 2017	<ul style="list-style-type: none"> <li>▪ Member of the Supervisory Board of Raiffeisen International AG, Vienna (until 18 March 2017)</li> </ul>		
<b>Kory Sorenson, Member</b> * 1968, appointed 26 May 2014 until the 20 <sup>th</sup> 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> </ul>		as at 31 December 2017: 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 2017: 56 shares
<b>Harald Kindermann</b> * 1969, since 26 May 2015	as at 31 December 2017: 750 shares
<b>Franz-Michael Koller</b> * 1956, since 17 September 1999	as at 31 December 2017: 912 shares
<b>Friedrich Lehner</b> * 1952, from 31 May 2000 to 1 September 2008 and since 15 April 2009	as at 31 December 2017: 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	Erwin Hameseder, Eduard Lechner	
<b>Working Committee</b>	Walter Rothensteiner	Christian Kuhn	Klemens Breuer (since 29 May 2017), Ernst Burger (until 29 May 2017), Burkhard Gantenbein (since 29 May 2017), Erwin Hameseder, Eduard Lechner, Johannes Schuster (until 29 May 2017)	Peter Gattinger, Heinrich Kames, Franz-Michael Koller
<b>Audit Committee</b>	Walter Rothensteiner	Christian Kuhn	Erwin Hameseder, Jutta Kath, Eduard Lechner, Kory Sorenson	Peter Gattinger, Heinrich Kames, Franz-Michael Koller
<b>Investment Committee</b>	Klemens Breuer (since 29 May 2017), Erwin Hameseder (until 29 May 2017)	Christian Kuhn	Jutta Kath, Rudolf Könighofer, Eduard Lechner, Kory Sorenson	Peter Gattinger, Heinrich Kames, Franz-Michael Koller
<b>IT Committee</b>	Markus Andréewitch	Jutta Kath (since 27 June 2017), Johannes Schuster (until 29 May 2017)	Jutta Kath (until 27 June 2017), 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 it convened for seven meetings in 2017. Two decisions were 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 2017. One decision was made by way of circular resolution.

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 2017.

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. Furthermore, the audit of the 2017 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 tasks of an audit committee are also performed for UNIQA International AG.

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 at 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's 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 elected members of the Supervisory Board have declared their independence under Rule 53 of the Austrian Code of Corporate Governance. Kory Sorenson and Jutta Kath satisfy the criteria in 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 interests and is therefore capable of influencing the behaviour of the member concerned.

UNIQA has established the following points as 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 has a positive impact on corporate culture. We understand diversity as different nationalities, cultures and a collective of men and women.

In 2016, Jutta Kath became the second woman appointed to the Supervisory Board of UNIQA Insurance Group AG, thereby increasing the percentage of female Supervisory Board members to 20 per cent.

Over the course of 2017, the proportion of women on Management Boards and in senior executive positions throughout the Group remained constant at 25 per cent. The proportion of female managers in top positions in Austria, below the Management Board level, stands at precisely 20 per cent, while the proportion of women in Management Board functions in the international field is over 27 per cent.

UNIQA organises various group-wide leadership development programmes in which female executives too are prepared for future tasks and further career steps. Women make up 28 per cent of the participants in the SHAPE programme for leading managers, and even 42 per cent of the NEXT International programme for management talent of the next hierarchical level. In our executive programme for all Austrian managers NEXT AT, the proportion of female participants is 26 per cent.

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 (Team Alice Pichler), 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, anonymous advice and support is offered for all professional and private problems.

UNIQA also supports flexible working hours and offers the option of teleworking. In 2017, 22 per cent of administrative employees in Austria made use of part-time working, while 14 per cent opted for teleworking. A pilot project on mobile working was launched in 2017, which is intended to provide even greater flexibility.

### Diversity concept

UNIQA Group does not currently pursue any diversity concept. Work is being done, however, on the development of such.



## Remuneration Report

### Remuneration of the Management Board and Supervisory Board

The members of the Management Board receive their remuneration exclusively from UNIQA Insurance Group AG, the Group holding company.

In € thousand	2017	2016
The remuneration of the members of the Management Board for the financial year in question amounted to:		
Fixed remuneration <sup>1)</sup>	1,570	2,379
Variable remuneration	1,220	2,242
Current remuneration	2,790	4,621
Termination benefit entitlements	0	2,513
<b>Total</b>	<b>2,790</b>	<b>7,134</b>
of which proportionately recharged to operating subsidiaries:	1,387	3,883
Former members of the Management Board and their surviving dependants received:	2,648	2,815

<sup>1)</sup>The fixed salary components included remuneration in kind equivalent to €40,656 (2016: €68,940).

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

Name of Management Board member In € thousand	Fixed remuneration	Variable remuneration (STI) <sup>1)</sup>	Multi-year share-based remuneration (LTI) <sup>2)</sup>	Total current remuneration	Termination benefit entitlements	Total for the year
Andreas Brandstetter	672	447	96	1,214	0	1,214
Erik Leyers	390	257	0	648	0	648
Kurt Svoboda	508	348	72	928	0	928
<b>Total 2017</b>	<b>1,570</b>	<b>1,052</b>	<b>167</b>	<b>2,790</b>	<b>0</b>	<b>2,790</b>
Total 2016	2,379	2,242	0	4,621	2,513	7,134

<sup>1)</sup>The Short-Term Incentive (STI) includes the variable remuneration for the 2016 financial year, paid out in 2017.

<sup>2)</sup>The Long-Term Incentive (LTI) corresponds with 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 2018, it is expected that the members of the Management Board of the UNIQA Insurance Group AG will be paid variable remuneration (STI) in the amount of €1.7 million for the 2017 financial year. As part of the long-term incentive (LTI) 2013–2016, a total of €382,673 was paid out in 2017. Payments in the amount of €693,786 are expected to be made in 2018 to cover the 2014 allocation of a long-term incentive (LTI) with a term to 2017.

In addition to the abovementioned 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	<b>Total for the year</b>
Andreas Brandstetter	84	0	<b>84</b>
Erik Leyers	170	0	<b>170</b>
Kurt Svoboda	105	0	<b>105</b>
<b>Total 2017</b>	<b>359</b>	<b>0</b>	<b>359</b>
Total 2016	478	2,830	<b>3,308</b>

The remuneration paid to the members of the Supervisory Board for their work in the 2016 financial year amounted to €470,000. Provisions of €481,875 have been set aside for the

remuneration to be paid for work completed in 2017. In 2017, employee representatives were paid total €61,400 to cover attendance fees and out-of-pocket expenses (2016: €77,000).

In € thousand	2017	2016
Current financial year (provision)	482	470
Attendance fees and out-of-pocket expenses	61	77
<b>Total</b>	<b>543</b>	<b>547</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	2017	2016
Walter Rothensteiner	74	75
Christian Kuhn	66	67
Erwin Hameseder	60	67
Eduard Lechner	65	66
Markus Andréewitch	40	40
Klemens Breuer	27	0
Ernst Burger	14	39
Burkhard Gantenbein	24	0
Jutta Kath	50	33
Rudolf Könighofer	44	29
Johannes Schuster	17	45
Kory Sorenson	44	46
Out-of-pocket expenses to employee representatives	21	26
<b>Total</b>	<b>543</b>	<b>547</b>

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. Beginning with the 2017 financial year, the STI shall be paid out in annual partial payments. 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. 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 of the Company 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 function 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 with 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 in part by delaying the payment of a portion of the STI.

The Solvency II requirements for remuneration policy for board members are met by the above. Furthermore, the Management Boards for 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 2017 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 2017 – 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 2017 financial year. Some of the rules were not applicable to UNIQA in the evaluation period.

Vienna, 9 March 2018



Andreas Brandstetter  
Chairman of the Management Board



Erik Leyers  
Member of the Management Board



Kurt Svoboda  
Member of the Management Board