

# Corporate Governance Report

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

Implementation and compliance with the individual rules in the Code are evaluated annually by PwC Wirtschaftsprüfung GmbH – with the exception of Rules 77 to 83. Rules 77 to 83 of the Code are evaluated by the law firm Schönherr Rechtsanwälte GmbH. The evaluation is carried out largely using the questionnaire for the evaluation of compliance with the Code published by the Austrian Working Group for Corporate Governance (as amended January 2015). 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**

Due to the growth of UNIQA's shareholder structure and the special nature of the insurance business with regard to the investment of insurance 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), 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.

## Composition of the Management Board

### CHAIRMAN

**Andreas Brandstetter,**  
**Chief Executive Officer (CEO)**

\*1969, appointed 1 January 2002 until 31 December 2016

Responsible for:

- Investor relations
- Group Communication
- Group Marketing
- Group Human Resources
- Group Internal Audit
- Group General Secretary

Supervisory Board appointments or comparable functions in other domestic and foreign companies not included in the consolidated financial statements

- Member of the Supervisory Board of Raiffeisen Zentralbank Österreich Aktiengesellschaft, Vienna (until 27 June 2015)
- Member of the Board of Directors of SCOR SE, Paris (until 30 April 2015)

Number of UNIQA shares held as at 31 December 2015: 21,819 shares

### MEMBERS

**Hannes Bogner,**  
**Chief Investment Officer (CIO)**

\*1959, appointed 1 January 1998 until 31 December 2016

Responsible for:

- Group Asset Management
- Legal & Compliance
- Group Internal Audit

Supervisory Board appointments or comparable functions in other domestic and foreign companies not included in the consolidated financial statements

- Member of the Supervisory Board of Casinos Austria Aktiengesellschaft, Vienna
- Member of the Supervisory Board of CEESEG Aktiengesellschaft, Vienna
- Member of the Supervisory Board of Niederösterreichische Versicherung AG, St. Pölten
- Member of the Supervisory Board of Wiener Börse AG, Vienna

Number of UNIQA shares held as at 31 December 2015: 7,341 shares

**Wolfgang Kindl**

\*1966, appointed 1 July 2011 until 31 December 2016

Responsible for:

- UNIQA International

Number of UNIQA shares held as at 31 December 2015: 7,341 shares

**Thomas Münkel,**  
**Chief Operating Officer (COO)**

\*1959, appointed 1 January 2013 until 31 December 2016

Responsible for:

- Group Operations
- Group IT
- Group Project Office

Supervisory Board appointments or comparable functions in other domestic and foreign companies not included in the consolidated financial statements

- Member of the Supervisory Board of Raiffeisen Informatik GmbH, Vienna

Number of UNIQA shares held as at 31 December 2015: 7,341 shares

**Kurt Svoboda,**  
**Chief Financial and Risk Officer (CFO/CRO)**

\*1967, appointed 1 July 2011 until 31 December 2016

Responsible for:

- Group Finance – Accounting
- Group Finance – Controlling
- Group Actuarial and Risk Management
- Group Reinsurance
- Regulatory Affairs

Number of UNIQA shares held as at 31 December 2015: 7,990 shares

## The work of the Management Board

The work of the members of the Management Board 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 specify a list of activities that require consent from the Supervisory Board. The Management Board generally holds weekly meetings 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. In addition, there is a continuous exchange of information between the members of the Management Board regarding relevant activities and events.

The meetings of the Management Board of UNIQA Insurance Group AG are attended by the CEOs of UNIQA Österreich Versicherungen AG and Raiffeisen Versicherung AG – Hartwig Löger and Klaus Pekarek respectively – with an advisory vote. The resulting body is known as the Group Executive Board.

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.

## Members of the Supervisory Board

### CHAIRMAN

**Walter Rothensteiner**

\*1953, appointed 3 July 1995 until the 20<sup>th</sup> AGM (2019)

Supervisory Board appointments in domestic and foreign listed companies

- Chairman of the Supervisory Board of Raiffeisen Bank International AG, Vienna

### FIRST VICE CHAIRMAN

**Christian Kuhn**

\*1954, appointed 15 May 2006 until the 20<sup>th</sup> AGM (2019)

### SECOND VICE CHAIRMAN

**Erwin Hameseder**

\*1956, appointed 21 May 2007 until the 20<sup>th</sup> AGM (2019)

Supervisory Board appointments in domestic and foreign listed companies

- Chairman of the Supervisory Board of AGRANA Beteiligungs-Aktiengesellschaft, Vienna
- Vice Chairman of the Supervisory Board of STRABAG SE, Villach
- First Vice Chairman of the Supervisory Board of Flughafen Wien Aktiengesellschaft, Vienna Airport
- First Vice Chairman of the Supervisory Board of Raiffeisen Bank International AG, Vienna
- Second Vice Chairman of the Supervisory Board of Südzucker AG, Mannheim

**THIRD VICE CHAIRMAN****Eduard Lechner**

\*1956, appointed 25 May 2009 until the 20<sup>th</sup> AGM (2019)

**MEMBERS****Markus Andréewitch**

\*1955, appointed 26 May 2014 until the 20<sup>th</sup> AGM (2019)

**Ernst Burger**

\*1948, appointed 25 May 2009 until the 20<sup>th</sup> AGM (2019)

Supervisory Board appointments in domestic and foreign listed companies

- Vice Chairman of the Supervisory Board of Josef Manner & Comp. Aktiengesellschaft, Vienna

**Peter Gauper**

\*1962, appointed 29 May 2012 until the 20<sup>th</sup> AGM (2019)

**Johannes Schuster**

\*1970, appointed 29 May 2012 until the 20<sup>th</sup> AGM (2019)

Supervisory Board appointments in domestic and foreign listed companies

- Member of the Supervisory Board of Raiffeisen International AG, Vienna

**Kory Sorenson**

\*1968, appointed 26 May 2014 until the 20<sup>th</sup> AGM (2019)

Supervisory Board appointments in domestic and foreign listed companies

- Member of the Board of Directors of SCOR SE, Paris
- Member of the Board of Directors of Phoenix Group Holdings, Cayman Islands
- Member of the Board of Directors of Pernod Ricard, Paris

**DELEGATED BY THE CENTRAL WORKS COUNCIL****Johann-Anton Auer**

\*1954, since 18 February 2008

Number of UNIQA shares held as at 31 December 2015: 10,106 shares

**Peter Gattinger**

\*1976, from 10 April 2013 until 26 May 2015

**Heinrich Kames**

\*1962, since 10 April 2013

Number of UNIQA shares held as at 31 December 2015: 56 shares

**Harald Kindermann**

\*1969, since 26 May 2015

Number of UNIQA shares held as at 31 December 2015: 750 shares

**Franz-Michael Koller**

\*1956, since 17 September 1999

Number of UNIQA shares held as at 31 December 2015: 912 shares

**Friedrich Lehner**

\*1952, from 31 May 2000 to 1 September 2008 and since 15 April 2009

Number of UNIQA shares held as at 31 December 2015: 912 shares

The Supervisory Board of UNIQA Insurance Group AG held six meetings in 2015.

## Committees of the Supervisory Board

### COMMITTEE FOR BOARD AFFAIRS

#### Chairman

- Walter Rothensteiner

#### Vice Chairman

- Christian Kuhn

#### Members

- Erwin Hameseder
- Eduard Lechner

### WORKING COMMITTEE

#### Chairman

- Walter Rothensteiner

#### Vice Chairman

- Christian Kuhn

#### Members

- Erwin Hameseder
- Ernst Burger
- Eduard Lechner
- Johannes Schuster

#### Delegated by the Central Works Council

- Johann-Anton Auer
- Heinrich Kames
- Franz-Michael Koller

### AUDIT COMMITTEE

#### Chairman

- Walter Rothensteiner

#### Vice Chairman

- Christian Kuhn

#### Members

- Erwin Hameseder
- Eduard Lechner
- Kory Sorenson

#### Delegated by the Central Works Council

- Johann-Anton Auer
- Heinrich Kames
- Franz-Michael Koller

### INVESTMENT COMMITTEE

#### Chairman

- Erwin Hameseder

#### Vice Chairman

- Christian Kuhn

#### Members

- Eduard Lechner
- Peter Gauper
- Kory Sorenson

#### Delegated by the Central Works Council

- Johann-Anton Auer
- 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 made up of nine shareholder representatives.

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 two meetings in 2015.

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 decisions 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 2015. It made one decision 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 discussed 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 2015 financial statements of the companies of the consolidated group was planned and the auditor reported on the results of preliminary audits. In particular, the Audit Committee was provided on a quarterly basis with the reports of the Internal Auditing department concerning audit areas and material findings based on the audits conducted.

Finally, 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 and asset liability management.

The various chairmen of the committees informed the members of the Supervisory Board about the meetings and the work of the

respective committees. 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 satisfies the criteria in Rule 54 for companies with a free float of more than 20 per cent.

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 managing employee 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 our 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 descendants, spouses, life partners, parents, uncles, aunts, siblings, nieces, nephews) 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 in the Group can enhance its success on a sustainable basis. Diversity at management levels has a positive impact on the corporate culture. UNIQA defines diversity as different nationalities, cultures and a collective of men and women. This diversity also reflects the make-up of our customers in Austria and in 18 other European countries, and helps us to understand them better in order to offer suitable products and services. People from more than 32 different countries are employed by UNIQA at the Vienna corporate head office alone.

Over the course of 2015, the proportion of women on Management Boards and in senior executive positions throughout the Group rose to 20 per cent. The equivalent figure at an international level was 29 per cent – this represents a 4 per cent increase compared with the previous year.

The fact that the shareholder representative on our Supervisory Board Kory Sorenson was selected as one of the 100 most influential women in the insurance industry by a British professional magazine is particularly encouraging.

Enabling employees to achieve a work-life balance and providing them with straightforward 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. In conjunction with an external partner (KibisCare), this range of services includes a comprehensive childcare service even on “bridging days” (between a public holiday and the weekend), an advisory and agency service for childcare, private tuition, as well as a broad range of health and sports activities. Advice and support with caring for family members has also been offered since 2015 as part of the “Elder Care” scheme.

UNIQA also supports flexible working hours and offers the option of teleworking. In 2015, 23 per cent of the administrative employees in Austria made use of part-time working while 11 per cent opted for teleworking.

In terms of professional development for managers, UNIQA believes that the most promising approach is to undertake joint development activities for both women and men. Cooperation between men and women then becomes a matter of course and also works much better on a day-to-day basis. The “INSPIRE” management development programme, which has been running since 2013, aims to put this joint development approach into practice: it brings together managers from all the markets in the UNIQA Group; a quarter of the participants are women. From a recruitment perspective, however, UNIQA exercises positive discrimination, giving preference to female applicants where they have the same skills and qualifications.

## 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	2015	2014
The expenses attributable to the financial year in question for the remuneration of the members of the Management Board amounted to:		
Fixed remuneration <sup>1)</sup>	2,469	2,468
Variable remuneration	1,029	2,242
Current remuneration	3,498	4,710
Termination benefit entitlements	0	0
<b>Total</b>	<b>3,498</b>	<b>4,710</b>
of which proportionately recharged to operating subsidiaries:	2,157	2,173
Former members of the Management Board and their surviving dependants received:	2,751	2,706

<sup>1)</sup> The fixed salary components included remuneration in kind equivalent to € 86,661 (2014: € 85,463).

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

Name of Mgt. 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	609	250	0	859	0	859
Hannes Bogner	459	195	0	653	0	653
Wolfgang Kindl	459	190	0	649	0	649
Thomas Münkler	485	204	0	689	0	689
Kurt Svoboda	458	190	0	648	0	648
<b>Total 2015</b>	<b>2,469</b>	<b>1,029</b>	<b>0</b>	<b>3,498</b>	<b>0</b>	<b>3,498</b>
Total 2014	2,468	2,242	0	4,710	0	4,710

<sup>1)</sup> The Short-Term Incentive (STI) includes the variable remuneration for the 2014 financial year, paid out in 2015.

<sup>2)</sup> The Long-Term Incentive (LTI) corresponds with a share-based remuneration agreement that was introduced in 2013 for the first time, with the beneficiary entitled to receive a cash settlement following a 4-year term. Details can be found in the Notes to the Consolidated Financial Statements.

In 2016, it is expected that the members of the Management Board of the UNIQA Insurance Group AG will be paid a variable remuneration (STI) in the amount of €1.9 million for the 2015 financial year.

In addition to the remuneration listed above, the following pension fund contributions were

paid in the financial year for the existing pension commitments to the members of the Management Board. 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.



## PENSION FUNDS CONTRIBUTIONS

In € thousand	Regular contributions	Compensation payments	Total for the year
Andreas Brandstetter	84	0	84
Hannes Bogner	128	0	128
Wolfgang Kindl	119	0	119
Thomas Münkler	245	0	245
Kurt Svoboda	105	0	105
<b>Total 2015</b>	<b>681</b>	<b>0</b>	<b>681</b>
Total 2014	681	0	681

The remuneration paid to the members of the Supervisory Board for their work in the 2014 financial year was €443,750. Provisions of €425,000 have been set aside for the

remuneration to be paid for this work in 2015. A total of €49,100 was paid out in 2015 to cover attendance fees and out-of-pocket expenses (2014: €32,700).

In € thousand	2015	2014
Current financial year (provision)	425	444
Attendance fees	49	33
<b>Total</b>	<b>474</b>	<b>476</b>

The breakdown of the total remuneration (including attendance fees) paid to the individual

members of the Supervisory Board was as follows:

Name of Supervisory Board member	Remuneration 2015	Remuneration 2014
Walter Rothensteiner	74	72
Christian Kuhn	65	61
Georg Winckler	0	24
Erwin Hameseder	65	62
Eduard Lechner	65	53
Günther Reibersdorfer	0	22
Ewald Wetscherek	0	20
Markus Andréewitch	33	20
Ernst Burger	37	35
Peter Gauper	39	35
Johannes Schuster	37	35
Kory Sorenson	43	27
Payments to employee representatives	17	12
<b>Total</b>	<b>474</b>	<b>476</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 Supervisory Act, which must be included as mandatory disclosures in the notes to the financial statements for IFRS financial statements to release the Company from the requirement to prepare financial statements

in accordance with the Austrian Commercial Code, 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. 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 ROE and the total shareholder return 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.

### **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 plan at Valida Pension AG is funded by UNIQA through ongoing contributions for the individual members of the Management Board. Compensation payments must be made

to Valida Pension AG if members of the Management Board step down before the age of 65 (imputed contribution payment duration to prevent overfunding).

### **PRINCIPLES FOR VESTED RIGHTS AND ENTITLEMENTS OF THE MANAGEMENT BOARD OF THE COMPANY IN THE EVENT OF TERMINATION OF THEIR POSITION**

Severance payments have been agreed based on the provisions of the Austrian Salaried Employee Act. These severance 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.

### **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. The costs are borne by UNIQA.

## Risk Report, Directors' Dealings

A comprehensive Risk report (Rule 67 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 Code of Corporate Governance were evaluated by PwC Wirtschaftsprüfung GmbH for

the 2015 financial year – with the exception of Rules 77 to 83. Compliance with Rules 77 to 83 of the Code was evaluated by Schönherr Rechtsanwälte GmbH. The evaluation is carried out largely using the questionnaire for the evaluation of compliance with the Code published by the Austrian Working Group for Corporate Governance (as amended January 2015).

On completion of the evaluation, PwC Wirtschaftsprüfung GmbH and Schönherr Rechtsanwälte GmbH confirmed that UNIQA had complied with the rules of the Austrian Code of Corporate Governance in 2015 – to the extent that these rules were covered by UNIQA's declaration of conformity. Some of the rules were not applicable to UNIQA in the evaluation period.

Vienna, 18 March 2016



Andreas Brandstetter  
Chairman of the  
Management Board



Hannes Bogner  
Member of the  
Management Board



Wolfgang Kindl  
Member of the  
Management Board



Thomas Munkel  
Member of the  
Management Board



Kurt Svoboda  
Member of the  
Management Board