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Report
of the Management Board of
UNIQA Insurance Group AG
with its registered office in Vienna

on the authorization of the Management Board
to sell own shares bought back with the approval of the Supervisory
Board other than via the stock exchange or by public offering

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herewith submit the following report of the Management Board of UNIQA Insurance Group AG, with its registered office in Vienna, to the 19th Annual General Meeting of UNIQA Insurance Group AG on 28 May 2018 pursuant to Section 65 (1b) in conjunction with Section 170 (2) and Section 153 (4) of the Stock Corporation Act (*Aktiengesetz – AktG*).

1. Based on the possibilities created by the Stock Buyback Act (*Aktienrückwerbsgesetz - AReG*) to buy back own shares, the first Annual General Meeting of the Company held on 20 June 2000 decided that the Management Board be authorized, with the approval of the Supervisory Board, to buy back own shares pursuant to Section 65 (1.9) (1a) of the Stock Corporation Act (as amended prior to the entry into force of the Federal Tax Code), thus allowing the Company to buy back not more than 11,977,780 no-par-value shares, including treasury shares already bought back and still held by the Company, the authorization being valid up to and including 20 December 2001 and allowing the Company to purchase own shares (after implementation of the stock split decided at said Annual General Meeting) at a price of not less than EUR 5.00 and not more than EUR 15.00, and requiring publication of the respective buyback program (including its duration) pursuant to the Publication Regulation (Federal Law Gazette II 2000/5, as then amended) issued on the basis of Section 82 (9) of the Stock Exchange Act.

Since then, the authorization granted by the first Annual General Meeting of the Company to buy back own shares has been repeatedly renewed to take into account changes in legislation or changing circumstances (e.g. regarding the minimum and maximum price and the number of no-par-value shares).

By resolution adopted by the 16th Annual General Meeting on 26 May 2015, the authorization to buy back own shares at a price of not less than EUR 7.00 and not more than EUR 20.00 per non-par-value share was renewed for the period from 28 November 2015 up to and including 27 May 2018. The authorization of the Management Board granted by the 16th Annual General Meeting of the Company on 26 May 2015 was amended by the 17th Annual General Meeting of the Company on 30 May 2016 to allow the buyback of own shares at a price of not less than EUR 1.00 and not more than EUR 15.00 per non-par-value share.

Taking into account the shares bought back under share buyback programs and subsequently resold, UNIQA currently holds 2,034,739 treasury shares, of which 1,215,089 shares are held (in accordance with the authorization granted) by UNIQA Österreich Versicherungen AG, representing 0.66% of the share capital of the Company of EUR 309,000,000.00.

The 1,215,089 shares held by UNIQA Österreich Versicherungen AG result from the merger of BL Syndikat Beteiligungs Gesellschaft m.b.H. as the transferring company

with the Company as the receiving company (payout of the portfolio of UNIQA shares to the shareholders of BL Syndikat Beteiligungs Gesellschaft m.b.H.). These shares do not count toward the maximum number of treasury shares allowed (Section 65 (1.3) and (1.5) Stock Corporation Act).

The Management Board will propose that the 19th Annual General Meeting of the Company renew the authorization granted to the Management Board to buy back own shares pursuant to Section 65 (1.8) and (1a) and (1b) of the Stock Corporation Act, subject to approval by the Supervisory Board, up to a maximum of 10% of the share capital, including other treasury shares already bought back and still held by the Company (which are to be counted toward the maximum number of own shares allowed pursuant to Section 65 (2) Stock Corporation Act), with the option of making repeated use of the 10% limit, on the stock exchange and over the counter, also excluding the shareholders' proportional tender option. The authorization can be exercised from 29 May 2018 up to and including 29 November 2020, i.e. over a period of 30 months, for the purchase of own shares at a price of not less than EUR 1.00 and not more than EUR 15.00 per share. The authorization to buy back own shares also includes the purchase of shares of the Company by subsidiaries of the Company (Section 66 Stock Corporation Act).

The 1,215,089 shares held by UNIQA Österreich Versicherungen AG do not count toward the maximum number of own shares allowed (Section 65 (1.3) and (1.5) Stock Corporation Act).

The Company's own shares are to be allowed to be sold, subject to approval by the Supervisory Board, within a period of five years from the date of authorization other than on the stock exchange or by public offering, i.e. (i) for the purpose of setting up an employee participation program, either including members of the Management Board and/or senior employees or exclusively for members of the Management Board and/or senior employees, or for a stock option plan for employees, either including members of the Management Board and/or senior employees or exclusively for members of the Management Board and/or senior employees of the Company and, if so decided, of affiliated companies, including, if applicable, through transfer to an employee participation foundation in the meaning of Section 4d (4) of the Income Tax Act, or (ii) as transaction currency for the acquisition of companies, establishments, parts of establishments or participating interests in one or several companies in Austria or abroad, or (iii)

for an over-allotment option (greenshoe option) or (iv) for the rounding of fractional amounts.

The Management Board is to be authorized to withdraw own shares bought back with the approval of the Supervisory Board without further authorization to be granted by the Annual General Meeting, and the Supervisory Board is to be authorized to adopt amendments to the Articles of Association required as a result of the withdrawal of shares.

In view of the possibility of selling own shares of the Company other than on the stock exchange or by public offering, the Management Board has to submit a written report to the Annual General Meeting pursuant to Section 65 (1b) in conjunction with Section 170 (2) and Section 153 (4) of the Stock Corporation Act.

2. In accordance with the proposal submitted by the Management Board, the Management Board of the Company is authorized to buy back own shares exclusively with the approval of the Supervisory Board, and to sell own shares bought back other than on the stock exchange or by public offering exclusively with the approval of the Supervisory Board of the Company.
3. Apart from the possibility of selling purchased own shares on the stock exchange or by public offering, in which case equal treatment of all shareholders and the possibility for each UNIQA shareholder to buy UNIQA shares is to be guaranteed (Section 65 (1b) Stock Corporation Act), it is to be possible to sell purchased own shares, in certain cases and with the approval of the Supervisory Board, other than on the stock exchange or by public offering.

The sale of own shares other than on the stock exchange or by public offering would be conceivable, inter alia, in connection with an employee participation program.

An employee participation program can also be set up as a stock option plan. The employee participation program or the stock option plan can be set up so as to include members of the Management Board and/or senior employees. It is also possible to implement an employee participation program or a stock option plan exclusively for members of the Management Board and/or senior employees. An employee participation program or stock option plan can be introduced for members of the Management Board and/or senior employees and/or employees of the Company and/or of affiliated compa-

nies. Moreover, the transfer of shares, if applicable, to an employee participation foundation in the meaning of Section 4d (4) of the Income Tax Act is to be possible.

For the time being, UNIQA does not have an employee participation program or stock option plan of the type described above. The employee program introduced on the occasion of the re-IPO in 2013 made it possible for authorized employees (not including Management Board members) to subscribe to new shares from the capital increase without exclusion of the subscription right. Management Board members are entitled to receive a variable remuneration component in the form of a bonus scheme, subject to the attainment of defined performance targets and paid out on a one-off basis, depending on the results of the Company.

The method of calculating the variable remuneration components for the Management Board was modified as of the business year 2013 in connection with the extension of the Management Board mandates. As a short-term incentive (STI), a one-off payment is provided for, subject to attainment of the defined performance criteria based on the results of the Company and the individually agreed targets for the business year. In parallel, there is a long-term incentive (LTI) scheme, which depends on the performance of the UNIQA share, the P&C net combined ratio, the return on risk capital and the total shareholder return on the basis of annual virtual investments in UNIQA shares and provides for one-off payments after a period of four years. Maximum limits have been agreed upon. The LTI is conditional on an annual investment obligation in UNIQA shares for Management Board members and a holding period of four years.

If an employee participation program or a stock option program is introduced, the following conditions apply:

The introduction of an employee participation program or a stock option plan is to provide an incentive for participants to contribute to the future success of the UNIQA Group through their individual performance and to participate in the success of the Group through an increase of the UNIQA share price and through dividend income. Moreover, an employee participation program or a stock option plan is to foster identification with the Company.

In the event of introduction of an employee participation program or a stock option plan, the Management Board and the Supervisory Board – the latter, in particular, in matters relating to the Management Board – would determine the detailed provisions regarding

the granting of stock options and the issue of shares. These include provisions on the technical implementation and the procedure to be followed in the granting and exercise of stock options, determination of the issue price, holding periods, if any, and the treatment of stock options upon an employee's retirement, decease or termination of employment as well as the elimination of a company from the UNIQA Group. In the event of transfer to an employee participation foundation in the meaning of Section 4d (4) of the Income Tax Act, the provision of Section 4d (4) of the Income Tax would have to be complied with, including the underlying plan for the transfer of shares.

4. The possibility of acquiring own shares and of selling own shares other than on the stock exchange or through a public offering for the purpose of implementing an employee participation program or a stock option plan – as described in paragraph 3 – is in the interest of the Company. It is in UNIQA's interest to foster closer ties between executives and employees and the company they work for and the UNIQA Group, and to motivate executives and employees more strongly through the issue of shares. As shareholders, executives and employees identify more closely with the company and consequently take a greater interest in the economic success of the company and the Group.

UNIQA, as a company with international operations, competes for executives in the international market. Therefore, it is in UNIQA's reasonable commercial interest to attract and motivate high-performing executives by offering internationally competitive, performance-related forms of remuneration and thus promote their long-term loyalty to the company. A stock option plan, or a similar remuneration regime, is deemed to be a well-suited and internationally practiced model to achieve this goal. Stock option plans have been introduced by a number of Austrian companies. If an employee participation program (including a stock option plan) were to be introduced, UNIQA would define its long-term goals on the basis of the principle of sustainability.

When implementing an employee participation program or a stock option plan through the acquisition of own shares, it is important to bear in mind that treasury shares, unless acquired via subsidiaries pursuant to Section 66 of the Stock Corporation Act, are not dividend-bearing (Section 65 (5) Stock Corporation Act); hence, non-distribution of dividends - also with a view to obligatory holding periods from plan inception to exercise – contributes to the financing of the stock option plan.

The possibility of selling own shares other than on the stock exchange or by public offering is essential, as the Company must be able to introduce internationally practiced remuneration models in order to remain in a position to attract executives and employees for the Group.

Pursuant to Section 65 (1b), last sentence, of the Stock Corporation Act, the sale of treasury shares to employees, senior executives and/or members of the Management Board of the Company or of an affiliated company for the purpose of a stock option plan is justified by law. The sale of treasury shares to such persons is not subject to a resolution (i.e. separate approval) by the Annual General Meeting. These provisions equally apply to the transfer of shares to an employee participation foundation in the meaning of Section 4d (4) of the Income Tax Act.

5. Moreover, own treasury of the Company can be sold other than on the stock exchange or by public offering if the shares are used as transaction currency for the acquisition of companies, establishments, sub-establishments or shares in one or several companies in Austria or abroad.

UNIQA intends to continue its selective growth course in Austria and abroad on the basis of a consistent risk/return approach. Such growth can also be achieved through the acquisition of other companies or establishments. In legal terms, the acquisition of companies, establishments or sub-establishments can be structured as the purchase of certain assets (and liabilities) of a company, establishment or sub-establishment (asset deal) or as the acquisition of shares in a company (share deal). In the following, both types of acquisition of a company or (sub-) establishment are referred to as acquisitions.

Consideration for the acquisition of a company can be provided not only in the form of cash, but also in the form of shares in the acquiring company. This may be in the interest of UNIQA as the seller and in the interest of the buyer. Apart from the acquisition of a company through a contribution in kind by the target company against the issue of new shares (increase in share capital), there may be cases in which it is deemed necessary or useful for strategic reasons to grant the seller consideration in the form of shares (possibly in addition to a cash purchase price), thus granting a share in the company of equivalent value. Treasury shares can be used, above all, in such cases. This procedure is in the Company's interest if it has a strategic interest in the seller of the company acquiring a small share in UNIQA. Given the fact that the purchase of

own shares is limited to a total of 10% of the share capital (in almost all cases pursuant to Section 65 Stock Corporation Act), a seller cannot acquire a material participation in UNIQA. Granting treasury shares as (partial) consideration in the acquisition of a company takes less time than increasing the share capital, which may be an additional argument in favor of (partial) consideration in shares for the seller of a company. If the Company bought back its own shares at an earlier point in time and the share has appreciated in the meantime, the transaction results in savings for the Company. When determining the consideration for the acquisition of the company, treasury shares offered as (partial) consideration are usually recognized at the current (average) share price or their higher intrinsic value, rather than the lower historic acquisition cost.

The acquisition of a company through a transaction in which the company or shares in the company are transferred to the Company against contributions in kind, excluding the subscription rights of the other shareholders, is generally regarded as substantive justification for the exclusion of subscription rights. This also applies to cases in which consideration is granted in the form of treasury shares.

The sale of treasury shares other than on the stock exchange or through public offering is necessary for the acquisition of companies, as sellers often are not willing to transfer the company or parts thereof, unless they receive a share in the Company as consideration. From UNIQA's point of view, it may be necessary to integrate the seller as a shareholder in the Group for strategic or organizational reasons. In such cases, the acquisition of a company will only be possible if UNIQA is legally able to provide assurance – e.g. through a sufficient number of treasury shares held by UNIQA – to meet the obligation of consideration in the form of UNIQA shares.

The sale of treasury shares other than on the stock exchange or through public offering is proportionate, as UNIQA has a special interest in acquiring the company concerned or shares thereof. The interests of the existing shareholders are guaranteed, as the shares granted in the transaction are proportionate – usually after performance of an enterprise valuation. Moreover, the existing shareholders will participate in the future profits of the acquired company, which, as a rule, tend to increase through synergies with UNIQA.

In view of the period of 30 months for which the authorization to buy back own shares is to be granted pursuant to Section 65 (1.8) and (1a) and (1b) of the Stock Corporation Act, no information can currently be provided on the price at which treasury shares are

to be issued to seller of a company, as it depends on the development of UNIQA as well as the development of the UNIQA share price. In the cases described herein, providing information on the issue price is neither necessary nor possible. The shareholders will be informed of the issue price by separate publication.

As stated in paragraph 3, the sale of treasury shares other than on the stock exchange or through public offering is subject to approval by the Supervisory Board. The decision cannot be taken by the Management Board of UNIQA alone.

6. In the event of a capital increase, own shares purchased by the Company can be used within the framework of an over-allotment option (greenshoe). A greenshoe option is associated, inter alia, with stabilization measures taken immediately after the commencement of trading in the newly issued shares. Such stabilization measures can be taken in accordance with the provisions of Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buyback programs and stabilization measures and are limited to 30 calendar days after the commencement of trading. As a rule, between 8% and not more than 15% (see Article 8 (d) of Delegated Regulation (EU) 2016/1052) of the shares to be placed are over-allotted (the actual greenshoe) by the existing shareholders of the Company to the issuing banks (usually in a stock lending transaction). Through the greenshoe option, the issuing banks are given the possibility to acquire as many shares as correspond to the original over-allotment at the original issue price of the new shares. The issuing banks exercise the greenshoe option to the extent that is necessary to meet their obligations to retransfer shares from the aforementioned stock lending transaction. (If shares are bought by one or all issuing banks on account of stabilization measures, the greenshoe option, as a rule, is not exercised). In general, exercise of the greenshoe option is limited to 30 calendar days.

Granting a greenshoe option within the framework of Delegated Regulation (EU) 2016/1052 is permitted and constitutes a case of a substantively justified exclusion of subscription rights and/or the sale of purchased own shares other than on the stock exchange or by public offering. Granting a greenshoe option is necessary and, given its limitation in time, the limited number of shares and the exercise at the issue price, proportionate, as recognized by the German Federal Court of Justice in its decision dated 21 July 2008. The greenshoe option can be implemented by the Company through the sale of treasury shares to the issuing banks.

7. In the event of a capital increase, unfavorable ownership relations may result in so-called fractional amounts, which make it particularly difficult for small shareholders to exercise their subscription rights. If an even subscription ratio is chosen instead of an uneven and therefore impractical ratio, individual shareholders may not be able to exercise their subscription rights for all their shares, and the subscription rights cannot be exercised for all the shares issued. The inherent partial exclusion of subscription rights is substantively justified and generally recognized as a valid reason for the partial exclusion of subscription rights.

To fulfill the partially unfulfilled claims, the Company may offer its existing shareholders the possibility of buying the Company's treasury shares on the terms and conditions of the issue (i.e. at the offering price). In this case, the sale of treasury shares other than on the stock exchange or through public offering would be substantively justified.

8. In summary, the Management Board of UNIQA has come to the conclusion that the authorization of the Management Board of the Company to sell treasury shares with the approval of the Supervisory Board other than on the stock exchange or through public offering is entirely in conformity with the law.

Vienna, April 2018

The Management Board of
UNIQA Insurance Group AG

Andreas BRANDSTETTER signed personally
born 23 June 1969
Chairman of the Management Board

Kurt SVOBODA signed personally
born 12 April 1967

Erik LEYERS signed personally
born 17 December 1969