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# Corporate Governance Report

Since 2004, UNIQA has undertaken to comply with the Austrian Code of Corporate Governance and publishes its declaration of compliance both in the Group Report and in the Investor Relations section of its website, [www.uniqagroup.com](http://www.uniqagroup.com). 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 provisions of the Code is evaluated annually by Univ. Prof. DDr. Waldemar Jud Corporate Governance Forschung CGF GmbH. Working primarily on the basis of a questionnaire, this institution examines whether the company complies with the Austrian Code of Corporate Governance as published by the Austrian Working Group on Corporate Governance. The report 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 declares its continued willingness to comply with the Austrian Code of Corporate Governance in the applicable version. Accordingly, it adheres to the Code's "L rules" (legal requirements) in full as required by law. However, UNIQA deviates from the provisions of the Code in the applicable version with regard to the following "C rules" (comply or explain) and hereby provides the following explanations:

## **Rule 49**

Due to the shareholder structure of the UNIQA Group and the special nature of the insurance business with regard to the investment of insurance assets, there are a number of contracts with companies related to individual members of the Supervisory Boards. To the extent that such contracts require approval by the Supervisory Board in accordance with section 95 (5) no. 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. In any case, all transactions are conducted at standard market conditions.

## **Rule 54**

In connection with the capital increase (re-IPO) implemented in October 2013, the core shareholders undertook to elect two members independent of the core shareholders to the Supervisory Board at the 2014 Annual General Meeting.

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## COMPOSITION OF THE MANAGEMENT BOARD

### Chairman

**Andreas Brandstetter, CEO**

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

Responsible for:

- Investor Relations
- Group Communication
- Group Human Resources
- Group Internal Audit
- Group General Secretary

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

- Member of the Supervisory Board of Raiffeisen Zentralbank Österreich Aktiengesellschaft, Vienna (since 25 June 2013)
- Member of the Board of Directors of SCOR SE, France (since 25 April 2013)

### Members

**Hannes Bogner, CFO**

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

Responsible for:

- Group Finance
- Group Asset Management
- Group Legal Affairs
- Group Internal Audit

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

- Member of the Supervisory Board of Casinos Austria Aktiengesellschaft, Vienna (since 11 April 2013)
- Member of the Supervisory Board of CEESEG Aktiengesellschaft, Vienna (since 13 June 2013)
- Member of the Supervisory Board of Niederösterreichische Versicherung AG, St. Pölten (since 28 May 2013)
- Member of the Supervisory Board of Wiener Börse AG, Vienna (since 13 June 2013)
- Member of the Board of Directors of Takaful Emarat Insurance, UAE (until 6 December 2013)

**Wolfgang Kindl**

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

Responsible for:

- UNIQA International

**Thomas Münkel, COO**

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

Responsible for:

- Group OPEX
- Group Operations
- Group IT
- Group Project Office

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

- Member of the Supervisory Board of Raiffeisen Informatik GmbH, Vienna (since 1 July 2013)

**Kurt Svoboda, CRO**

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

Responsible for:

- Group Finance Controlling
- Group Risk Management
- Group Asset Management (Back Office)
- Group Actuary
- Group Reinsurance
- Value Based Management
- Regulatory Management Solvency II
- Governance & Compliance
- Market Risk Management

**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 then approved by the Supervisory Board. The rules of procedure regulate the disclosure and approval obligations of the Management Board members in respect of each other and the Supervisory Board. A catalogue of measures requiring the authorisation of the Supervisory Board is defined. The Management Board meets regularly (weekly) and 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 Chairmen of the Management Boards of UNIQA Österreich Versicherungen AG and Raiffeisen Insurance AG – Hartwig Löger and Klaus Pekarek – attend the meetings of the Management Board of UNIQA Insurance Group AG in an advisory capacity. The committee thus formed constitutes the Group Executive Board.

The Management Board informs the Supervisory Board at regular intervals and in a timely and comprehensive manner about all relevant questions of business development, including the risk situation and risk management at the Group. In addition, the Chairman of the Supervisory Board maintains regular contact with the Chairman of the Management Board and discusses the strategy, business development and risk management of the company with him.

## COMPOSITION OF THE SUPERVISORY BOARD

### Chairman

*Walter Rothensteiner*

1953\*, appointed on 3 July 1995 until the 16th Annual General Meeting (2015)

Supervisory Board appointments at domestic and foreign listed companies:

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

### 1st Vice Chairman

*Georg Winckler*

1943\*, appointed on 17 September 1999 until the 16th Annual General Meeting (2015)

Supervisory Board appointments at domestic and foreign listed companies:

- 1st Vice Chairman of the Supervisory Board of Erste Group Bank AG, Vienna

### 2nd Vice Chairman

*Erwin Hameseder*

1956\*, appointed on 21 May 2007 until the 16th Annual General Meeting (2015)

Supervisory Board appointments at domestic and foreign listed companies:

- Vice Chairman of the Supervisory Board of AGRANA Beteiligungs-Aktiengesellschaft, Vienna
- Vice Chairman of the Supervisory Board of STRABAG SE, Villach
- 1st Vice Chairman of the Supervisory Board of Flughafen Wien Aktiengesellschaft, Vienna Airport
- 1st Vice Chairman of the Supervisory Board of Raiffeisen Bank International AG, Vienna
- Member of the Supervisory Board of Südzucker AG Mannheim/Ochsenfurt, Mannheim

### 3rd Vice Chairman

*Christian Kuhn*

1954\*, appointed on 15 May 2006 until the 16th Annual General Meeting (2015)

### 4th Vice Chairman

*Günther Reibersdorfer*

1954\*, appointed from 23 May 2005 until 25 May 2009 and from 31 May 2010 until the 16th Annual General Meeting (2015)

Supervisory Board appointments at domestic and foreign listed companies:

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

### 5th Vice Chairman

*Ewald Wetscherek*

1944\*, appointed on 17 September 1999 until the 16th Annual General Meeting (2015)

**Members*****Dr. Ernst Burger***

1948\*, appointed on 25 May 2009 until the 16th Annual General Meeting (2015)

Supervisory Board appointments at domestic and foreign listed companies:

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

***Peter Gauper***

1962\*, appointed on 29 May 2012 until the 16th Annual General Meeting (2015)

***Eduard Lechner***

1956\*, appointed on 25 May 2009 until the 16th Annual General Meeting (2015)

***Johannes Schuster***

1970\*, appointed on 29 May 2012 until the 16th Annual General Meeting (2015)

Supervisory Board appointments at domestic and foreign listed companies:

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

**Assigned by the Central Employee Council*****Johann-Anton Auer***

1954\*, from 18 February 2008

***Doris Böhm***

1957\*, from 7 April 2005 until 10 April 2013

***Peter Gattinger***

1976\*, from 10 April 2013

***Anna Gruber***

1959\*, from 15 April 2009 until 10 April 2013

***Heinrich Kames***

1962\*, from 10 April 2013

***Franz-Michael Koller***

1956\*, from 17 September 1999

***Friedrich Lehner***

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

The Supervisory Board of UNIQA Insurance Group AG held five meetings in 2013.

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## COMMITTEES OF THE SUPERVISORY BOARD

### Committee for Board Affairs

- Walter Rothensteiner (Chairman)
- Georg Winckler (Vice Chairman)
- Erwin Hameseder
- Christian Kuhn

### Working Committee

- Walter Rothensteiner (Chairman)
- Georg Winckler (Vice Chairman)
- Erwin Hameseder
- Christian Kuhn
- Günther Reibersdorfer
- Ewald Wetscherek

Assigned by the Central Employee Council

- Johann-Anton Auer
- Doris Böhm (member until 10 April 2013)
- Heinrich Kames (member since 10 April 2013)
- Franz-Michael Koller

### Audit Committee

- Walter Rothensteiner (Chairman)
- Georg Winckler (Vice Chairman)
- Erwin Hameseder
- Christian Kuhn
- Günther Reibersdorfer
- Ewald Wetscherek

Assigned by the Central Employee Council

- Johann-Anton Auer
- Doris Böhm (member until 10 April 2013)
- Heinrich Kames (member since 10 April 2013)
- Franz-Michael Koller

### Investment Committee

- Erwin Hameseder (Chairman)
- Georg Winckler (Vice Chairman)
- Eduard Lechner
- Günther Reibersdorfer

Assigned by the Central Employee Council

- Johann-Anton Auer
  - Doris Böhm (member until 10 April 2013)
  - Heinrich Kames (member since 10 April 2013)
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### THE WORK OF THE SUPERVISORY BOARD AND ITS COMMITTEES

The Supervisory Board advises the Management Board in its strategic planning and projects. It participates in the decisions 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.

The Supervisory Board has formed a Committee for Board Affairs for handling the relationships between the company and the members of its Management Board relating to employment and salary. The appointed Working Committee of the Supervisory Board is called upon for 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 at the next meeting of the Supervisory Board. As a matter of principle, the Working Committee decides on all issues that are the responsibility of the Supervisory Board; however, this excludes issues of particular importance or that are stipulated by law.

The Audit Committee of the Supervisory Board has the same members as the Working Committee and performs the duties assigned to it by law.

Finally, the Investment Committee advises the Management Board with regard to its investment policy; it has no decision-making authority.

At its four meetings, the Committee for Board Affairs dealt with the legal employment formalities of the members of the Management Board and questions relating to remuneration policies and succession planning.

At its two meetings, the Working Committee primarily addressed company strategy and the Group's capital increase (re-IPO) as well as fundamental considerations and resolutions concerning adjustments to the real estate investment policy. Two written resolutions were passed in connection with the re-IPO, while a further two decisions on steps to be taken were passed by circulation in writing on account of their urgency.

At its three meetings, the Audit Committee discussed all of the year-end closing documents, the Corporate Governance Report and the Management Board's proposal for the appropriation of profit, as well as planning for the audit of the 2013 annual financial statements of the Group companies and the results of preliminary audits. In particular, the Audit Committee was provided with the quarterly reports by Internal Audit on the areas audited and the significant findings based on the audits conducted.

At its three meetings, the Investment Committee discussed the capital investment strategy, questions concerning the capital structure, and the positioning 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 their committee.

For information regarding the activity of the Supervisory Board and its committees, please also refer to the statements in the Report of the Supervisory Board.

### MEASURES TO PROMOTE WOMEN ON THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD AND IN SENIOR EXECUTIVE POSITIONS

Companies with considerable diversity in their management teams are more successful. Different nationalities and cultures and a mixture of women and men have a positive impact on cooperation at a management level.

UNIQA employs people from more than 30 nations at its headquarters in Vienna. UNIQA has developed into an international company that understands the needs of its employees and customers in the different countries it serves.

In 2013, the proportion of women on the Management Board and in senior executive positions throughout the Group improved slightly by one percentage point to 18 per cent. The figure for the international area remained at 25 per cent. Despite this moderate improvement, UNIQA needs and intends to improve further.

The ability to combine a career with family life, and the topic of childcare in particular, is a key factor in achieving this. For parents who work – and mothers in particular – good childcare is a basic requirement for a successful professional life. However, finding the right solution is not always easy. It requires great flexibility and is extremely time-consuming.

Accordingly, UNIQA works together with an external partner (KibisCare), which provides a comprehensive childcare service that makes parents' lives easier and supports them in mastering the balancing act between work and family on a day-to-day basis.

UNIQA is also committed to the principles of flexible working hours and teleworking. In 2013, 12 per cent of employees in Austria took the option of working part-time, while 8 per cent used teleworking.

In the area of management development, UNIQA is of the opinion that female-only development measures are considerably less promising than joint development measures for women and men alike. This makes cooperation more natural and easier to implement in day-to-day work.

When it comes to recruitment, UNIQA gives priority to female candidates where the candidates have the same qualifications.

#### **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.

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. UNIQA has established the following points as additional criteria concerning 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 relationships that are material for said Supervisory Board member with the company or a subsidiary of the company. This also applies to business relationships with companies in which the Supervisory Board member has a significant economic interest but does not perform executive functions at the company.
- The Supervisory Board member should not have been an auditor of the partners or a shareholder or employee of the auditing company within the last three years.
- The Supervisory Board member should not be a Management Board member of another company in which a Management Board member of the company is a Supervisory Board member unless one of the companies is a member of the other company's group or holds a business interest in the 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 an entrepreneurial stake or who are representing the interests of a party with such a stake.



- The Supervisory Board member should not be a close family relative (direct descendent, spouse, life companion, parent, uncle, aunt, sibling, niece, nephew) of a Management Board member or of persons who are in one of the positions described in the above points.

## REMUNERATION REPORT

### Remuneration of the Management Board and Supervisory Board

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

Figures in € thousand	2013	2012
Fixed remuneration <sup>1)</sup>	2,458	2,145
Variable remuneration	2,465	3,149
<b>Current remuneration</b>	<b>4,923</b>	<b>5,294</b>
Entitlements to termination payments	0	1,855
<b>Total</b>	<b>4,923</b>	<b>7,149</b>
Of which proportionally oncharged to the operative subsidiaries:	4,176	6,791
Former members of the Management Board and their surviving dependants received:	2,699	2,644
Provisions for pension commitments to these persons were recognised as follows as at 31 December:	24,408	23,818

<sup>1)</sup> The fixed salary components contain remuneration in kind in the amount of € 73,088 (2012: € 49,909).

The total remuneration paid to the Management Board is broken down among the individual members as follows:

Name of Management Board Members	Fixed remuneration	Variable remuneration <sup>1)</sup>	Total regular remuneration	Entitlements to termination payments	Total for the year 2013	Total for the year 2012
Figures in € thousand						
Andreas Brandstetter	607	557	1,164	0	1,164	986
Hannes Bogner	457	481	938	0	938	875
Wolfgang Kindl	457	443	900	0	900	852
Thomas Münkel (since 1.1.2013)	479	492	972	0	972	0
Kurt Svoboda	456	492	949	0	949	852
Hartwig Löger (until 31.12. 2012)	0	0	0	0	0	852
Gottfried Wanitschek (until 31.12.2012)	0	0	0	0	0	2,731
<b>Total 2013</b>	<b>2,458</b>	<b>2,465</b>	<b>4,923</b>	<b>0</b>	<b>4,923</b>	<b>0</b>
<b>Total 2012</b>	<b>2,145</b>	<b>3,149</b>	<b>5,294</b>	<b>1,855</b>	<b>0</b>	<b>7,149</b>

<sup>1)</sup> Including a provision for the long-term incentive in the amount of € 226,078.

In addition to the salaries listed above, the following pension fund contributions were paid to the members of the Management Board for existing pension commitments in the financial year. The equalisation payments arise for members who step down before the age of 65 based on the general funding of pension claims until the age of 65.

Pension fund contributions	Regular contributions	Equalisation payments	Total for the year
Figures in € thousand			
Andreas Brandstetter	84	0	84
Hannes Bogner	128	0	128
Wolfgang Kindl	119	0	119
Thomas Münkel	245	0	245
Kurt Svoboda	105	0	105
<b>Total 2013</b>	<b>681</b>	<b>0</b>	<b>681</b>
<b>Total 2012</b>	<b>686</b>	<b>1,254</b>	<b>1,940</b>

The remuneration paid to the members of the Supervisory Board for their work in the 2012 financial year was € 380,000. A provision of € 380,000 has been recognised for the remuneration of their work in the 2013 financial year. In 2013, a total of € 31,320 (2012: € 35,520) was paid out in attendance fees and cash expenditures.

Figures in € thousand	2013	2012
For the current financial year (provision)	380	380
Attendance fees	31	36
<b>Total</b>	<b>411</b>	<b>416</b>

The total remuneration paid to the Supervisory Board (including attendance fees) is broken down among the individual members as follows:

Name of Supervisory Board member	Remuneration	Remuneration
Figures in € thousand	2013	2012
Walter Rothensteiner	71	61
Georg Winckler	58	58
Erwin Hameseder	57	42
Christian Kuhn	51	51
Günther Reibersdorfer	50	48
Ewald Wetscherek	44	44
Ernst Burger	16	17
Peter Gauper	16	9
Eduard Lechner	23	24
Johannes Schuster	16	9

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

The information in accordance with section 239 (1) of the Austrian Commercial Code in connection with section 80b of the Austrian Insurance Supervisory Act, which must be included in the notes as mandatory information for IFRS financial statements to release the company from the requirement to prepare financial statements in accordance with the Austrian Commercial Code, is defined for the single-entity financial statements according to the provisions of the Austrian Commercial Code with expanded scope. In addition to the executive functions (Management Board) of UNIQA Insurance Group AG, the single-entity financial statements also include the remuneration of the Management Boards of the subsidiaries insofar as there is a legally binding basis under contract law with UNIQA Insurance Group AG.

#### **Principles for profit participation by the Management Board**

A variable remuneration component is made available to the members of the Management Board in the form of bonus agreements if they meet certain defined prerequisites for entitlement. This bonus is granted as a one-time payment based on the earnings situation.

Starting from the 2013 financial year, the system used to calculate the variable portions of the remuneration of the Management Board has been changed in conjunction with the extension of the Management Board mandates. By means of a short-term incentive (STI), a one-time payment is made if certain defined prerequisites for entitlement are met based on the earnings situation and agreed individual targets for each financial year. A long-term incentive (LTD) is also agreed as share-based remuneration with cash settlement. This provides for one-time payments after a term of four years depending on the performance of UNIQA's shares, ROE and total shareholder return based on annual virtual investment amounts in UNIQA shares. Upper limits are agreed. Consideration is given to the

linking of the LTI to an annual obligation on the part of the Management Board members to invest in UNIQA shares subject to a retention period of four years each. The system complies with Rule 27 of the Austrian Code of Corporate Governance.

**Principles for the pension scheme provided by the company for the Management Board and its prerequisites**

Retirement pensions, a pension for occupational disability as well as a widow's and orphan's pension have been established. The corresponding pension entitlements are managed by Valida Pension AG. As a matter of principle, the retirement pension is due when the beneficiary meets the requirements for receiving an old-age pension in accordance with the Austrian General Social Security Act. In the event of earlier retirement, the pension claim is reduced. For the occupational disability pension and the pension for surviving dependants, basic amounts are provided as a minimum pension.

The pension fund at Valida Pension AG is financed by UNIQA through ongoing contributions for the individual members of the Management Board. Equalisation payments to Valida Pension AG are due if members of the Management Board step down before the age of 65 (imputed contribution payment duration to prevent excess financing).

**Principles for vested rights and claims of the Management Board of the company in the event of termination of their position**

Severance payments have been agreed based partially on the provisions of the Austrian Salaried Employee Act. The agreed termination packages on the occasion of premature termination of the work of a Management Board member comply with the criteria set out in Rule 27a of the Austrian Code of Corporate Governance. The benefits are fundamentally retained in the event of termination of membership of the Management Board; however, a reduction rule applies.

**Supervisory Board remuneration**

The remuneration paid to the Supervisory Board is approved at the Annual General Meeting as a total amount for the work done in the past 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**

Directors' & officers' (D&O) insurance and, in connection with the implementation of the re-IPO in 2013, public offering of securities insurance (POSI) have been concluded for the members of the Management Board, the Supervisory Board and senior executives. The costs are paid by UNIQA.

**RISK REPORT, DIRECTORS' DEALINGS**

A comprehensive risk report (Rule 67) is included in the notes to the consolidated financial statements beginning on page 70. The notifications concerning directors' dealings in the year under review (Rule 73) can be found in the Investor Relations section at [www.uniqagroup.com](http://www.uniqagroup.com).

Vienna, 25 March 2014




Andreas Brandstetter  
Chairman of the  
Management Board



Hannes Bogner  
Member of the  
Management Board



Wolfgang Kindl  
Member of the  
Management Board



Thomas Münkel  
Member of the  
Management Board



Kurt Svoboda  
Member of the  
Management Board