

# Consolidated 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 financial 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.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 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 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.

## COMPOSITION 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> , Chairman Chief Executive and Investment Officer (CEO/CIO) *1969, appointed 1 January 2002 until 30 June 2020	Innovation, Investor Relations, Group Communication, Group Marketing, Group Human Resources, Group Internal Audit, Group Asset Management, Group General Secretary	
<b>Erik Leyers</b> , Member Chief Operating Officer (COO) *1969, appointed 1 June 2016 until 30 June 2020	Strategic Business Organisation, Group IT, Digital Services/Digital Data Management, OPEX (Operational Excellence), Group Service Centre Slovakia	<ul style="list-style-type: none"> <li>Member of the Supervisory Board of Raiffeisen Informatik GmbH, Vienna (since 1 June 2016)</li> </ul>
<b>Kurt Svoboda</b> , Member 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 Management, Group Reinsurance, Regulatory & Public Affairs, Legal & Compliance, Group Internal Audit	
<b>Hannes Bogner</b> , Member Chief Investment Officer (CIO) *1959, appointed 1 January 1998 until 31 May 2016	Group Asset Management (until 31 May 2016), Legal & Compliance (until 31 May 2016), Group Internal Audit (until 31 May 2016)	<ul style="list-style-type: none"> <li>Member of the Supervisory Board of Casinos Austria Aktiengesellschaft, Vienna</li> <li>Member of the Supervisory Board of CEESEG Aktiengesellschaft, Vienna</li> <li>Member of the Supervisory Board of Niederösterreichische Versicherung AG, St. Pölten</li> <li>Member of the Supervisory Board of Wiener Börse AG, Vienna</li> </ul>
<b>Wolfgang Kindl</b> , Member *1966, appointed 1 July 2011 until 31 May 2016	UNIQA International (until 31 May 2016)	
<b>Thomas Münkel</b> , Member Chief Operating Officer (COO) *1959, appointed 1 January 2013 until 31 May 2016	Group Operations (until 31 May 2016), Group IT (until 31 May 2016), Group Project Office (until 31 May 2016)	<ul style="list-style-type: none"> <li>Member of the Supervisory Board of Raiffeisen Informatik GmbH, Vienna (until 31 May 2016)</li> </ul>

Management and monitoring duties in significant subsidiaries	Number of UNIQA shares held
<ul style="list-style-type: none"> <li>• Chairman of the Supervisory Board of UNIQA Österreich Versicherungen AG, Vienna (until 31 May 2016)</li> <li>• Chairman of the Supervisory Board of UNIQA International AG, Vienna (until 31 May 2016)</li> <li>• Chairman of the Supervisory Board of Raiffeisen Versicherung AG, Vienna (until 1 October 2016; company merged with UNIQA Österreich Versicherungen AG)</li> <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 for UNIQA Re AG, Zurich (since 25 October 2016)</li> </ul>	as at 31 December 2016: 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 (since 1 June 2016)</li> <li>• Member of the Managing Directors of UNIQA internationale Beteiligungs-Verwaltungs GmbH, Vienna (since 16 August 2016)</li> <li>• Member of the Supervisory Board of FINANCE LIFE Lebensversicherung AG, Vienna (until 1 October 2016; company merged with UNIQA Österreich Versicherungen AG)</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 na Życie S.A., Lodz (since 29 June 2016)</li> <li>• Member of the Supervisory Board of UNIQA Biztosító Zrt., Budapest (since 13 September 2016)</li> <li>• Member of the Supervisory Board of UNIQA pojišťovna, a.s., Prague (since 14 September 2016)</li> </ul>	as at 31 December 2016: 1,391 shares
<ul style="list-style-type: none"> <li>• Member of the Supervisory Board of UNIQA Österreich Versicherungen AG, Vienna (until 31 May 2016)</li> <li>• Member of the Management Board of UNIQA Österreich Versicherungen AG, Vienna (since 1 June 2016)</li> <li>• Member of the Supervisory Board of UNIQA International AG, Vienna (until 31 May 2016)</li> <li>• Member of the Management Board of UNIQA International AG, Vienna (since 1 June 2016)</li> <li>• Member of the Managing Directors of UNIQA internationale Beteiligungs-Verwaltungs GmbH, Vienna (since 16 August 2016)</li> <li>• Member of the Supervisory Board of PremiQaMed Holding GmbH, Vienna (since 1 June 2016)</li> <li>• Member of the Supervisory Board of Raiffeisen Versicherung AG, Vienna (until 1 October 2016; company merged with UNIQA Österreich Versicherungen AG)</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 (since 29 June 2016)</li> <li>• Member of the Supervisory Board of UNIQA poistovňa a.s., Bratislava (since 28 June 2016)</li> <li>• Member of the Supervisory Board of UNIQA Towarzystwo Ubezpieczeń na Życie S.A., Lodz (since 29 June 2016)</li> <li>• Member of the Supervisory Board of the UNIQA Insurance Company, Private Joint Stock Company, Kiev (since 1 August 2016)</li> <li>• Member of the Supervisory Board of UNIQA LIFE Private Joint Stock Company, Kiev (since 1 August 2016)</li> <li>• Member of the Supervisory Board of UNIQA Biztosító Zrt., Budapest (since 13 September 2016)</li> <li>• Member of the Supervisory Board of UNIQA pojišťovna, a.s., Prague (since 14 September 2016)</li> <li>• Vice Chairman of the Board of Directors for UNIQA Versicherung AG, Vaduz (until 28 June 2016)</li> <li>• Chairman of the Board of Directors for UNIQA Versicherung AG, Vaduz (since 29 June 2016)</li> <li>• President of the Board of Directors for UNIQA Re AG, Zurich (until 24 October 2016)</li> <li>• Vice President of the Board of Directors for UNIQA Re AG, Zurich (since 25 October 2016)</li> </ul>	as at 31 December 2016: 11,697 shares
<ul style="list-style-type: none"> <li>• Vice Chairman of the Supervisory Board of UNIQA Österreich Versicherungen AG, Vienna (until 31 May 2016)</li> <li>• Vice Chairman of the Supervisory Board of UNIQA International AG, Vienna</li> <li>• Vice Chairman of the Supervisory Board of Raiffeisen Versicherung AG, Vienna (until 1 October 2016; company merged with UNIQA Österreich Versicherungen AG)</li> <li>• Member of the Supervisory Board of UNIQA Asigurari S.A., Bucharest (until 31 May 2016)</li> <li>• Member of the Supervisory Board of UNIQA Asigurari de Viata S.A., Bucharest (until 31 May 2016)</li> <li>• Member of the Supervisory Board of UNIQA Assicurazioni S.p.A., Milan (until 30 August 2016)</li> <li>• Member of the Supervisory Board of UNIQA Previdenza S.p.A., Milan (until 30 August 2016)</li> <li>• Member of the Supervisory Board of UNIQA Life S.p.A., Milan (until 30 August 2016)</li> </ul>	as at 31 May 2016: 9,341 shares
<ul style="list-style-type: none"> <li>• Chairman of the Management Board of UNIQA International AG, Vienna</li> <li>• Chairman of the Supervisory Board of UNIQA Österreich Versicherungen AG, Vienna (since 1 June 2016)</li> <li>• Member of the Supervisory Board of UNIQA Österreich Versicherungen AG, Vienna (until 31 May 2016)</li> <li>• Member of the Supervisory Board of Raiffeisen Versicherung AG, Vienna (until 1 October 2016; company merged with UNIQA Österreich Versicherungen AG)</li> <li>• Member of the Supervisory Board of SIGAL UNIQA Group AUSTRIA sh.a., Tirana</li> <li>• Member of the Supervisory Board of SIGAL LIFE UNIQA Group AUSTRIA sh.a., Tirana</li> <li>• Chairman of the Supervisory Board of UNIQA osiguranje d.d., Sarajevo</li> <li>• Chairman of the Supervisory Board of UNIQA Insurance plc, Sofia</li> <li>• Chairman of the Supervisory Board of UNIQA osiguranje d.d., Zagreb</li> <li>• Chairman of the Supervisory Board of UNIQA Asigurari S.A., Bucharest</li> <li>• Chairman of the Supervisory Board of UNIQA Asigurari de Viata S.A., Bucharest</li> <li>• Chairman of the Supervisory Board of UNIQA poistovňa a.s., Bratislava (since 28 June 2016)</li> <li>• Chairman of the Supervisory Board of the UNIQA Insurance Company, Private Joint Stock Company, Kiev</li> <li>• Chairman of the Supervisory Board of UNIQA LIFE Private Joint Stock Company, Kiev (since 1 August 2016)</li> <li>• Chairman of the Supervisory Board of UNIQA Towarzystwo Ubezpieczeń S.A., Lodz (since 7 September 2016)</li> <li>• Chairman of the Supervisory Board of UNIQA Towarzystwo Ubezpieczeń na Życie S.A., Lodz (since 7 September 2016)</li> <li>• Member of the Supervisory Board of UNIQA Biztosító Zrt., Budapest (until 12 September 2016)</li> <li>• Chairman of the Supervisory Board of UNIQA Biztosító Zrt., Budapest (since 13 September 2016)</li> <li>• Member of the Supervisory Board of UNIQA pojišťovna, a.s., Prague (until 13 September 2016)</li> <li>• Chairman of the Supervisory Board of UNIQA pojišťovna, a.s., Prague (since 14 September 2016)</li> <li>• Chairman of the Board of Directors for UNIQA Versicherung AG, Vaduz (until 28 June 2016)</li> <li>• Vice Chairman of the Board of Directors for UNIQA Versicherung AG, Vaduz (since 29 June 2016)</li> <li>• Chairman of the Board of Directors for UNIQA Assurances SA, Geneva</li> <li>• Member of the Board of Directors for UNIQA Re AG, Zurich (until 24 October 2016)</li> <li>• Chairman of the Supervisory Board of UNIQA Assicurazioni S.p.A., Milan</li> <li>• Chairman of the Supervisory Board of UNIQA Previdenza S.p.A., Milan</li> <li>• Chairman of the Supervisory Board of UNIQA Life S.p.A., Milan</li> </ul>	as at 31 May 2016: 7,341 shares
<ul style="list-style-type: none"> <li>• Member of the Supervisory Board of UNIQA Österreich Versicherungen AG, Vienna (until 31 May 2016)</li> <li>• Member of the Supervisory Board of UNIQA International AG, Vienna (until 31 May 2016)</li> <li>• Member of the Supervisory Board of Raiffeisen Versicherung AG, Vienna (until 31 May 2016; company merged with UNIQA Österreich Versicherungen AG)</li> </ul>	as at 31 May 2016: 10,341 shares

## 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 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 UNIQA Insurance Group AG are typically scheduled to correspond with the meetings of the Management Boards for UNIQA Österreich Versicherungen AG and UNIQA International AG. 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 typically attended by the CEOs of UNIQA Österreich Versicherungen AG and Raiffeisen Versicherung AG – Hartwig Löger and Wolfgang Kindl respectively – as well as Klaus Pekarek (Director of Banking Sales at UNIQA Österreich Versicherungen AG), 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

Name	Supervisory Board appointments in domestic and foreign listed companies	Monitoring duties in significant subsidiaries	Number of UNIQA shares held
<b>Walter Rothensteiner</b> , Chairman *1953, appointed 3 July 1995 until the 20th Annual General Meeting (2019)	<ul style="list-style-type: none"> <li>Chairman of the Supervisory Board of Raiffeisen Bank International AG, Vienna</li> </ul>		
<b>Christian Kuhn</b> , First Vice Chairman *1954, appointed 15 May 2006 until the 20th Annual General Meeting (2019)			
<b>Erwin Hameseder</b> , Second Vice Chairman *1956, appointed 21 May 2007 until the 20th Annual General Meeting (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>First Vice Chairman of the Supervisory Board of Flughafen Wien Aktiengesellschaft, Vienna Airport</li> <li>First Vice Chairman of the Supervisory Board of Raiffeisen Bank International AG, Vienna</li> <li>Second Vice Chairman of the Supervisory Board of Südzucker AG, Mannheim</li> </ul>		
<b>Eduard Lechner</b> , Third Vice Chairman *1956, appointed 25 May 2009 until the 20th Annual General Meeting (2019)			
<b>Markus Andréewitch</b> , Member *1955, appointed 26 May 2014 until the 20th Annual General Meeting (2019)			
<b>Ernst Burger</b> , Member *1948, appointed 25 May 2009 until the 20th Annual General Meeting (2019)	<ul style="list-style-type: none"> <li>Vice Chairman of the Supervisory Board of Josef Manner &amp; Comp. Aktiengesellschaft, Vienna</li> </ul>		
<b>Peter Gauper (until 30 May 2016)</b> , Member *1962, appointed 29 May 2012 until 30 May 2016			
<b>Jutta Kath (since 30 May 2016)</b> , Member *1960, appointed 30 May 2016 until the 20th Annual General Meeting (2019)		<ul style="list-style-type: none"> <li>Member of the Board of Directors for UNIQA Re AG, Zurich (since 24 October 2016)</li> </ul>	
<b>Rudolf Könighofer (since 30 May 2016)</b> , Member *1962, appointed 30 May 2016 until the 20th Annual General Meeting (2019)			
<b>Johannes Schuster</b> , Member *1970, appointed 29 May 2012 until the 20th Annual General Meeting (2019)	<ul style="list-style-type: none"> <li>Member of the Supervisory Board of Raiffeisen International AG, Vienna</li> </ul>		
<b>Kory Sorenson</b> , Member *1968, appointed 26 May 2014 until the 20th Annual General Meeting (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 2016: 10,000 shares
<b>Delegated by the Central Works Council</b>			
<b>Johann-Anton Auer</b> *1954, from 18 February 2008 until 30 May 2016			as at 30 May 2016: 10,106 shares
<b>Peter Gattinger</b> *1976, from 10 April 2013 until 26 May 2015, and since 30 May 2016			
<b>Heinrich Kames</b> *1962, since 10 April 2013			as at 31 December 2016: 56 shares
<b>Harald Kindermann</b> *1969, since 26 May 2015			
<b>Franz-Michael Koller</b> *1956, since 17 September 1999			as at 31 December 2016: 912 shares
<b>Friedrich Lehner</b> *1952, from 31 May 2000 to 1 September 2008 and since 15 April 2009			as at 31 December 2016: 912 shares

## COMMITTEES OF THE SUPERVISORY BOARD

Committee	Chairman	Vice Chairman	Members	Delegated by the Central Works Council
<b>Committee for Board Affairs</b>	Walter Rothensteiner	Christian Kuhn	Erwin Hameseder, Eduard Lechner	
<b>Working Committee</b>	Walter Rothensteiner	Christian Kuhn	Ernst Burger, Erwin Hameseder, Eduard Lechner, Johannes Schuster	Johann-Anton Auer (until 30 May 2016), Peter Gattinger (since 30 May 2016), Heinrich Kames, Franz-Michael Koller
<b>Audit Committee</b>	Walter Rothensteiner	Christian Kuhn	Erwin Hameseder, Jutta Kath (since 30 May 2016), Eduard Lechner, Kory Sorenson	Johann-Anton Auer (until 30 May 2016), Peter Gattinger (since 30 May 2016), Heinrich Kames, Franz-Michael Koller
<b>Investment Committee</b>	Erwin Hameseder	Christian Kuhn	Peter Gauper (until 30 May 2016), Jutta Kath (since 30 May 2016), Rudolf Könighofer (since 30 May 2016), Eduard Lechner, Kory Sorenson	Johann-Anton Auer (until 30 May 2016), Peter Gattinger (since 30 May 2016), Heinrich Kames, Franz-Michael Koller
<b>IT Committee (appointed on 7 September 2016)</b>	Markus Andréewitch	Johannes Schuster	Jutta Kath, 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. Since the Annual General Meeting of 30 May 2016, it is again comprised of ten shareholder representatives (formerly there were only nine shareholder representatives), and it convened for seven meetings in 2016. Three 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 2016.

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 2016. 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 held four meetings, which were also attended by the auditors 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 2016 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.

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 IT Committee was founded on 7 September 2016. Its tasks and competences include the ongoing monitoring of the progress of the project implementing UNIQA's insurance platform (new IT core system), especially in relation to compliance with financial frameworks.

The IT Committee held one meeting and made one decision by circular resolution in preparation to take a decision regarding the award of contract for implementing the UNIQA insurance platform.

The various chairmen of the committees informed the members of the Supervisory Board about the meetings and their committee's 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 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 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 the 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 2016, the proportion of women on Management Boards and in senior executive positions throughout the Group rose to 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 29 per cent.

In autumn 2016, UNIQA started a Group-wide Leadership Development Programme with multiple kick-off events. Women make up 20 per cent of the participants in the SHAPE programme for leading managers, and 35 per cent of the NEXT programme for management talent of the next hierarchical level. In terms of professional development for managers, we believe that a very promising approach is to undertake joint development activities for both women and men.

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.

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), private tuition, as well as a broad range of health and sports activities. Advice and support with caring for family members is also offered as part of the “Elder Care” scheme. More female than male participants took advantage of the offer for individual management coaching as a further development measure in Austria in 2016.

UNIQA also supports flexible working hours and offers the option of teleworking. In 2016, 22 per cent of administrative employees in Austria made use of part-time working, while 13 per cent opted for teleworking.



## 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	2016	2015
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>	2,379	2,469
Variable remuneration	2,242	1,029
<b>Current remuneration</b>	<b>4,622</b>	<b>3,498</b>
Termination benefit entitlements	2,513	0
<b>Total</b>	<b>7,135</b>	<b>3,498</b>
of which proportionately recharged to operating subsidiaries:	3,883	2,157
Former members of the Management Board and their surviving dependants received:	2,815	2,751

<sup>1)</sup> The fixed salary components included remuneration in kind equivalent to €68,940 (2015: €86,661).

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

Member of the Management Board In € thousand	Fixed remuneration	Variable remuneration (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	650	493	0	1,144	0	1,144
Hannes Bogner (until 31 May 2016)	192	388	0	580	1,663	2,243
Wolfgang Kindl (until 31 May 2016)	491	325	0	816	0	816
Erik Leyers (since 1 June 2016)	354	299	0	653	0	653
Thomas Munkel (until 31 May 2016)	202	362	0	564	850	1,414
Kurt Svoboda	490	375	0	865	0	865
<b>Total 2016</b>	<b>2,379</b>	<b>2,242</b>	<b>0</b>	<b>4,622</b>	<b>2,513</b>	<b>7,135</b>
Total 2015	2,469	1,029	0	3,498	0	3,498

<sup>1)</sup> The Short-Term Incentive (STI) includes the variable remuneration for the 2015 financial year, paid out in 2016.

<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 four-year term. Details can be found in the notes to the consolidated financial statements.

In 2017, 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 2016 financial year. Payments in the amount of €383,000 are expected to be made in 2017 to cover the 2013 allo-

cation of a long-term incentive (LTI) with a term to 2016.

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 to avoid overfinancing.

Pension funds contributions In € thousand	Current contributions	Compensation payments	Total for the year
Andreas Brandstetter	84	0	84
Hannes Bogner (until 31 May 2016)	53	1,072	1,125
Wolfgang Kindl (until 31 May 2016)	119	0	119
Erik Leyers (since 1 June 2016)	14	0	14
Thomas Münkler (until 31 May 2016)	102	1,758	1,861
Kurt Svoboda	105	0	105
<b>Total 2016</b>	<b>478</b>	<b>2,830</b>	<b>3,308</b>
Total 2015	681	0	681

The remuneration paid to the members of the Supervisory Board for their work in the 2015 financial year was €425,000. Provisions of €470,000 have been set aside for the remuneration to be paid for this work in 2016.

A total of €77,000 was paid out in 2016 to cover attendance fees and out-of-pocket expenses to employee representatives (2015: €49,100).

In € thousand	2016	2015
Current financial year (provision)	470	425
Attendance fees and out-of-pocket expenses	77	49
<b>Total</b>	<b>547</b>	<b>474</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:

Name of Supervisory Board member In € thousand	2016	2015
Walter Rothensteiner	75	74
Christian Kuhn	67	65
Erwin Hameseder	67	65
Eduard Lechner	66	65
Markus Andréewitch	40	33
Ernst Burger	39	37
Peter Gauper	16	39
Jutta Kath	33	0
Rudolf Könighofer	29	0
Johannes Schuster	45	37
Kory Sorenson	46	43
Out-of-pocket expenses for employee representatives	26	17
<b>Total</b>	<b>547</b>	<b>474</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, which must be included as mandatory disclosures in the notes to the consolidated 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. From 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 from the 2017 financial year. 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 then 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 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**

Termination payments have been agreed based on the earlier 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.

#### **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 2016 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 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 evaluation by PwC Wirtschaftsprüfung GmbH and Schönherr Rechtsanwälte GmbH confirmed that UNIQA had complied with the rules of the Austrian Code of Corporate Governance in 2016 – 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 2016 financial year. Some of the rules were not applicable to UNIQA in the evaluation period.

Vienna, 10 March 2017



Andreas Brandstetter  
Chairman of the  
Management Board



Erik Leyers  
Member of the  
Management Board



Kurt Svoboda  
Member of the  
Management Board