



**Advise for shareholders on the composition
of the Board of Statutory Auditors
for the 2024-2026 three-year period**



Advice for Shareholders
on composition of the Board of Statutory
Auditors
for the 2024-2026 three-year period

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Introduction

The term of office of the Board of Statutory Auditors of UnipolSai Assicurazioni S.p.A. (“**UnipolSai**” or the “**Company**”) currently in office comes to an end with the Shareholders' Meeting called to approve the Financial Statements for the year 2023. At that time, the Shareholders' Meeting will therefore be asked to appoint a new control body in accordance with the terms and provisions of Art. 24 of the By-laws and applicable legal and regulatory provisions.

In particular, according to the By-Laws, the Board of Statutory Auditors consists of three Statutory Auditors and two Alternate Auditors, who meet the requirements set forth in legislation and regulations in force in the sector, with a three-year term of office; the term of office of the new control body will therefore come to an end with the Shareholders' Meeting called to approve the financial statements as at 31 December 2026.

Based on the provisions of point Q.1.5. of the Rules of Conduct of the Board of Statutory Auditors of listed companies of the National Council of Accountants and Chartered Accountants of 21 December 2023, in force as of 1 January 2024 (hereinafter “**Rules of Conduct**”), *“taking into account the experience and the results of the self-assessment, it is a best practice for the outgoing board to provide the shareholders with advice, in view of the appointment of a new board, on the professional profiles and skills that should be present on the board, as well as the time commitment required for the performance of official duties and the appropriate remuneration to attract persons of adequate standing”*.

According to the Policy on requirements and eligibility criteria for office of corporate officers of Unipol Group companies (the “**Fit & Proper Policy**”), *“when the entire Board of Statutory Auditors is appointed:*

- *the outgoing control body identifies the qualitative and quantitative composition deemed optimal of the Board of Statutory Auditors, expressing specific advice to the Shareholders in this regard [...]. This advice takes into account, inter alia, the results of the self-assessment on the size, composition and functioning of the Board;*
- *the new control body subsequently verifies the correspondence between the qualitative-quantitative composition expressed in the Advice of the Board of Statutory Auditors and the actual qualitative-quantitative composition resulting from the appointment process, also expressing its assessment on the adequacy of the collective composition of that body [...].”*

Lastly, specific provisions on the composition of the Board of Statutory Auditors are contained in the Diversity Policy with regard to the composition of the Board of Directors and, insofar as is of interest here, the Board of Statutory Auditors of UnipolSai (the “**Diversity Policy**”).

This document was therefore prepared by the outgoing Board of Statutory Auditors in compliance with the above-mentioned instructions and with the aim of facilitating knowledge of the overall framework of the activities that the UnipolSai Board of Statutory Auditors is called upon to carry out and allow for a thorough assessment of the necessary professional skills, as well as - in compliance with the provisions of point Q.1.5. of the above-mentioned Rules of Conduct - the adequacy of the remuneration proposed for holding the office of Statutory Auditor of the Company.

It should also be noted that, starting from the next appointment of the board, Ministerial Decree no. 88 (hereinafter “**MD 88/2022**”) will be applied for the Company's control body, governing *ex novo* the requirements and criteria of suitability for office of corporate officers, including Statutory Auditors, of insurance companies, in terms of integrity, fairness, professionalism, competence, independence (including of judgement), availability of time to perform official duties and limits on the number of offices that may be held (as specified below).

1. Considerations on the composition of the Board of Statutory Auditors

From a **qualitative perspective**, the proper performance of the duties that the Board of Statutory Auditors is called upon to carry out in the “traditional” management and control system, adopted by UnipolSai, requires it to consist of members who are fully aware of the powers and obligations inherent in the functions that they are called upon to perform and have adequate professionalism for the role to be held and proportionate to the size, risk and operational complexity of the Company.

In addition, to ensure the execution of their tasks and guarantee effectiveness in their role, Statutory Auditors must be able to devote adequate time and resources to the performance of their official duties (as specified *below*).

To ensure the collective suitability of the control body, also based on diversity criteria, and taking into account the sector in which UnipolSai operates and the future challenges that the Company will need to face, the Diversity Policy, in compliance with the provisions of MD 88/2022, establishes that:

- the composition of the Board of Statutory Auditors must be adequately diverse in order to: foster internal dialogue and debate; encourage the emergence of a variety of approaches and perspectives in the analysis of issues and in decision making; effectively support the corporate processes of strategy development, management of activities and risks, control over the operations of the top management; as well as take into account the multiple interests that contribute to the sound and prudent management of the Company;
- to this end, consideration is given to the presence in the control body of representatives:
 - a) who are diverse in terms of age, gender and duration of tenure in the position;
 - b) whose skills, considered collectively, are adequate to achieve the objectives set forth above.

With reference to the gender quota, it should be noted that, pursuant to the regulations in force for listed companies, one Standing Auditor must belong to the least represented gender.

For the purposes of evaluating the adequacy of the collective composition of the Board of Statutory Auditors, in line with the provisions pursuant to Art. 9 of MD 88/2022, the theoretical knowledge and practical experience of the individual representatives in more than one of the following areas will also be taken into consideration:

- financial markets;

- regulation of the insurance, banking and financial sectors;
- strategic policies and planning;
- organisational and corporate governance structures;
- risk management;
- internal control systems and other operational mechanisms;
- insurance, banking and financial activities and products;
- statistical and actuarial sciences;
- accounting and financial reporting;
- information technology;
- sustainability/Environmental, Social and Governance ("ESG") factors.

In formulating this Advice, the outgoing Board of Statutory Auditors also took into account the results of the self-assessment on its size, composition and functioning conducted with the support of Egon Zehnder International S.p.A. (the "**Self-assessment process**") as well as the additional assessment of its adequate collective composition conducted by the control body pursuant to Art. 11 of MD 88/2022.

In particular:

- the self-assessment process demonstrated that the Board of Statutory Auditors recognises the value of diversity in the meanings considered, i.e. skills and professionalism, training and professional background, experience, age, seniority in office and gender;
- the above-mentioned further assessment highlighted, on one hand, the adequate diversification of the outgoing Board of Statutory Auditors in terms of gender as well as age, length of time in the office and professional experience as well as, on the other, skills - assessed for each of the Statutory Auditors and then collectively considered - suitable for meeting the above-mentioned objectives.

In particular, according to the outgoing control body, the skills acquired with reference to financial markets, internal control and risk management systems and full mastery of accounting and financial reporting topics appear to be distinctive.

The outgoing control body therefore invites the Shareholders to pass their resolutions on the appointment of the body, taking care to preserve these distinctive characteristics for all candidates, while also deeming adequate diversification and complementarity of the profiles within the body to be crucial, with the aim of encouraging dialogue and its efficient functioning as well as the emergence of a plurality of approaches and perspectives in the analysis of the issues addressed. Given the importance gradually assumed by ESG aspects within the Company's activities, specific skills acquired in the area of sustainable finance are also pivotal in defining the optimal qualitative composition of the new Board of Statutory Auditors.

Particular importance is also placed on the soft skills and aptitude profiles described below:

- mutual collaboration;
- authenticity and independence of thought;
- interaction with the senior executives of the Company;

- stand-up capacity;
- ability to integrate the main sustainability aspects into the Company's strategic and business vision;
- ability to manage any conflicts constructively;
- decision-making skills;
- orientation towards results.

2. Considerations on the time commitment required to perform official duties

The adequate availability of time and energy to be devoted to the performance of official duties, in consideration of their nature, quality and complexity, is a fundamental requirement for Statutory Auditors, also in relation to activities associated with participation in the work of the Company's Board of Directors and Board Committees.

In particular, in compliance with the Rules of Conduct, the UnipolSai Board of Directors Regulation and its Board Committee Regulations establish, also in compliance with the Corporate Governance Code for listed companies (the “**Corporate Governance Code**”), that:

- members of the Board of Statutory Auditors are required to attend the Board of Directors meetings;
- the Chairman of the Board of Statutory Auditors (or another Statutory Auditor designated by the Chairman) is a permanent invitee to the meetings of the Control and Risk Committee; in any event, the other Statutory Auditors may also participate in Committee meetings;
- in addition, the members of the Board of Statutory Auditors may attend the following meetings:
 - Appointments, Governance and Sustainability Committee;
 - Remuneration Committee;
 - Related Party Transactions Committee.

The table below (Table 1) summarises the number of meetings attended by the Board of Statutory Auditors in 2021, 2022 and 2023 and the average duration of these meetings.

Table 1

| Body | 2021 | | 2022 | | 2023 | |
|--|--------------|----------------------|--------------|----------------------|--------------|----------------------|
| | no. meetings | Average duration (h) | no. meetings | Average duration (h) | no. meetings | Average duration (h) |
| Board of Statutory Auditors | 20 | 1.40 | 19 | 1.40 | 17 | 1.40 |
| Board of Directors | 8 | 2.50 | 10 | 3 | 8 | 3 |
| Control and Risk Committee | 10 | 1.45 | 9 | 3 | 15 | 2.20 |
| Appointments, Governance and Sustainability Committee | 5 | 1 | 4 | 1 | 4 | 1.20 |
| Remuneration Committee | 4 | 1 | 4 | 1 | 3 | 1 |
| Related Party Transactions Committee | 6 | 0.45 | 9 | 1 | 13 | 1 |

In the 2021-2023 three-year period, the Chairman or, at least, one of the Statutory Auditors, always took part in all meetings of the Board of Directors and the above-mentioned Committees.

At collective level, during the 2021-2023 three-year period, the average participation of the members of the Board of Statutory Auditors was nearly 100%.

It is also necessary to consider the commitment required to prepare the meetings of the Board of Statutory Auditors, the Board of Directors and the Board Committees, taking into account the topics to be examined and the documentation supporting such meetings, characterised by particularly challenging content. In addition, there is also the commitment necessary for participation in induction meetings, as well as any off-site discussions.

The Chairman of the Board of Statutory Auditors also dedicates his time to planning meetings of the Board of Statutory Auditors, reviewing the respective minutes, preparing the report of the control body and any additional documentation to be drawn up by that body, as well as discussions with the management, the Board of Statutory Auditors of the Parent Company and Committee Chairmen, in order to ensure the best coordination of the Control Body's work.

Clearly, it is also necessary to consider any other offices, commitments and work activities of Statutory Auditors, within the limits on the established total number of offices that may be held.

Given the foregoing, with a view to ensuring the proper functioning of the control body and the contribution of each member to internal discussions within the Board, the outgoing Board of Statutory Auditors has developed an estimate, to be understood as a reference for assessing the minimum time deemed necessary for the proper performance of official duties,

summarised in the following table (Table 2), considering that in the first year of the term of office new members will be required to make a greater commitment to gain adequate knowledge of the Company's activities and organisational structures.

Table 2

| Office held | Estimated time necessary for the effective performance of official duties at UnipolSai (days/year) |
|---|--|
| Chairman of the Board of Statutory Auditors | 48 |
| Standing Auditor | 40 |

As concerns the total number of offices that may be held, please recall that MD 88/2022 introduced new specific limits to the number of offices that may be held in larger or more operationally complex companies, including UnipolSai. In particular, the Decree establishes that: *“each representative of larger or more operationally complex companies may not hold a total number of offices in enterprises or other commercial companies in excess of one of the following alternative combinations:*

- a) *1 executive office and 2 non-executive offices;*
- b) *4 non-executive offices”;*

clarifying that for the calculation of the above limits, the office held in the company is included and that, for calculation purposes, the set of offices held within the same group and in the companies in which the company holds a qualified shareholding is considered to be a single office (see Articles 16 and 17 of MD 88/2022).

3. Considerations on the remuneration of the Board of Statutory Auditors

The annual remuneration of each Standing Auditor, approved by the Shareholders' Meeting of the Company on 28 April 2021, is equal to €75k; the annual remuneration of the Chairman of the Board of Statutory Auditors is €100k.

The outgoing Board of Statutory Auditors considered this remuneration to be adequate and in line with the functions performed and the respective responsibilities, although it suggests, in the assignment of remuneration to the new control body, considering the evolution of inflation during the three-year term of office as well as expected inflation.

4. Conclusions

In conclusion, on the basis of the experience gained during its term of office, the outgoing Board of Statutory Auditors presents the following considerations.

In terms of the professional skills of the members of the Board of Statutory Auditors, considering: (i) the sector in which the Company operates, (ii) the complexity of the respective business organisation and (iii) the size and highly complex structure of the reference Group, it is considered desirable for the new control body to have skills and experience gained on a complementary basis in the relevant disciplinary areas referred to in paragraph no. 1 above.

In particular, it is important for this mix of skills to be well balanced and distributed across the various members of the control body and accompanied by in-depth knowledge of the rules for the functioning of listed companies.

Furthermore, in light of the provisions of MD 88/2022, the Fit & Proper Policy and the Diversity Policy, it is necessary to consider the presence of representatives:

- meeting the integrity requirements pursuant to Art. 3 of MD 88/2022;
- capable of meeting the fairness criteria pursuant to Articles 4 and 5 of MD 88/2022;
- meeting the professionalism requirements pursuant to Art. 8 of MD 88/2022, with the specification that registration in the register of statutory auditors and the performance of statutory auditing activities for at least three years are required for at least one Standing Auditor and one Alternate Auditor;
- who are diverse in terms of age and duration of tenure in the position, as well as in terms of gender;
- having (each of them) a plurality of skills pursuant to Art. 9 of MD 88/2022, as specified in paragraph 1 above, so that the skills of the body considered as a whole are suitable pursuant to Art. 10 of MD 88/2022 to: (i) foster internal dialogue and debate, (ii) encourage the emergence of a variety of approaches and perspectives in the analysis of issues and in decision making, (iii) effectively support the corporate processes of strategy development, management of activities and risks, control over the operations of the top management and (iv) take into account the multiple interests that contribute to the sound and prudent management of the Company;
- meeting the independence requirement pursuant to Art. 13 of MD 88/2022, which is in addition to the independence requirements of the Statutory Auditors of listed companies pursuant to Art. 148, paragraph 3, of the Consolidated Law on Finance and the Corporate Governance Code;
- in possession of independence of judgement pursuant to Art. 14 of MD 88/2022,

as well as, as illustrated above, capable of having the time necessary to carry out official duties and not holding offices in excess of the limits described above.

Bologna, 13 February 2024

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