

Corporate Governance Report

The UNIQA Group has committed itself since 2004 to compliance with the Austrian Code of Corporate Governance and publishes this compliance declaration both in the Group annual report and on the Group website under www.uniqagroup.com → [Investor Relations](#) → [Corporate Governance](#). The Austrian Code of Corporate Governance is also publically available at www.corporate-governance.at.

Implementation and compliance with the individual rules of the code are annually evaluated by Univ.Prof.DDr. Waldemar Jud Corporate Governance Forschung CGF GmbH. Primarily on the basis of a questionnaire, this institution evaluates whether the company complies with the Austrian Code of Corporate Governance, as published by the Austrian Working Group for Corporate Governance. The report on the external evaluation in accordance with rule 62 of the Austrian Code of Corporate Governance can be found on the UNIQA Group website.

UNIQA declares its continued willingness to comply with the Austrian Code of Corporate Governance, as currently amended. In accordance with the code, the "L rules" (legal requirements) are all fully adhered to. However, UNIQA deviates from the provisions of the code in the version applicable for the reporting year with regard to the following "C rules" (comply or explain) and explains as follows:

■ Rule 31

UNIQA Versicherungen AG does not view individual publishing of the Management Board salaries to be meaningful or useful in consideration of data privacy issues and the right of privacy of the individual Management Board members.

■ Rule 45 (irrelevant as of 31 May 2010)

Markus Mair is, in addition to his function as a member of the Supervisory Board of UNIQA Versicherungen AG, also on the Supervisory Board of Grazer Wechselseitige Versicherung Aktiengesellschaft and GRAWE-Vermögensverwaltung.

■ Rule 49

Due to the growth of UNIQA's shareholder structure and the special nature of the insurance business with regard to the investment of insurance assets, there are a number of contracts with individual members of the Supervisory Boards of related companies. As long as such contracts require approval by the Supervisory Board according to Section 95 paragraph 5 sub-para 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 laws. In any case, all transactions are handled under customary market conditions.

■ Rule 51

UNIQA Versicherungen AG does not view individual publishing of the Supervisory Board compensation to be meaningful or useful in consideration of data privacy issues and the right of privacy of the individual Supervisory Board members.

Management Board

■ Chairman

Konstantin Klien

- Born in 1951
- Appointed since 1 October 2000 until 30 June 2011 (mandate laid down)

Responsible for

- Group management
- Sales
- Planning and controlling
- Human resources
- Marketing
- Communications
- Investor relations
- Internal auditing

Country responsibility

- Austria

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

- Member of the Supervisory Board of Casinos Austria Aktiengesellschaft, Vienna
- Member of the Supervisory Board of CESEAG Aktiengesellschaft, Vienna
- Member of the Supervisory Board of Wiener Börse AG, Vienna
- Member of the Board of Directors of Takaful Emarat Insurance, UAE

■ Vice Chairman (Chairman from 1 July 2011)

Andreas Brandstetter

- Born in 1969
- Appointed since 1 January 2002 until 30 September 2013

Responsible for

- New markets
- Mergers & acquisitions
- Bank sales policy

Country responsibility

- Albania
- Bulgaria
- Kosovo
- Macedonia
- Montenegro
- Romania
- Russia
- Serbia
- Slovenia
- Ukraine

■ Members

Hannes Bogner

- Born in 1959
- Appointed since 1 January 1998 until 30 September 2013

Responsible for

- Group accounting
- Planning and controlling
- Asset management (back office)
- Investor relations
- Industry customers and reinsurance policy

Country responsibility

- Germany
- Italy
- Poland
- Switzerland

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

- Member of the Board of Directors of Takaful Emarat Insurance, UAE

Karl Unger

- Born in 1953
- Appointed since 1 January 2002 until 30 September 2013

Responsible for

- Private customer business
- IT
- Company organisation
- Customer service
- Group actuarial office
- Risk management

Country responsibility

- Liechtenstein
- Hungary
- Slovakia

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

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

Gottfried Wanitschek

- Born in 1955
- Appointed since 1 January 1997 until 30 September 2013

Responsible for

- Asset management (front office)
- Equity holdings
- Real estate
- Legal affairs
- General administration
- Internal auditing

Country responsibility

- Bosnia and Herzegovina
- Croatia
- Czech Republic

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

- Member of the Supervisory Board of EPAMEDIA – EUROPÄISCHE PLAKAT- UND AUSSEN MEDIEN GMBH, Vienna
- Vice Chairman of the Supervisory Board of KURIER Beteiligungs-Aktiengesellschaft, Vienna
- 2nd Vice Chairman of the Supervisory Board of KURIER Redaktionsgesellschaft m.b.H., Vienna
- 2nd Vice Chairman of the Supervisory Board of KURIER Zeitungsverlag und Druckerei Gesellschaft m.b.H., Vienna
- Member of the Supervisory Board of LEIPNIK-LUNDENBURGER INVEST Beteiligungs Aktiengesellschaft, Vienna
- Member of the Supervisory Board of Mediaprint Zeitungs- und Zeitschriftenverlag Gesellschaft m.b.H., Vienna
- Chairman of the Supervisory Board of Privatklinik Villach Gesellschaft m.b.H., Klagenfurt
- Member of the Supervisory Board of Raiffeisen Zentralbank Österreich Aktiengesellschaft, Vienna

Functions of the Management Board

The rules of procedure regulate the distribution of business and the cooperation of the Management Board. They also describe the notification and reporting obligations of the Management Board with respect to the Supervisory Board and stipulate a catalogue of measures that require approval by the Supervisory Board.

Supervisory Board

■ Chairman

Christian Konrad

- Born in 1943
- Appointed since 29 June 1990 until the 12th AGM (2011)

Supervisory Board appointments in domestic and foreign listed companies

- Chairman of the Supervisory Board of AGRANA Beteiligungs-Aktiengesellschaft, Vienna
- Member of the Supervisory Board of DO & CO Restaurants & Catering Aktiengesellschaft, Vienna
- Member of the Supervisory Board of BAYWA AG, Munich
- Vice Chairman of the Supervisory Board of Südzucker AG Mannheim/Ochsenfurt, Mannheim

■ First Vice Chairman

Georg Winckler

- Born in 1943
- Appointed since 17 September 1999 until the 12th AGM (2011)

Supervisory Board appointments in domestic and foreign listed companies

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

■ Second Vice Chairman

Walter Rothensteiner

- Born in 1953
- Appointed since 3 July 1995 until the 12th AGM (2011)

Supervisory Board appointments in domestic and foreign listed companies

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

■ Third Vice Chairman

Christian Kuhn

- Born in 1954
- Appointed since 15 May 2006 until the 12th AGM (2011)

■ Fourth Vice Chairman

Markus Mair

- Born in 1964
- Appointed since 15 May 2006 until 31 May 2010

Supervisory Board appointments in domestic and foreign listed companies

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

Günther Reibersdorfer

- Born in 1954
- Appointed from 23 May 2005 to 25 May 2009 and since 31 May 2010 until the 12th AGM (2011)

■ **Fifth Vice Chairman****Ewald Wetscherek**

- Born in 1944
- Appointed since 17 September 1999 until the 12th AGM (2011)

■ **Members****Ernst Burger**

- Born in 1948
- Appointed since 25 May 2009 until the 12th AGM (2011)

Erwin Hameseder

- Born in 1956
- Appointed since 21 May 2007 until the 12th AGM (2011)

Supervisory Board appointments in domestic and foreign listed companies

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

Eduard Lechner

- Born in 1956
- Appointed since 25 May 2009 until the 12th AGM (2011)

Hannes Schmid

- Born in 1953
- Appointed since 25 May 2009 until the 12th AGM (2011)

Supervisory Board appointments in 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**

- Born in 1954
- Since 18 February 2008

Doris Böhm

- Born in 1957
- Since 7 April 2005

Anna Gruber

- Born in 1959
- Since 15 April 2009

Franz Michael Koller

- Born in 1956
- Since 17 September 1999

Friedrich Lehner

- Born in 1952
- From 31 May 2000 to 1 September 2008 and since 15 April 2009

The Supervisory Board of UNIQA Versicherungen AG had five meetings in 2010.

Committees of the Supervisory Board■ **Committee for Board Affairs**

- Christian Konrad (Chairman)
- Georg Winckler
- Walter Rothensteiner
- Christian Kuhn

■ **Working Committee**

- Christian Konrad (Chairman)
- Georg Winckler
- Walter Rothensteiner
- Christian Kuhn
- Markus Mair (until 31 May 2010)
- Günther Reibersdorfer (since 31 May 2010)
- Ewald Wetscherek

Assigned by the Central Employee Council

- Johann-Anton Auer
- Doris Böhm
- Franz Michael Koller

■ **Audit Committee**

- Christian Konrad (Chairman)
- Georg Winckler
- Walter Rothensteiner
- Christian Kuhn
- Markus Mair (until 31 May 2010)
- Günther Reibersdorfer (since 31 May 2010)
- Ewald Wetscherek

Assigned by the Central Employee Council

- Johann-Anton Auer
- Doris Böhm
- Franz Michael Koller

■ **Investment Committee**

- Erwin Hameseder (Chairman)
- Georg Winckler (Vice Chairman)
- Eduard Lechner
- Hannes Schmid

Assigned by the Central Employee Council

- Johann-Anton Auer
- Doris Böhm

Functions 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 statute, by the company articles and by its rules of procedure. The Supervisory Board is responsible for supervising the management of the company by the Management Board.

A Committee for Board Affairs of the Supervisory Board has been formed 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 shall be called upon for decisions only if the urgency of the issue will not allow the decision to wait until the next meeting of the Supervisory Board. The evaluation of the urgency is the responsibility of the chairman. The decisions passed must be reported in the next meeting of the Supervisory Board. The Working Committee decides in principle on all issues that are the responsibility of the Supervisory Board; issues of particular importance or stipulated by law are accepted, however.

The Audit Committee of the Supervisory Board has the same membership as the Working Committee. The Audit Committee, including the activities of the Working Committee in its function as Audit Committee, 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 two meetings, the Committee for Board Affairs dealt with the legal employment formalities of the members of the Management Board.

The Working Committee mainly discussed the profit developments of the Group, assessed the company strategy and made one decision regarding steps to be taken by circulating it in writing. The committee had five meetings in 2010.

The Audit Committee, including the Working Committee which also met in its function as Audit Committee, met for six meetings, dealt with all audit documents and the Management Board's proposed appropriation of profit and particularly addressed the reports of Internal Auditing regarding audit areas and significant audit discoveries based on executed audits.

The Investment Committee had five meetings about the capital investment strategy and questions of the capital structure.

The various chairmen of the committees informed the members of the Supervisory Board about the meetings and their committee's work.

Measures to promote women on the Management Board, the Supervisory Board, and in top executive positions

In recent years, UNIQA has been filling more and more top executive positions with women. In 2010 alone, four female employees were promoted to department head and managing director positions which report directly to the Management Board. One of the Group's particularly ambitious personnel policy goals is to attract women to leadership positions in sales.

With its flexible work-time models, UNIQA provides its female employees with a tool to make their careers compatible with their families as well as they can.

In the international Group companies, nearly every fourth manager of the first and second management levels is a woman. In this area, the UNIQA Group has already achieved a 25% female ratio.

In the recruiting process, UNIQA pays attention not just to education, experience, personal qualities, and equal gender treatment. As an international corporation active in 21 European countries, UNIQA places special emphasis on encouraging female employees to spend a certain amount of their professional life in international Group companies.

The Supervisory Board committee for Board affairs, which also acts as the Nominating Committee, strives to include equally qualified women to be considered for upcoming vacancies on the Supervisory Board and the Management Board.

Independence of the Supervisory Board

All selected 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 for 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 significant 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 not for the performance of executive functions in the Group.
- The Supervisory Board member should not have been auditor of the company 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.

The rules of procedure regulate the distribution of business and the cooperation of the Management Board. They also describe the notification and reporting obligations of the Management Board with respect to the Supervisory Board and stipulate a catalogue of measures that require approval by the Supervisory Board.

Remuneration report

Earnings of the Management Board and Supervisory Board

Members of the Management Board receive remunerations exclusively from UNIQA Versicherungen AG.

	2010 € 000	2009 € 000
The expenses for remuneration of Management Board members attributable to the reporting year amounted to:		
Regular payments	2,747	2,895
Performance-related remunerations	1,959	0
Total	4,705	2,895
of which charged to operational subsidiaries	4,470	2,750
Former members of the Management Board and their surviving dependants were paid:	2,556	2,522
Because of pension commitments to these persons, the following provision was set up on 31 Dec.	23,548	21,746

The remuneration to members of the Supervisory Board amounted to:

	2010 € 000	2009 € 000
For the current financial year (provision)	380	323
Meeting attendance fee	39	35
Total	419	358

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

The information according to Section 239 paragraph 1 of the Austrian Business Code in connection with Section 80b of the Insurance Supervisory Act, which must be included in the Notes as mandatory information for financial statements according to IFRS to release the company from the requirement to prepare financial statements in accordance with the Austrian Commercial Code, is defined for the individual financial statements according to the provisions of the Austrian Commercial Code, with expanded scope. In addition to the executive functions (Management Board) of UNIQA Versicherungen AG, the individual financial statements also include the earnings of the Management Boards of the subsidiaries, insofar as a legally binding basis exists with UNIQA Versicherungen AG.

Principles for profit participation by the Management Board

A variable income component was 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 will be pro-

vided as a one-time payment based on the earnings situation. The basis for determining the size of the bonus is the return on equity based on the IFRS consolidated financial statements of UNIQA Versicherungen AG. The Management Board reports to the Committee for Board Affairs on the balance sheet work involving the development of the Group's reserves. The Committee for Board Affairs can appropriately take changes to the reserves into account in determining the size of the bonus payments and establish an adjusted Group return on equity. No changes with respect to the previous year were made to the principles of the profit participation.

Principles for the pension scheme provided in the company for the Management Board and its requirements

Retirement pensions, a pension for occupational invalidity as well as a widow's and orphan's pension have been established, whereby the pension entitlements are managed by ÖPAG Pensionskassen AG. The retirement pension is due in principle upon meeting the requirements for the old-age pension according to the General Social Security Act. In event of an earlier retirement, the pension claim is reduced. For the occupational invalidity pension and the pension for surviving dependants, flat rates are provided as a minimum pension.

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 upon based partially on the provisions of the Salaried Employee Act. The benefits are fundamentally retained in the event of termination of membership in the Management Board; however, a reduction rule applies.

Supervisory Board remuneration scheme

Remunerations to the Supervisory Board are decided at the Annual General Meeting as a total amount for the work in the past financial year. The remuneration amount applicable to the individual Supervisory Board members is based on the position within the Supervisory Board and the number of committee positions.

D&O insurance

Such insurance exists, and the relevant costs are paid by UNIQA.

Risk report, directors' dealings

A comprehensive risk report (rule 67) is included in the Group notes beginning on p. 82. A description of the announcements made about the directors' dealings (rule 70) can also be found in the Corporate Governance area of the Group website.

Vienna, 6 April 2011

Konstantin Klien
Chairman of the
Management Board

Andreas Brandstetter
Vice Chairman of the
Management Board

Hannes Bogner
Member of the
Management Board

Karl Unger
Member of the
Management Board

Gottfried Wanitschek
Member of the
Management Board