

Corporate Governance

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 in the Investor Relations section. The Austrian Code of Corporate Governance is also publicly available at www.uniqagroup.com and 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

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
Andreas Brandstetter , 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	
Erik Leyers , 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	• Member of the Supervisory Board of Raiffeisen Informatik GmbH, Vienna (since 1 June 2016)
Kurt Svoboda , 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	
Hannes Bogner , 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"> • Member of the Supervisory Board of Casinos Austria Aktiengesellschaft, Vienna • Member of the Supervisory Board of CEESEG Aktiengesellschaft, Vienna • Member of the Supervisory Board of Niederösterreichische Versicherung AG, St. Pölten • Member of the Supervisory Board of Wiener Börse AG, Vienna
Wolfgang Kindl , Member *1966, appointed 1 July 2011 until 31 May 2016	UNIQA International (until 31 May 2016)	
Thomas Münkel , 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)	• Member of the Supervisory Board of Raiffeisen Informatik GmbH, Vienna (until 31 May 2016)

Management and monitoring duties in significant subsidiaries	Number of UNIQA shares held
<ul style="list-style-type: none"> Chairman of the Supervisory Board of UNIQA Österreich Versicherungen AG, Vienna (until 31 May 2016) Chairman of the Supervisory Board of UNIQA International AG, Vienna (until 31 May 2016) Chairman of the Supervisory Board of Raiffeisen Versicherung AG, Vienna (until 1 October 2016; company merged with UNIQA Österreich Versicherungen AG) Chairman of the Supervisory Board of SIGAL UNIQA Group AUSTRIA sh.a., Tirana Chairman of the Supervisory Board of SIGAL LIFE UNIQA Group AUSTRIA sh.a., Tirana President of the Board of Directors for UNIQA Re AG, Zurich (since 25 October 2016) 	as at 31 December 2016: 25,219 shares
<ul style="list-style-type: none"> Member of the Management Board of UNIQA Österreich Versicherungen AG, Vienna Member of the Management Board of UNIQA International AG, Vienna (since 1 June 2016) Member of the Managing Directors of UNIQA internationale Beteiligungs-Verwaltungs GmbH, Vienna (since 16 August 2016) Member of the Supervisory Board of FINANCE LIFE Lebensversicherung AG, Vienna (until 1 October 2016; company merged with UNIQA Österreich Versicherungen AG) Member of the Supervisory Board of UNIQA Asigurari S.A., Bucharest Member of the Supervisory Board of UNIQA Asigurari de Viata S.A., Bucharest Member of the Supervisory Board of UNIQA Towarzystwo Ubezpieczeń na Życie S.A., Lodz (since 29 June 2016) Member of the Supervisory Board of UNIQA Biztosító Zrt., Budapest (since 13 September 2016) Member of the Supervisory Board of UNIQA pojišťovna, a.s., Prague (since 14 September 2016) 	as at 31 December 2016: 1,391 shares
<ul style="list-style-type: none"> Member of the Supervisory Board of UNIQA Österreich Versicherungen AG, Vienna (until 31 May 2016) Member of the Management Board of UNIQA Österreich Versicherungen AG, Vienna (since 1 June 2016) Member of the Supervisory Board of UNIQA International AG, Vienna (until 31 May 2016) Member of the Management Board of UNIQA International AG, Vienna (since 1 June 2016) Member of the Managing Directors of UNIQA internationale Beteiligungs-Verwaltungs GmbH, Vienna (since 16 August 2016) Member of the Supervisory Board of PremiQaMed Holding GmbH, Vienna (since 1 June 2016) Member of the Supervisory Board of Raiffeisen Versicherung AG, Vienna (until 1 October 2016; company merged with UNIQA Österreich Versicherungen AG) Member of the Supervisory Board of UNIQA Asigurari S.A., Bucharest Member of the Supervisory Board of UNIQA Asigurari de Viata S.A., Bucharest Member of the Supervisory Board of UNIQA Towarzystwo Ubezpieczeń S.A., Lodz (since 29 June 2016) Member of the Supervisory Board of UNIQA poistovňa a.s., Bratislava (since 28 June 2016) Member of the Supervisory Board of UNIQA Towarzystwo Ubezpieczeń na Życie S.A., Lodz (since 29 June 2016) Member of the Supervisory Board of the UNIQA Insurance Company, Private Joint Stock Company, Kiev (since 1 August 2016) Member of the Supervisory Board of UNIQA LIFE Private Joint Stock Company, Kiev (since 1 August 2016) Member of the Supervisory Board of UNIQA Biztosító Zrt., Budapest (since 13 September 2016) Member of the Supervisory Board of UNIQA pojišťovna, a.s., Prague (since 14 September 2016) Vice Chairman of the Board of Directors for UNIQA Versicherung AG, Vaduz (until 28 June 2016) Chairman of the Board of Directors for UNIQA Versicherung AG, Vaduz (since 29 June 2016) President of the Board of Directors for UNIQA Re AG, Zurich (until 24 October 2016) Vice President of the Board of Directors for UNIQA Re AG, Zurich (since 25 October 2016) 	as at 31 December 2016: 11,697 shares
<ul style="list-style-type: none"> Vice Chairman of the Supervisory Board of UNIQA Österreich Versicherungen AG, Vienna (until 31 May 2016) Vice Chairman of the Supervisory Board of UNIQA International AG, Vienna Vice Chairman of the Supervisory Board of Raiffeisen Versicherung AG, Vienna (until 1 October 2016; company merged with UNIQA Österreich Versicherungen AG) Member of the Supervisory Board of UNIQA Asigurari S.A., Bucharest (until 31 May 2016) Member of the Supervisory Board of UNIQA Asigurari de Viata S.A., Bucharest (until 31 May 2016) Member of the Supervisory Board of UNIQA Assicurazioni S.p.A., Milan (until 30 August 2016) Member of the Supervisory Board of UNIQA Previdenza S.p.A., Milan (until 30 August 2016) Member of the Supervisory Board of UNIQA Life S.p.A., Milan (until 30 August 2016) 	as at 31 May 2016: 9,341 shares
<ul style="list-style-type: none"> Chairman of the Management Board of UNIQA International AG, Vienna Chairman of the Supervisory Board of UNIQA Österreich Versicherungen AG, Vienna (since 1 June 2016) Member of the Supervisory Board of UNIQA Österreich Versicherungen AG, Vienna (until 31 May 2016) Member of the Supervisory Board of Raiffeisen Versicherung AG, Vienna (until 1 October 2016; company merged with UNIQA Österreich Versicherungen AG) Member of the Supervisory Board of SIGAL UNIQA Group AUSTRIA sh.a., Tirana Member of the Supervisory Board of SIGAL LIFE UNIQA Group AUSTRIA sh.a., Tirana Chairman of the Supervisory Board of UNIQA osiguranje d.d., Sarajevo Chairman of the Supervisory Board of UNIQA Insurance plc, Sofia Chairman of the Supervisory Board of UNIQA osiguranje d.d., Zagreb Chairman of the Supervisory Board of UNIQA Asigurari S.A., Bucharest Chairman of the Supervisory Board of UNIQA Asigurari de Viata S.A., Bucharest Chairman of the Supervisory Board of UNIQA poistovňa a.s., Bratislava (since 28 June 2016) Chairman of the Supervisory Board of the UNIQA Insurance Company, Private Joint Stock Company, Kiev Chairman of the Supervisory Board of UNIQA LIFE Private Joint Stock Company, Kiev (since 1 August 2016) Chairman of the Supervisory Board of UNIQA Towarzystwo Ubezpieczeń S.A., Lodz (since 7 September 2016) Chairman of the Supervisory Board of UNIQA Towarzystwo Ubezpieczeń na Życie S.A., Lodz (since 7 September 2016) Member of the Supervisory Board of UNIQA Biztosító Zrt., Budapest (until 12 September 2016) Chairman of the Supervisory Board of UNIQA Biztosító Zrt., Budapest (since 13 September 2016) Member of the Supervisory Board of UNIQA pojišťovna, a.s., Prague (until 13 September 2016) Chairman of the Supervisory Board of UNIQA pojišťovna, a.s., Prague (since 14 September 2016) Chairman of the Board of Directors for UNIQA Versicherung AG, Vaduz (until 28 June 2016) Vice Chairman of the Board of Directors for UNIQA Versicherung AG, Vaduz (since 29 June 2016) Chairman of the Board of Directors for UNIQA Assurances SA, Geneva Member of the Board of Directors for UNIQA Re AG, Zurich (until 24 October 2016) Chairman of the Supervisory Board of UNIQA Assicurazioni S.p.A., Milan Chairman of the Supervisory Board of UNIQA Previdenza S.p.A., Milan Chairman of the Supervisory Board of UNIQA Life S.p.A., Milan 	as at 31 May 2016: 7,341 shares
<ul style="list-style-type: none"> Member of the Supervisory Board of UNIQA Österreich Versicherungen AG, Vienna (until 31 May 2016) Member of the Supervisory Board of UNIQA International AG, Vienna (until 31 May 2016) Member of the Supervisory Board of Raiffeisen Versicherung AG, Vienna (until 31 May 2016; company merged with UNIQA Österreich Versicherungen AG) 	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
Walter Rothensteiner , Chairman *1953, appointed 3 July 1995 until the 20th Annual General Meeting (2019)	<ul style="list-style-type: none"> Chairman of the Supervisory Board of Raiffeisen Bank International AG, Vienna 		
Christian Kuhn , First Vice Chairman *1954, appointed 15 May 2006 until the 20th Annual General Meeting (2019)			
Erwin Hameseder , Second Vice Chairman *1956, appointed 21 May 2007 until the 20th Annual General Meeting (2019)	<ul style="list-style-type: none"> Chairman of the Supervisory Board of AGRANA Beteiligungs-Aktiengesellschaft, Vienna Vice Chairman of the Supervisory Board of STRABAG SE, Villach First Vice Chairman of the Supervisory Board of Flughafen Wien Aktiengesellschaft, Vienna Airport First Vice Chairman of the Supervisory Board of Raiffeisen Bank International AG, Vienna Second Vice Chairman of the Supervisory Board of Südzucker AG, Mannheim 		
Eduard Lechner , Third Vice Chairman *1956, appointed 25 May 2009 until the 20th Annual General Meeting (2019)			
Markus Andréewitch , Member *1955, appointed 26 May 2014 until the 20th Annual General Meeting (2019)			
Ernst Burger , Member *1948, appointed 25 May 2009 until the 20th Annual General Meeting (2019)	<ul style="list-style-type: none"> Vice Chairman of the Supervisory Board of Josef Manner & Comp. Aktiengesellschaft, Vienna 		
Peter Gauper (until 30 May 2016) , Member *1962, appointed 29 May 2012 until 30 May 2016			
Jutta Kath (since 30 May 2016) , Member *1960, appointed 30 May 2016 until the 20th Annual General Meeting (2019)		<ul style="list-style-type: none"> Member of the Board of Directors for UNIQA Re AG, Zurich (since 24 October 2016) 	
Rudolf Könighofer (since 30 May 2016) , Member *1962, appointed 30 May 2016 until the 20th Annual General Meeting (2019)			
Johannes Schuster , Member *1970, appointed 29 May 2012 until the 20th Annual General Meeting (2019)	<ul style="list-style-type: none"> Member of the Supervisory Board of Raiffeisen International AG, Vienna 		
Kory Sorenson , Member *1968, appointed 26 May 2014 until the 20th Annual General Meeting (2019)	<ul style="list-style-type: none"> Member of the Board of Directors of SCOR SE, Paris Member of the Board of Directors of Phoenix Group Holdings, Cayman Islands Member of the Board of Directors of Pernod Ricard, Paris 		as at 31 December 2016: 10,000 shares
Delegated by the Central Works Council			
Johann-Anton Auer *1954, from 18 February 2008 until 30 May 2016			as at 30 May 2016: 10,106 shares
Peter Gattinger *1976, from 10 April 2013 until 26 May 2015, and since 30 May 2016			
Heinrich Kames *1962, since 10 April 2013			as at 31 December 2016: 56 shares
Harald Kindermann *1969, since 26 May 2015			
Franz-Michael Koller *1956, since 17 September 1999			as at 31 December 2016: 912 shares
Friedrich Lehner *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
Committee for Board Affairs	Walter Rothensteiner	Christian Kuhn	Erwin Hameseder, Eduard Lechner	
Working Committee	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
Audit Committee	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
Investment Committee	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
IT Committee (appointed on 7 September 2016)	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 ¹⁾	2,379	2,469
Variable remuneration	2,242	1,029
Current remuneration	4,622	3,498
Termination benefit entitlements	2,513	0
Total	7,135	3,498
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

¹⁾ 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) ¹⁾	Multi-year share-based remuneration (LTI) ²⁾	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
Total 2016	2,379	2,242	0	4,622	2,513	7,135
Total 2015	2,469	1,029	0	3,498	0	3,498

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

²⁾ 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 Munkel (until 31 May 2016)	102	1,758	1,861
Kurt Svoboda	105	0	105
Total 2016	478	2,830	3,308
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
Total	547	474

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
Total	547	474

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

External evaluation

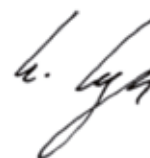
Implementation of, and compliance with, the individual rules in the Austrian Code of Corporate Governance were evaluated by PwC Wirtschaftsprüfung GmbH for the 2016 financial year – with the exception of Rules 77 to 83. Rules 77 to 83 of the Austrian Code of Corporate Governance are evaluated by the 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

Report of the Supervisory Board

Dear Shareholders,

The 2016 financial year was, like 2015, a very challenging year for the European insurance industry. The low interest rate environment which has prevailed for years was intensified even further in 2016, although at the end of the year returns on long-term investments did begin to bottom out worldwide. In spite of these conditions, in 2016 – the fifth full year of UNIQA 2.0 – the Group was able to complete further crucial steps of the long-term strategic programme (2011 to 2020).

At the start of 2016 the UNIQA Group Management Board, with the agreement of the Supervisory Board, decided to launch a comprehensive investment programme. This investment programme is split over several

years and has a total value of around €500 million. The investments are predominantly aimed at redesigning the business model and at the modernisation of IT systems required for this development. This innovation programme will create the conditions needed to allow UNIQA's planned growth to continue successfully in future, despite major changes to the structural conditions.

The decision was also taken in 2016 to reorganise the Group structure, and this was successfully completed over the course of the year. Our four operational direct insurance companies in Austria were merged into one company. FINANCE LIFE Lebensversicherung AG, Raiffeisen Versicherung AG and Salzburger Landes-Versicherung AG were merged with UNIQA Österreich

Versicherungen AG as the acquiring company. The insurance portfolios of the existing four companies were thereby consolidated in UNIQA Österreich Versicherungen AG. This has allowed greater speed, more efficiency and increased innovative capacity, while ensuring a significant reduction in Board positions at the same time.

The focus on the core insurance business in Austria as well as Central and Eastern Europe continues as before. The Italian Group companies UNIQA Assicurazioni S.p.A., UNIQA Previdenza S.p.A. and UNIQA Life S.p.A. were sold to an Italian insurance group. UNIQA also sold its minority holdings in Niederösterreichische Versicherung AG and Raiffeisen evolution project development GmbH in 2016.

UNIQA is on very solid ground for the start of 2017. After the closing of the sale of the Italian companies, UNIQA expects a further significant improvement in its already strong capital adequacy position under Solvency II. The consistent strategy of focusing on our core business is being pursued further in early 2017 with the decision to sell the share in Casinos Austria Aktiengesellschaft.

The changes taking place at shareholder level will secure the Group's successful bank assurance concept over the long term.

Activities of the Supervisory Board

During 2016, the Supervisory Board was regularly informed by the Management Board about the business performance and position of UNIQA Insurance Group AG and the Group as a whole. It also supervised the Management Board's management of the business and fulfilled all the tasks assigned to the Supervisory Board by law and the Articles of Association. At the Supervisory Board meetings, the Management Board presented detailed quarterly reports and provided additional oral as well as written reports. The Supervisory Board was given timely and comprehensive information about those measures requiring its approval.

The members of the Supervisory Board are regularly invited to participate in information events on relevant topics. Three special seminars took place in 2016 on the topics of "UNIQA International", "Innovation & Digitalisation" and "Update from the divisions (Legal & Compliance, Group Actuarial & Risk Management, Group Finance)", as well as the informational event "Introduction of a new core IT system".

Focus of the deliberations

The Supervisory Board met on seven occasions in 2016. It also adopted three decisions by circulating a written resolution.

Discussions focused on the Group's earnings situation and its further strategic development.

At the meeting held on 18 January, the Supervisory Board approved the budget for the 2016 financial year and the medium-term forecast up to the

year 2020. It also addressed the ORSA Report 2015 (Own Risk and Solvency Assessment) and took a decision in principle to implement a new core IT system for the Group, together with the necessary financial framework.

At the meeting held on 9 March, the Supervisory Board mainly discussed the Group's preliminary results for 2015 and the trends so far in the 2016 financial year. A reorganisation of the Group's governance structure, together with changes to the Group Management Board, were resolved on 1 June, along with the corporate reorganisation of the Austrian insurance Group.

The Supervisory Board meeting on 13 April focused on the audit of the annual financial statements and consolidated financial statements for the year ended 31 December 2015 and on the reports from the Management Board with up-to-date information on the performance of the Group in the first quarter of 2016. The Supervisory Board also discussed the agenda for the 16th Annual General Meeting held on 30 May 2016. The report by auditors PwC Wirtschaftsprüfung GmbH and lawyers Schönherr Rechtsanwälte GmbH, regarding compliance with the provisions of the Austrian Code of Corporate Governance (ÖCGK) in the 2015 financial year, was acknowledged.

The meeting of the Supervisory Board held on 25 May was dedicated to a discussion of the Group's earnings situation in the first quarter of 2016. The contractual basis for the Group reorganisation was approved, as were changes to the segmentation of the business in UNIQA Insurance Group AG's Group Management Board from 1 June 2016. Discussions also covered the composition of the Supervisory Boards at UNIQA Österreich Versicherungen AG and UNIQA International AG as at 1 June 2016.

The Supervisory Board was constituted in the meeting on 30 May after the appointment of two new members, Jutta Kath and Rudolf Könighofer.

On 27 July, the Supervisory Board passed a resolution by way of circular to sell UNIQA Insurance Group AG's 13.22 per cent stake in Niederösterreichische Versicherung AG and to appoint the auditor for the prospective merger of BL Syndikat Beteiligungs Gesellschaft m.b.H. as the transferring company, with UNIQA Insurance Group AG as acquiring company.

At its meeting on 7 September, the Supervisory Board discussed the Group's earnings situation in the first half of the 2016, the latest developments in the third quarter of 2016, and the forecast for the 2016 financial year. The Supervisory Board agreed the contractual basis for the merger of BL Syndikat Beteiligungs Gesellschaft m.b.H. as the transferring company, with UNIQA Insurance Group AG as acquiring company, as at the merger reference date of 31 July 2016. It also approved the selection of possible suppliers to implement the UNIQA Insurance Platform as part of the new core IT system for the Group. An IT Committee of the Supervisory Board was appointed to oversee the implementation. The Supervisory Board furthermore approved the sale of the 20 per cent share in Raiffeisen evolution project development GmbH.

In addition to reporting on the results of the Group in the first three quarters of 2016 and the latest performance information for the fourth quarter of 2016, at the Supervisory Board meeting on 23 November detailed discussions were held about the forecast for the 2016 financial year, planning for the 2017 financial year and the medium-term planning up to

2021. The Supervisory Board also evaluated its activities in accordance with the Austrian Code of Corporate Governance (ÖCGK) and discussed the submission of the ORSA Report 2016, along with the status report on the pending sale of the Italian Group companies.

On 16 December the Supervisory Board approved by way of circular resolution the contractual basis for implementation of the UNIQA Insurance Platform as part of the new core IT system for the Group.

Committees of the Supervisory Board

To facilitate the work of the Supervisory Board and to improve its efficiency, other committees have been set up in addition to the mandatory financial Audit Committee.

The **Working Committee** did not hold any meetings in the past financial year. In a circular resolution dated 2 December the Working Committee approved the sale of the Italian Group companies based on the authorisations granted by the full Supervisory Board.

The **Committee for Board Affairs**, which also exercises the functions of the **Nominating and Remuneration Committee**, dealt with legal employment formalities concerning the members of the Management Board and with questions relating to remuneration strategy and succession planning at four separate meetings.

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 newly appointed **IT Committee** addressed the preparations for the award of contracts to implement the UNIQA Insurance Platform at a meeting and in a decision by way of circular resolution.

The **Audit Committee** held four meetings in 2016 and these meetings were also attended by the auditors of the (consolidated) financial statements. All of the documents relating to the financial statements and the appropriation of profit proposed by the Management Board were discussed at the meeting on 13 April, with the Compliance Manager's annual activity report for 2015 also submitted and acknowledged in particular. At the meeting held on 25 May, the auditor presented the planning for the audits of the 2016 financial statements prepared by the companies in the UNIQA Group and coordinated this planning and strategy with the committee. At the meeting on 7 September, the statutory auditor reported on the reforms resulting from the Audit Law Amendment Act 2016. At the meeting held on 23 November, the auditor informed the committee about the findings from its preliminary audits to date. The meeting acknowledged a report by the auditor assessing the extent to which the risk management system was fully functioning. A UNIQA Group policy was decided for the purposes of appointing auditors for non-audit services. In addition, the Audit Committee received quarterly reports from Internal Audit on the areas audited by this department and any material findings that arose from these audits.

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

Separate and consolidated financial statements

The separate financial statements prepared by the Management Board, the management report of UNIQA Insurance Group AG, the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRSs) – as adopted by the EU – and the Group management report for the year ended 31 December 2016 were audited by PwC Wirtschaftsprüfung GmbH, which issued an unqualified audit opinion.

The Supervisory Board noted the findings of the audit with approval.

The audit of the compliance of the Corporate Governance Report with Section 96(2) of the Austrian Stock Corporation Act and the evaluation of UNIQA's compliance with the rules of the Austrian Code of Corporate Governance in the 2016 financial year was carried out by PwC Wirtschaftsprüfung GmbH, whereas compliance with Rules 77 to 83 of the Austrian Code of Corporate Governance was assessed by Schönherr Rechtsanwälte GmbH. The audits found that UNIQA had complied with the rules of the Austrian Code of Corporate Governance in the 2016 financial year to the extent that the rules were included in UNIQA's declaration of conformity.

The Supervisory Board acknowledged the consolidated financial statements for 2016 and approved the 2016 annual financial statements of UNIQA Insurance Group AG. It also endorsed both the management report and the

Group management report. The 2016 annual financial statements were thereby adopted in accordance with Section 96(4) of the Austrian Stock Corporation Act.

The Supervisory Board reviewed and approved the proposal for the appropriation of profit submitted by the Management Board. Accordingly, a dividend distribution of €0.49 per share will be proposed to the Annual General Meeting on 29 May 2017.

The Supervisory Board would like to take this opportunity to thank all employees of the UNIQA Group for the immense personal commitment and dedication they have shown over the past year.

Vienna, April 2017

On behalf of the Supervisory Board



Walter Rothensteiner
Chairman of the Supervisory Board