



# **Ordinary and Extraordinary Shareholders' Meeting 13<sup>th</sup> May 2015**

- **Directors' Reports and proposals concerning the items on the Agenda**

# AGENDA

## Ordinary Part

1. Approval of the UniCredit S.p.A. individual financial statements as at December 31, 2014, accompanied by the Reports of the Directors and of the Auditing Company; Board of Statutory Auditors Report. Presentation of the consolidated financial statements;
2. Allocation of the UniCredit S.p.A. 2014 net profit of the year;
3. Distribution of a dividend from Company profits reserves in the form of a scrip dividend;
4. Appointment of Directors, once the number of Board members has been set, and definition of the duration of their term in office;
5. Authorisation for competing activities pursuant to Section 2390 of the Italian Civil Code;
6. Determination in accordance with Clause 26 of the Articles of Association of the remuneration for Directors for their work on the Board of Directors, the Board Committees and other company bodies;
7. 2015 Group Compensation Policy;
8. 2015 Group Incentive System;
9. UniCredit Long Term Incentive plan for the UniCredit Top Management;
10. Group Termination Payments Policy;
11. UniCredit Group Employee Share Ownership Plan 2015 (Plan "Let's Share for 2016")

## Extraordinary Part

1. Capital increase for no consideration pursuant to article 2442 of the Italian Civil Code to service of the payment of a dividend from profit reserves, in the form of a scrip dividend, to be implemented through the issue of ordinary shares and savings shares to be assigned, respectively, to the holders of ordinary shares and the holders of savings shares of the Company, without prejudice to any request for payment in cash; ensuing amendments to the Company By-laws;
2. Amendments to clauses 6, 8, 20, 23 and 30 of the Articles of Association;
3. Delegation to the Board of Directors, under the provisions of section 2443 of the Italian Civil Code, of the authority to resolve in 2020 to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of € 32,239,804.21 corresponding to up to 9,500,000 UniCredit ordinary shares to be granted to the Personnel of the Holding Company and of Group banks and companies, in order to complete the execution of the 2014 Group Incentive System; consequent amendments to the Articles of Association;
4. Delegation to the Board of Directors, under the provisions of section 2443 of the Italian Civil Code, of the authority to resolve, on one or more occasions for a maximum period of five years starting from the date of the shareholders' resolution, to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of € 100,075,594.87 corresponding to up to 29,490,000 UniCredit ordinary shares to be granted to the Personnel of the Holding Company and of Group banks and companies in execution of the 2015 Group Incentive System; consequent amendments to the Articles of Association.

*The Board of Directors Report relating to items 4, 5 and 6 on the Agenda in the Ordinary Part follows below. The documentation relating to the other items on the Agenda as well as the UniCredit individual financial statements as at December 31, 2014, the consolidated financial statements and the 2014 UniCredit Report on Corporate Governance and ownership structure will be made available according to the terms provided for by rules of law and regulations.*

## ORDINARY PART

### Items 4, 5 and 6 on the Agenda

#### DIRECTORS' REPORT

**Appointment of Directors, once the number of Board members has been set, and definition of the duration of their term in office**

**Authorisation for competing activities pursuant to Section 2390 of the Italian Civil Code**

**Determination in accordance with Clause 26 of the Articles of Association of the remuneration for Directors for their work on the Board of Directors, the Board Committees and other Company bodies**

Dear Shareholders,

One of the reasons for calling this Ordinary Shareholders' Meeting of UniCredit S.p.A. (the "**Company**" or "**UniCredit**") was so that you can decide on which Directors to appoint, once the number of Board members has been set, and the duration of their term in office. Moreover, you are also being asked to authorise, pursuant to Section 2390 of the Italian Civil Code, the Directors to engage in competing activities and to define the remuneration due to the Directors, including for the work they do on the Board Committees and other Company bodies.

The proposals that you are being asked to approve are illustrated here below.

**Appointment of Directors, once the number of Board members has been set, and definition of the duration of their term in office**

Since the current term of office for the Board of Directors ends with the approval of the 2014 financial statements, you are being asked to approve the appointment of the new Board of Directors.

At that regard, Clause 20 of the Articles of Association establishes that UniCredit's Board of Directors shall be comprised of between 9 (nine) and 24 (twenty-four) members and the term of office shall be three financial years, except where a shorter term is decided upon at the time of appointment.

Furthermore, in accordance with the above Clause 20 of the Articles of Association and in compliance with current laws and regulations, the appointment of the Board of Directors is done on the basis of lists submitted by legitimate parties that represent, either individually or collectively with others, at least 0.5% of the share capital in the form of ordinary shares with voting rights at the Ordinary Shareholders' Meetings. Each legitimate party may submit or contribute to the submission of only one list, and similarly, each candidate may only be included on one list, on penalty of ineligibility.

Said lists must, under penalty of invalidation, be filed at the UniCredit S.p.A. Registered Office or Head Office no later than the twenty-fifth day prior to the date of the Shareholders' Meeting, together with the other information and documents required pursuant to the laws in force and the Articles of Association.

Moreover, in line with the provisions of the Corporate Governance Code for listed companies and the supervisory regulations on corporate governance issued by the Bank of Italy, the Board of Directors, with the support of the Corporate Governance, HR and Nomination Committee, has established both the qualitative and quantitative profile that the Directors of UniCredit should ideally meet, in addition to the current requirements established by laws and regulations, to ensure the proper functioning of the supervisory body.

As you are no doubt aware, on March 13, 2015 UniCredit made public and, more specifically, informed shareholders about the above, by means of the publication on the Company's website of the document "*Qualitative and quantitative composition of the UniCredit S.p.A. Board of Directors*". In such way, shareholders may make their choice of candidates to file in time taking into account the ideal composition of the Board as singled out by same as well as of the professional requirements, giving the reasons for any difference vis-à-vis the analyses carried out by the Board itself.

In such way, the Board has deemed it advisable to recommend the Shareholders - in line with the opinion expressed in the past - to conform themselves to the provisions governing gender balance in the corporate bodies of listed companies (Law no. 120 of July 12, 2011) although not yet compulsory, defining to that end lists of candidates ensuring the presence of at least one-third of members of the less represented gender.

#### **Authorisation for competing activities pursuant to Section 2390 of the Italian Civil Code**

Since today's Shareholders' Meeting is appointing the Directors, it also needs to decide on whether the Directors of UniCredit S.p.A. can undertake competing activities pursuant to Section 2390 of the Italian Civil Code.

The law in question sets out that Directors may not become partners with unlimited liability in competitor companies, carry out competing activities on their own account or that of third parties or take up the office of director or general manager in competitor companies, unless they have been so authorised by the Shareholders' Meeting. Failure to comply with this law can result in the Director being removed from office and being liable for any damages. In accordance with the Corporate Governance Code for listed companies, the Board of Directors - in cases where the Shareholders' Meeting has granted general, prior approval for exceptions to the ban on competing activities established by the aforementioned legislation - must examine any problematic cases that might arise following appointment, informing the Shareholders' Meeting of any critical issues.

This does not change the application of Section 36 of Decree Law no. 201 of December 6, 2011, as amended and ratified by Law no. 214 of December 22, 2011, which bans those people who hold office in managerial, supervisory or controlling bodies and executives at companies or groups of companies active in banking, insurance and financial markets from holding or performing similar roles in competing companies or groups of companies. This does not change the right of such people to choose, within 90 days from the appointment, which office to hold.

#### **Determination in accordance with Clause 26 of the Articles of Association of the remuneration for Directors for their work on the Board of Directors, the Board Committees and other Company bodies**

Since this Ordinary Shareholders' Meeting is deciding on the appointment of the Board of Directors, it has also been called to determine the remuneration due to the Directors, including for the work they do on the Board Committees and other Company bodies.

With reference to the Directors whose term of office has just expired, it should be recalled that the Ordinary Shareholders' Meeting on May 11, 2012, resolved, to grant the Board of Directors a total of € 2,800,000 for each year in office, including € 1,235,000 for members of Board Committees and other Company bodies in addition to an attendance fee of € 400 for every Board, Committee and company body meeting attended, even if held in the same day. At the Ordinary Shareholders' Meeting on May 11, 2013, it was decided, given the establishment of an *ad hoc* Committee named "Related-Parties and Equity Investment Committee", to increase the total amount of the annual remuneration for the Directors attendance to the aforementioned Board Committees and other Company bodies from € 1,235,000 to € 1,343,000, fixing the total remuneration for the Board of Directors to € 2,908,000, left untouched the attendance fee of € 400.

Moreover, we would also like to remind you that the aforementioned Shareholders' Meeting held on May 11, 2012 reviewed the terms of the insurance policy covering the members of the Boards of Directors and Statutory Auditors of your Company for civil liability. The liability limit - for event and for year at Group level - is € 160 million and the annual premium concerning the UniCredit Corporate Officers is € 165,000. This insurance policy needs to be taken into account in determining the remuneration for Directors.

### **Resolutions submitted to the Ordinary Shareholders' Meeting**

Dear Shareholders,

If you agree with the contents and arguments presented in the Directors' Report above and having taken into account what is established by the Articles of Association regarding the composition and methods for appointing the Board of Directors as well as the indications contained in the document entitled "*Qualitative and quantitative composition of the UniCredit S.p.A. Board of Directors*", then we ask you to approve the following resolutions:

1. set the number of members of the Board of Directors;
2. appoint the Directors, setting their term in office;
3. authorise them to perform competing activities pursuant to Section 2390 of the Italian Civil Code;
4. set the remuneration due, for each year in office, to the Directors for the activities they undertake in relation to the Board of Directors, the Board Committees and other Company bodies.