



# **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 documentation relating to 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.*

*The 2015 Group Compensation Policy and the Group Termination Payments Policy, which form an integral part of the Directors' Reports, given respectively under items 7 and 10 of the Ordinary Part on the Agenda, are made available in separate documents.*

## **ORDINARY PART**

### **Items 2 and 3 on the Agenda**

#### **REPORT OF THE BOARD OF DIRECTORS**

##### **ALLOCATION OF PROFIT FOR THE YEAR 2014 OF UNICREDIT S.P.A.**

##### **DISTRIBUTION OF A DIVIDEND FROM COMPANY PROFIT RESERVES IN THE FORM OF A SCRIP DIVIDEND**

Dear Shareholders,

You have also been called to this Ordinary Shareholders Meeting to approve, *inter alia*, the allocation of Company profit for the year 2014 and the distribution of a dividend from profit reserves in the form of a *scrip dividend*, through the issue of ordinary and savings shares to be allocated, respectively, to shareholders who own ordinary shares and the bearers of savings shares in the Company who have not opted out.

##### **ALLOCATION OF PROFIT FOR THE YEAR OF UNICREDIT S.P.A.**

On an individual basis, the Company recorded a profit of € 79,774,102.79 for the year 2014.

The Board of Directors proposes to allocate the 2014 profit as follows:

- distribution of a preferred dividend for the year 2014 of € 0.315 for each of the 2,449,313 savings shares, pursuant to art. 32, para. 1, lett. b) of the Articles of Association, totaling € 771,533.60;
- distribution of a preferred dividend for the years 2012 and 2013 - which were not paid - of € 0.630 for each of the 2,449,313 savings shares, pursuant to art. 32, para. 1, lett. b) of the Articles of Association, totaling € 1,543,067.19;
- allocation of € 6,000,000.00 to social, charity and cultural causes, pursuant to art. 32, para. 4, of the Articles of Association;
- allocation of € 50,000,000.00 to the reserve connected to the medium-term incentive plan for Group Staff;
- allocation of € 21,459,502.00 to the statutory reserve.

In this regard, the preferred dividend on savings shares is to be distributed in cash, in accordance with the relevant laws and regulations, with an ex dividend date of May 18, 2015, and payment on May 20, 2015. Pursuant to art. 83-terdecies of Legislative Decree 58/1998 (Single Finance Act, known as the "TUF"), shareholders

registered in the accounts at the end of the accounting day May 19, 2015 will be entitled to receive this dividend.

## **DISTRIBUTION OF A DIVIDEND FROM COMPANY PROFIT RESERVES IN THE FORM OF A SCRIP DIVIDEND**

The Board of Directors also intends to propose the allocation of a dividend from profit reserves (the “**Dividend**”), executed in the form of a scrip dividend, totaling € 694,239,666.96 and therefore equal – bearing in mind the redistribution in light of the Company's treasury shares and the ordinary shares used in support of the "Cashes" financial instruments – to € 0.12 per savings and ordinary share. The scrip dividend is widely known in international financial markets, involving the distribution of the Dividend by allocating shares or, if this is rejected, by payment of the dividend in cash.

The process, which appears to be in line with the international best practices to which UniCredit aspires in view of its characteristics, specifically involves the distribution to shareholders of new shares deriving from a free capital increase, the proposed resolution for which shall be submitted to the extraordinary session of the Shareholders Meeting, without prejudice to the shareholder's right to reject the allocation of these shares and to receive payment of the Dividend in cash: this mechanism, which in any case ensures adequate remuneration on capital invested according to the cash equivalent principle, enables the UniCredit Group to maintain its capital while also guaranteeing a cash dividend for any shareholder who rejects the share allocation.

Eligible shareholders will receive the newly issued shares on the payment date, set for June 5, 2015 (the “**Payment Date**”) according to the allocation ratio set out in the relevant Directors Report to the Extraordinary Shareholders Meeting, without prejudice to the shareholders' right to reject the free allocation of the shares in favor of payment of the Dividend in cash.

Eligible shareholders intending to reject the share allocation in favor of payment of the dividend in cash must inform the Company of this choice through their depository intermediary, after the record date of May 19, 2015 and by May 29, 2015 (the deadline for which may be extended by the Company through a communication to this effect): in this case, they will receive the scrip dividend in cash on the Payment Date, it being understood that this results in the loss of the right to receive the shares deriving from the free capital increase.

The free capital increase will be serviced partly through the “*Reserve for allocating profits to Shareholders through the issuance of new free shares*”, available for the associated allocation to capital and consequent to the issue of free ordinary and savings shares, pursuant to Article 2442 of the Italian Civil Code, and distributable for payment in cash.

It is understood that, if for any reason it is not possible to execute the capital increase in accordance with the associated Directors Report to the Extraordinary Shareholders meeting, only the cash Dividend will be paid.

The ordinary and savings shares issued as a result of the capital increase will have the same characteristics as the equivalent shares in circulation with regular dividend rights.

Therefore, the Dividend is to be distributed, in accordance with the relevant laws and regulations, with an ex dividend date of May 18, 2015, and payment on June 5, 2015. Pursuant to Article 83-*terdecies* of Italian Legislative Decree 58/1998 (TUF), shareholders registered in the accounts at the end of the accounting day May 19, 2015 will be entitled to receive the distribution of the profit reserves.

\* \* \*

Dear Shareholders,

In relation to the above, we invite you to take the following resolutions:

*“The Shareholders’ Meeting of UniCredit, in ordinary session, in reference to the decisions taken upon the approval of the Financial Statements as at December 31, 2014, and on the basis of the composition of shareholders’ equity resulting from these decisions,*

*resolves:*

*(i) to distribute the profit for the year 2014 of UniCredit S.p.A. of € 79,774,102.79 as follows:*

- a) distribution of a preferred dividend for the year 2014 of € 0.315 for each of the 2,449,313 savings shares, pursuant to art. 32, para. 1, lett. b) of the Articles of Association, totaling € 771,533.60;*
  - b) distribution of a preferred dividend for the years 2012 and 2013 - which were not paid - of € 0.630 for each of the 2,449,313 savings shares, pursuant to art. 32, para. 1, lett. b) of the Articles of Association, totaling € 1,543,067.19;*
  - c) allocation of € 6,000,000.00 to social, charity and cultural causes, pursuant to art. 32, para. 4, of the Articles of Association;*
  - d) allocation of € 50,000,000.00 to the reserve connected to the medium-term incentive plan for Group Staff;*
  - e) allocation € 21,459,502 to the statutory reserve;*
- the foregoing in accordance with the terms and procedures set out in this Report.*

*(ii) to distribute a dividend to shareholders from profit reserves totaling €694,239,666.96 in the form of a scrip dividend, as described and according to the terms and procedures in this Report, using part of the profit reserve “Reserve for allocating profits to Shareholders through the issuance of new free shares”, it being understood that, if for any reason it is not possible to execute the capital increase in accordance with the related Directors Report for the Extraordinary Shareholders meeting, only the cash Dividend shall be paid.”*

## 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.



## ORDINARY PART

### Item 7 on the Agenda

#### BOARD OF DIRECTORS' REPORT

##### 2015 GROUP COMPENSATION POLICY

Dear Shareholders,

We have called this Ordinary Meeting to request your approval of the Group Compensation Policy, set out in the attached document which forms an integral part of the present Report, in compliance with the provisions set by the “*Disposizioni di vigilanza per le Banche*” issued by Bank of Italy which prescribe that the Shareholders' Meeting approves, amongst other items, the remuneration policy for Member of Administrative and Auditing bodies and employees. The approval of remuneration policy and incentive systems must evidence their conformity with prudent risk management and the company's long-term objectives, as well as ensuring an appropriate balance between the fixed and variable components as required by regulators, including in the case of the latter, risk-weighting systems and mechanisms designed to ensure that compensation is linked to effective and lasting results.

Furthermore, and again in compliance with indications of the regulators, information is provided on the implementation of remuneration policy approved by the Shareholder's Meeting of May 13, 2014 (Annual Compensation Report).

It is therefore proposed that this Shareholders' Meeting approves the annual revision of the Group Compensation Policy which defines the principles and standards which UniCredit applies to and are reflected in the design, implementation and monitoring of compensation policy and systems across the entire UniCredit organization. This proposal was drawn up by the Human Resources function considering the contribution of Compliance, Risk and Finance functions on the topics under their scope. Shareholders are also invited to consult the information regarding the implementation of remuneration policies approved by the Shareholders' Meeting on May 13, 2014.

The document is prepared to fulfil the obligation prescribed by art. 123-ter of Legislative Decree nr. 58/98 (TUF).

The general principles foreseen at Group level by the Compensation Policy may be the object of calibration, consistently with the rules and regulatory provisions locally applicable.

#### **Group Compensation Policy & Annual Compensation Report**

The key principles of the Group Compensation Policy, which are confirmed with respect to those approved by the Ordinary Shareholders' Meeting on May 13, 2014, are fully described in the Group Compensation Policy that has been made available to shareholders and the market – in the ways and in accordance with law - and that is summarized here below:

- (a) the UniCredit compensation approach is performance oriented, market aware and aligned with business strategy and stakeholder interests, ensuring remuneration competitiveness and effectiveness as well as internal and external equity and transparency, by driving sustainable behaviors and performance;
- (b) within UniCredit's governance structure, rules and processes for delegation of authority and for compliance have been defined with the aim of assuring adequate control, coherence and compliance of remuneration framework across the Group;
- (c) the key pillars of the Group Compensation Policy are:
  - clear and transparent governance;
  - compliance with regulatory requirements and principles of conduct;
  - continuous monitoring of market trends and practices;
  - sustainable pay for sustainable performance;
  - motivation and retention of all employees, with particular focus on talents and mission-critical resources;
- (d) on the basis of these principles, the Group Compensation Policy establishes the framework for a consistent approach and a homogeneous implementation of sustainable remuneration in UniCredit, with particular reference to the Executive population.

With reference to the maximum ratio between variable and fixed compensation, it should be noted that has been confirmed the approach presented to the Annual General Meeting of May, 13 2014, which approved the adoption of a maximum ratio of 2:1 ratio (or, the lower ratio fixed by law or regulation from time to time in force) for the overall employee population, including the Identified Staff, belonging to Business functions. For the Company Control Function the proposed approach is more conservative, providing for a maximum ratio of 1:1.

For employees belonging to Asset Management, not defined as Identified Staff, taking into consideration the actual overall regulatory framework, is deemed applicable the relevant sector legislation that does not provide for a cap on variable compensation.

The main rationales for supporting the proposal approved in 2014 to set a ratio higher than 1:1 aim to safeguard the Group presence in specific markets and, in particular: to ensure a stronger link between compensation and performance, maintain competitiveness in the market, being also the direction in which the main peers moved, limit the "un-level playing field" in the markets where the cap is not present, avoid the rigidity of the cost structure, guarantee the alignment with multi-year performance avoiding the decrease of deferred compensation.

As for 2014, also for 2015 the adoption of a ratio of 2:1 between variable and fixed compensation would have no implications on bank's capacity to continue to respect all prudential rules, in particular capital requirements.

In line with national and international disclosure standards, the key implementation features and outcomes of Group Compensation Policy and Incentive Systems in 2014, as well as demonstration of the coherence of the underlying logic of Group incentive systems with our compensation policy and with specific regulatory requests, are described in the Annual Compensation Report that has been made available for information to shareholders and the market. The Annual Compensation Report provides a description of compensation practices adopted in UniCredit and the implementation of Group Incentive Systems, as well as Remuneration Tables with a focus on Non-Executive Directors, Senior Executives and other

Identified Staff, in compliance in particular with the 7<sup>th</sup> update of Bank of Italy Circular no. 285 of 17 December 2013.

In addition, in compliance with the latest regulatory requirements provided by European Banking Authority (EBA), UniCredit performed the yearly assessment of categories of staff whose professional activities have a material impact on an institution's risk profile. The self-assessment was performed at local and Group level, as requested by Bank of Italy, and is documented in the 2015 Group Compensation Policy. The number of Identified Staff in 2015 is ca. 1,100 resources.

Furthermore, in line with the indications of national and international regulators, it is deemed appropriate within the annual review of policy and remuneration systems to make some updates including in particular:

- I. full documentation of the new 2015 Group Incentive System, based on bonus pool approach;
- II. full documentation of the new Long Term Incentive Plan for Group Top Management;
- III. description of the structured process for the definition of Identified Staff population;
- IV. adequate information about Remuneration Committee role and the its respective activities performed in 2014, as well as the role of Compliance, Internal Audit and Risk Management functions;
- V. illustration of the international and national regulatory framework as well as disclosure on the peer group for compensation and performance benchmarking;
- VI. disclosure of all information requested by national and international regulations (e.g. Bank of Italy, Consob, European Union).

Finally, the Report and the respective annexes provide:

- the disclosure as per sect. 84-quarter of the Italian National Commission for Companies and the Stock Exchange (Consob) Issuers Regulation no. 11971 as amended by the resolution no. 18049 / December 23<sup>rd</sup>, 2011, referring to Directors, Statutory Auditors, General Managers and other Executive with Strategic Responsibilities,
- specific disclosure on equity plans approval and execution, as requested by art 114-bis of TUF.

\* \* \*

Dear Shareholders,

If you agree with the above proposal, you are invited to approve it by adopting the following resolution:

"The Ordinary Shareholders' Meeting of UniCredit S.p.A., having heard the Directors' proposal,

### **RESOLVES**

to approve the Group Compensation Policy, also pursuant to art. 123-ter of TUF, as contained in the document which forms an integral part of the present Report, in order to define the principles and standards which UniCredit shall apply and reflect in its design, implementation and monitoring of compensation policy and practices across the entire organization."

## **ORDINARY PART**

### **Item 8 on the Agenda**

## **BOARD OF DIRECTORS' REPORT**

### **2015 GROUP INCENTIVE SYSTEM**

Dear Shareholders,

We have called this ordinary meeting to request your approval of the 2015 Group incentive system, providing for the allocation of an incentive in cash and/or in free ordinary shares, to be granted in a multi-year period to a selected group of Group employees, according to the modalities described below and subject to the achievement of specific performance conditions.

This proposal has been formulated in compliance with the provisions of section 114-bis of Decree no. 58 dated February 24 1998, and in accordance with the provisions set forth by Consob with reference to incentive plans based on financial instruments assigned to corporate officers, employees and collaborators; for this purpose, a document describing the details of the incentive systems has been prepared pursuant to Section 84-bis of the Consob Regulation no. 11971/99 and subsequent amendments, and has been made available to the public under the terms of law and reference is made to detailed description of the incentive system described in this report.

In line with Group Compensation Policy and considering the indications issued by Bank of Italy on remuneration policies and practices, and the direction set by the European Directive 2013/36/UE (CRD IV) and by EBA (European Banking Authority) guidelines. With this regards, it should be recalled that UniCredit, in respect to these provisions, has determined the adoption of a ratio between the variable and the fixed remuneration equal to 2:1, unless of the application of a lower limit as provided by Regulators, in the specific countries where the Group operates.

#### **1. 2015 GROUP INCENTIVE SYSTEM**

##### **GOALS**

The 2015 Group Incentive System (the "2015 System") aims to attract, motivate and retain Group beneficiaries, in compliance with national and international regulatory requirements with the aim to define – in the interest of all stakeholders – incentive systems aligned with long term company strategies and goals, linked to Group results, adjusted in order to consider all risks, in coherence with capital and liquidity levels needed to cover the activities in place and, in any case, able to avoid misleading incentives that could drive excessive risk taking for the bank and the system in its whole.

## **BENEFICIARIES**

The potential beneficiaries of the 2015 System, as provided by the criteria issued by Commission Delegated Regulation (EU) No 604/2014 of March 4<sup>th</sup>, 2014 - are:

- Chief Executive Officer (CEO), General Manager (GM), Deputy General Managers (DGMs), Senior Executive Vice Presidents, Executive Vice Presidents (EVP), Senior Vice Presidents, Board members of relevant Group Legal Entities;
- Employees with total remuneration greater than 500,000 in the last year;
- Employees included within 0,3% of staff with the highest remuneration at Group level;
- Employees whose remuneration is within the remuneration bracket of senior management and other risk takers;
- Other selected roles (defined also during possible future hiring processes).

The total estimated number of beneficiaries is ca. 1,100.

## **ELEMENTS OF 2015 SYSTEM**

- (a) 2015 System provides for the same approach adopted in 2014 (based on the “bonus pool approach”) for determining variable remuneration to be paid in 2016. The link between profitability, risk and reward is assured by linking directly bonus pools with company results – at Group and local level – cost of capital and risk profiles relevant for the Group as stated in the Group Risk Appetite Framework.
- (b) Bonus pools will be defined based on Country/Division and Group performance and assigned to employees according to individual performance.
- (c) The 2015 System aims to attract, retain and motivate Group beneficiaries and to align UniCredit incentive system to the most recent national and international regulatory requirements and provides for:
  - allocation of a variable incentive defined based on available bonus pool, individual performance evaluation, internal benchmark for specific roles/markets and bonus cap as set by the Ordinary Shareholder’s meeting;
  - definition of a balanced structure of upfront (done at the moment of performance evaluation) and deferred payments, in cash and in shares;
  - distributions of share payments, coherently with the applicable regulatory requirements regarding the application of share retention periods. The payment structure defined requires a retention period on upfront shares of 2 years and of 1 year for deferred shares;
  - risk adjusted metrics in order to guarantee long-term sustainability with respect to company’s financial position and to ensure compliance with regulatory expectations;
  - malus condition (Zero Factor) applies in case specific thresholds (profitability, capital & liquidity) are not met at both local and Group levels. In particular, the Bonus Pool of 2015 will be zeroed, while previous systems deferrals could be reduced from 50% to 100% of their value, based on final effective results and dashboard assessments done by CFO and CRO.
- (d) Individual performance appraisal is based on specific goals, linked to the UniCredit 5 Fundamentals of Competency Model: “Client Obsession”; “Execution and Discipline”; “Cooperation and Synergies”; “Risk Management”; “People and Business Development”;
- (e) Incentive payouts shall be made over a multi-year period (2016-2021) subject to continuous employment at each date of payment and as follows:

- in 2016 the first installment of the overall incentive will be paid in cash (1st installment) in absence of any individual values / compliance breach, considering also the gravity of any internal/external findings (i.e. Audit, Bank of Italy, Consob and/or analogous local authorities);
  - over the period 2017-2021 the remainder of the overall incentive will be paid in several installments in cash and/or UniCredit free ordinary shares; each further tranche will be subject to the application of the Zero Factor for the year of allocation and in absence of any individual /values compliance breach, considering also the gravity of any internal/external findings (i.e. Audit, Bank of Italy, Consob and/or analogous local authorities);
- (f) The final evaluation of Group sustainable performance parameters and risk-reward alignment will be reviewed by the Remuneration Committee and defined under the responsibility and governance of the Board of Directors of UniCredit.
- (g) The percentages of payments in cash and shares are defined considering beneficiary categories, as described in the following table:

	2016	2017	2018	2019	2020	2021
EVP & above & other identified staff with bonus $\geq 500k^1$	20% cash	10% cash	20% shares	10% shares	10% shares	20% cash + 10% shares
SVP & other identified staff with bonus <500k	30% cash	10% cash	30% shares	10% cash + 10% shares	10% shares	-

- (h) Furthermore, in coherence with 2014, it is provided the introduction of a specific minimum threshold below which deferral mechanism would not apply (75K Euro or a lower threshold could be defined at local level).
- (i) The 2015 System can also be offered during the hiring process of outside employees, in the event that new hires are already beneficiaries of deferral incentive plans (Bonus “buy out”). In this circumstances, the scheme of payment that would be offered will reflect the scheme defined by previous Employers, in accordance to local Regulators.
- (j) The number of shares to be allocated in the respective installments shall be defined in 2016, on the basis of the arithmetic mean of the official market price of UniCredit ordinary shares during the month preceding the Board resolution that evaluates 2015 performance achievements. The allocation of a maximum number of 31,500,000 UniCredit ordinary shares is proposed, representing about 0.54% of UniCredit share capital, of which maximum number of 5,040,000 UniCredit ordinary shares devoted to the payment of so called “bonus buy out”.
- (k) The free UniCredit ordinary shares to be allocated will be freely transferable.

<sup>1</sup> Including direct reports to strategic supervisory, management and control bodies and other Identified staff as required by local regulation

## **CHANGES TO THE 2015 SYSTEM**

Considering regulatory and legal dispositions (also in fiscal area) in the countries where the Group is present, in line with the practice of previous years, it is considered to provide for the employees of Zagrebačka Banka (Croatia), Bank Pekao (Poland), UniCredit Bank Czech Republic, Slovakia a.s. and UniCredit Bank Russia several adaptations for the implementation of 2015 System, providing, for example, for the use of local company shares instead of UniCredit shares.

Moreover, as done also last year, (i) for Executives in Finecobank (Italy) share-based incentive plan 2015 based on Finecobank shares will be offered (ii) for Group Executives in Pioneer Group, a share-based incentive plan based on Pioneer Global Asset Management SpA shares may be offered in addition to the standard Group system 2015, ensuring full compliance with regulator recommendations for increased autonomy of Asset Management businesses in banking groups.

In order to guarantee the compliance with regulatory and legal dispositions (also in fiscal area) in the countries where the Group is present, and to ensure that the implementation of 2015 system will not have any adverse effects (legal, tax or other) on Group Companies and / or beneficiaries residing in countries where the Group operates, the Chairman and the Chief Executive Officer will be granted every opportune power to implement, also separately, some adaptations to the 2015 System that do not change substantially the content of resolutions of Board today and General Shareholders' Meeting, also via alternative solutions that fully comply with the principles of 2015 System and allow achievement of the same results (for example: a different percentage distribution of the various installments of payments; a different period of deferral; a retention period on granted shares; allocation of local company shares instead of Group ordinary shares; application of Entry condition that may incorporate profitability, solidity and liquidity results of local Group companies; extension of 2015 System application to other beneficiaries considered as equivalent to identified staff; using a trust company or the allocation of shares or other instruments of the UniCredit Group local companies where the beneficiary is employed; paying an equivalent amount in cash in lieu of granting shares, to be determined on the basis of the market value of UniCredit shares, considering the arithmetic mean of the official market price of ordinary shares during the month preceding each Board resolution to execute the actual grant).

It is understood that these amendments will be adopted in any case in accordance with the applicable provisions and in particular as provided by the Regulation "Regulations on remuneration and incentive policies and practices of banks and banking groups."

## **SHARES REQUESTED FOR THE 2015 GROUP INCENTIVE SYSTEM**

The issue of UniCredit free ordinary shares necessary for the execution of the 2015 System, as in the past, will be performed in compliance with section 2349 of the Italian Civil Code and will be object of a delegation of power of attorney to the Board of Directors, in compliance with section 2443 of the Italian Civil Code.

Accordingly, the extraordinary session of today's shareholders' meeting will be asked to approve the proposal to delegate to the Board of Directors the related power of attorney.

For the issuance of UniCredit Ordinary shares to service the 2015 System the proposal will be submitted to the Extraordinary Shareholders' Meeting to transfer the powers of attorney to the Board of Directors as allowed by section 2443 of the Italian Civil Code, to proceed with the capital increase in accordance with the provisions of section 2349 of the

Italian Civil Code for a maximum nominal amount of € 100,075,594.87 corresponding to up to 29,490,000 UniCredit ordinary shares.

Related to section 2443 of Italian Civil Code that provides that the Directors can exercise the right to carry out a free capital increase for a maximum period of five years starting from the date when the Shareholders' Meeting resolution providing the delegation of power has been registered and therefore - regarding the date of the AGM resolution - until 2020, in order to assign last share installment provided for 2021 it will be necessary to submit to a future AGM approval a proposal aimed at integrating the delegation of power already provided to the Board of Directors so that the implementation of 2015 System can be completed.

The allocation of free ordinary shares needed for the execution of 2015 System shall be done using the special reserve known as "Provisions Linked to the Medium Term Incentive System for Group Personnel", which, if case, may be restored or increased via allocation of profits or a portion of available statutory reserves, formed from the distribution of company profits that shall be identified by the Board of Directors at the moment of share issuance.

In case the amount of the "Provisions Linked to the Medium Term Incentive System for Group Personnel" does not allow the issuance (full or partial) of UniCredit ordinary shares to service the 2015 System, an equivalent amount in cash will be allocated to the beneficiaries, determined in base of arithmetic mean of the official market price of UniCredit ordinary shares during the month preceding the Board resolution that evaluates performance achievements 2015.

Dear Shareholders,

If you agree with the above proposal, you are invited to approve it by adopting the following resolution:

"UniCredit's Ordinary Shareholders' Meeting, having heard the Board of Directors proposal,

#### RESOLVES

1. to adopt the 2015 Group Incentive System which provides for the allocation of an incentive in cash and/or UniCredit free ordinary shares, to be performed by May 2021, to selected UniCredit Group employees in the manner and terms described above;
2. to confer to the Chairman and to the Chief Executive Officer, also separately, every opportune power of attorney to implement the present resolution and the documents which represent part of it, also rendering any amendments and/or integrations which should be necessary to enact the present deliberations of today's Shareholders' Meeting (not changing substantially the content of the resolutions) in order to comply with any provision of rules and regulations in countries where Group companies are located."



## **ORDINARY PART**

### **Item 9 on the Agenda**

#### **BOARD OF DIRECTORS' REPORT**

#### **UNICREDIT LONG TERM INCENTIVE PLAN FOR THE GROUP TOP MANAGEMENT**

Dear Shareholders,

We have called this Ordinary Meeting to request your approval of the “UniCredit Group Long Term Incentive Plan” (LTI Plan) aimed at offering, for the UniCredit Top Management, monetary incentives linked to the official Company’s ordinary shares market price following the criteria hereafter described and subordinately to the achievement of specific performance conditions over a four years period.

This proposal is defined in compliance with the provisions of sect. 114-bis of Decree no. 58 dated 24 February 1998 and according to the provisions set forth by Consob referring to incentive plans based on financial instruments assigned to corporate officers, employees and collaborators; for this purpose, a document describing the details of the LTI Plan has been prepared pursuant to Section 84-bis of the Consob Regulation no. 11971/99, and has been made available to the public under the terms of law.

The proposal is also aligned with the Group Compensation Policy, the rules recently issued by Bank of Italy and the direction set by the CRD IV (Capital Requirements Directive IV) and by CEBS guidelines (Committee of European Banking Supervisory). In respect of the above mentioned rules, it is recalled that UniCredit has established the adoption of the 2:1 ratio between variable and fixed remuneration or the lower ratio fixed by law or regulation in the Countries where UniCredit operates.

#### **GOALS**

UniCredit Group Long Term Incentive Plan is aimed at aligning shareholders and Top Management interests, rewarding long term value creation in the long term, share price and Group performance appreciation and sustaining a sound a prudent risk management orienting the performance management measurement on a multi-year horizon.

The Plan has also the characteristic to be qualified as a “retention” tool in order to retain key Group resources for the achievement of the mid-long term Group Strategy.

#### **BENEFICIAIRES**

The participants (‘Beneficiaries’) are the CEO, General Manager and Deputy General Managers.

## ELEMENTS OF THE UNICREDIT GROUP LONG TERM INCENTIVE PLAN

The Plan provides the allocation - subject to the achievement of specific performance conditions - of future cash incentives determined by the market price of UniCredit ordinary shares.

Beneficiaries will be the recipients of free "virtual" rights, personal and not transferable inter vivos (i.e. "Phantom shares"), of which maximum number is determined by dividing the total value of the incentives to be given (around 15.000.000 Euro) for the average price of UniCredit ordinary shares listed on the stock market organized and managed by Borsa Italiana S.p.A. within 30 calendar days prior to the Meeting called to approve the Plan.

Phantom shares will give to the beneficiaries the right to a payment at maturity of a gross amount of money ("Bonus") calculated as the arithmetic average of the official price of UniCredit ordinary shares listed on the stock market organized and managed by Borsa Italiana S.p.A. within 30 days preceding the date on which the Board of Directors will evaluate the "malus" conditions, as described hereafter, and authorize the subsequent payment.

Main features covered by the Plan Rules in term of termination will be, for example, normal vesting in case of retirement, flexibility to the Employer to maintain rights in case of mutual agreement on termination, all rights forfeited in case of non-competition breach and/or disciplinary sanction.

The actual number of Phantom share to be awarded to beneficiaries will be calculated in two moments:

- In 2017 having verified the achievement of 2015-2016 performance indicators calculated at year-end 2016 and
- In 2019 having verified the achievement 2015-2018 performance indicators calculated at the close of 2018.

The amount of the Bonus will be calculated, with reference to the above mentioned periods (2017 and 2019) in 2020 and 2022 respectively being subject to a three-year deferral period<sup>1</sup>, as required by law and to the respect of the cumulated performance conditions (zero factor), minimum conditions of Company assets, capital and liquidity, as well as in terms of the conduct of compliance with respect to the law, Company and Group compliance rules, Company Policy and to the integrity values mentioned in the Code of Conduct. At the end of the above mentioned deferral period it is foreseen a 1 year compulsory additional holding period<sup>2</sup> at the end of which the payment will be done.

Performance indicators of the Long Term Incentive Plan for the Group Top Management to be evaluated for the awarding of the Phantom shares are hereafter reported:

- **ROAC% of Core Business:** is defined a target calculated over the years 2015-2016 and 2015-2018 as the average of the "Return on allocated capital" compared with the average value of the same indicator included in the Strategic Plan<sup>3</sup>;
- **Non-core business "Gross Loans" reduction:** 2016 and 2018 measurement of the reduction of non-core business "gross loans" vs. the values of the Strategic Plan<sup>3</sup>;
- **CET1:** expected verification of the respect of CET1 average values at 2016 and 2018 with reference to the same value stated in the Strategic Plan<sup>3</sup>;

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<sup>1</sup> Deferral Period is subject to 'malus' conditions

<sup>2</sup> Holding period is a compulsory restriction to the final granting of the bonus

<sup>3</sup> or any changes approved by the Board of Directors (e.g. restatement)

- **External Customer Satisfaction (TRI \* M Index)** : measurement in 2016 and 2018 of the customer satisfaction vs. our clients (stable or growing) vs. 2014;
- **Succession Planning Index:** measurement in 2016 and 2018, by the corporate function delegated to this activity, of the % coverage level in terms of succession of the main positions of the Group Management equal or greater than 90% during the performance evaluation period;
- **Qualitative overarching assessment:** the evaluation by the Board of Directors of the Beneficiaries' retention risk and achievement of the main Strategic Plan objectives and in particular:
  - ✓ transformation of the commercial bank of the WE countries
  - ✓ investment in growing business
  - ✓ development of global platforms.

The amount linked to the maximum number of Phantom Shares, for each of the 4-year duration of the entire performance period (2015-2018), will be equal to value not greater than 1/3 of the amount of total annual variable compensation achievable by each Beneficiary. This amount will fall in the calculation of the variable part of the remuneration to be taken into consideration for the calculation of the maximum limit between variable and fixed remuneration provided for by the legislation.

## PLAN EXECUTION

The Board of Directors will implement the Plan, authorizing, where appropriate, any changes and / or additions that do not alter the substance of this resolution, may be necessary for the implementation of the Plan in compliance with legal and / or tax applicable or in the event of a capital increase, free or paid, or of extraordinary dividend distributions or any other events that may, even potentially, affect the value of UniCredit shares.

In particular, the Board of Directors may identify additional Plan's Beneficiaries in case of appointment of new incumbent in the target positions or nomination of equivalent positions.

\* \* \*

Dear Shareholders,

If you agree with the above proposal, you are invited to approve it by adopting the following resolution:

"The Ordinary Shareholders' Meeting of UniCredit S.p.A., having heard the Directors' proposal,

### RESOLVES

1. to adopt the "UniCredit Group Long Term Incentive Plan" (LTI Plan) considering term and conditions described above;
2. to confer to the Board of Directors any relevant power of attorney to enact today's resolution adopting the Rules and to make all possible changes and integrations (not changing substantially the content of the resolution) to the "UniCredit Group Long Term Incentive Plan" (LTI Plan) which should be necessary and/or appropriate to carry out what was resolved, also in order to comply with every legal and regulatory provisions applied from time to time with the faculty to sub-mandate the Chairman and/or the Chief Executive Officer, also separately."

## ORDINARY PART

### Item 10 on the Agenda

#### BOARD OF DIRECTORS' REPORT

##### TERMINATION PAYMENTS – GROUP POLICY

Dear Shareholders,

We have called this Ordinary Meeting to request your approval of the *Termination Payments Group Policy (hereinafter also “the Severance Policy”)*, set out in the attached document - which forms an integral part of the present Report - in compliance with the regulatory provisions at Title IV, Chapter 2, “Remuneration and Incentive Policies and Practices” of Bank of Italy’s Circular 285 (“Regulatory Provisions for Banks”), which prescribe that the Shareholders’ Meeting approves, amongst other items, the criteria for the determination of the compensation to be awarded in case of early termination of the employment or office, thereby including the limits of such remuneration in terms of years of fixed compensation and the maximum amount stemming from their application.

Under the general assumption that termination payments are always defined in the best interests of the company, it is proposed that the so-called 'Golden Parachutes' - hereinafter 'severances' – additional to the amount corresponding to the indemnity in lieu of notice possibly due by law or contract, do not exceed the limits provided for by the applicable law and / or collective labor agreement in the event of dismissal. In the absence of such regulations it is proposed that the severance pay, additional to the notice period, must not exceed in principle two years of total compensation.

The value of the yearly compensation used to calculate the severance will be set considering the current fixed remuneration plus the average of the incentives actually received – on a cash basis – during the last three years prior to the termination, inclusive of the value of those parts disbursed in equity. For the latter, the value considered will be the current one at the time the shares became disposable for the employee, at the end of the vesting / deferral period.

In compliance with Bank of Italy’s provision, it is reported that – in view of the maximum 2:1 ratio between variable and fixed remuneration set by the Shareholders’ Meeting in 2014 – the above maximum limit for severances could arrive to correspond to a merely theoretical value of six years of fixed compensation in the case, purely hypothetical and improbable, of a subject who in the last three years prior to the termination has always received bonuses in a measure equal to 200% of his/ her fixed compensation. It is proposed to set in any case at € 12 million the maximum amount of the severance thus determined.

With reference to the criteria, the severances – due to the mechanism for the calculation of the compensation used for their determination, which includes the bonuses actually cashed-in after the application of malus clauses – are as a matter of fact already differentiated just on

the basis of risk-adjusted individual performances. The definition of their amount will be made – as already now done – also assessing on a case by case basis and overall, the specific objective and subjective reasons of the employment termination and considering anyway the following elements: employment duration, performances provided over time, assumption of risks, alignment to Group values, social and personal impacts of the resolution, availability to undertake additional commitments, corporate interest to come in any case to a consensual – rather than unilateral – termination of the employment.

Severances are paid-out in forms and with timing fully consistent with the rules – also having a regulatory nature – time by time applicable.

The general limits foreseen at Group level by the Severance Policy may be the object of calibration for the Companies and Branches operating in Countries different from Italy, consistently with the rules and regulatory provisions locally applicable.

It is lastly proposed a particular process for the authorization of exceptions if, under particular circumstances, it should be opportune / necessary, in the due pursue of corporate interest, to overcome the limits or deviate from the criteria for the definition or from the pay-out modalities foreseen in the Severance Policy.

\* \* \*

Dear Shareholders,

If you agree with the above proposal, you are invited to approve it by adopting the following resolution:

"The Ordinary Shareholders' Meeting of UniCredit S.p.A., having heard the Directors' proposal,

#### **RESOLVES**

to approve the *Termination Payments Group Policy* as outlined in the attached document, which forms an integral part of the present Report, in order to define the general principles, the limits, the criteria and the modalities for the payment of the compensation to be awarded in case of early termination of the employment or office."

## **ORDINARY PART**

### **Item 11 on the Agenda**

#### **BOARD OF DIRECTORS' REPORT**

##### **UNICREDIT GROUP EMPLOYEE SHARE OWNERSHIP PLAN 2015 (PLAN "LET'S SHARE FOR 2016")**

Dear Shareholders,

We have called this Ordinary Meeting to request your approval of the "UniCredit Group Employee Share Ownership Plan 2015" (Plan "Let's Share for 2016") aimed at offering to employees of the Group the possibility to invest in UniCredit shares at favourable conditions, in compliance with the provisions of sect. 114-bis of Decree no. 58 dated 24 February 1998 and according to the provisions set forth by Consob referring to incentive plans based on financial instruments assigned to corporate officers, employees and collaborators.

With this aim, a document has been drawn up pursuant to Section 84-bis of the Consob Regulation no. 11971/99 that has been made available to the public within the timeframe legally required.

As you will recall, Your Company was one of the first in Italy to understand that the reinforcement of the sense of employees' belonging and commitment to achieve corporate goals is a relevant factor to maximize corporate value. In this regard, starting from 2008 the UniCredit Shareholders' Meeting has approved share ownership plans aiming at offering employees of the Group the possibility to invest in UniCredit shares at favourable conditions.

As in the past and in compliance with the provisions of the Supervisory Authority regarding policies and practices for compensation and incentives within banks, it is proposed that this Shareholders' Meeting approves for the year 2015 a new share ownership plan offered to employees, the Plan Let's Share for 2016, whose execution modalities and features are substantially in line with the employee share ownership plans adopted by your Company in recent years.

#### **GOALS**

The Plan Let's Share for 2016 aims at fostering employees' sense of belonging and commitment to achieve corporate goals.

#### **BENEFICIARIES**

Considering that the Plan Let's Share for 2016 is addressed to the employees of the UniCredit Group, the potential Participants would be around 150,000.

## PLAN ELEMENTS

- (a) Election Period: according to UniCredit discretionary evaluation, there may be two main election windows:
- 1<sup>st</sup> election window: within the end of the second quarter of 2016;
  - 2<sup>nd</sup> election window: within the end of the fourth quarter of 2016.

During the election windows, employees participating in the Plan Let's Share for 2016 ("Participants"), will choose the overall amount that they want to invest in purchasing UniCredit ordinary shares (the "Shares"), up to a maximum contribution of € 6,000 per annum. The minimum annual contribution amount is defined considering the peculiarities of each Country where Participants are resident;

- (b) Enrolment Period: during this period, that will be communicated on due time to the Participants, they will have the opportunity to buy Shares by means of monthly debits on their current account ("monthly" modality) or by payments in one or two instalments ("one-off" modality). In case during the Holding Period a Participant leaves the Plan Let's Share for 2016, he/she will lose the free shares allocated to him/her in accordance with the below point c);
- (c) "Free Shares": at the beginning of the Enrolment Period, the Participant will receive an immediate discount equal to 25% on the Shares' purchase price in the form of allocation of UniCredit free shares ("Free Share");

The Free Shares will be subject to lock-up during 1 year and the Participant will lose the entitlement to the Free Shares if, during the 1-year Holding Period, he/she will no longer be an employee of a UniCredit Group Company, unless the employment has been terminated for one of the specific reasons stated in the Rules of the Plan Let's Share for 2016. In some Countries where the Group Companies are present, for fiscal reasons, it will not be possible to grant the Free Shares at the beginning of the Enrolment Period: in that case an alternative structure is offered that provides to the Participants of those Countries the right to receive the Free Shares at the end of the Holding Period ("Alternative Structure");

- (d) Holding Period: during the 1-year Holding Period, the Participants can sell the purchased shares at any moment, but by doing so they will lose the Free Shares in respect of the number of shares sold.
- (e) Execution modalities: the Plan Let's Share for 2016 provides for the use of shares to be purchased on the market, therefore it will not have any diluting impact on Holding Company share capital. To that end, Participants will have to give a mandate to a broker (internal or external to UniCredit Group) to purchase the Shares and the Free Shares to be transferred into an account opened in their name;
- (f) Fiscal and social contribution: The fiscal and social contributions schemes applied will be in line with the applicable law in the Country in which each Participant is fiscally resident (with the exception of expatriated employees for whom the "tax

equalisation” principle will be applied by which the employee taxation and the social security contributions will be the same of the reference Home Country).

In case of substantial changes in the relevant scenario or if the actual participation rate would be higher than the one assumed while defining the Plan Let's Share for 2016 or timing and enrolment processes change within the Plan Rules, the operational modalities presented could be no more adequate: consequently, during the execution phase, it may be required to make changes/integrations, asking, in the case, for the relevant authorizations needed, keeping anyway the assumptions according to which the Plan Let's Share for 2016 is defined by the Shareholders' Meeting.

It might be evaluated the possibility, subject to an agreement with the Unions, that the Italian Participants could contribute to the Plan Let's Share for 2016 investing a portion of the possible Company bonus (VAP). If confirmed, the modalities and the timing to make the contribution from the Italian Participants could be changed accordingly but respecting the logic of the Plan Let's Share for 2016 as presented to the today's Shareholders' Meeting.

\* \* \*

Dear Shareholders,

If you agree with the above proposal, you are invited to approve it by adopting the following resolution:

"The Ordinary Shareholders' Meeting of UniCredit S.p.A., having heard the Directors' proposal,

#### RESOLVES

1. to adopt the “UniCredit Group Employee Share Ownership Plan 2015” (Plan Let's Share for 2016) aiming at offering to all employees of the Group the possibility to invest in UniCredit shares at favourable conditions;
2. to give to the Chairman and/or to the Chief Executive Officer, respectively, any relevant power of attorney to enact today's resolution and to make all possible changes and integrations (not changing substantially the content of the resolution) to the “UniCredit Group Employee Share Ownership Plan 2015” (Plan Let's Share for 2016) which should be necessary or appropriate to carry out what was resolved, also in order to comply with every legal and regulatory provisions applied from time to time in the participating Countries in which the Group Companies are based.”



## **EXTRAORDINARY PART**

### **Item 1 on the Agenda**

#### **BOARD OF DIRECTORS' REPORT**

**Capital increase for no consideration pursuant to article 2442 of the Italian Civil Code to service the payment of a dividend from profit reserves, with value of Euro 694.239.666,96, 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 the faculty to renounce such shares' assignment and be paid the dividend in cash; ensuing amendments to the Company By-laws**

Dear Shareholders,

You have been summoned to the Extraordinary Shareholders' Meeting to resolve upon the following: (i) proposal of a capital increase for no consideration, pursuant to art. 2442 of the Italian Civil Code, to service the payment of a dividend from profit reserves of Euro 694.239.666,96, in the form of a scrip dividend (hereinafter, also "**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 who have not previously waived their right to such assignment; (ii) the ensuing amendments to the Company By-laws.

This report means to explain the reasons for such transaction and for the proposals on the agenda, in accordance with art. 72 and Schedule 3A of the Issuer Regulation, approved with Consob Resolution no. 11971 of May 14, 1999, as subsequently amended and integrated.

#### **1. DESCRIPTION OF THE TRANSACTIONS AND THE REASONS THEREFOR**

### 1.1 Reasons underlying the proposed transaction

As you know, the Board of Directors asked the ordinary Shareholders' Meeting, besides the decision to distribute to the holders of savings shares of a privileged dividend pursuant to article 32 of the Company By-Laws, to consider the proposal for the payment of a dividend from profit reserves of an aggregate value of Euro 694.239.666,96 to the benefit of the holders of both ordinary and savings shares (also taking into consideration article 7, paragraph 1 of the Company By-Laws) and therefore, taking into account the ensuing redistribution of the treasury shares owned by the Company and of the ordinary shares servicing the so-called Cashes financial instruments, equal to Euro 0,12 per share to be issued as a scrip dividend.

The Scrip Dividend - a concept widely known within the international financial markets, which allows the payment of the dividend either with shares or with cash, in case the shareholder waives the assignment of the shares – has been used by UniCredit, as you may remember, the last year and has testified the trust of the Shareholders in the Bank at such a point that about 70% of them opted to receive the proposed shares.

The terms and conditions of the proposed scrip dividend envisage, also this year, that the distribution of profit reserves to the shareholders takes place by means of the assignment of new shares issued by way of capital increase for no consideration, without prejudice to the right of any shareholder to waive the assignment of such shares and receive the dividend in cash. This mechanism ensures in each case adequate compensation of the invested capital in accordance with the *cash equivalent* principle, and allows to pursue the objective of preserving UniCredit Group's capital, while at the same time guaranteeing that the shareholders who waive the assignment of the shares will be paid in cash.

### 1.2 The capital increase transaction

To implement the scrip dividend, the Board of Directors has proposed to the Ordinary Shareholders' Meeting the use a portion of the “Reserves for distribution of profits to shareholders through the issue of new shares for no consideration, which is available to be imputed to capital in connection with and as a result of the issue of ordinary shares and savings shares for no consideration, pursuant to art. 2442 of the Italian Civil Code and available to be distributed in the form of cash payments.

Specifically in relation to the implementation of the scrip dividend through newly-issued shares for no consideration, these must be assigned in accordance with the *cash equivalent* principle. Therefore, the proposal is that the capital increase for no consideration, keeping such objective in mind, be implemented through the issue of a maximum number of ordinary shares and savings shares determined on the basis of a market valuation of such shares. More precisely, the shares would be assigned pursuant to a ratio (the “**Assignment Ratio**”), different for the two classes of shares, calculated on the basis of the volume-weighted average of the official market prices of UniCredit S.p.A. shares – respectively ordinary shares and savings shares – recorded on the

Mercato Telematico Azionario of Borsa Italiana S.p.A. during the 20 stock-exchange trading days prior to the date of the Shareholders' Meeting called to vote on this proposal (*i.e.*, May 13, 2015), discounted by 5% and taking into account for the valuation the theoretical dilution effects on the market price of both ordinary and savings shares resulting from the increase in the number of outstanding shares and, correspondingly, any payment of the dividend in cash (the “**Assignment Value**”).

The Assignment Ratio will also take into account the shares in relation to which no dividend is due (neither in cash nor through the assignment of shares, *i.e.*, no. 47.600 ordinary shares that are owned by the Company as treasury shares and no. 96.756.406 ordinary shares subscribed for by Mediobanca - Banca di Credito Finanziario S.p.A. on February 23, 2009 used to service the issue of the “CASHES” instruments).

Merely for the purposes of the resolution set out below, and thus only as an example, note that, taking into account the reference period of 20 stock-exchange trading days before the date of the meeting of the Board of Directors that approved this Report (*i.e.*, March 12, 2015), the volume-weighted average of official market prices recorded on the Mercato Telematico Azionario of Borsa Italiana S.p.A. is Euro 5,82 for ordinary shares and Euro 8,14 for savings shares. Consequently, to ensure the shares to be issued meet the *cash equivalent* principle with respect to the amount of the dividend from profit reserves approved for distribution by the Ordinary Shareholders' Meeting (equal to Euro 694.239.666,96 in the aggregate), the maximum number of ordinary shares to be issued would be 125.714.809 and the maximum number of savings shares to be issued would be 38.270 which correspond to a maximum theoretical value of the capital increase for no consideration of Euro 426.743.073,59 calculated on the basis of the per share implicit nominal value of Euro 3.3935 as on the date of this report that will be confirmed as at the date of implementation.

In relation to the foregoing, the maximum number of ordinary and savings shares to be issued will be determined as on the date of the Extraordinary Shareholders' Meeting called to resolve upon this proposal.

As for the maximum amount of the share capital increase to be implemented through the shares' assignment, it must be clarified that it will be calculated on the basis of the per share implicit nominal value as on the date of implementation in order to maintain such value unchanged. It remains understood that the amount of the capital increase could not be greater than that of the dividend approved for distribution by the Ordinary Shareholders' Meeting, *i.e.* Euro 694.239.666,96. Therefore, if the amount resulting from the number of shares to be issued on the basis of the Assignment Value multiplied by the per share implicit nominal value as on the date of implementation were greater than Euro 694.239.666,96, the per share nominal value of the shares to be issued would result accordingly reduced.

Given the uncontested right of the shareholders to renounce the assignment of the shares and request payment of the scrip dividend in cash – which right may be exercised during the term described below at Paragraph 1.3 (the “**Exercise Period**”) – the capital increase

will be implemented for the aggregate amount calculated on the basis of the actual number of shares to be issued, taking into account any exercise by the shareholders of their right to receive the scrip dividend in cash, by imputing to share capital the corresponding portion of the “Reserves for distribution of profits to shareholders through the issue of new shares for no consideration”, determined as described above.

The capital increase is to be implemented on or around the date on which the dividend is paid, which is expected to be June 5, 2015, and in any event not later than June 30, 2015.

In the light of the above, as far as concerns the effects on assets, it must be kept in mind that, should none of those entitled require the payment of the scrip dividend in cash, the overall amount of the UniCredit net assets will not undergo any changes. On the contrary, should the option for the payment in cash be exercised, the above assets will suffer a proportional decrease corresponding to the portion of the “*Reserves for distribution of profits to shareholders through the issue of new shares for no consideration*” utilised for the distribution concerned, up to a theoretical maximum - should all those entitled exercise such option - of Euro 694.239.666,96.

### **1.3 Terms for the implementation of the scrip dividend**

As anticipated, the terms of implementation of the proposed scrip dividend envisage the priority assignment of profits to the shareholders by way of assignment of new shares resulting from the capital increase for no consideration (as described above in Paragraph 1.2), without prejudice to the right of any shareholder to request a dividend in cash in lieu of being assigned shares.

If the right to receive the shares is not waived, those entitled to will receive, on the payment date, which is expected to be June 5, 2015 (the “**Dividend Payment Date**”), newly-issued shares on the basis of the Assignment Ratio. Any rights to fractions of shares will be paid in cash on the basis of the Assignment Value; for this purpose an authorised intermediary (the “**Authorised Intermediary**”) will be given mandate to liquidate such fractions of shares, without charging expenses, commissions, or other fees to the shareholders.

A shareholder that, to the contrary, wishes to renounce the assignment of the shares and receive the scrip dividend in cash shall inform the Company of this choice, through its intermediary depositary, starting from the so-called record date of 05/19/2015 and until 05/29/2015 (which term may be extended with specific notice by the Company): in such case, on the Dividend Payment Date, the shareholder will receive the scrip dividend in cash, and his right to be assigned shares resulting from the capital increase for no consideration will be considered extinguished.

So as not to prolong excessively the implementation of the capital increase, with consequently increased and deferred uncertainty as to the number of shares to be issued, those securities that are classified as "irregular" will – in any case - receive the dividend in cash, where "irregular" securities means those shares in relation to which, in the past or

in relation to the scrip dividend, a "deferral" has been requested for collection of the dividend or which are subject to dividends being put aside on the basis of contractual agreements (as are, for example, the restricted securities issued pursuant to stock option plans for the employees of the UniCredit Group).

The ordinary shares and savings shares issued in implementation of the capital increase will have the same characteristics, and enjoy similar rights as, of their corresponding outstanding shares (*godimento regolare*).

The scrip dividend transaction described in this Report will be supported by an illustrative information document pursuant to art. 34-ter, paragraph 1, letter l), of the Issuer Regulation (CONSOB Resolution no. 11971 of May 14, 1999, as amended).

It is agreed that the dividend will be paid exclusively with cash, if it is not possible for any reason to implement the capital increase described in this Report.

#### **1.4 Tax considerations for the assignment of the shares and payment of the dividend in cash**

The new shares to be assigned for no consideration are not taxable income for any type of shareholder (pursuant to art. 47, paragraph 6, of the Consolidated Act on Income Taxes TUIR). Nevertheless, this does not mean that if the dividend is paid to a foreign shareholder it will be subject to the same "not taxable" tax treatment in the foreign state as under Italian law. As the capital increase is implemented by imputing to capital profits reserves, the shares to be assigned will be taxed as dividend at the time of the reduction (if any) of the redundant capital. In case of partial redemption, the shares issued in the context of the capital increase for no consideration will have priority following the imputation to capital if the profits reserves, starting from the less recent.

The dividend paid in cash to resident individuals, not acting on behalf of a commercial enterprise and who hold a non-qualifying participation, constitutes taxable income, and will be subject to a substitute tax at a rate of 26%. In case of shareholders who are resident individuals and exercise the option for the application of the *risparmio gestito*, the dividend is not subject to substitute tax, but it's included in the taxable base of the "*risparmio gestito*" liable to a substitute tax at a rate of 26%. In case of non-resident shareholders the substitute tax will be applied at a rate not higher than 26%, which could be reduced pursuant to the Conventions against the double impositions (customarily, a rate of 15% or sometimes of 10%). The non-resident shareholders, other than savings shareholders, who suffered the substitute tax of 26% are anyway entitled to the reimbursement (up to 11/26 of the substitute tax) of the tax which they prove to have definitely been paid abroad on the same profits, upon condition that they provide the competent Italian tax authorities, in advance, with the relevant certification issued by the tax office of the foreign State.

In case of entities subject to a corporate income tax in EU States, the substitute tax is applied at a rate of 1,375%; this substitute tax is applied at a rate of 11% for EU pension funds.

In any case, it is understood that the tax provisions in force at the time of the transaction being executed will be enforced.

## **2. AMENDMENT TO THE COMPANY BY-LAWS OF UNICREDIT**

Because, as explained in Paragraph 1.2, implementation of this capital increase will be deferred, albeit only for a short time, it seems convenient in the meanwhile to include an express reference to this transaction in the Company By-laws. To this end, it is proposed that the following wording be added as the last paragraph of art. 6: *“The Extraordinary Shareholders' Meeting of May 13, 2015 approved a capital increase for no consideration, pursuant to art. 2442 of the Italian Civil Code, to service the payment of a dividend from profit reserves of Euro 694.239.666,96, in the form of a scrip dividend, to be implemented through the issue of ordinary shares and savings shares without any nominal value, to be assigned respectively to the holders of Company ordinary shares and the holders of Company savings shares, unless the assignment of such shares is waived and payment in cash is requested. The Extraordinary Shareholders' Meeting approved the issue of, respectively, a maximum of no. [...] ordinary shares and a maximum of no. [...] savings shares. The capital increase must be implemented within June 30, 2015 using a portion of the “Reserves for distribution of profits to shareholders through the issue of new shares for no consideration” for a maximum amount of Euro 694.239.666,96”.*

This proposal to amend the By-laws does not constitute one of the circumstances that grant the right of withdrawal to the holders of ordinary shares and savings shares pursuant to art. 2437 of the Italian Civil Code.

The proposal is also not subject to approval by the Special Meeting of the Savings Shareholders pursuant to art. 146, paragraph 1, letter b), of Legislative Decree no. 58 of February 24, 1998, because it does not imply any prejudice for such class of shareholders.

The proposed amendments to the By-laws are being reviewed by the Bank of Italy (*Banca d'Italia*) in accordance with art. 56 of Legislative Decree No. 385 of 1993.

## **3. RESOLUTIONS PROPOSED TO THE EXTRAORDINARY SHAREHOLDERS' MEETING**

Dear Shareholders,

If you agree with the contents and explanations in this Report of the Board of Directors, we invite you to approve the following resolutions:

“The Extraordinary Shareholders' Meeting of UniCredit S.p.A., agreeing with the contents and explanations set forth in the Report of the Board of Directors

resolves to

- approve a capital increase for no consideration, pursuant art. 2442 of the Italian Civil Code, to service the payment of a dividend from profit reserves of Euro 694.239.666,96, in the form of a scrip dividend, to be implemented through the issue of ordinary shares and savings shares without any nominal value per share and with rights identical to the outstanding shares of the same class (*godimento regolare*), to be assigned, respectively, to the shareholders who have the right to receive the dividend in relation to the ordinary shares and the holders of savings shares of the Company, who have not exercised their right to waive the assignment of the shares and request payment of the dividend in cash, and more specifically:
  - a. approve the assignment of ordinary shares and savings shares on the basis of the Assignment Ratio as defined in the Report of the Board of Directors and thus the assignment (i) to holders of ordinary shares entitled to receive the dividend, of a maximum of 125.714.809 ordinary shares, at the ratio of no. 1 new share for every 46 ordinary shares held;<sup>1</sup> and (ii) to holders of savings shares entitled to receive the dividend, of a maximum of 38.270 savings shares, at the ratio of no. 1 new share for every 64 savings shares held<sup>1</sup>;
  - b. impute to capital, pursuant to art. 2442 of the Civil Code and in the context of the assignment described above at (a), an amount from the “Reserves for distribution of profits to shareholders through the issue of new shares for no consideration” equal to the number of shares assigned multiplied by the pre-existing implicit nominal value of the shares, but in any case not higher than Euro 694.239.666,96 keeping not used amount in the same reserve
  - c. determine that the rights to fractions of shares resulting from the assignment of newly-issued shares for no consideration will be paid in cash on the basis of the Assignment Value as defined in this Report; for this purpose an authorised intermediary will be given mandate to liquidate such fractions of shares, without charging expenses, commissions, or other fees to the shareholders;
  - d. set June 30, 2015 as the last day of the term within which the above capital increase for no consideration must be implemented;

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<sup>1</sup> These numbers will be updated on the date of the Extraordinary Shareholders' Meeting on the basis of the criteria set forth in the Report of the Board of Directors.

- e. amend the Company By-laws to include, as the last paragraph of art. 6, wording of this type and tenor:

*“The Extraordinary Shareholders' Meeting of May 13, 2015 approved a capital increase for no consideration, pursuant to art. 2442 of the Italian Civil Code, to service the payment of a dividend from profit reserves of Euro 694.239.666,96, in the form of a scrip dividend, to be implemented through the issue of ordinary shares and savings shares without any nominal value, to be assigned, respectively, to the holders of Company ordinary shares and the holders of Company savings shares, unless the assignment of such shares is waived and payment in cash is requested. The Extraordinary Shareholders' Meeting approved the issue of, respectively, a maximum of no. [...] ordinary shares and a maximum of no. [...] savings shares. The capital increase must be implemented on or before June 30, 2015 using a portion of the “Reserves for distribution of profits to shareholders through the issue of new shares for no consideration” for a maximum amount of Euro 694.239.666,96”;*

- grant to the Chairman and the Managing Director, jointly or severally, all powers necessary to implement the above resolutions in accordance with the law;
- grant to the Chairman and the Managing Director, jointly or severally, all powers necessary to file and register the resolutions approved today in accordance with the law and to amend the Company By-laws as necessary because of the implementation of the approved share capital increase for no consideration, expressly stating that all is approved and ratified in advance and to perform all else is necessary to implement these resolutions;
- authorise the Chairman and the Managing Director, jointly or severally, to file the updated Company By-laws, amended as described above, with the Register of Companies.”



## **EXTRAORDINARY PART**

### **Item 2 on the Agenda**

#### **BOARD OF DIRECTORS' REPORT**

#### **AMENDMENTS TO CLAUSES 6, 8, 20, 23 AND 30 OF THE ARTICLES OF ASSOCIATION**

Dear Shareholders,

We called this Extraordinary Shareholders' Meeting to decide on the proposal to amend some of the provisions in UniCredit's current Articles of Association.

These amendments are mainly aimed at implementing the new provisions of the Bank of Italy's Circular no. 285 relating to corporate governance as well as at falling into line with the new provisions issued by the Bank of Italy on remuneration and incentives policies and practices implementing Directive 2013/36/EU of 26 June 2013 (Capital Requirements Directive or CRD IV); as the occasion arises, it is advisable to submit to the Shareholders' Meeting some further changes that are merely formal in nature and/or whose aim is that of an update.

Given the above, we would like to explain the amendments to clauses 6, 8, 20, 23 e 30 of the Articles of Association that we are submitting to your approval.

#### **1. AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

##### **1.1 Amendments to the Articles of Association linked to the new Bank of Italy's provisions concerning corporate governance**

With the new supervisory provisions concerning corporate governance the Bank of Italy established, inter alia, that "*up to the issuing of the regulations implementing Sec. 26 of the TUB, the banks in their Articles of Association provide a single definition of independent Directors, consistent with the role assigned to them, and ensure the actual enforcement of such definition.*"<sup>1</sup>

Given that the present wording of Clause no. 20 of the Articles of Association refers both to the independence requirements provided for by Legislative Decree no. 58/98 (TUF) and to those provided for by the Corporate Governance Code, it is necessary to amend it in order to comply with the abovementioned principle.

Also considering its wider scope of enforcement, it is suggested to adopt the definition of independence provided for by the Corporate Governance Code; the above, however, without being detrimental to the abidance by the independence requirements in any case

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<sup>1</sup> See Circular no. 285 of December 17, 2013 and following updating, First Part, Title IV, Chapter 1.

required *ex lege*<sup>2</sup>. To that aim, the proposed amendment envisages the explicit adoption in Clause 20, Subsec. 3 of the criteria established by the current wording of Sec. 3.C.1 of the above Code.

## **1.2 Amendments linked to the new Bank of Italy's provisions on remuneration and incentive policies and practices**

On November 18, 2014 Bank of Italy issued the new supervisory provisions on "Remuneration and incentives policies and practices" for banks and banking groups (7th update to Circular no. 285 of December 17, 2013) aiming at implementing the new provisions introduced by Directive 2013/36/EU and the international regulatory inputs.

Those provisions include some re-wordings to the text published by the Authority for consultation purposes in December 2013 and the re-wording of some of the powers entrusted to the Ordinary Shareholders' Meeting. In particular, the current regulation provides that:

- (i) the Shareholders, within the ordinary session, shall approve the criteria for determining the compensation to be granted in the event of early termination of employment or early retirement from office,
- (ii) the Articles of Association shall state the quorum required for the approval by the Ordinary Shareholders' Meeting of the proposal to set a ratio higher than 1:1 (but no more than 2:1) between the variable and the fixed component of staff remuneration.

In line with the above, the re-wording of some powers entrusted to the Ordinary Shareholders' Meeting of UniCredit S.p.A. is proposed in Clause 8.

## **1.3. Other amendments to the Articles of Association**

It is also being suggested that, along with the amendments directly connected to modifying the Articles of Association in compliance with the Bank of Italy's provisions (Circular no. 285), the opportunity be taken to make additional changes which are, as anticipated, mainly of a formal nature.

In particular, it has been deemed appropriate to make an overall review of Clause 6 of the Articles of Association coherently with the actual state of implementation of the incentive plans adopted over time by UniCredit S.p.A.

As known, for the execution of said plans is required the issuing of ordinary shares of the Company to be granted to the Management of UniCredit S.p.A., as well as of the other Banks and Companies of the Group who hold positions considered highly relevant for the attainment of the overall Group targets, within the terms and modalities stated by the Shareholders' Meeting.

Having failed, in some cases, the conditions for the allotment of shares and/or the exercise of subscription rights by the beneficiaries and, in other cases, having expired the right to

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<sup>2</sup> For Boards with more than 7 members, the TUF (Sec. 147 ter) requires the appointment at least of 2 directors having the independence requirements set by the TUF for the Statutory Auditors.

exercise the authority granted to the Board of Directors for capital increase, it has been deemed appropriate to adjust the aforementioned clause.

A second move aims to align the wording of Clause 23, Subsec. 3, of the Articles of Association with the provisions of the Bank of Italy Circular no. 263 concerning the internal control system (Title V, Chapter 7), making it clear that also the appointment and the revocation of the head of the Risk Management function fall within the resolutions pertaining to the exclusive jurisdiction of the Board of Directors listed therein.

Another amendment concerns Clause 30, devoted to the set of rules on the Statutory Auditors. With this regard, the intention is to delete from Subsec. 3 the specification referring to the period (at least triennial) of listing in the Rolls of Auditors, consequently making the wording fully compliant with the provision governing the matter (Decree of the Ministero della Giustizia March 30, 2000, no. 162, Sec.1).

#### 1.4 Information about the right of withdrawal and other aspects

The current proposed amendments to the Articles of Association do not give rise to the right of ordinary and savings shareholders to withdraw pursuant to Sec. 2437 of the Italian Civil Code. The proposal also does not require the approval of a Special Meeting of savings shareholders pursuant to Sec. 146(1)(b) of Legislative Decree no. 58 of 24 February 1998 since it does not prejudice the rights of this category.

The proposed changes to the Articles of Association are subject to authorization of the Bank of Italy pursuant to Sec. 56 of Legislative Decree no. 385/93.

## 2. PROPOSALS FOR THE AMENDMENT OF UNICREDIT'S ARTICLES OF ASSOCIATION

The amendments to the Company's Articles of Association which are proposed to the Shareholders' Meeting according to the above are detailed in the table below.

CURRENT WORDING	DRAFT AMENDMENT
<p style="text-align: center;"><b>SECTION III</b> <b>Regarding share capital and shares</b></p>	<p style="text-align: center;"><b>SECTION III</b> <b>Regarding share capital and shares</b></p>
<p style="text-align: center;"><u>Clause 6</u></p> <p>1. In partial exercise of powers conferred by the Extraordinary Shareholders' Meeting held on May 4, 2004 pursuant to Article 2443 of the Italian Civil Code, the Board of Directors passed a resolution on July 22, 2004 to increase capital by a maximum amount of Euro 7,284,350 corresponding to a maximum number of 14,568,700 ordinary shares of Euro 0.50 each, passing another resolution on November 18, 2005 to increase capital by a maximum amount of Euro 20,815,000 corresponding to a maximum number of 41,630,000 ordinary shares of Euro 0.50 each, to be used to exercise a corresponding number of subscription rights reserved</p>	<p style="text-align: center;"><u>Clause 6</u></p> <p>1. In partial exercise of powers conferred by the Extraordinary Shareholders' Meeting held on May 4, 2004 pursuant to Article 2443 of the Italian Civil Code, the Board of Directors passed a resolution on July 22, 2004 to increase capital by a maximum amount of Euro 7,284,350 corresponding to a maximum number of 14,568,700 ordinary shares of Euro 0.50 each, <b>and</b> passing another resolution on November 18, 2005 to increase capital by a maximum amount of Euro 20,815,000 corresponding to a maximum number of 41,630,000 ordinary shares of Euro 0.50 each, to be used to exercise a corresponding number of subscription</p>

for the Executive Personnel of UniCredit S.p.A. and the other Group Banks and Companies who hold positions which are significant in terms of achieving the overall objectives of the Group, and passing another resolution on December 15, 2005 to increase capital by a maximum amount of Euro 750,000 corresponding to a maximum number of 1,500,000 ordinary shares of Euro 0.50 each. The aforementioned rights can be exercised from 2008 until 2017 according to the criteria and in the periods identified by the Board of Directors.

2. The Board of Directors, in partial exercise of the powers received as per Article 2443 of the Italian Civil Code from the Extraordinary Shareholders' Meeting of May 12, 2006, has resolved, on June 13, 2006 to increase the share capital of a maximum nominal amount of Euro 14,602,350 corresponding to a maximum number of 29,204,700 ordinary shares having a value of Euro 0.50 each, on July 1, 2006 to increase the share capital of a maximum nominal amount of Euro 45,150 corresponding to a maximum number of 90,300 ordinary shares having a value of Euro 0.50 each, at the service of the exercise of a corresponding number of subscription rights to be granted to the Management of UniCredit S.p.A., as well as of the other Banks and companies of the Group, who hold positions considered highly relevant for the attainment of the overall Group targets. The aforementioned rights can be exercised from 2010 until 2019 according to the criteria and in the periods identified by the Board of Directors.

3. The Board of Directors, in partial exercise of the powers received, as per Article 2443 of the Italian Civil Code, from the Extraordinary Shareholders' Meeting of May 10, 2007, has resolved on June 12, 2007 to increase the share capital of a maximum nominal amount of Euro 14,904,711.50 corresponding to a maximum number of 29,809,423 ordinary shares with a value of Euro 0.50 each, at the service of the exercise of a corresponding number of subscription rights to be granted to the Management of UniCredit S.p.A., as well as of the other Banks and companies of the Group, who hold positions considered highly relevant for the attainment of the overall Group targets. The aforementioned rights can be exercised from 2011 until 2017 according to the criteria and in the periods identified by the Board of Directors.

4. The Board of Directors, in partial exercise of the powers received, as per Article 2443 of the Italian Civil Code, from the Extraordinary Shareholders' Meeting of May 8, 2008, resolved on June 25, 2008 to increase the share capital of a maximum nominal amount of Euro 39,097,923 corresponding to a maximum number of 78,195,846 ordinary shares with a value of Euro 0.50 each, at the service of the exercise of a corresponding number of subscription rights to be granted to the Management of UniCredit S.p.A., as well as of the other Banks and companies of the Group, who hold positions considered highly relevant for the attainment of the

rights reserved for the Executive Personnel of UniCredit S.p.A. and the other Group Banks and Companies who hold positions which are significant in terms of achieving the overall objectives of the Group, ~~and passing another resolution on December 15, 2005 to increase capital by a maximum amount of Euro 750,000 corresponding to a maximum number of 1,500,000 ordinary shares of Euro 0.50 each.~~ The aforementioned rights can be exercised from 2008 until 2017 according to the criteria and in the periods identified by the Board of Directors.

2. The Board of Directors, in partial exercise of the powers received as per Article 2443 of the Italian Civil Code from the Extraordinary Shareholders' Meeting of May 12, 2006, has resolved, on June 13, 2006 to increase the share capital of a maximum nominal amount of Euro 14,602,350 corresponding to a maximum number of 29,204,700 ordinary shares having a value of Euro 0.50 each, ~~on July 1, 2006 to increase the share capital of a maximum nominal amount of Euro 45,150 corresponding to a maximum number of 90,300 ordinary shares having a value of Euro 0.50 each,~~ at the service of the exercise of a corresponding number of subscription rights to be granted to the Management of UniCredit S.p.A., as well as of the other Banks and companies of the Group, who hold positions considered highly relevant for the attainment of the overall Group targets. The aforementioned rights can be exercised from 2010 until 2019 according to the criteria and in the periods identified by the Board of Directors.

3. *Text unchanged.*

4. *Text unchanged.*

overall Group targets. The aforementioned rights can be exercised from 2012 until 2018 according to the criteria and within the periods identified by the Board of Directors.

5. Capital increases resolved under the compensation policy, as provided for by the paragraphs above, are increased by an additional amount of no more than Euro 3,645,855.50 corresponding to no more than 7,291,711 ordinary share following the application of the AIAF adjustment factors as a consequence of the capital transaction resolved on by the Extraordinary Shareholders' Meeting on November 16, 2009.

6. The Board of Directors, in partial exercise of the powers received, as per Article 2443 of the Italian Civil Code, from the Extraordinary Shareholders' Meeting of April 22, 2010, resolved on March 22, 2011, to increase the share capital of a maximum nominal amount of Euro 42,114,682 corresponding to a maximum number of 84,229,364 ordinary shares with a value of Euro 0.50 each, at the service of the exercise of a corresponding number of subscription rights to be granted to the Management of UniCredit S.p.A., as well as of the other Banks and Companies of the Group, who hold positions considered highly relevant for the attainment of the overall Group targets. The aforementioned rights can be exercised as of the year following the 3 year performance period (2011-2013) and until 2020 according to the criteria and within the periods identified by the Board of Directors.

7. Capital increases resolved under the compensation policy, as provided for by the paragraphs above, are further increased, taking into account of the reverse split approved by the Extraordinary Shareholders' Meeting on December 15, 2011 and executed on December 27, 2011, by an amount of no more than Euro 46,483,590 corresponding to no more than 9,296,718 ordinary shares following the application of the AIAF adjustment factors as a consequence of the capital transaction resolved on by the Extraordinary Shareholders' Meeting on December 15, 2011.

8. The Board of Directors, in partial exercise of the powers received, as per Article 2443 of the Italian Civil Code, from the Extraordinary Shareholders' Meeting of April 29, 2011, resolved on March 27, 2012, to increase the share capital of a maximum amount of Euro 46,114,455 corresponding to a maximum number of 9,222,891 ordinary shares, at the service of the exercise of a corresponding number of subscription rights to be granted to the Management of UniCredit S.p.A., as well

5. Capital increases resolved under the compensation policy, as provided for by the paragraphs above, are increased by an additional amount of no more than Euro ~~3,645,855.50~~ 29,522,571 corresponding to no more than ~~7,291,711~~ 5,904,514 ordinary share following the application of the AIAF adjustment factors as a consequence of the capital transaction resolved on by the Extraordinary Shareholders' Meeting on November 16, 2009 and, taken into account the conversion into stock resolved by the Extraordinary Shareholders' Meeting on December 15, 2011 and executed on December 27, 2011, of the operation on capital resolved by the Extraordinary Shareholders' Meeting on December 15, 2011.

~~6. The Board of Directors, in partial exercise of the powers received, as per Article 2443 of the Italian Civil Code, from the Extraordinary Shareholders' Meeting of April 22, 2010, resolved on March 22, 2011, to increase the share capital of a maximum nominal amount of Euro 42,114,682 corresponding to a maximum number of 84,229,364 ordinary shares with a value of Euro 0.50 each, at the service of the exercise of a corresponding number of subscription rights to be granted to the Management of UniCredit S.p.A., as well as of the other Banks and Companies of the Group, who hold positions considered highly relevant for the attainment of the overall Group targets. The aforementioned rights can be exercised as of the year following the 3 year performance period (2011-2013) and until 2020 according to the criteria and within the periods identified by the Board of Directors.~~

~~7. Capital increases resolved under the compensation policy, as provided for by the paragraphs above, are further increased, taking into account of the reverse split approved by the Extraordinary Shareholders' Meeting on December 15, 2011 and executed on December 27, 2011, by an amount of no more than Euro 46,483,590 corresponding to no more than 9,296,718 ordinary shares following the application of the AIAF adjustment factors as a consequence of the capital transaction resolved on by the Extraordinary Shareholders' Meeting on December 15, 2011.~~

¶6. Sub-section re-numbered, text unchanged

as of the other Banks and Companies of the Group, who hold positions considered highly relevant for the attainment of the overall Group targets. The aforementioned rights can be exercised as of the year following the 4 year performance period (2012-2015) and until 2022 according to the criteria and within the periods identified by the Board of Directors.

9. The Board of Directors has the power, under the provisions of section 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated April 29, 2011, to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum nominal amount of Euro 103,000,000 corresponding to up to 206,000,000 ordinary shares of par value Euro 0.50 each, to be granted to employees of UniCredit S.p.A. and of Group banks and companies. The maximum number of free ordinary shares to be issued as an application of the power granted to the Board of Directors is integrated, taking into account the reverse split approved by the Extraordinary Shareholders' Meeting on December 15, 2011 and executed on December 27, 2011, by an additional amount of no more than no. 10,677,019 ordinary shares following the application of the AIAF adjustment factors as a consequence of the capital transaction resolved on by the Extraordinary Shareholders' Meeting on December 15, 2011.

10. The Board of Directors has the power, under the provisions of section 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years from the shareholders' resolution dated April 29, 2011, to carry out a financed capital increase with exclusion of option rights, as allowed by section 2441.8 of the Italian Civil Code, to service the exercise of rights to be issued by Board of Directors for the subscription of a maximum nominal amount of 68,000,000 ordinary shares corresponding to a maximum nominal amount of € 34,000,000, to be granted to employees of UniCredit S.p.A. and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives. The maximum number of financed ordinary shares to be issued as an application of the power granted to the Board of Directors is integrated, taking into account the reverse split approved by the Extraordinary Shareholders' Meeting on December 15, 2011 and executed on December 27, 2011, by an additional amount of no more than Euro 17,622,265 corresponding to maximum no. 3,524,453 ordinary shares following the application of the AIAF adjustment factors as a consequence of the capital transaction resolved on by the Extraordinary Shareholders' Meeting on December 15, 2011.

11. The Board of Directors has the power, under the provisions of Article 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period

*97. Sub-section re-numbered, text unchanged*

~~10. The Board of Directors has the power, under the provisions of section 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years from the shareholders' resolution dated April 29, 2011, to carry out a financed capital increase with exclusion of option rights, as allowed by section 2441.8 of the Italian Civil Code, to service the exercise of rights to be issued by Board of Directors for the subscription of a maximum nominal amount of 68,000,000 ordinary shares corresponding to a maximum nominal amount of € 34,000,000, to be granted to employees of UniCredit S.p.A. and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives. The maximum number of financed ordinary shares to be issued as an application of the power granted to the Board of Directors is integrated, taking into account the reverse split approved by the Extraordinary Shareholders' Meeting on December 15, 2011 and executed on December 27, 2011, by an additional amount of no more than Euro 17,622,265 corresponding to maximum no. 3,524,453 ordinary shares following the application of the AIAF adjustment factors as a consequence of the capital transaction resolved on by the Extraordinary Shareholders' Meeting on December 15, 2011.~~

~~11. The Board of Directors has the power, under the provisions of Article 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period~~

of five years starting from the shareholders' resolution dated April 22, 2010, to carry out a free capital increase, as allowed by Article 2349 of the Italian Civil Code, for a maximum nominal amount of Euro 29,500,000 corresponding to up to 59,000,000 ordinary shares of par value Euro 0.50 each, to be granted to employees of UniCredit S.p.A. and of Group banks and companies. The maximum number of free ordinary shares to be issued as an application of the power granted to the Board of Directors is integrated, taking into account the reverse split approved by the Extraordinary Shareholders' Meeting on December 15, 2011 and executed on December 27, 2011, by an additional amount of no more than no. 44,183 ordinary shares following the application of the AIAF adjustment factors as a consequence of the capital transaction resolved on by the Extraordinary Shareholders' Meeting on December 15, 2011.

12. Once the time periods for the capital increases resolved on through incentive/compensation plans have expired, the share capital shall be deemed to have increased by the amount subscribed as of the respective dates indicated therein.

13. The reverse split approved by the Extraordinary Shareholders' Meeting on December 15, 2011 and executed on December 27, 2011 should be taken into account when determining the maximum amount of shares to be issued in any capital increases carried out pursuant to the preceding paragraphs and for the purpose of the execution of the incentive plans from time to time approved by the Company, without prejudice to the maximum aggregate amount set for those increases.

14. The Board of Directors has the power, under the provisions of Article 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated May 11, 2012, to carry out a free capital increase, as allowed by Article 2349 of the Italian Civil Code, for a maximum amount of Euro 202,603,978.15 corresponding to up to 59,700,000 ordinary shares, to be granted to employees of UniCredit S.p.A. and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives.

15. The Board of Directors has the power, under the provisions of section 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated May 11, 2013, to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of Euro 143,214,140.73 corresponding to up to 42,200,000 ordinary shares, to be granted to employees of UniCredit S.p.A. and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall

~~of five years starting from the shareholders' resolution dated April 22, 2010, to carry out a free capital increase, as allowed by Article 2349 of the Italian Civil Code, for a maximum nominal amount of Euro 29,500,000 corresponding to up to 59,000,000 ordinary shares of par value Euro 0.50 each, to be granted to employees of UniCredit S.p.A. and of Group banks and companies. The maximum number of free ordinary shares to be issued as an application of the power granted to the Board of Directors is integrated, taking into account the reverse split approved by the Extraordinary Shareholders' Meeting on December 15, 2011 and executed on December 27, 2011, by an additional amount of no more than no. 44,183 ordinary shares following the application of the AIAF adjustment factors as a consequence of the capital transaction resolved on by the Extraordinary Shareholders' Meeting on December 15, 2011.~~

~~128.~~ *Sub-section re-numbered, text unchanged*

~~139.~~ *Sub-section re-numbered, text unchanged*

~~1410.~~ *Sub-section re-numbered, text unchanged*

~~1511.~~ *Sub-section re-numbered, text unchanged*

<p>objectives in execution of 2013 Group Incentive System.</p> <p>16. The Board of Directors has the power, under the provisions of section 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated May 13, 2014, to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of Euro 98,294,742.05 corresponding to up to 28,964,197 ordinary shares, to be granted to employees of UniCredit S.p.A. and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives in execution of 2014 Group Incentive System.</p>	<p><del>16</del>12. <i>Sub-section re-numbered, text unchanged</i></p>
<p style="text-align: center;"><b>SECTION IV</b> <b>Regarding Meetings of Shareholders</b></p>	<p style="text-align: center;"><b>SECTION IV</b> <b>Regarding Meetings of Shareholders</b></p>
<p style="text-align: center;"><u>Clause 8</u></p> <p>1. A General Meeting of Shareholders is convened at least one a year within 180 days of the end of the financial year, in order to resolve upon the issues that the prevailing laws and the Articles of Association make it responsible for.</p> <p>2. In particular, the Meeting of Shareholders, besides establishing the remuneration of members of the bodies it has appointed, approves: (i) the remuneration policies for supervisory, management and control bodies as well as for employees; (ii) equity-based compensation schemes. An adequate information shall be provided to the Shareholders about the enforcement of the remuneration policies. Furthermore, the Ordinary Shareholders' Meeting can exercise, on the occasion of the remuneration policies' approval, the faculty to determine a ratio of variable to fixed remuneration of employees higher than 1:1, but in any case not exceeding the ratio of 2:1 or the lower ratio fixed by law or regulation from time to time in force.</p> <p>3. A Special Meeting of Shareholders is convened whenever it is necessary to resolve upon any of the matters that are exclusively attributed to it by the</p>	<p style="text-align: center;"><u>Clause 8</u></p> <p>1. <i>Text unchanged</i></p> <p>2. In particular, the Meeting of Shareholders, besides establishing the remuneration of members of the bodies it has appointed, approves: (i) the remuneration <b>and incentive</b> policies for <b>the members of the</b> supervisory, management and control bodies as well as for <b>the rest of</b> employees; (ii) equity-based compensation schemes; (iii) <b>the criteria to determine the compensation to be granted in the event of early termination of employment or early retirement from office including the limits set for said compensation in terms of number of years of fixed remuneration as well as the maximum amount deriving from their application.</b> An adequate information shall be provided to the Shareholders about the enforcement of the remuneration policies.</p> <p>3. Furthermore, the Ordinary Shareholders' Meeting can exercise, on the occasion of the remuneration policies' approval, the faculty to determine a ratio of variable to fixed remuneration of employees higher than 1:1, but in any case not exceeding the ratio of 2:1 <del>or the lower ratio fixed by law or regulation from time to time in force,</del> <b>being understood that the proposal shall be recognized as validly approved:</b></p> <ul style="list-style-type: none"> <li>- with favorable vote of at least 2/3 of the company share capital represented in the Shareholders' Meeting, in case the Meeting itself is constituted with at least a half of the company share capital;</li> <li>- with favorable vote of at least 3/4 of the company share capital represented in the Shareholders' Meeting, whatever is the company share capital constituting the Meeting.</li> </ul> <p><del>3</del>4. <i>Sub-section re-numbered, text unchanged</i></p>



prevailing laws.	
<b>SECTION V Regarding the Board of Directors</b>	<b>SECTION V Regarding the Board of Directors</b>
<p style="text-align: center;"><u>Clause 20</u></p> <p>1. The Board of Directors is composed of between a minimum of nine and a maximum of twenty-four members. The composition of the Board of Directors must ensure the balance between the genders.</p> <p>2. The members of the Board of Directors must meet the experience and integrity requirements laid down by prevailing regulations and other laws.</p> <p>3. In addition, at least three Directors must meet the independence requirements established for statutory auditors by Legislative Decree No. 58 of February 24, 1998, and a number of Directors equal to the one provided for by the Code on Corporate Governance for Listed Companies must possess the independence requirements established by the Code itself. The independence requirements established by Legislative Decree No. 58 of February 24, 1998 and those specified by the Code on Corporate Governance for Listed Companies may be cumulative for the same person.</p>	<p style="text-align: center;"><u>Clause 20</u></p> <p>1. <i>Text unchanged</i></p> <p>2. <i>Text unchanged</i></p> <p>3. <del>In addition, at least three Directors must meet the independence requirements established for statutory auditors by Legislative Decree No. 58 of February 24, 1998, and a</del> <b>A</b> number of Directors equal to <b>at least</b> the one provided for by the Code on Corporate Governance for Listed Companies must possess the <b>following</b> independence requirements. <del>established by the Code itself.</del></p> <p><b>In particular, a Director may not be considered independent in the following circumstances:</b></p> <p>a) if he/she controls, directly or indirectly, the issuer also through subsidiaries, trustees or third parties, or is able to exercise a dominant influence over the issuer, or participates in a shareholders' agreement through which one or more persons can exercise a control or dominant influence over the issuer;</p> <p>b) if he/she is, or has been in the preceding three fiscal years, a significant representative of the issuer, of a subsidiary having strategic relevance or of a company under common control with the issuer, or of a company or entity controlling the issuer or able to exercise over the same a considerable influence, also jointly with others through a shareholders' agreement;</p> <p>c) if he/she has, or had in the preceding fiscal year, directly or indirectly (e.g. through subsidiaries or companies of which he is a significant representative, or in the capacity as partner of a professional firm or of a consulting company) a significant commercial, financial or professional relationship:</p> <ul style="list-style-type: none"> <li>- with the issuer, one of its subsidiaries, or any of its significant representatives;</li> <li>- with a subject who, also jointly with others through a shareholders' agreement, controls the issuer, or – in case of a company or an entity – with the relevant significant representatives;</li> </ul> <p>or is, or has been in the preceding three fiscal years, an employee of the above-mentioned subjects;</p> <p>d) if he/she receives, or has received in the preceding three fiscal years, from the issuer or a subsidiary or holding company of the issuer, a significant additional remuneration (compared to the "fixed" remuneration of nonexecutive director of the issuer and to remuneration</p>

<p>4. The Directors' term in office spans three operating years, except where a shorter term is established at the time they are appointed, and ends on the date of the Shareholders' Meeting convened for the approval of the accounts relating to the last operating year in which they were in office.</p> <p>5. The Directors are appointed by the Shareholders' Meeting on the basis of lists submitted by legitimate parties in which candidates must be listed using a progressive number. Each list must introduce a number of candidates belonging to the least represented gender such as to ensure abidance by the balance between genders at least in the minimum quantity required by the provisions, also of a regulatory nature, in being.</p> <p>6. In order to be valid, the lists must be filed at the Registered Office or the Head Office, also through long distance communication means and in accordance with the manner indicated in the notice of the Meeting which allows the identification of the parties that are doing the filing, no later than the twenty-fifth day prior to the date of the Shareholders' Meeting and must be made available to the public at the Registered Office, on the Company's web site and through other channels provided for under prevailing laws at least twenty-one days prior to the date of the Shareholders' Meeting. 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. Those legitimate parties who individually or collectively with others represent at least 0.5% of share capital in the form of ordinary shares with voting rights at ordinary Shareholders' Meetings are entitled to submit lists.</p>	<p>of the membership in the committees that are recommended by the Code on Corporate Governance also in the form of participation in incentive plans linked to the company's performance, including stock option plans;</p> <p>e) if he/she was a director of the issuer for more than nine years in the last twelve years;</p> <p>f) if he/she is vested with the executive director office in another company in which an executive director of the issuer holds the office of director;</p> <p>g) if he/she is shareholder or quotaholder or director of a legal entity belonging to the same network as the company appointed for the auditing of the issuer;</p> <p>h) if he/she is a close relative of a person who is in any of the positions listed in the above paragraphs.</p> <p>For the purposes of the above-mentioned cases, the definitions contained in the Code on Corporate Governance shall apply.</p> <p><del>The independence requirements established by Legislative Decree No. 58 of February 24, 1998 and those specified by Code on Corporate Governance for Listed Companies may be cumulative for the same person.</del></p> <p>4. <i>Text unchanged</i></p> <p>5. <i>Text unchanged</i></p> <p>6. <i>Text unchanged</i></p>
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<p>7. The ownership of the minimum number of shares required for filing lists is calculated with regard to the shares registered to each individual shareholder, or to multiple shareholders combined, on the day on which the lists are submitted to the Company. Ownership of the number of shares necessary for filing lists must be proven pursuant to the prevailing laws; such proof can even be submitted to the Company during or after the time when the lists are filed provided that this occurs prior to the deadline for when the Company must make the lists public.</p> <p>8. By the deadline indicated in paragraph 6 above, legitimate parties who filed lists must file the following together with each list any such further document and declaration required by provisions, also of a regulatory nature, in being at the time as well as:</p> <ul style="list-style-type: none"> <li>- the information on those who filed lists with information on the total percentage of equity investment held;</li> <li>- information on the personal and professional characteristics of the candidates indicated on the list;</li> <li>- a statement whereby the individual candidates irrevocably accept the position (subject to their appointment) and attest, under their responsibility, that there are no reasons for their ineligibility or incompatibility respect to candidacy, and that they meet the experience and integrity requirements provided for by current regulatory and other provisions;</li> <li>- a statement that the independence requirements dictated by these Articles of Association have been met.</li> </ul> <p>Any list that does not meet the above requirements shall be deemed to have not been filed.</p> <p>9. All those entitled to vote may only vote for one list.</p> <p>10. The election of Members of the Board of Directors shall proceed as follows:</p> <ol style="list-style-type: none"> <li>a) from the list obtaining the majority of votes cast shall be taken - in the consecutive order in which they are shown on the list – as much Directors as to be appointed, decreased of one Director – if the Board of Directors consists in a number lower or equal to 20 members – or decreased of two Directors - if the Board of Directors consists in a number higher than 20 members. The remaining Directors shall be taken - in the consecutive order in which they are shown on the list – from the minority list receiving the highest votes;</li> <li>b) if the majority list doesn't reach a sufficient number of candidates for the election of the number of Directors to be appointed – following the mechanism pointed out under the previous lett. a) – all the candidates from the majority list shall be appointed and the remaining Directors shall be taken from the minority list receiving the highest votes, in the consecutive order in which they are shown on the such list;</li> <li>c) if the minority list receiving the highest votes doesn't reach a sufficient number of candidates for the election of the number of Directors to be appointed the remaining</li> </ol>	<p>7. <i>Text unchanged</i></p> <p>8. <i>Text unchanged</i></p> <p>9. <i>Text unchanged</i></p> <p>10. <i>Text unchanged</i></p>
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Directors shall be taken in succession from the further minorities lists receiving the highest votes, always in the order in which they are shown on the lists;

d) if the number of candidates included on the majority as well as minorities lists submitted is less than the number of the Directors to be elected, the remaining Directors shall be elected by a resolution passed by the Shareholders' Meeting by a relative majority ensuring the abidance by the independence and balance between genders principles established by the provisions, also of a regulatory nature, in being. If there is a tie vote between several candidates, a run-off will be held between these candidates by means of another vote at the Shareholders' Meeting;

e) if only one list or no list is filed, the Shareholders' Meeting shall deliberate in accordance with the procedures set forth in item d) above;

f) if the minimum necessary number of independent Directors and/or of Directors belonging to the least represented gender is not elected, the Directors of the most voted list who have the highest consecutive number and do not meet the requirements in question shall be replaced by the subsequent candidates, who meet the necessary requirement or requirements, taken from the same list. Should it prove impossible, even applying said criterion, to single out Directors possessing said requirements, the above substitution criterion will apply to the minorities lists receiving the highest votes from which the candidates elected have been taken;

g) if, even applying the substitution criteria given in the previous lett. f), suitable substitutions have not been found, the Shareholders' Meeting shall resolve by a relative majority. In such circumstances the substitutions shall be effected beginning from the progressively most voted lists and from the candidates bearing the highest progressive number.

11. In the event of a Director dying, leaving office or failing to hold it for any other reason or where his term in office is lapsed or losing for any other reason the experience or integrity requirements, the Board of Directors can take steps to co-opt a Director, taking into proper account the right of minority interests to be represented. In the above cases, should the minimum number of independent Directors fall below the level established by the Articles of Association and/or should the number of Directors belonging to the least represented gender fall below the level established by law, the Board of Directors shall provide for their replacement.

11. *Text unchanged*

12. For the appointment of Directors that need to be added to the Board of Directors, resolutions of the Meeting of Shareholders shall be by relative majority, ensuring abidance by the criteria of independence and balance between genders established by the provisions, also of a regulatory nature, in being.

12. *Text unchanged*

Clause 23

1. The Board of Directors is vested with all powers necessary for the running of the Bank, except for those powers reserved for Meetings of Shareholders by law and by the Articles of Association.
2. In compliance with applicable laws and the Company's Articles of Association, the Board of Directors adopt rules concerning its functioning and attributions.
3. In addition to those duties and powers that may not be delegated according to the law, the Board of Directors is exclusively responsible for carrying resolutions regarding the following:
  - the general guiding of, as well as the adoption and amendment of, the Bank's industrial, strategic and financial plans;
  - assessing the general trend of business;
  - adjustments made to the Articles of Association to comply with legal requirements;
  - the merger by incorporation of companies in the situations foreseen by Article 2505 and 2505 (ii) of the Italian Civil Code;
  - the demerger of companies in the situations foreseen by Article 2506 (iii) of the Italian Civil Code;
  - the reduction of capital in the event of a shareholder withdrawing;
  - decisions as to which Directors, in addition to those indicated in these Articles of Association, may represent the Bank;
  - the determination of criteria for the coordination and management of Group companies and the determination of criteria for compliance with Bank of Italy requirements;
  - risk management policies, as well as the evaluation of the functionality, efficiency and effectiveness of the internal audit system and the adequacy of the organisational, administrative and accounting set-up;
  - the acquisition and sale of shareholdings, companies and/or businesses involving investments or divestments that exceed 5% of equity, as recorded in the last set of accounts approved by the Bank, and in any event the acquisition and sale of shareholdings that modify the composition of the Banking Group not included in the industrial, strategic and financial plans already approved by the Board of Directors, whilst the provisions of Article 2361, second paragraph, of the Italian Civil Code continue to be duly observed;
  - the resolutions concerning organization structures of the company and the related internal rules and regulations that shall be considered relevant, following the criteria established by the Board of Directors;
  - the establishment of board committees;
  - the creation and closing down, of secondary offices, branches, however named, and representative offices;
  - the appointment and revocation of General Managers, Deputy General Managers and other Directors holding strategic responsibilities for the Bank;

Clause 23

1. *Text unchanged*
2. *Text unchanged*
3. In addition to those duties and powers that may not be delegated according to the law, the Board of Directors is exclusively responsible for adopting resolutions regarding the following:
  - the general guiding of, as well as the adoption and amendment of, the Bank's industrial, strategic and financial plans;
  - assessing the general trend of business;
  - adjustments made to the Articles of Association to comply with legal requirements;
  - the merger by incorporation of companies in the situations foreseen by Article 2505 and 2505 (ii) of the Italian Civil Code;
  - the demerger of companies in the situations foreseen by Article 2506 (iii) of the Italian Civil Code;
  - the reduction of capital in the event of a shareholder withdrawing;
  - decisions as to which Directors, in addition to those indicated in these Articles of Association, may represent the Bank;
  - the determination of criteria for the coordination and management of Group companies and the determination of criteria for compliance with Bank of Italy requirements;
  - risk management policies, as well as the evaluation of the functionality, efficiency and effectiveness of the internal audit system and the adequacy of the organisational, administrative and accounting set-up;
  - the acquisition and sale of shareholdings, companies and/or businesses involving investments or divestments that exceed 5% of equity, as recorded in the last set of accounts approved by the Bank, and in any event the acquisition and sale of shareholdings that modify the composition of the Banking Group not included in the industrial, strategic and financial plans already approved by the Board of Directors, whilst the provisions of Article 2361, second paragraph, of the Italian Civil Code continue to be duly observed;
  - the resolutions concerning organization structures of the company and the related internal rules and regulations that shall be considered relevant, following the criteria established by the Board of Directors;
  - the establishment of board committees;
  - the creation and closing down, of secondary offices, branches, however named, and representative offices;
  - the appointment and revocation of General Managers, Deputy General Managers and other Directors holding strategic responsibilities for the Bank;

<p>- the appointment and revocation of the head of the internal audit function and the head of the compliance function.</p> <p>4. The Directors report to the Statutory Board of Auditors on the activities undertaken by the Bank and its subsidiaries, as well as on those transactions effected by them that are of significant importance from an economic, financial and balance-sheet perspective, with specific attention being paid to those transactions that could potentially give rise to a conflict of interest. To this end, they provide the Statutory Board of Auditors, at least once every quarter, with reports received from the Bank's relevant bodies and from subsidiaries that concern the activities and transactions in question, said reports being prepared in accordance with the guidelines issued by the Directors themselves.</p>	<p>- the appointment and revocation of the head of the internal audit function, <b>the head of the risk management function</b> and the head of the compliance function.</p> <p>4. <i>Text unchanged</i></p>
<p><b>SECTION VIII</b> <b>Regarding the Statutory Board of Auditors</b></p>	<p><b>SECTION VIII</b> <b>Regarding the Statutory Board of Auditors</b></p>
<p style="text-align: center;"><u>Clause 30</u></p> <p>1. The General Meeting of Shareholders appoints five permanent Statutory Auditors, from whom the Chairman. Moreover it appoints four stand-in Statutory Auditors. The membership of the Board of Statutory Auditors must ensure the balance between genders.</p> <p>2. Permanent and stand-in Statutory Auditors may be re-elected.</p> <p>3. Pursuant to the provisions of prevailing legislation, at least two permanent Auditors and one stand-in Auditor must have been listed for at least three years in the Rolls of Auditors and have undertaken the legal auditing of accounts for a period of no less than three years. Any Auditors who are not listed in the Rolls of Auditors must have gained at least three years' total experience:</p> <p>a) undertaking professional activities as a business accountant or lawyer, undertaken primarily in the banking, insurance and financial sectors;</p> <p>b) teaching, at University level, subjects concerning - in the field of law – banking, commercial and/or fiscal law, as well as the running of financial markets and – in the field of business/finance – banking operations, business economics, accountancy, the running of the securities markets, the running of the financial and international markets and corporate finance;</p> <p>c) performing managerial/executive duties within public organisations or offices of the Public Administration, as well as in the credit, financial or insurance sector, and the investment services sector and collective investment-management sector, both of which are defined in Legislative Decree no. 58 of February 24, 1998.</p> <p>4. Permanent and stand-in members of the Statutory Board of Auditors are appointed in keeping with lists submitted by legitimate parties in which candidates must</p>	<p style="text-align: center;"><u>Clause 30</u></p> <p>1. <i>Text unchanged</i></p> <p>2. <i>Text unchanged</i></p> <p>3. Pursuant to the provisions of prevailing legislation, at least two permanent Auditors and one stand-in Auditor must <del>have been listed for at least three years</del> in the Rolls of Auditors and have undertaken the legal auditing of accounts for a period of no less than three years. Any Auditors who are not listed in the Rolls of Auditors must have gained at least three years' total experience:</p> <p>a) undertaking professional activities as a business accountant or lawyer, undertaken primarily in the banking, insurance and financial sectors;</p> <p>b) teaching, at University level, subjects concerning - in the field of law – banking, commercial and/or fiscal law, as well as the running of financial markets and – in the field of business/finance – banking operations, business economics, accountancy, the running of the securities markets, the running of the financial and international markets and corporate finance;</p> <p>c) performing managerial/executive duties within public organisations or offices of the Public Administration, as well as in the credit, financial or insurance sector, and the investment services sector and collective investment-management sector, both of which are defined in Legislative Decree no. 58 of February 24, 1998.</p> <p>4. <i>Text unchanged</i></p>

be listed by a progressive number. Lists must be divided in two directories, containing respectively up to five candidates for the seat as permanent Auditor and up to four candidates for the seat as stand-in Auditor. At least the first two candidates for the seat as permanent Auditor and at least the first candidate for the seat as stand-in Auditor given in the respective directories must be listed in the Rolls of Auditors and must have carried out the activity as Statutory accounting Auditor as envisaged by paragraph 3. Each directory for the appointment as permanent Auditor and stand-in Auditor must present a number of candidates belonging to the least represented gender such as to ensure, within the directory itself, the abundance by the balance of genders at least in the minimum quantity established by the provisions, also of a regulatory nature, in being. No candidate may appear in more than one list, or shall otherwise be disqualified.

5. The lists must, under penalty of forfeiture, be submitted to the Registered Office or the Head Office, also through long distance communication means and in accordance with the manner indicated in the notice of the Meeting which allows the identification of the parties that are doing the filing, no later than on the twenty-fifth day prior to the date of the Shareholders' Meeting, and are made available to the public at the Registered Office, on the Company's web site and through other channels provided for under prevailing laws, at least twenty-one days prior to the date of the Shareholders' Meeting. The right to deposit the lists lies with legitimate parties that, by themselves or together with others, represent at least 0.5% of ordinary share capital bearing voting rights for the General Meeting of Shareholders. Minority shareholders who have no connecting relationship with the shareholders concerned shall continue to have the option to take advantage of an extension in the deadline to present lists in those instances and using those procedures specified by current regulatory and other provisions.

6. The ownership of the minimum number of shares required for filing lists is calculated with regard to the shares registered to each individual shareholder, or to multiple shareholders combined, on the day on which the lists are submitted to the Company. Ownership of the number of shares necessary for filing lists must be proven in accordance with the prevailing laws; such proof can even be submitted to the Company during or after the time when the lists are filed provided that this occurs prior to the deadline for when the Company must make the lists public.

7. Along with the lists presented by legitimate parties, the latter must also submit, within the deadline indicated in paragraph 5 above, any further document or declaration required by the provisions, also of a regulatory nature, from time to time in being. Any list that does not meet the above requirements shall be deemed to have not been filed.

5. *Text unchanged*

6. *Text unchanged*

7. *Text unchanged*

<p>8. Every person entitled to vote may vote in respect of one list only.</p> <p>9. With regard to the appointment of permanent auditors, the votes obtained by each list are subsequently divided by one, two, three, four and five. The ratios thus obtained are allocated progressively to the candidates in the first sub-list of each list in the order foreseen by the list concerned, and are arranged in just the one schedule in descending order. Except where provided for otherwise in the next paragraph, those obtaining the highest ratios are elected as permanent Auditors.</p> <p>10. Given the above, the first three candidates of the list obtaining the majority of the votes are in any case elected. Should four or more candidates from one list obtain the highest ratios, only the first three however shall be elected. In any case the fourth and fifth elected persons shall be those who obtain the highest ratios out of those belonging to the lists of minority.</p> <p>11. The candidate who has obtained the highest share of votes among the candidates belonging to the list that obtained the highest number of votes among the minority lists, as defined by the current provisions (also regulatory) in force, shall be elected by the Shareholders' Meeting as Chairman of the Board of Statutory Auditors. In case of a tie between lists, the candidate from the list presented by the legitimate parties with a larger stake or, subordinately, by the higher number of parties, shall be elected Chairman of the Board of Statutory Auditors. In case of a further tie, the more senior candidate in terms of age shall be appointed Chairman. If the Chairman has not been elected on the basis of the above mentioned criteria, the Shareholders' Meeting shall appoint directly with relative majority.</p> <p>12. With regard to the appointment of stand-in Auditors, the votes obtained by each list are subsequently divided by one, two, three and four. The ratios thus obtained are allocated progressively to the candidates in the second sub-list of each list in the order foreseen by the list concerned, and are arranged in just the one schedule in descending order. Except where provided for otherwise in the next paragraph, those obtaining the highest ratios are elected as stand-in Auditors.</p> <p>13. The above remaining firm, the first two candidates of the list that has obtained the majority of the votes are in any case elected. Should three or more candidates of one list obtain the highest ratios, the first two of them shall in any case be elected. In whatever case the third and fourth elected persons shall be those who, amongst the persons belonging to the minority lists, have obtained the highest ratios.</p> <p>14. In the event of two or more ratios amongst candidates as permanent Auditor and/or stand-in Auditor being level, the candidate from the list that has obtained the highest number of votes shall take priority – and if the number votes is equal, the oldest candidate shall then take priority.</p>	<p>8. <i>Text unchanged</i></p> <p>9. <i>Text unchanged</i></p> <p>10. <i>Text unchanged</i></p> <p>11. <i>Text unchanged</i></p> <p>12. <i>Text unchanged</i></p> <p>13. <i>Text unchanged</i></p> <p>14. <i>Text unchanged</i></p>
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<p>15. Should the minimum number of permanent Auditors or of stand-in Auditors necessary, belonging to the least represented gender, not be elected, the Auditor of the most voted list with the highest progressive number and belonging to the most represented gender is substituted by the following candidate belonging to the least represented gender coming from the same list. Notwithstanding the above, should the minimum number of Auditors belonging to the least represented gender continue to lack, the substitution criterion will apply, if possible, to the minority lists progressively most voted from which elected candidates have been drawn, or will again apply to the most voted list. If, notwithstanding everything, the minimum number of Auditors belonging to the less represented gender continues to be missing, the Shareholders' Meeting will resolve by a relative majority. In such case the substitutions will be effected beginning from the progressively most voted lists and from the candidates having the lowest ratio.</p>	<p>15. <i>Text unchanged</i></p>
<p>16. If in accordance with the deadlines and procedures set forth in the previous paragraphs only one list, or no list, has been presented, or the lists do not contain the required number of candidates to be elected, the Shareholders' Meeting shall pass a resolution for appointment or addition by relative majority. If there is a tie vote between several candidates, a run-off election shall be held between them with a further vote of the Shareholders' Meeting. The Shareholders' Meeting must in any case ensure the balance between the genders envisaged by the provisions - also of a regulatory nature - in being.</p>	<p>16. <i>Text unchanged</i></p>
<p>17. In the event of a permanent Auditor dying or leaving office or where his term in office is lapsed or he is not available for any other reason, he shall be replaced by the stand-in Auditor on the same list indicated by the outgoing Auditor according to the progressive order of the list, in abidance by the requirement concerning the minimum number of members registered in the Rolls of Auditors having undertaken the legal auditing of accounts according to paragraph 3 and by the principle of balance between the genders. If this is not possible, the departing Auditor shall be replaced by the stand-in Auditor having the required characteristics coming progressively from the most voted of the minority lists, according to the progressive order of listing. Where Auditors are not appointed by the list-based system, the stand-in Auditor provided for by legal provisions shall take over. Whenever the Chairman is substituted, the stand-in Auditor taking his place also takes on the Chairman's seat. The Shareholders' Meeting envisaged by art. 2401, sub-sec. 1, of the Italian Civil Code, nominates or provides for the substitution of the Statutory Auditors abiding by the principle regarding the compulsory presence of the minorities and the balance between the genders. Where the appointment of the stand-in Auditor <i>in lieu</i> of the Auditor is not confirmed by the</p>	<p>17. <i>Text unchanged</i></p>

<p>Shareholders' Meeting, he shall return to his position as stand-in Auditor.</p>	
<p>18. For issues relating to the duties, powers and authorities assigned to Statutory Auditors, the determination of their remuneration and the length of their term in office, the prevailing laws shall apply.</p>	<p>18. <i>Text unchanged</i></p>
<p>19. In order to properly perform its tasks, and in particular to fulfill its obligation to promptly inform the Bank of Italy, and where provided, other supervisory authorities of irregularities in the management of the bank or violations of the law, the Statutory Board of Auditors is vested with all the powers provided for by prevailing laws and regulations.</p>	<p>19. <i>Text unchanged</i></p>
<p>20. The Statutory Board of Auditors performs the roles and functions required of it by the prevailing laws. In particular, it oversees compliance with laws, regulations and Articles of Association, the proper management and the adequacy of the organisational and accounting set-up of the Bank and of the risk management and control, as well as the functionality of the total internal audit system, of the external auditing of the accounts and the consolidated accounts, of the independence of the external audit firm and on the information process regarding to financial data.</p>	<p>20. <i>Text unchanged</i></p>
<p>21. Statutory Auditors may assume administration and control positions within other Companies within the limits established by regulatory and other provisions.</p>	<p>21. <i>Text unchanged</i></p>
<p>22. The Statutory Board of Auditors is properly formed when the majority of Statutory Auditors are present, with resolutions being carried as per the outright majority of votes cast by those present. In the event of a tie, the vote of the Chairman shall prevail.</p>	<p>22. <i>Text unchanged</i></p>
<p>23. Whenever the Chairman of Statutory Board of Auditors deems it opportune, meetings of the Statutory Board of Auditors may be held by using means of telecommunication, providing that each of the attendees may be identified by all the others and that each of the attendees is in a position to intervene real time during the discussion of the topics being examined, as well as receive, transmit and view documents. Once the fulfilment of these prerequisites has been verified, the meeting of the Statutory Board of Auditors is considered held in the place where the Chairman is located.</p>	<p>23. <i>Text unchanged</i></p>

### 3. RESOLUTIONS SUBMITTED TO THE EXTRAORDINARY SHAREHOLDERS' MEETING

Dear Shareholders,

If you agree with the contents and arguments presented in the Directors' Report above, then we ask you to approve the following resolutions:

"The Extraordinary Shareholders' Meeting, having heard the proposal of the Board of Directors

## RESOLVES

1. to approve the following amendments to the Articles of Association:

- amendment of Clause 6 according to the following new text:

*"1. In partial exercise of powers conferred by the Extraordinary Shareholders' Meeting held on May 4, 2004 pursuant to Article 2443 of the Italian Civil Code, the Board of Directors passed a resolution on July 22, 2004 to increase capital by a maximum amount of Euro 7,284,350 corresponding to a maximum number of 14,568,700 ordinary shares of Euro 0.50 each, and passing another resolution on November 18, 2005 to increase capital by a maximum amount of Euro 20,815,000 corresponding to a maximum number of 41,630,000 ordinary shares of Euro 0.50 each, to be used to exercise a corresponding number of subscription rights reserved for the Executive Personnel of UniCredit S.p.A. and the other Group Banks and Companies who hold positions which are significant in terms of achieving the overall objectives of the Group. The aforementioned rights can be exercised from 2008 until 2017 according to the criteria and in the periods identified by the Board of Directors.*

*2. The Board of Directors, in partial exercise of the powers received as per Article 2443 of the Italian Civil Code from the Extraordinary Shareholders' Meeting of May 12, 2006, has resolved, on June 13, 2006 to increase the share capital of a maximum nominal amount of Euro 14,602,350 corresponding to a maximum number of 29,204,700 ordinary shares having a value of Euro 0.50 each, at the service of the exercise of a corresponding number of subscription rights to be granted to the Management of UniCredit S.p.A., as well as of the other Banks and companies of the Group, who hold positions considered highly relevant for the attainment of the overall Group targets. The aforementioned rights can be exercised from 2010 until 2019 according to the criteria and in the periods identified by the Board of Directors.*

*3. The Board of Directors, in partial exercise of the powers received, as per Article 2443 of the Italian Civil Code, from the Extraordinary Shareholders' Meeting of May 10, 2007, has resolved on June 12, 2007 to increase the share capital of a maximum nominal amount of Euro 14,904,711.50 corresponding to a maximum number of 29,809,423 ordinary shares with a value of Euro 0.50 each, at the service of the exercise of a corresponding number of subscription rights to be granted to the Management of UniCredit S.p.A., as well as of the other Banks and companies of the Group, who hold positions considered highly relevant for the attainment of the overall Group targets. The aforementioned rights can be exercised from 2011 until 2017 according to the criteria and in the periods identified by the Board of Directors.*

*4. The Board of Directors, in partial exercise of the powers received, as per Article 2443 of the Italian Civil Code, from the Extraordinary Shareholders' Meeting of May 8, 2008, resolved on June 25, 2008 to increase the share capital of a maximum nominal amount of Euro 39,097,923 corresponding to a maximum number of 78,195,846 ordinary shares with a value of Euro 0.50 each, at the service of the exercise of a corresponding number of subscription rights to be granted to the Management of UniCredit S.p.A., as well as of the other Banks and companies of the Group, who hold positions considered highly relevant for the attainment of the overall Group targets. The aforementioned rights can be exercised from 2012 until 2018 according to the criteria and within the periods identified by the Board of Directors.*

5. Capital increases resolved under the compensation policy, as provided for by the paragraphs above, are increased by an additional amount of no more than Euro 29,522,571 corresponding to no more than 5,904,514 ordinary share following the application of the AIAF adjustment factors as a consequence of the capital transaction resolved on by the Extraordinary Shareholders' Meeting on November 16, 2009 and, taken into account the conversion into stock resolved by the Extraordinary Shareholders' Meeting on December 15, 2011 and executed on December 27, 2011, of the operation on capital resolved by the Extraordinary Shareholders' Meeting on December 15, 2011.

6. The Board of Directors, in partial exercise of the powers received, as per Article 2443 of the Italian Civil Code, from the Extraordinary Shareholders' Meeting of April 29, 2011, resolved on March 27, 2012, to increase the share capital of a maximum amount of Euro 46,114,455 corresponding to a maximum number of 9,222,891 ordinary shares, at the service of the exercise of a corresponding number of subscription rights to be granted to the Management of UniCredit S.p.A., as well as of the other Banks and Companies of the Group, who hold positions considered highly relevant for the attainment of the overall Group targets. The aforementioned rights can be exercised as of the year following the 4 year performance period (2012-2015) and until 2022 according to the criteria and within the periods identified by the Board of Directors.

7. The Board of Directors has the power, under the provisions of section 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated April 29, 2011, to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum nominal amount of Euro 103,000,000 corresponding to up to 206,000,000 ordinary shares of par value Euro 0.50 each, to be granted to employees of UniCredit S.p.A. and of Group banks and companies. The maximum number of free ordinary shares to be issued as an application of the power granted to the Board of Directors is integrated, taking into account the reverse split approved by the Extraordinary Shareholders' Meeting on December 15, 2011 and executed on December 27, 2011, by an additional amount of no more than no. 10,677,019 ordinary shares following the application of the AIAF adjustment factors as a consequence of the capital transaction resolved on by the Extraordinary Shareholders' Meeting on December 15, 2011.

8. Once the time periods for the capital increases resolved on through incentive/compensation plans have expired, the share capital shall be deemed to have increased by the amount subscribed as of the respective dates indicated therein.

9. The reverse split approved by the Extraordinary Shareholders' Meeting on December 15, 2011 and executed on December 27, 2011 should be taken into account when determining the maximum amount of shares to be issued in any capital increases carried out pursuant to the preceding paragraphs and for the purpose of the execution of the incentive plans from time to time approved by the Company, without prejudice to the maximum aggregate amount set for those increases.

10. The Board of Directors has the power, under the provisions of Article 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated May 11, 2012, to carry out a free capital increase, as allowed by Article 2349 of the Italian Civil Code, for a maximum amount of Euro 202,603,978.15 corresponding to up to 59,700,000 ordinary shares, to be granted to employees of UniCredit S.p.A. and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives.

11. The Board of Directors has the power, under the provisions of section 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five

years starting from the shareholders' resolution dated May 11, 2013, to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of Euro 143,214,140.73 corresponding to up to 42,200,000 ordinary shares, to be granted to employees of UniCredit S.p.A. and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives in execution of 2013 Group Incentive System.

12. The Board of Directors has the power, under the provisions of section 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated May 13, 2014, to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of Euro 98,294,742.05 corresponding to up to 28,964,197 ordinary shares, to be granted to employees of UniCredit S.p.A. and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives in execution of 2014 Group Incentive System."

- amendment of Clause 8 according to the following new text:

"1. A General Meeting of Shareholders is convened at least one a year within 180 days of the end of the financial year, in order to resolve upon the issues that the prevailing laws and the Articles of Association make it responsible for.

2. In particular, the Meeting of Shareholders, besides establishing the remuneration of members of the bodies it has appointed, approves: (i) the remuneration and incentive policies for the members of the supervisory, management and control bodies as well as for the rest of employees; (ii) equity-based compensation schemes; (iii) the criteria to determine the compensation to be granted in the event of early termination of employment or early retirement from office including the limits set for said compensation in terms of number of years of fixed remuneration as well as the maximum amount deriving from their application. An adequate information shall be provided to the Shareholders about the enforcement of the remuneration policies.

3. Furthermore, the Ordinary Shareholders' Meeting can exercise, on the occasion of the remuneration policies' approval, the faculty to determine a ratio of variable to fixed remuneration of employees higher than 1:1, but in any case not exceeding the ratio of 2:1, being understood that the proposal shall be recognized as validly approved:

- with favorable vote of at least 2/3 of the company share capital represented in the Shareholders' Meeting, in case the Meeting itself is constituted with at least a half of the company share capital;

- with favorable vote of at least 3/4 of the company share capital represented in the Shareholders' Meeting, whatever is the company share capital constituting the Meeting.

4. A Special Meeting of Shareholders is convened whenever it is necessary to resolve upon any of the matters that are exclusively attributed to it by the prevailing laws.

- amendment of paragraph 3 of Clause 20 according to the following new text:

"3. A number of Directors equal to at least the one provided for by the Code on Corporate Governance for Listed Companies must possess the following independence requirements. In particular, a Director may not be considered independent in the following circumstances:

a) if he/she controls, directly or indirectly, the issuer also through subsidiaries, trustees or third parties, or is able to exercise a dominant influence over the issuer,

*or participates in a shareholders' agreement through which one or more persons can exercise a control or dominant influence over the issuer;*

*b) if he/she is, or has been in the preceding three fiscal years, a significant representative of the issuer, of a subsidiary having strategic relevance or of a company under common control with the issuer, or of a company or entity controlling the issuer or able to exercise over the same a considerable influence, also jointly with others through a shareholders' agreement;*

*c) if he/she has, or had in the preceding fiscal year, directly or indirectly (e.g. through subsidiaries or companies of which he is a significant representative, or in the capacity as partner of a professional firm or of a consulting company) a significant commercial, financial or professional relationship:*

*- with the issuer, one of its subsidiaries, or any of its significant representatives;*

*- with a subject who, also jointly with others through a shareholders' agreement, controls the issuer, or – in case of a company or an entity – with the relevant significant representatives;*

*or is, or has been in the preceding three fiscal years, an employee of the above-mentioned subjects;*

*d) if he/she receives, or has received in the preceding three fiscal years, from the issuer or a subsidiary or holding company of the issuer, a significant additional remuneration (compared to the "fixed" remuneration of nonexecutive director of the issuer and to remuneration of the membership in the committees that are recommended by the Code on Corporate Governance also in the form of participation in incentive plans linked to the company's performance, including stock option plans;*

*e) if he/she was a director of the issuer for more than nine years in the last twelve years;*

*f) if he/she is vested with the executive director office in another company in which an executive director of the issuer holds the office of director;*

*g) if he/she is shareholder or quotaholder or director of a legal entity belonging to the same network as the company appointed for the auditing of the issuer;*

*h) if he/she is a close relative of a person who is in any of the positions listed in the above paragraphs.*

*For the purposes of the above-mentioned cases, the definitions contained in the Code on Corporate Governance shall apply. "*

- amendment of paragraph 3 of Clause 23 according to the following new text:

*"3. In addition to those duties and powers that may not be not delegated according to the law, the Board of Directors is exclusively responsible for carrying resolutions regarding the following:*

*- the general guiding of, as well as the adoption and amendment of, the Bank's industrial, strategic and financial plans;*

*- assessing the general trend of business;*

*- adjustments made to the Articles of Association to comply with legal requirements;*

*- the merger by incorporation of companies in the situations foreseen by Article 2505 and 2505 (ii) of the Italian Civil Code;*

*- the demerger of companies in the situations foreseen by Article 2506 (iii) of the Italian Civil Code;*

*- the reduction of capital in the event of a shareholder withdrawing;*

*- decisions as to which Directors, in addition to those indicated in these Articles of Association, may represent the Bank;*

*- the determination of criteria for the coordination and management of Group companies and the determination of criteria for compliance with Bank of Italy requirements;*

- *risk management policies, as well as the evaluation of the functionality, efficiency and effectiveness of the internal audit system and the adequacy of the organisational, administrative and accounting set-up;*
- *the acquisition and sale of shareholdings, companies and/or businesses involving investments or divestments that exceed 5% of equity, as recorded in the last set of accounts approved by the Bank, and in any event the acquisition and sale of shareholdings that modify the composition of the Banking Group not included in the industrial, strategic and financial plans already approved by the Board of Directors, whilst the provisions of Article 2361, second paragraph, of the Italian Civil Code continue to be duly observed;*
- *the resolutions concerning organization structures of the company and the related internal rules and regulations that shall be considered relevant, following the criteria established by the Board of Directors;*
- *the establishment of board committees;*
- *the creation and closing down, of secondary offices, branches, however named, and representative offices;*
- *the appointment and revocation of General Managers, Deputy General Managers and other Directors holding strategic responsibilities for the Bank;*
- *the appointment and revocation of the head of the internal audit function, the head of the risk management function and the head of the compliance function."*

- amendment of paragraph 3 of Clause 30 according to the following new text:

*"3. Pursuant to the provisions of prevailing legislation, at least two permanent Auditors and one stand-in Auditor must be listed in the Rolls of Auditors and have undertaken the legal auditing of accounts for a period of no less than three years. Any Auditors who are not listed in the Rolls of Auditors must have gained at least three years' total experience:*

- a) undertaking professional activities as a business accountant or lawyer, undertaken primarily in the banking, insurance and financial sectors;*
- b) teaching, at University level, subjects concerning - in the field of law – banking, commercial and/or fiscal law, as well as the running of financial markets and – in the field of business/finance – banking operations, business economics, accountancy, the running of the securities markets, the running of the financial and international markets and corporate finance;*
- c) performing managerial/executive duties within public organisations or offices of the Public Administration, as well as in the credit, financial or insurance sector, and the investment services sector and collective investment-management sector, both of which are defined in Legislative Decree no. 58 of February 24, 1998."*

2. to grant the Chairman and the Chief Executive Officer, also severally, all the necessary powers, to act within the law in order to implement the above resolutions, to file and register them pursuant to the requirements of law, and to do whatever else may be necessary for the implementation of the above resolutions, giving explicit approval and ratification in advance;

3. to authorise the Chairman and the Chief Executive Officer, also severally, to register the Articles of Association, as above updated, with the Register of Companies (Registro delle Imprese)."

## EXTRAORDINARY PART

### ITEMS 3 AND 4 ON THE AGENDA

#### BOARD OF DIRECTORS' REPORT

1. **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**
2. **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**

Dear Shareholders,

we have called you in extraordinary session to submit for your approval the proposal to delegate authority to the Board of Directors, pursuant to section 2443 of the Civil Code, to increase the share capital under section 2349 of the Civil Code (granting of free ordinary shares to employees of UniCredit Group):

1. in order to complete the execution of "2014 Group Incentive System" (the "2014 System") approved by the ordinary session of the shareholders' meeting of May 2014, as well as
2. in order to implement the "2015 Group Incentive System" (the "2015 System") submitted to the approval of today's ordinary session of the shareholders' meeting.

We are also submitting for your approval the consequent amendments required to the articles of association.

#### **1. DELEGATION FOR CAPITAL INCREASE TO SUPPORT THE 2014 GROUP INCENTIVE SYSTEM**

As known, the ordinary session of the shareholders' meeting of May 13, 2014 approved the 2014 System aimed at the allocation of an incentive, in cash and/or in free ordinary shares, to be granted to the Personnel of UniCredit and of Group's companies, in the timeframe 2015-2020, through a balanced structure of "upfront" (i.e. done at the moment of performance evaluation) and "deferred" payments.



In the same meeting the shareholders resolved, in the extraordinary session, the assignment of the power of attorney to the Board of Directors in order to issue the free ordinary shares needed for the execution of 2014 System.

Considering that, under the provision of section 2443 of the Italian Civil Code, the power of attorney to the Board of Directors to increase the share capital can't be assigned for more than five years from the date of the registration of the related shareholders' resolution, during the mentioned resolution it had been prospected to shareholders the need to present, in a following session, the proposal to assign a further power of attorney for the allocation of the last tranche of shares to be done in 2020, as provided by 2014 System.

In consideration of the above, it is proposed to today shareholders' meeting to assign a power of attorney to the Board of Directors, to be exercised in 2020, in order to increase the share capital of up to 9,500,000 ordinary shares, corresponding to a maximum amount of Euro 32,239,804.21, calculated based on the implicit value of UniCredit share, determined at the moment of the assignment of the power of attorney to the Board in May 2014, duly modifying the Articles of Association.

The above mentioned capital increase will be carried out using the special reserve known as "Provisions Linked to the Medium Term Incentive System for Group Employees" set up for this purpose which, if case, may be restored or increased via allocation of a portion of profits or available statutory reserves, formed from the distribution of company profits that shall be identified by the Board of Directors at the moment of share issuance.

## **2. DELEGATION FOR CAPITAL INCREASE TO SUPPORT THE 2015 GROUP INCENTIVE SYSTEM**

It has been submitted to the approval of today's Ordinary meeting the 2015 System based on financial instruments, in order to align shareholders' and management interests, reward long term value creation, share price appreciation and motivate and retain key Group resources.

The 2015 System aims to incentive in a multi-year period the following Group employees: Chief Executive Officer (CEO), General Manager (GM), Deputy General Managers (DGMs), Senior Executive Vice Presidents (SEVP), Executive Vice Presidents (EVP), Senior Vice Presidents (SVP), members of the Management bodies of relevant Group Legal Entities, employees with total remuneration greater than € 500,000 in the last year, employees included within 0,3% of staff with the highest remuneration, employees whose remuneration is within the remuneration bracket of senior management or other risk takers, and other selected roles (including new hires). The total estimated number of beneficiaries is ca. 1,100.

Individual bonuses will be allocated to the Beneficiaries of 2015 System based on available bonus pool, individual performance evaluation, bonus reference for specific roles/markets and bonus cap as defined by the Ordinary Shareholder's meeting.

Overall incentive payout shall be done over a multi-year period (2016-2021) in a balanced structure of "upfront" (following the moment of performance evaluation) and deferred payments, in cash and in shares, subject to continuous employment at each date of payment:

<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
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EVP & above & other identified staff with bonus $\geq 500k$ <sup>1</sup>	20% cash	10% cash	20% shares	10% shares	10% shares	20% cash + 10% shares
SVP & other identified staff with bonus <500k	30% cash	10% cash	30% shares	10% cash + 10% shares	10% shares	-

The number of shares to be allocated in the respective installments shall be defined in 2016, on the basis of the arithmetic mean of the official market prices of UniCredit ordinary shares during the month preceding the Board resolution that evaluates 2015 performance achievements (the maximum number of shares to service the 2015 System is estimated at 31,500,000).

Considering the number of beneficiaries and the total number of financial instruments to be allocated, the optimal method identified to service the 2015 Group Incentive System is the deliberation – on one or more occasions – by the Board of Directors upon power of attorney delegated by this shareholders’ meeting under section 2443 of the Italian Civil Code, of a free capital increase, as allowed by section 2349 of the Italian Civil Code, within five years of the date of the shareholders’ resolution, for a maximum amount of €100,075,594.87 corresponding to up to 29,490,000 UniCredit ordinary shares, to be granted to the abovementioned employees of the Holding Company and of Group banks and companies. In compliance with sect. 2349 of the Civil Code, the consequent amendments to the articles of association are submitted to today’s Shareholders’ Meeting.

Being understood that, under the provision of section 2443 of the Italian Civil Code, the power of attorney to the Board of Directors for capital increase can’t have a duration higher than five years from the date of the registration of relevant shareholders’ resolution, in order to complete the execution of 2015 System - having a 6-years duration - it will be submitted to one of the future Shareholders’ meetings approval the proposed assignment of a further power of attorney to the Board of Directors for capital increase to service the above mentioned 2015 System through the allocation of a maximum overall number of 2,010,000 of UniCredit ordinary shares, corresponding to a capital increase of a maximum € 6,821,022.23. It is highlighted that a maximum number of UniCredit ordinary shares equal to 5,040,000 will be destined to so called “bonus buyout” to be paid to possible new hires who are entitled to receive previous Incentive Plans assigned by previous Employer. The payout scheme offered in such cases will mirror the one as defined by the previous Employer and in any case in compliance with actual regulations.

The capital increases would be carried out using the special reserve known as "Provisions Linked to the Medium Term Incentive System for Group Employees" set up for this purpose which, if case, may be restored or increased via allocation of profits or a portion of available statutory reserves, formed from the distribution of company profits that shall be identified by the Board of Directors at the moment of share issuance.

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<sup>1</sup> Including direct reports to strategic supervisory, management and control bodies and other Identified staff as required by local regulation

In case it would not be possible to proceed with the issuance (full or partial) of the UniCredit ordinary shares to service the 2015 System (including the case in which the amount of the "Provisions Linked to the Medium Term Incentive System for Group Personnel" would not be sufficient), an equivalent amount in cash will be allocated to the beneficiaries, determined on base of arithmetic mean of the official market prices of UniCredit ordinary shares during the month preceding the Board resolution that evaluates results achieved in 2015.

Should the aforementioned delegation of power of attorney be exercised to its maximum amount, the newly issued shares would represent an overall 0.50% of existing share capital (0.54% considering the maximum number of shares equal to 31,500,000 which include also the 2,010,000 shares for the allocation of the last installments in shares in 2021).

It should be noted that the amendments to the Articles of Association of UniCredit submitted to the approval of today shareholders' meeting are subject to the measure of examination by the Bank of Italy pursuant to the provisions of art. 56 of Legislative Decree no. 385/93.

Dear Shareholders,

in relation to the above, considering as approved by today's Ordinary Shareholders' Meeting the adoption of the 2015 Group Incentive System, you are invited to approve the following resolution:

"Having heard the Directors' Report, the Extraordinary Shareholders' Meeting of UniCredit S.p.A.

#### RESOLVES

1. to grant the Board of Directors, under the provisions of section 2443 of the Italian Civil Code, 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 ordinary shares, to be granted to employees of UniCredit S.p.A. and of Group banks and companies, who hold positions of particular importance for the purposes of achieving the Group's overall objectives in order to complete the execution of the 2014 System for UniCredit Group employees approved by Ordinary Meeting on May 13, 2014. Such an increase in capital shall be carried out using the special reserve known as "Provisions Linked to the Medium Term Incentive System for Group Employees" set up for this purpose which, if case, may be restored or increased via allocation of profits or a portion of available statutory reserves, formed from the distribution of company profits that shall be identified by the Board of Directors at the moment of share issuance;
2. further to the resolution passed in point 1, to review the paragraph 16 in Clause 6 of the Articles of Association with the following new text:

*"The Board of Directors has the power, under the provisions of section 2443 of the Italian Civil Code, to resolve to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, on one or more occasions for a maximum period of five years (i) starting from the shareholders' resolution dated May 13, 2014, for a maximum amount of Euro*

*98,294,742.05, corresponding to a maximum number of 28,964,197 ordinary shares and (ii) starting from the shareholder's resolution of May 13, 2015, for a maximum amount of Euro 32,239,804.21 corresponding to up to 9,500,000 ordinary shares, to be granted to employees of UniCredit and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives in execution of 2014 Group Incentive System."*

3. to grant the Board of Directors, under the provisions of section 2443 of the Italian Civil Code, the authority to resolve - on one or more occasions for a maximum period of five years from the date of 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 ordinary shares, to be granted to employees of UniCredit S.p.A. and of Group banks and companies, who hold positions of particular importance for the purposes of achieving the Group's overall objectives in execution of the 2015 System approved by today's Ordinary Meeting. Such an increase in capital shall be carried out using the special reserve known as "Provisions Linked to the Medium Term Incentive System for Group Employees" set up for this purpose which, if case, may be restored or increased via allocation of a portion of profits or available statutory reserves, formed from the distribution of company profits that shall be identified by the Board of Directors at the moment of share issuance;

4. further to the resolution passed in point 3, to insert a new paragraph in Clause 6 of the Articles of Association with the following text:

*"The Board of Directors has the power, under the provisions of section 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated May 13, 2015, to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of Euro 100,075,594.87 corresponding to up to 29,490,000 ordinary shares, to be granted to employees of UniCredit and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives in execution of 2015 Group Incentive System."*

5. to delegate to the Board of Directors all the necessary powers for issuing the new shares;

6. give to the Chairman and to the Chief Executive Officer, also separately, every opportune powers of attorney to:

- (i) provide for implementing the above resolutions under terms of law;
- (ii) accept or adopt all amendments and additions (not changing substantially the content of the resolutions) which should be necessary for registration at the Register of Companies;
- (iii) proceed with the deposit and registration, under terms of law, with explicit and advanced approval and ratification
- (iv) make the consequent amendments to Clause 5 of the Articles of Association relating to the new amount of share capital, as well as to count the new paragraph of Clause 6 of the Articles of Association passed in point 4 above"