

ANNEX 2 TO 2016 GROUP COMPENSATION POLICY

2016 COMPENSATION SYSTEMS BASED ON FINANCIAL INSTRUMENTS FOR UNICREDIT GROUP EMPLOYEES

UniCredit Shareholders' Meeting - April 2016

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1.INTRODUCTION

Pursuant to the provisions set forth in Article 114-bis of legislative decree no.58 of February 24 1998 as well as to the provisions of the issuer adopted by CONSOB with resolution no.11971 of May 14 1999 (the Issuer “Regulations”) regarding the information to be disclosed to the market in relation to the granting of awarding plans based on financial instruments, the Board of Directors of UniCredit (the Board of Directors) prepared this informative memorandum which will be reported to the Ordinary General Shareholders Meeting of UniCredit on April, 14 2016 which is called to resolve, inter alia, upon the **approval** for 2016 of the following new incentive plans:

- “**2016 Group Incentive System**” is defined in order to reward employees with an incentive payable in cash and / or free UniCredit ordinary shares over a multi-year period, according to the modality described below and subject to the achievement of specific performance objectives;
- “**Employee Share Ownership Plan of UniCredit Group 2016**” aiming at offering to employees of the Group the possibility to invest in UniCredit shares at favorable conditions.

This Informative Memorandum - prepared in compliance with Scheme 7 of Annex 3A to the Issuers Regulation – has also been prepared for the purpose of giving information concerning the **execution** of the following plans already approved by the General Shareholders Meeting of May 13 2015, May 13 2014, May 11 2013, May 11, 2012 and of April 29, 2011.

- “**Group Compensation Systems**” providing for the grant of *free shares* and performance stock options to a selected group of Group employees, according to the modality described below, subject to the achievement of specific performance conditions:

- o 2015 Group Incentive System
- o 2014 Group Incentive System
- o 2013 Group Incentive System
- o 2012 Group Incentive System (“Group Executive Plan”)
- o Share Plan for Group Key Resources (“Share Plan”)

The Employee Share Ownership Plan of UniCredit Group 2015 (“Let’s Share for 2016”), approved by the Shareholders’ Meeting on May, 13 2015, will be executed in accordance with the terms provided in the relative Meeting’s resolution. Information relative to the execution will be provided in accordance with, and for the effects of current normative and regulatory provisions.

Pursuant to the definition set forth in Article 84-bis of the Issuer Regulations, the above mentioned incentive plans, in consideration of their beneficiaries, have the nature of “relevant plans”.

2. 2016 GROUP INCENTIVE SYSTEM

In compliance with the recent Bank of Italy provisions set forth in Circular 285, December 17 2013 (Section “Disposizioni di vigilanza per le Banche) – 7th update of November 18 2014, First Part, Title IV, Chapter 2, implementing the the Capital Requirements Directive 2013/36/EU (CRD IV) for the section concerning remuneration policies and in line with the guidelines issued by European Banking Authority (EBA), UniCredit

defined compensation systems based on financial instruments in order to align shareholder and management interests, reward long term value creation, share price appreciation and motivate and retain key Group resources. For this purpose it has been proposed the adoption of the Plan “**2016 Group Incentive System**”, which provides for the allocation of an incentive – in cash and/or free UniCredit ordinary shares – to be granted in a multi-year period, subject to the achievement of specific performance objectives.

2.1 BENEFICIARIES OF THE PLAN

The employees of UniCredit and of its parent companies or subsidiaries that benefit from the 2016 Group Incentive System are about 1.100 Group Executives and other selected roles whose activities have impacts on Bank’s risks as specified in section 2.1.2.

On the basis of the criteria established by Shareholders Meeting, the Board of Directors will be delegated to identify the actual beneficiaries belonging to the categories described in this section 2.1.

2.1.1 Indication of the name of beneficiaries who are members of the board of directors of UniCredit and of the companies directly or indirectly controlled by UniCredit

Mr. Federico Ghizzoni – CEO of UniCredit - is among the beneficiaries of the 2016 Group Incentive System.

It is worth mentioning that certain potential beneficiaries of the 2016 Group Incentive System, in addition to the exercise of their managing powers connected to their offices, held offices in Management Bodies of companies, directly or indirectly controlled by UniCredit. In light of the fact that such individuals are amongst the beneficiaries of the 2016 Group Incentive System in their capacity as employees of UniCredit Group, no information as to their name is provided hereto and reference shall be made to the information provided below.

2.1.2 The categories of employees or collaborators of UniCredit and companies controlling or controlled by this issuer

The employees of UniCredit and of its parent companies or subsidiaries that are defined as Identified Staff and benefit from the 2016 Group Incentive System are defined based on criteria provided by European Banking Authority (EBA) regulatory technical standards issued on 16 of December, as follows:

- Chief Executive Officer (CEO), 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 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)

2.1.3 Individuals who benefit from the Plan belonging to the following groups:

a) General Managers of UniCredit

There are not any UniCredit managers who belong to this category. Therefore, the present provision is not applicable.

b) Other executives with strategic responsibilities of the financial instrument issuer not classed as "small", in accordance with Article 3, paragraph 1, letter f) of Regulation no. 17221 of 12 March 2010, if they have, during the course of the year, received total compensation (obtained by adding the monetary compensation to the financial instrument-based compensation) in excess of the highest total compensation assigned to the members of the board of directors or management board, and to the general managers of the financial instrument issuer;

None of UniCredit executives meets the description; therefore no information is provided in connection thereto.

c) Natural persons controlling UniCredit, who are employee or collaborator of UniCredit.

No individual controls UniCredit and, therefore, no information is provided in connection thereto.

2.1.4 Description and numerical indication, broken down according to category :

a) Executives with strategic responsibilities other than those specified under lett. B) of paragraph 2.1.3

Amongst the beneficiaries of the 2016 Group Incentive System, along with the CEO, there are n. 7 executives of UniCredit who have regular access to privileged information and are authorized to take resolutions capable of influencing the development and prospects of UniCredit:

- the Deputy General Managers, Mr. Paolo Fiorentino, Mrs. Marina Natale and Mr. Gianni Franco Papa;
- the Group Chief Risk Officer, Mr. Massimiliano Fossati;
- the Head of HR Strategy, Mr. Paolo Cornetta;
- the Group Compliance Officer, Mr. Carlo Appetiti;
- the Head of Internal Audit, Mr. Ranieri de Marchis.

b) in the case of "small" companies, in accordance with Article 3, paragraph 1, letter f) of Regulation no. 17221 of 12 March 2010, the indication for the aggregate of all executives with strategic responsibilities of the financial instrument issuer

This provision is not applicable and, therefore, no information is provided in connection thereto.

c) other categories of employees or collaborators for which different characteristics are envisaged for the plan (e.g. executives, middle management, employees etc.)

There are no classes of employees to which different characteristics of the 2016 Group Incentive Systems apply.

2.2 THE REASONS FOR THE ADOPTION OF THE PLAN

2.2.1 The targets which the parties intend to reach through the adoption of the plan.

The 2016 Group Incentive System aims to attract, retain and motivate Group beneficiaries in compliance with national and international regulatory requirements with the aim to define – in the interest of all stakeholders – incentive systems in line 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 to regulatory breaches or to assume excessive risks for the bank and the system in its whole.

The 2016 Group Incentive System is compliant with Group compensation policy and with the most recent national and international regulatory requirements providing 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 Group and Country/Division levels. In particular, the Bonus Pool of 2016 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.

2.2.2 Principal factors of variation and performance indexes taken into account for the assignment of plans based on financial instruments.

Individual bonuses will be allocated managerially based on available bonus pool, individual performance evaluation and internal benchmarking for specific roles/markets.

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".

Incentive payouts shall be made over a multi-year period (2017-2022) subject to continuous employment at each date of payment and as follows:

- in 2017 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 2018-2022 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).

2.2.3 The factors assumed as basis for the determination of the compensation based upon financial instruments, or the criteria for the determination of the aforesaid compensation.

In 2016 System the link between profitability, risk and reward is assured by linking directly bonus pools with company results – at Group and Country/Division level – cost of capital and risk profiles relevant for the Group as stated in the Group Risk Appetite Framework.

At this stage, the 2016 Group Incentive System does not contain an exact indication of the value of *free shares* to be actually allocated to the beneficiaries, rather it merely fixes the maximum number of the *free shares* to be issued with reference to the Plan. In any case, are already established the criteria that the Board of

Directors should follow, in the resolutions that after the Annual Shareholders' Meeting approval will execute the Plans, to define the actual number of beneficiaries and the number of *free shares* to be granted.

The 2016 Group Incentive System provides that in 2017 will be formulated the promise to pay the incentive in cash and shares. The percentages of the payments in cash and shares are linked to the beneficiaries' categories as described in the following points of this document. The final evaluation of 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.

2.2.4 The reasons justifying the decision to assign compensation plans based on financial instruments not issued by UniCredit, such as financial instruments issued by its subsidiaries, its parent companies or third parties; in the event the aforesaid financial instruments are not negotiated on regulated markets, the issuer shall provide information as to the criteria adopted for the calculation of the value attributable to such financial instruments.

The 2016 Group Incentive System does not contemplate the allocation of similar financial instruments. Nevertheless it is foreseen the possibility for the Countries to submit to the Holding Company non-binding opinion requests, in order to localize the System on the bases of the local law and regulatory requirements that could imply the adoption of financial instruments issued by the single company and different from UniCredit shares.

2.2.5 The evaluations, with respect to the relevant tax and accounting implications, taken into account in the definition of the plans.

The 2016 Group Incentive System definition has not been influenced by significant tax or accounting consideration. In particular, the tax and social securities regime applied to the *free shares* allocated will be consistent with legislation in place in the countries where the beneficiary is fiscally resident.

2.2.6 The indication as to whether the plan enjoys any support from the special fund for encouraging worker participation in the companies, as provided for under Article 4, paragraph 112, of Law December, 24 2003 n. 350.

The 2016 Group Incentive System is not currently supported by the special fund for encouraging worker participation in the companies, as provided for under sect. 4, paragraph 112, of Law December 24, 2003 n. 350.

2.3 PROCEDURE FOR THE ADOPTION OF THE PLAN AND TIMEFRAME FOR THE ASSIGNMENT OF THE FINANCIAL INSTRUMENTS

2.3.1 Powers delegated to the board of directors by the shareholders' meeting for the implementation of the plan.

The best solution identified to execute the 2016 Group Incentive System is to delegate the Board of Directors, pursuant to sect. 2443 of the Civil Code, the faculty to increase share capital as described in the Director's Report presented to the Extraordinary Shareholders' Meeting called for on April 14, 2016 (in single call).

In force of this delegation, the Board of Directors could resolve:

on one or more occasions for a maximum period of five years - to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum nominal amount of 22,800,000 UniCredit ordinary shares, to be granted to employees of the Holding Company and of Group banks and companies. 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 Personnel" set up for this purpose and reinstated or increased each year or in accordance with other methods dictated by applicable laws and regulations. Related to section 2443 of 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 2021, in order to assign last share installment provided for 2022 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 2016 System can be completed.

The number of shares to be allocated in the respective installments (as described in § 2.4.1.) shall be defined in 2017, on the basis of the arithmetic mean of the official market closing price of UniCredit ordinary shares during the month preceding the Board resolution that approves 2016 bonuses. The allocation of a maximum number of 24,500,000 UniCredit ordinary shares is proposed, representing about 0.41% of UniCredit share capital, of which maximum n° of 5,400,000 UniCredit ordinary shares devoted to the payment of so called "bonus buy-out" and to Severance payment. 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 2016 System, an equivalent amount in cash will be allocated to the beneficiaries, determined in base of arithmetic mean of the official market closing price of UniCredit ordinary shares during the month preceding the Board resolution that approves 2016 bonuses.

2.3.2 Indication of the individuals in charge of the management of the plan, their powers authority.

The Organizational Unit "Reward & Benefits" of the Holding is in charge for the management of the 2016 Group Incentive System.

2.3.3 Procedures for the amendment of the plans, if any, also in connection with potential variation of the original targets.

No specific procedures for the amendment of the 2016 Group Incentive System are provided for, other than the power of attorney that is provided by the Shareholders' Meeting to the Chairman and the Chief Executive Officer, also separately, to possibly make changes to the 2016 System.

2.3.4 Description of the modalities for the determination of the availability and assignment of the financial instruments contemplated by the plan.

The best solution identified to execute the 2016 Group Incentive System is to delegate the Board of Directors, pursuant to sect. 2443 of the Civil Code, the faculty to increase share capital as described in the Director's Report presented to the Extraordinary Shareholders' Meeting called for on April 14, 2016 (in single call).

In force of this delegation, the Board of Directors could resolve:

on one or more occasions for a maximum period of five years - to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum nominal amount of 22,800,000 UniCredit ordinary shares, to be granted to employees of the Holding Company and of Group banks and companies. 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 Personnel" set up for this purpose and reinstated or increased each year or in accordance with other methods dictated by applicable laws and regulations.

Related to section 2443 of 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 2021, in order to assign last share installment provided for 2022 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 2016 System can be completed.

The number of shares to be allocated in the respective installments (as described in § 2.4.1.) shall be defined in 2017, on the basis of the arithmetic mean of the official market closing price of UniCredit ordinary shares during the month preceding the Board resolution that approves the bonus 2016. The allocation of a maximum number of 24,500,000 UniCredit ordinary shares is proposed, representing about 0.41% of UniCredit share capital, of which maximum nr. of 5,400,000 UniCredit ordinary shares devoted to the payment of so called "bonus buy out" and to Severance payment.

Over the period 2018 - 2022 each tranche of UniCredit ordinary shares 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)

Payouts in shares comply with the applicable regulatory provisions in terms of holding period.

2.3.5 The influence exercised by each director in the determination of the characteristics of the plans; the potential conflict of interest which may trigger the obligation for the relevant director to abstain from exercising his vote in the relevant resolution.

In the determination of the essential characteristics of the 2016 Group Incentive System proposed to the Shareholders' Meeting, the Board of Directors followed the guidelines and criteria elaborated by the Remuneration Committee of UniCredit.

Since the CEO of UniCredit is among the potential beneficiaries of the 2016 Group Incentive System, the latter has abstained from participating in the definition of the 2016 Group Incentive System.

2.3.6 The date on which the Board of Directors resolved upon the assignment of the financial instruments contemplated by the plan

The Board of Directors, on January 13, 2016 approved the proposal related to the 2016 Group Incentive System to be submitted to UniCredit Shareholders' Meeting.

Furthermore, in exercising the delegation received by the Shareholders' Meeting, as described in point 2.3.1, the Board of Directors will resolve in one or more occasions to allocate the financial instruments related to the 2016 Group Incentive System.

2.3.7 The date on which the remuneration committee resolved upon the Plan of UniCredit.

The Remuneration Committee on January 12, 2016 positively resolved upon the criteria and the methodology elaborated for the definition of the 2016 Group Incentive System, sharing the reasons and motivations thereof.

2.3.8 The market price of UniCredit ordinary shares, on the dates mentioned in points 2.3.6 and 2.3.7.

The market price of UniCredit ordinary shares, registered on the date of Board of Directors approval of 2016 Group Incentive Systems proposal (January 13, 2016) and on the date of the decision made by the Remuneration Committee of UniCredit (January 12, 2016), resulted equal to € 4.644 and to € 4.634 respectively.

2.3.9 In which terms and modalities UniCredit takes into account, in the determination of the timeframe for the assignment of the plans, of the possible time-coincidence between:

**i) such assignment or the decision, if any, adopted thereon by the Remuneration Committee, and
ii) the dissemination of relevant information, if any, pursuant to sect. 114, paragraph 1 of Legislative Decree 58/98; for instance, in cases in which such information is:**

a. not already public and capable to positively affect the market quotation, or

b. already published and capable to negatively affect the market quotation.

In relation to the foregoing it is clarified that the resolution of the Board of Directors which approved the proposal to be submitted to the Shareholders' Meeting, has been communicated to the markets, in compliance with the current regulations. It is also clarified that analogous information to the market, if required, will be made available upon any other following resolution adopted by the Board of Directors of the 2016 Group Incentive System.

It is worthwhile clarifying that, although all the resolutions adopted by the Board of Directors are subject to the prior positive opinion of the Remuneration Committee of UniCredit, the information to the market – where due - is given only after the relevant resolution of the Board of Directors.

2.4. THE CHARACTERISTICS OF THE FINANCIAL INSTRUMENTS ASSIGNED

2.4.1 Description of the compensation plan.

The individual bonuses will be assigned on the basis of the defined bonus pool, of the individual performance evaluation, of internal benchmark for specific roles/markets.

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".

The final evaluation of 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.

The 2016 Group Incentive System provides that in 2017 the Board of Directors – once verified the achievement of the goals defined for 2016 – will define the percentage of payments in cash and shares established for each category of beneficiaries, as illustrated in the table below:

	2017	2018	2019	2020	2021	2022
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	-

The number of shares to be allocated in the respective installments shall be defined in 2017, on the basis of the arithmetic mean of the official market closing prices of UniCredit ordinary shares during the month preceding the Board resolution that approves 2016 bonuses. The maximum number of shares to service the 2016 System is estimated at 24,500,000 representing about 0.41% of UniCredit share capital, of which maximum n° of 5,400,000 UniCredit ordinary shares devoted to the payment of so called “bonus buy-out” and to Severance payment.

Payouts in shares comply with the applicable regulatory provisions in terms of holding period.

2.4.2 Indication of the time period for the implementation of the plan also indicating different cycles, if any, of its implementation.

Incentive payouts shall be made over a multi-year period (2017-2022) 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. The *free shares* related to the 2016 Group Incentive System will be allocated in multiple installments (as shown in the table above) subject to the Board assessment in 2017 that approves the 2016 bonus.

2.4.3 The termination date of the plan

The 2016 Group Incentive System will lapse by May 2022.

2.4.4 The overall maximum number of financial instruments, also in the form of options, assigned over any fiscal years with respect to the beneficiaries namely identified or identified by categories, as the case may be

The maximum number of shares to service the 2016 System is estimated at 24,500,000 representing about 0.41% of UniCredit share capital, of which maximum n° of 5,400,000 UniCredit ordinary shares devoted to the payment of so called “bonus buy-out” and to Severance payment.

For the assignment of the last installment of shares planned for 2022 it will be submitted to one of the future Shareholders’ meetings the proposed integration of the power of attorney, already provided to the Board of Directors, so that the implementation of 2016 System can be completed.

At this stage it is not possible to indicate the maximum number of *free shares* allocated in each fiscal year during the life of the 2016 Group Incentive System, since the actual definition will be done by the Board of Directors on the basis of the criteria approved by the Shareholders’ Meeting.

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

2.4.5 The procedures and clauses for the implementation of the plan, specifying whether the assignment of the financial instruments is subject to the satisfaction of certain specific conditions and, in particular, to the achievement of specific results, including performance targets; a description of the aforesaid conditions and results

Bonus Pools are set as a percentage of specific funding KPI (e.g. NOP pre-bonus) at Countries / Divisions level and considering the “Entry Condition” criteria assessment (based on the evaluation of both Group and Country/Division risk-adjusted forecasted results) and local risk and performance assessment.

The “Entry Condition” is the mechanism that determines the possible application of the malus condition (Zero Factor) based on profitability, capital and liquidity KPIs set at Group and Country/Division level. In particular, the Bonus Pool of 2016 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.

In order to align to regulatory requirements, in case both at Group and Country/Division level set KPIs are not met, a Zero Factor will apply to the Executives/Identified Staff population whereas for below-Executives, a significant reduction will be applied.

In case Zero Factor is not activated, Bonus Pool adjustments will be applied within pre-set ranges based on the assessment of local & Group performance and risk factors.

In case Country/Division is in a malus condition and Group not, a floor will be defined for retention purposes and in order to maintain the minimum pay levels needed to play in the market.

2.4.6 Indication of the restrictions on the availability of the financial instruments allocated under the plan or of the financial instruments relating to the exercise of the options, with particular reference to the time limits within which the subsequent transfer of the stocks to the issuer or third parties is permitted or prohibited

The 2016 Group Incentive System provides that the free UniCredit ordinary shares that will be allocated will be freely transferable, considering the applicable regulatory requirements regarding the application of share retention periods, as described in section 2.2.2.

2.4.7 Description of any condition subsequent to the plan in connection with the execution, by the beneficiaries, of hedging transactions aimed at preventing the effects of potential limits to the transfer of the financial instruments assigned there under, also in the form of options, as well as to the transfer of the financial instruments relating to the exercise of the aforesaid options

In accordance with national and international regulatory guidelines and the Group Compensation Policy, beneficiaries are required to undertake not to use personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements. Involvement in any form of hedging transaction shall be considered in breach of Group compliance policies and therefore the relevant rights under the Plan shall automatically expire.

2.4.8 Description of the consequences deriving from the termination of the employment or working relationship

The 2016 Group Incentive System provides that the Board of Directors will have the faculty to identify, in the resolution that will execute the 2016 System, the termination of the beneficiary with the relevant Group employing Company, as cause for the expiring of the right to receive the *free shares*.

2.4.9 The indication of any other provisions which may trigger the cancellation of the plan

The 2016 Group Incentive System does not provide for any provision which may trigger its cancellation.

2.4.10 The reasons justifying the redemption, pursuant to sect. 2357 and followings of the Italian Civil Code, by UniCredit, of the financial instruments contemplated by the plan; the beneficiaries of such redemption, indicating whether the same is limited only to certain categories of employees; the consequences of the termination of the employment relationship with respect to such redemption rights

The 2016 Group Incentive System does not provide for the redemption by UniCredit or by another Group company with reference to the *free shares*.

2.4.11 The loans or other special terms that may be granted for the purchase of stocks pursuant to sect. 2358, paragraph 3, of the Italian Civil Code

The 2016 Group Incentive System does not provide for a loan or other special terms for the purchase of the shares.

2.4.12 The evaluation of the economic burden for UniCredit at date of the assignment of the plan, as determined on the basis of the terms and conditions already defined, with respect to the aggregate overall amount as well as with respect to each financial instrument contemplated by the plan

The estimation of the overall cost expected by UniCredit in relation to the 2016 Group Incentive System at the grant date of the *free shares*, has been made on the basis of the IAS principles, considering the accounting assumptions on the foreseeable beneficiaries exits before the allocation of the *free shares* and on the probability to achieve the performance targets related to the allocation of the *free shares*.

On the basis of these estimations, the overall expected cost for UniCredit at the grant date of the target number of *free shares* is equal to € 180 mln to be split in 6 years. Depending on actual performance achievements, actual IAS cost of the Plan will vary from € 0 to a maximum of € 180 mln.

At this stage it is not possible to define the exact cost in each year of life of the 2016 Group Incentive System, since the definition of the actual number of the *free shares* to be allocated is subject to the Board of Directors resolution.

2.4.13 The indication of any dilution on the corporate capital of the issuer resulting from the compensation plan, if any.

The maximum impact of the 2016 System on UniCredit share capital shall be approx. 0.41% in case of the potential allocation of all *free shares* to employees.

2.4.14 Any limitation to the voting and to the economic rights

At this stage, the 2016 Group Incentive System does not provide for any limitation to the voting or economic rights for the shares allocated.

2.4.15 In the event the stocks are not negotiated on a regulated market, any and all information necessary for a complete evaluation of the value attributable to them

The 2016 Group Incentive System provides only for the use of shares negotiated on regulated markets.

2.4.16 The number of financial instruments belonging to each option

The 2016 Group Incentive System does not provide for options.

2.4.17 The termination date of the options

The 2016 Group Incentive System does not provide for options.

2.4.18 The modalities, time limits and clauses for the exercise of the options

The 2016 Group Incentive System does not provide for options.

2.4.19 The strike price of the options or the criteria and modalities for its determination, with respect in particular to:

- a) the formula for the calculation of the exercise price in connection with the fair market value; and to
- b) the modalities for the calculation of the market price assumed as basis for the calculation of the exercise price

The 2016 Group Incentive System does not provide for options.

2.4.20 In case the strike price is different from the fair market value as determined pursuant to point 2.4.19.b, the indication of the reasons for such difference

The 2016 Group Incentive System does not provide for options.

2.4.21 The criteria justifying differences in the exercise prices between the relevant beneficiaries or class of beneficiaries

The 2016 Group Incentive System does not provide for options.

2.4.22 In the event the financial instruments underlying granted options are not negotiated on a regulated market, the indication of the value attributable to the same or of the criteria for its determination

The 2016 Group Incentive System does not provide for options.

2.4.23 The criteria for the adjustments required in connection with any extraordinary transaction involving the corporate capital of the issuer as well as in connection with transaction triggering a variation in the number of the financial instruments underlying granted options

The 2016 Group Incentive System does not provide for adjustments applicable in connection with extraordinary transactions involving UniCredit corporate capital (saving the provisions that the Board of Directors may define in the resolution in which the Board will exercise the delegation received from the General Shareholders' Meeting).

3. 2016 EMPLOYEE SHARE OWNERSHIP PLAN OF UNICREDIT GROUP

3.1. BENEFICIARIES OF THE PLAN

The 2016 Employee Share Ownership Plan ("Let's Share for 2017") is addressed to the employees of UniCredit Group equal to circa 140,000.

3.1.1 Indication of the name of beneficiaries who are members of the board of directors of UniCredit and of the companies directly or indirectly controlled by UniCredit.

Mr. Federico Ghizzoni, Chief Executive Officer of UniCredit, is amongst the potential beneficiaries of the Plan Let's Share for 2017.

It is worth mentioning that certain potential beneficiaries of the Let's Share for 2017 - employees of the UniCredit Group - in addition to the exercise of their managing powers connected to their offices - held offices in Management Bodies of companies, directly or indirectly, controlled by UniCredit. In light of the fact that such individuals are amongst the beneficiaries of the Let's Share for 2017 in their capacity as employees of UniCredit Group, no information as to their names is provided hereto and reference shall be made to the information provided below.

3.1.2 The categories of employees or collaborators of UniCredit and companies controlling or controlled by this issuer.

The Plan Let's Share for 2017 also applies to the following classes of employees of UniCredit and of the main banks and companies of the Group:

- General Managers & Vice General Managers (or similar category in the different jurisdictions in which the Group operates) of UniCredit and of the main banks and companies of the Group.
- Executives (or similar category in the different jurisdictions in which the Group operates) of UniCredit and of the main banks and companies of the Group.
- Middle Managers (or similar category in the different jurisdictions in which the Group operates) of UniCredit and of the main banks and companies of the Group.
- Employees (or similar categories in the different jurisdictions in which the Group operates) of UniCredit and of the main banks and companies of the Group.

3.1.3 Individuals who benefit from the Plan belonging to the following groups:

a) General Managers of UniCredit

There are not any UniCredit managers who belong to this category. Therefore, the present provision is not applicable.

b) other executives with strategic responsibilities of the financial instrument issuer not classed as "small", in accordance with Article 3, paragraph 1, letter f) of Regulation no. 17221 of 12 March 2010, if they have, during the course of the year, received total compensation (obtained by adding the monetary compensation to the financial instrument-based compensation) in excess of the highest total compensation assigned to the members of the board of directors or management board, and to the general managers of the financial instrument issuer;

None of UniCredit executives meets the description; therefore no information is provided in connection thereto.

c) natural persons controlling UniCredit, who are employee or collaborator of UniCredit.

No individual controls UniCredit and, therefore, no information is provided in connection thereto.

3.1.4 Description and numerical indication, broken down according to category :

a) Executives with strategic responsibilities other than those specified under lett. B) of paragraph 4.1.3

Amongst the beneficiaries of the Plan Let's Share for 2017, along with the CEO, there are n.7 executives of UniCredit who have regular access to privileged information and are authorized to take resolutions capable of influencing the development and prospects of UniCredit:

- the Deputy General Managers, Mrs. Marina Natale, Mr. Paolo Fiorentino and Mr. Gianni Franco Papa;
- the Group Chief Risk Officer, Mr. Massimiliano Fossati;
- the Head of HR Strategy, Mr. Paolo Cornetta;
- the Group Compliance Officer, Mr. Carlo Appetiti;
- the Head of Internal Audit, Mr. Ranieri de Marchis.

b) in the case of "small" companies, in accordance with Article 3, paragraph 1, letter f) of Regulation no. 17221 of 12 March 2010, the indication for the aggregate of all executives with strategic responsibilities of the financial instrument issuer;

This provision is not applicable and, therefore, no information is provided in connection thereto.

c) other categories of employees or collaborators for which different characteristics are envisaged for the plan (e.g. executives, middle management, employees etc.);

There are no classes of employees to which different characteristics of the Plan Let's Share for 2017 apply.

3.2 THE REASONS FOR THE ADOPTION OF THE PLAN

3.2.1 The targets which the parties intend to reach through the adoption of the plan.

With the Plan Let's Share for 2017, UniCredit aims to foster employees' sense of belonging and commitment to achieve corporate goals.

In particular, the Plan Let's Share for 2017 aims at offering to employees of the Group the possibility to invest in UniCredit shares at favourable conditions.

At this stage, the Plan Let's Share for 2017 does not provide for alternative allocation criteria amongst the beneficiaries of the Plan Let's Share for 2017, since the criteria specified in section 4.2.3 will regularly apply to all the beneficiaries described in section 4.1. except for the "alternative structure" to be presented in the next paragraphs.

3.2.2 Principal factors of variation and performance indexes taken into account for the assignment of plans based on financial instruments.

Considering the aim of the Plan Let's Share for 2017, no key variables and performance indicators have been considered.

3.2.3 The factors assumed as basis for the determination of the compensation based upon financial instruments, or the criteria for the determination of the aforesaid compensation.

The Plan Let's Share for 2017 does not contain an exact indication of the amount based on *Free Shares* to be allocated to the beneficiaries, rather it merely fixes the maximum and minimum amount they can invest.

The purpose of UniCredit to adopt the Plan Let's Share for 2017 is in line with the strategy adopted by the Group for maximizing the corporate value and for fostering the sense of belonging and the commitment to achieve the corporate goals of employees.

3.2.4 The reasons justifying the decision to assign compensation plans based on financial instruments not issued by UniCredit, such as financial instruments issued by its subsidiaries, its parent companies or third parties; in the event the aforesaid financial instruments are not negotiated on regulated markets, the issuer shall provide information as to the criteria adopted for the calculation of the value attributable to such financial instruments.

The Plan Let's Share for 2017 does not contemplate the allocation of similar financial instruments.

3.2.5 The evaluations, with respect to the relevant tax and accounting implications, taken into account in the definition of the plans.

The Plan Let's Share for 2017 definition has not been influenced by significant tax or accounting consideration. In particular, it is specified that it will be taken into account the tax regime of employment incomes applicable from time to time in the country where each beneficiary has his/her residency .

3.2.6 The indication as to whether the plan enjoys any support from the special fund for encouraging worker participation in the companies, as provided for under Article 4, paragraph 112, of Law December 24, 2003 n. 350.

The Plan Let's Share for 2017 is not currently supported by the special fund for encouraging worker participation in the companies, as provided for under sect. 4, paragraph 112, of Law December 24, 2003 n. 350.

3.3 PROCEDURE FOR THE ADOPTION OF THE PLAN AND TIMEFRAME FOR THE ASSIGNMENT OF THE FINANCIAL INSTRUMENTS

3.3.1 Powers delegated to the board of directors by the shareholders' meeting for the implementation of the plan.

The Board of Directors, on 10th March 2016, has approved the Plan Let's Share for 2017 proposal to be submitted to the Shareholders' Meeting – Ordinary session of UniCredit called on 14th April 2016, giving to the Chairman and/or to the Chief Executive Officer, respectively, every opportune powers of attorney to enact the Shareholders resolution, making the necessary or appropriate changes/integrations to the Plan Let's Share for 2017, also in order to be compliant with every legal and regulatory provisions applied from time to time in all the countries in which Group's companies operate.

3.3.2 Indication of the individuals in charge of the management of the plan, their powers authority.

The Organizational Unit "Reward & Benefits" of the Holding is in charge for the management of the Plan Let's Share for 2017.

3.3.3 Procedures for the amendment of the plans, if any, also in connection with potential variation of the original targets.

No specific procedures for the amendment of the Plan Let's Share for 2017 are provided for, while preserving every opportune powers of attorney, given to the Chairman and/or to the Chief Executive Officer respectively, to enact the Shareholders resolution, making the necessary or appropriate modifications/integrations to the Plan Let's Share for 2017, also in order to be compliant with every legal and regulatory provisions applied from time to time in all the countries in which Group's companies operate.

3.3.4 Description of the modalities for the determination of the availability and assignment of the financial instruments contemplated by the plan.

The Plan Let's Share for 2017 provides for the following phases:

- (a) Election Period: according to UniCredit discretionary evaluation, there may be two main election windows:

1st election window: within the end of the second quarter of 2017;

2nd election window: within the end of the fourth quarter of 2017;

during these windows, employees participating to the Plan Let's Share for 2017 ("Participants"), will choose the overall amount that they want to invest, up to a maximum contribution of € 6,000 per annum. The minimum annual contribution amount is defined considering the peculiarities of each participating country;

- (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 2017, he/she will lose the *Free Shares* allocated in accordance with the below point c);

- (c) "Free Share": at the beginning of the Enrolment Period , the Participant will receive an immediate discount equal to 25% on the purchase price in the form of *Free Shares*; the *Free Shares* will be subject to lock-up during one 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 2017. In some countries, 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.

After the end of the 1-year holding period the employees can sell their shares without losing the discount; in particular, the Italian participants can benefit from the fiscal advantage provided for by the Italian law if they maintain the shares for other 2 years.

The Plan Let's Share for 2017 Plan 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, Group employees who decide to accept to join the Plan Let's Share for 2017 will give a mandate to a broker, internal or external to UniCredit Group, to purchase the shares and to deposit them in an account opened in their name. In case of substantial changes in the relevant scenario or if the actual participation rate is higher than expected, it may be required to change this implementation modality by asking, in the case, for the relevant authorizations needed.

3.3.5 The influence exercised by each director in the determination of the characteristics of the plans; the potential conflict of interest which may trigger the obligation for the relevant director to abstain from exercising his vote in the relevant resolution.

While defining the essential features of the Plan Let's Share for 2017, the Board of Directors followed the guidelines and criteria elaborated by the Remuneration Committee of UniCredit.

Since the CEO of UniCredit is among the potential beneficiaries of the Plan, the latter has abstained from participating in the decision related to the Plan Let's Share for 2017.

3.3.6 The date on which the board of directors resolved upon the assignment of the financial instruments contemplated by the plan.

The Board of Directors on 10th March 2016 resolved upon the Plan Let's Share for 2017 proposal to be submitted to the Shareholders' Meeting – Ordinary session of UniCredit called for 14th April 2016.

3.3.7 The date on which the remuneration committee resolved upon the Plan of UniCredit.

The Remuneration Committee, on 3rd March 2016, positively resolved upon the criteria and the methodology elaborated for the definition of the Plan Let's Share for 2017, sharing the reasons and motivations thereof.

3.3.8 The market price of UniCredit ordinary shares, on the dates mentioned in points 4.3.6 and 4.3.7.

The market price of UniCredit ordinary shares, registered on the date of Board of Directors approval of Plan Let's Share for 2017 proposal (10th March 2016) and on the date of the decision made by the Remuneration Committee of UniCredit (3rd March 2016), resulted equal to € 3.7 and € 3.722.

3.3.9 In which terms and modalities UniCredit takes into account, in the determination of the timeframe for the assignment of the plans, of the possible time-coincidence between:

- i) such assignment or the decision, if any, adopted thereon by the Remuneration Committee, and
- ii) the dissemination of relevant information, if any, pursuant to sect. 114, paragraph 1 of Legislative Decree 58/98; for instance, in cases in which such information is:
 - a. not already public and capable to positively affect the market quotation, or
 - b. already published and capable to negatively affect the market quotation.

In relation to the foregoing it is clarified that the resolution of the Board of Directors of 10th March 2016 which approved the proposal to be submitted to the Shareholders' Meeting, has been communicated to the markets, in compliance with the current regulations. It is also clarified that similar information to the market, if required, will be made available upon any other following resolution adopted by the Board of Directors of the Plan Let's Share for 2017.

It is worthwhile clarifying that, although all the resolutions adopted by the Board of Directors are subject to the prior positive opinion of the Remuneration Committee of UniCredit, the information to the market is given after the relevant resolution of the Board of Directors.

Finally, it is clarified that, with reference to the execution of the Plan Let's Share for 2017, information will be given to the market in compliance with the current regulations.

3.4. THE CHARACTERISTICS OF THE FINANCIAL INSTRUMENTS ASSIGNED

3.4.1 Description of the compensation plan.

The Plan Let's Share for 2017 provides for offering to Group employees the possibility to buy on the market UniCredit shares with the following advantages: an immediate discount equal to 25% on the shares purchased on the market, as *free shares* restricted from selling for 1 year. The *free shares*'ownership by

Participants will be subject to the employment status of the employee with a UniCredit Group company until the expiry of a 1-year lock-up period, with the exception of termination for reasons specifically provided for by the Rules of the Plan Let's Share for 2017.

3.4.2 Indication of the time period for the implementation of the plan also indicating different cycles, if any, of its implementation.

The Plan Let's Share for 2017 will have a maximum duration up to one year after the end of second election window, if applicable .

3.4.3 The termination date of the plan

The Plan Let's Share for 2017 time horizon is, at least, one year.

3.4.4 The overall maximum number of financial instruments, also in the form of options, assigned over any fiscal years with respect to the beneficiaries namely identified or identified by categories, as the case may be

At this stage it is not possible to determine the overall number of shares that will be purchased or assigned with reference to the Plan Let's Share for 2017, since their exact determination is conditioned to the employees' participation and contribution rates and share price at the purchasing date.

3.4.5 The procedures and clauses for the implementation of the plan, specifying whether the assignment of the financial instruments is subject to the satisfaction of certain specific conditions and, in particular, to the achievement of specific results, including performance targets; a description of the aforesaid conditions and results

The Plan Let's Share for 2017 features and implementation clauses are described in the section 3.3.4 above. The execution of the Plan Let's Share for 2017 is not conditioned to the achievement of any result/performance.

3.4.6 Indication of the restrictions on the availability of the financial instruments allocated under the plan or of the financial instruments relating to the exercise of the options, with particular reference to the time limits within which the subsequent transfer of the stocks to the issuer or third parties is permitted or prohibited

The *free shares* subjected to the Plan Let's Share for 2017 ("Free Share") will be affected by a one year restriction period in which the dividends in favor of the beneficiaries, in particular those referring to the "Free Share", will be set aside for the one year period of restriction and paid by cash and/or nature to the participants of the plan. The beneficiaries leaving during the one year period of restriction – with the exception of the clauses provided by the Plan - will loose the ownership of the "Free Share".

3.4.7 Description of any condition subsequent to the plan in connection with the execution, by the beneficiaries, of hedging transactions aimed at preventing the effects of potential limits to the transfer of the financial instruments assigned there under, also in the form of options, as well as to the transfer of the financial instruments relating to the exercise of the aforesaid options

The Plan Let's Share for 2017 does not provide for conditions subsequent of the type described above.

3.4.8 Description of the consequences deriving from the termination of the employment or working relationship

Before the communication of the Plan Let's Share for 2017 to the employees, the expiry reasons will be defined of the participants' rights to keep the "*Free Shares*" as allocated.

3.4.9 The indication of any other provisions which may trigger the cancellation of the plan

The Plan Let's Share for 2017 does not provide for any provision which may trigger its cancellation.

3.4.10 The reasons justifying the redemption, pursuant to sect. 2357 and followings of the Italian Civil Code, by UniCredit, of the financial instruments contemplated by the plan; the beneficiaries of such redemption, indicating whether the same is limited only to certain categories of employees; the consequences of the termination of the employment relationship with respect to such redemption rights

The Plan Let's Share for 2017 does not provide for the redemption by UniCredit or by another Group company.

3.4.11 The loans or other special terms that may be granted for the purchase of stocks pursuant to sect. 2358, paragraph 3, of the Italian Civil Code

At this stage, the Plan Let's Share for 2017 does not provide for a loan or other special terms for the purchase of the shares.

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 2017 investing a portion of the possible company bonus (VAP). The modalities and the timing to make this contribution will be defined in the Regulations of the Plan Let's Share for 2017.

3.4.12 The evaluation of the economic burden for UniCredit at date of the assignment of the plan, as determined on the basis of the terms and conditions already defined, with respect to the aggregate overall amount as well as with respect to each financial instrument contemplated by the plan

At this stage, it is not possible to evaluate the exact economic burden for UniCredit deriving from the adoption of the Plan Let's Share for 2017, since this burden is affected by the overall participation & contribution rates of UniCredit Group employees.

The estimated overall accounting cost for the offer of the *free shares* received by Participants is about € 12 million, under the hypothesis of an expected participation rate of employees equal to 5%, with an employees' contribution at maximum of € 6,000. That cost, to be distributed over the period in which the Plan extends, would increase in case of a higher participation rate.

3.4.13 The indication of any dilution on the corporate capital of the issuer resulting from the compensation plan, if any.

Considering the use of shares to be purchased in the market, the adoption of the Plan Let's Share for 2017 will not have any diluting impact on UniCredit share capital.

3.4.14 Any limitation to the voting and to the economic rights

The Plan Let's Share for 2017 does not provide for any limitation to the voting or economic rights for the "Investment Shares". For the "*Free Shares*" those rights will be subjected to limitations, in particular the beneficiaries will receive the dividends after the 1-year period of restriction. The beneficiaries leaving during the 1-year period of restriction – with the exception of the clauses provided by the Plan Let's Share for 2017 - will lose the ownership of the "Free Share".

3.4.15 In the event the stocks are not negotiated on a regulated market, any and all information necessary for a complete evaluation of the value attributable to them

The Plan Let's Share for 2017 provides only for the use of shares negotiated on regulated markets.

3.4.16 The number of financial instruments belonging to each option

The Plan Let's Share for 2017 does not provide for options.

3.4.17 The termination date of the options

The Plan Let's Share for 2017 does not provide for options.

3.4.18 The modalities, time limits and clauses for the exercise of the options

The Plan Let's Share for 2017 does not provide for options.

3.4.19 The strike price of the options or the criteria and modalities for its determination, with respect in particular to:

- a) the formula for the calculation of the exercise price in connection with the fair market value; and to
- b) the modalities for the calculation of the market price assumed as basis for the calculation of the exercise price

The Plan Let's Share for 2017 does not provide for options.

3.4.20 In case the strike price is different from the fair market value as determined pursuant to point 3.4.19.b, the indication of the reasons for such difference

The Plan Let's Share for 2017 does not provide for options.

3.4.21 The criteria justifying differences in the exercise prices between the relevant beneficiaries or class of beneficiaries

The Plan Let's Share for 2017 does not provide for options.

3.4.22 In the event the financial instruments underlying granted options are not negotiated on a regulated market, the indication of the value attributable to the same or of the criteria for its determination

The Plan Let's Share for 2017 does not provide for options.

3.4.23 The criteria for the adjustments required in connection with any extraordinary transaction involving the corporate capital of the issuer as well as in connection with transaction triggering a variation in the number of the financial instruments underlying granted options

The Plan Let's Share for 2017 does not provide for adjustments applicable in connection with extraordinary transactions involving UniCredit corporate capital (without prejudice to the provisions that the Board of Directors may define in the resolution in which the Board will exercise the delegation received from the General Shareholders' Meeting).

4. EXECUTION OF THE "GROUP COMPENSATION SYSTEMS"

4.1 BENEFICIARIES OF THE PLAN

With reference to the UniCredit Board of Directors resolutions of

- February 9 2016 and March 10 2016;
- February 11 2015 and April 9 2015
- March 11 2014;
- March 15 and April 11 2013;
- March 27 2012

to execute the **2015 Group Incentive System, 2014 Group Incentive System, 2013 Group Incentive System, 2012 Group Incentive System** and **Share Plan for Group Key Resources**, approved by the Ordinary Shareholders Meeting on May 13 2015, May 13 2014, May 11 2013, May 11 2012 and April 29 2011; the following beneficiaries have been identified for the relevant plans:

- The **2015 Group Incentive System** provides an incentive to be granted in the form of cash and/or UniCredit ordinary *free shares*, to Group Identified Staff in a multi-year period (2016 – 2021), subject to the achievement of specific performance objectives.

- The **2014 Group Incentive System** provides an incentive to be granted in the form of cash and/or UniCredit ordinary *free shares*, to Group Identified Staff in a multi-year period (2015 – 2020), subject to the achievement of specific performance objectives. Therefore it provides for the allocation of the second tranche in cash promised in 2015, following the verification of the achievement of the Zero Factor provided by the system for the deferral payments. This plan provides, inter alia, the allocation of the third tranche in cash promised in 2014, following the verification of the achievement of the Zero Factor provided by the system for the deferral payments, to selected resources belonging to the Corporate & Investment Banking Division, also with reference to the 2013 performance (Sustainable Performance Plan 2013).

- the **“2013 Group Incentive System”** that provides for the grant of an incentive – in cash and free ordinary shares – to be allocated to Group Executives and other selected roles in a multi-year period (2014-2018) subject to the achievement of specific performance objectives. Therefore it provides for the allocation of the first tranche of shares promised in 2014, following the verification of the achievement of the Zero Factor provided by the system for the deferral payments. This Plan provides, inter alia, the allocation of the second tranche of the shares promised in 2013, following the verification of the achievement of the Zero Factor provided by the system for the deferral payments to selected resources belonging to the Corporate & Investment Banking Division, also with reference to the 2012 performance (Sustainable Performance Plan 2012).

- the **“2012 Group Incentive System”** that provides for the grant of an incentive – in cash and free ordinary shares – to be allocated to Group Executives and other selected roles in a multi-year period (2013-2017) subject to the achievement of specific performance objectives. Therefore it provides for the allocation of the second tranche of shares and the third tranche in cash promised in 2013, following the verification of achievement of the Zero Factor provided by the system for the deferral payments.

- the **Share Plan for Group Key Resources** (“Share Plan”), that provides for the allocation of free ordinary shares to talents and other mission critical players for the achievement of company results.

4.1.1 Indication of the name of beneficiaries who are members of the board of Directors of UniCredit and of the companies directly or indirectly controlled by UniCredit

Mr. Federico Ghizzoni – CEO of UniCredit - is among the beneficiaries of the 2015 Group Incentive System, 2014 Group Incentive System, of the 2013 Group Incentive System, of the 2012 Group Incentive System and of the Share Plan.

It is worth mentioning that certain potential beneficiaries of the above plans, in addition to the exercise of their managing powers connected to their offices, held offices in Management Bodies of companies, directly or indirectly, controlled by UniCredit. In light of the fact that such individuals are amongst the beneficiaries of the plans in their capacity as employees of UniCredit Group, no information as to their names is provided hereto and reference shall be made to the information provided below.

4.1.2 The categories of employees or collaborators of UniCredit and companies controlling or controlled by this issuer.

The employees of UniCredit and of its parent companies or subsidiaries that benefit from the Group Compensation Systems (in addition to the Chief Executive Officer of UniCredit) are:

for the **2015 Group Incentive System**:

- General Manager, Deputy General Managers, Senior Executive Vice Presidents, Executive Vice Presidents, 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
- Employees whose remuneration is within the remuneration bracket of senior management and other risk takers
- Other selected roles;

for the **2014 Group Incentive System**:

- General Manager, Deputy General Managers, Senior Executive Vice Presidents, Executive Vice Presidents, 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
- Employees whose remuneration is within the remuneration bracket of senior management and other risk takers
- Other selected roles;

for the **2013 Group Incentive System** :

- General Manager, Deputy General Managers, Senior Executive Vice Presidents , Executive Vice Presidents and other risk takers²;
- Senior Vice Presidents and other selected roles impacting market, credit, liquidity risks with incentive exceeding € 100,000

for the **2012 Group Incentive System** :

- General Manager, Deputy General Managers, Senior Executive Vice Presidents, Executive Vice Presidents and other risk takers³;
- Senior Vice Presidents and other selected roles impacting market, credit, liquidity risks with incentive exceeding € 100,000;

for the **Share Plan**:

- selected employees of UniCredit and of the main bank and companies of the Group, identified by the Board among the mission critical players for the achievement of company results.

4.1.3 Individuals who benefit from the Plan belonging to the following groups:

² Employees materially impacting market, credit, liquidity risk at Group level and with an incentive higher than € 500,000

³ Employees materially impacting market, credit, liquidity risk at Group level and with an incentive higher than € 500,000

a) General Managers of UniCredit

The employment relationship with General Manager Mr. Nicastro was terminated on September, 30 2015. In the context of consensual resolution, the maintenance of rights relative to Group Incentive Systems beginning from 2008 has been provided. At present there are not any UniCredit managers who belong to this category.

b) Other executives with strategic responsibilities of the financial instrument issuer not classed as "small", in accordance with Article 3, paragraph 1, letter f) of Regulation no. 17221 of 12 March 2010, if they have, during the course of the year, received total compensation (obtained by adding the monetary compensation to the financial instrument-based compensation) in excess of the highest total compensation assigned to the members of the Board of Directors or management board, and to the general managers of the financial instrument issuer;

None of UniCredit executives meets the description; therefore no information is provided in connection thereto.

c) natural persons controlling UniCredit, who are employee or collaborator of UniCredit.

No individual controls UniCredit and, therefore, no information is provided in connection thereto.

4.1.4 Description and numerical indication, broken down according to category :

a) Executives with strategic responsibilities other than those specified under lett. B) of paragraph 4.1.3

Amongst the beneficiaries of the Group Compensation Systems, along with the CEO, there are 7 executives of UniCredit who have regular access to privileged information and are authorized to take resolutions capable of influencing the development and prospects of UniCredit:

- the Deputy General Managers, Mr. Paolo Fiorentino, Mrs. Marina Natale and Mr. Gianni Franco Papa;
- the Group Chief Risk Officer, Mr. Massimiliano Fossati;
- the Head of HR Strategy, Mr. Paolo Cornetta;
- the Group Compliance Officer, Mr. Carlo Appetiti;
- the Head of Internal Audit, Ranieri de Marchis.

b) in the case of "small" companies, in accordance with Article 3, paragraph 1, letter f) of Regulation no. 17221 of 12 March 2010, the indication for the aggregate of all executives with strategic responsibilities of the financial instrument issuer;

This provision is not applicable and therefore no information is provided in connection thereto.

c) other categories of employees or collaborators for which different characteristics are envisaged for the plan (e.g. executives, middle management, employees etc.);

There are no classes of employees to which different characteristics of the relevant plans apply.

4.2 THE REASONS FOR THE ADOPTION OF THE PLAN

4.2.1 The targets which the parties intend to reach through the adoption of the plan.

The 2015 Group Incentive System aims to attract, retain and motivate Group beneficiaries and is aligned to the national and international regulatory requirements on variable compensation. It provides for:

- risk adjusted metrics in order to guarantee long-term sustainability with respect to company's financial allocation of a variable incentive defined based on available bonus pool, individual performance evaluation, bonus reference for specific roles/markets and bonus cap as set by Regulators and approved at the Ordinary Shareholder's meeting;
- definition of a balanced structure of upfront (following the moment of performance evaluation) and deferred payments, in cash and in shares;
- distributions of share payments which take into account the applicable regulatory requirements regarding the application of share retention periods. In particular, the payment structure has been defined considering Bank of Italy provisions requiring a share retention period of 2 years for upfront shares and of 1 year for deferred shares;
- position and to ensure compliance with regulatory expectations;
- malus condition (Zero Factor) that applies in case specific thresholds (profitability, capital & liquidity) are not met at both local and Group levels

The 2014 Group Incentive System aims to attract, retain and motivate Group beneficiaries and is aligned to the national and international regulatory requirements on variable compensation. It provides for:

- allocation of a variable incentive defined based on available bonus pool, individual performance evaluation, bonus reference for specific roles/markets and bonus cap as set by Regulators and approved at the Ordinary Shareholder's meeting;
- definition of a balanced structure of upfront (following the moment of performance evaluation) and deferred payments, in cash and in shares;
- distributions of share payments which take into account the applicable regulatory requirements regarding the application of share retention periods;
- 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) that applies in case specific thresholds (profitability, capital & liquidity) are not met at both local and Group levels

The 2013 Group Incentive System aims to attract, retain and motivate Group beneficiaries and is aligned to the national and international regulatory requirements on variable compensation. It provides for:

- allocation of a variable incentive related to 2013 defined on the basis of individual performance, as well as results at business level and, as relevant, at country and/or Group level;
- definition of a balanced structure of upfront (following the moment of performance evaluation) and deferred payments, in cash and in shares;
- distributions of share payments which take into account the applicable regulatory requirements regarding the application of share retention periods.
- application of an overall risk/sustainability factor, related to annual Group profitability, solidity and liquidity results ("Group Gate") as well as a Zero Factor related to future Group profitability, solidity and liquidity results.

The 2012 Group Incentive System aims to attract, retain and motivate Group beneficiaries and is aligned to national and international regulatory requirements on variable compensation. It aim to define – in the interest of all stakeholders – incentive systems in line 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 to regulatory breaches or to assume excessive risks for the bank and the system in its whole.

The **Share Plan** aims to attract and retain selected resources and to align beneficiaries and shareholder interests, rewarding long term value creation and share price appreciation.

4.2.2 Principal factors of variation and performance indexes taken into account for the assignment of plans based on financial instruments.

The **2015 Group Incentive System** provides an individual performance appraisal based on the achievement of specific goals, linked to the 5 key elements of the UniCredit model of competencies: “Client obsession”; “Execution and Discipline” ; “Cooperation and Synergies”; “Risk Management”; “People and Business Development”.

Incentive payouts shall be made 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.

The **2014 Group Incentive System** provides an Individual performance appraisal based on 4 – 8 goals; other target as options and behaviors which, as relevant, could be considered by the manager for the overall performance appraisal.

The **2013 Group Incentive System** establishes that the achievement of goals defined for 2013 shall be verified using a multi-perspective balanced approach to evaluate the achieved level of performance on operational & sustainability objectives set within an individual evaluation card (“Performance Screen”) and also on other additional goals, as relevant.

The **2012 Group Incentive System** provides that goals of 2012 be achieved in 2013, using a balanced multi-prospective approach to evaluate the performance achieved, with particular reference to operational and sustainability goals defined within a individual performance screen and also considering other goals, if relevant; In 2016 the second tranche in shares and the third tranche in cash are scheduled.

The **Share Plan** provides for UniCredit free ordinary share allocations; each allocation shall be subject to continuous employment at time of actual grant and application of the Zero Factor – as defined annually by the Board of Directors – related to annual Group profitability, solidity and liquidity results and the absence of any individual values / compliance breach and continuous employment. In 2016, the allocation of the last tranche in shares is scheduled, following the verification of the profitability, solidity and liquidity results of the Group.

4.2.3 The factors assumed as basis for the determination of the compensation based upon financial instruments, or the criteria for the determination of the aforesaid compensation.

The following are the general criteria that the Board of Directors has followed, in the resolutions that after the Annual Shareholders’ Meeting approval has executed the Plan, to define the actual number of beneficiaries and the number of *free shares* or performance stock options to be granted.

The **2015 Group Incentive System** provides that in 2016 the Board of Directors – once verified the conditions for 2015 – defines the percentages of the payments in cash and shares for the beneficiaries categories.

The **2014 Group Incentive System** provides that in 2015 the Board of Directors – once verified the conditions for 2014 – defines the percentages of the payments in cash and shares for the beneficiaries categories.

The **2013 Group Incentive System** provides that in 2014 the Board of Directors – once verified the objectives for 2013 – defines the percentages of the payments in cash and shares for the beneficiaries categories.

The **2012 Group Incentive System** provides that in 2013 the Board of Directors – once verified the objectives for 2012 – defines the percentages of the payments in cash and shares for the beneficiaries categories.

The **Share Plan** provides that the beneficiaries and the number of shares to be granted at individual level will be defined by the Board of Directors according to:

- Relevance for the Group and the need of retention;
- the level of performance / potential - delivery ability, performance and results achieved;
- adherence to corporate values and compliance - knowledge and ability to translate corporate values into behaviors and individual adherence to compliance rules, conduct and behavior.

4.2.4 The reasons justifying the decision to assign compensation plans based on financial instruments not issued by UniCredit, such as financial instruments issued by its subsidiaries, its parent companies or third parties; in the event the aforesaid financial instruments are not negotiated on regulated markets, the issuer shall provide information as to the criteria adopted for the calculation of the value attributable to such financial instruments.

The Group Compensation Systems do not contemplate the allocation of similar financial instruments.

4.2.5 The evaluations, with respect to the relevant tax and accounting implications, taken into account in the definition of the plans.

The Group Compensation Systems have not been influenced by significant tax or accounting considerations.

Furthermore, the tax regime and social security contribution applied to the *free shares* allocated, will be compliant with the current regulations in the country where the beneficiary is fiscally resident.

4.2.6 The indication as to whether the plan enjoys any support from the special fund for encouraging worker participation in the companies, as provided for under Article 4, paragraph 112, of Law December, 24 2003 n. 350.

The Group Compensation Systems are not currently supported by the special fund for encouraging worker participation in the companies, as provided for under sect. 4, paragraph 112, of Law December, 24 2003 n. 350.

4.3 PROCEDURE FOR THE ADOPTION OF THE PLAN AND TIMEFRAME FOR THE ASSIGNMENT OF THE FINANCIAL INSTRUMENTS

4.3.1 Powers delegated to the board of directors by the shareholders' meeting for the implementation of the plan.

As already mentioned in the Information Memorandum published at the occasion of the General Shareholders' Meeting of May 13, 2015 for the 2015 Group Incentive System, May 13, 2014 for the 2014 Group Incentive System, of May 11, 2013 for the **2013 Group Incentive system**, of May 11, 2012 for the **2012 Group Incentive system**, of the Shareholders' Meeting of April 29, 2011 for the **Share Plan**, the most efficient instrument identified to execute the Compensation Systems is to delegate the Board of Directors (BoD),

pursuant to sect. 2443 of the Civil Code, of the power to resolve on one or more occasions to increase share capital in accordance with the following provisions:

With reference to the **2015 Group Incentive System**, the BoD could resolve, within a maximum period of five years, in one or more instances, a free share capital under art. 2349 of the Civil Code, of maximum nr. 29,490,000 UniCredit ordinary shares;

With reference to the **2014 Group Incentive System**, the BoD could resolve, within a maximum period of five years, in one or more instances, a free share capital under art. 2349 of the Civil Code, of maximum nr. 28,964,197 UniCredit ordinary shares. In addition, maximum nr. 9,500,000 ordinary shares could be resolved by the BoD to finalize the execution of the 2014 Group Incentive System.

With reference to the **2013 Group Incentive System**, the BoD could resolve, within a maximum period of five years, in one or more instances, a free share capital under art. 2349 of the Civil Code, of maximum nr. 42,200,000 UniCredit ordinary shares;

With reference to the **2012 Group Incentive System**, the BoD could resolve, within a maximum period of five years, in one or more instances, a free share capital under art. 2349 of the Civil Code, of maximum nr. 59,700,000 UniCredit ordinary shares;

With reference to the **Share Plan**, the BoD could resolve, within a maximum period of five years, in one or more instances, a free share capital under art. 2349 of the Civil Code, of maximum nr. 206,000,000 of ordinary shares (this number has been modified to nr. 31,277,019 ordinary shares due to the grouping operation made on December, 27 2011 and the AIAF factor application related to the operations on share capital made by UniCredit).

4.3.2 Indication of the individuals in charge of the management of the plan, their powers authority.

The Organizational Unit "Reward & Benefits" of the Holding is in charge for the management of the incentive plans.

4.3.3 Procedures for the amendment of the plans, if any, also in connection with potential variation of the original targets.

No specific procedures for the amendment of the Group Compensation Systems are provided for.

4.3.4 Description of the modalities for the determination of the availability and assignment of the financial instruments contemplated by the plan.

In order to execute the plans in accordance with the delegation provided by the Shareholders' Meeting on May 13 2015, on May 13 2014, on May 11, 2013, on May 11, 2012, on April 29, 2011 the Board of Directors could resolve to approve a free share capital increase:

- for the **2015 Group Incentive system**, within a maximum period of five years, in one or more instances, of maximum nr. 29,490,000 UniCredit ordinary shares
- with reference to the **2014 Group Incentive System**, the BoD could resolve, within a maximum period of five years, in one or more instances, a free share capital under art. 2349 of the Civil Code, of maximum nr. 28.964.197 UniCredit ordinary shares
- for **2013 Group Incentive system**, within a maximum period of five years, in one or more instances, of maximum nr. 42,200,000 free UniCredit ordinary shares, set by the Board of Directors;
- for the **2012 Group Incentive system**, within a maximum period of five years, in one or more instances, of maximum nr. 59,700,000 free UniCredit ordinary shares, set by the Board of Directors;

- for the **Share Plan**, within a maximum period of five years, in one or more instances, of a maximum number of 31,277,019 free ordinary shares, set by the Board of Directors.

4.3.5 The influence exercised by each director in the determination of the characteristics of the plans; the potential conflict of interest which may trigger the obligation for the relevant director to abstain from exercising his vote in the relevant resolution.

In the determination of the essential characteristics of the Group Compensation Systems and of the relevant criteria for the identification of the instruments under the Plan, the Board of Directors followed the guidelines and criteria elaborated by the Remuneration Committee of UniCredit.

Since the CEO of UniCredit is among the potential beneficiaries of the plans, the latter has abstained from participating in the definition of the plans.

4.3.6 The date on which the board of directors resolved upon the assignment of the financial instruments contemplated by the plan

In order to execute the **2015 Group Incentive system**, in accordance with the delegation received by the Shareholders' Meeting, as described in point 6.3.1, the Board of Directors on March 10, 2016 has resolved the promise to grant nr. 20,204,375 UniCredit ordinary shares to nr. 665 Group Identified Staff upon verification of the achievement of the performance conditions defined for the participants as described in the following section 6.4.5

In order to execute the **2013 Group Incentive system**, in accordance with the delegation received by the Shareholders' Meeting, as described in point 6.3.1, the Board of Directors on February 2, 2016 has resolved the allocation of 3,219,554 free ordinary shares to 464 Group Executives and 1,994,300 ordinary shares to 268 beneficiaries belonging to the Corporate & Investment Banking Division with reference to the 2012 Sustainable Performance Plan.

In order to execute the **2012 Group Incentive system**, in accordance with the delegation received by the Shareholders' Meeting, as described in point 6.3.1, the Board of Directors on February 2, 2016 has resolved the allocation of nr. 6,495,716 UniCredit free ordinary shares to nr. 482 Group Executives.

In order to execute the **Share Plan** in accordance with the delegation received by the Shareholders' Meeting, as described in point 6.3.1, the Board of Directors on February 2 2016 has approved the allocation of nr. 284,091 shares related to the allocation of the second installment of the Plan assigned to CEO in 2013.

4.3.7 The date on which the remuneration committee resolved upon the Plan of UniCredit.

The Remuneration Committee, on February 3, 2016 and March 3, 2016 positively resolved upon the conditions to be applied at the execution of the Group Compensation Systems.

4.3.8 The market price of UniCredit ordinary shares, on the dates mentioned in points 6.3.6 and 6.3.7.

The market price of UniCredit ordinary shares, registered on the dates of Board of Directors approval of the Group Compensation Systems execution (February 9 and March 10 2016) and on the date of the positive opinion by the Remuneration Committee of UniCredit (February 3 and March 3 2016), resulted equal to € 2.77 and € 3.7 on February 9 and March 10 2016, and € 3.202 and € 3.722 on February 3 and March 3 2016.

4.3.9 In which terms and modalities UniCredit takes into account, in the determination of the timeframe for the assignment of the plans, of the possible time-coincidence between:

- i) such assignment or the decision, if any, adopted thereon by the Remuneration Committee, and

ii) the dissemination of relevant information, if any, pursuant to sect. 114, paragraph 1 of Legislative Decree 58/98; for instance, in cases in which such information is:

- a. not already public and capable to positively affect the market quotation, or
- b. already published and capable to negatively affect the market quotation.

In relation to the foregoing it is clarified that the resolution of the General Shareholders' Meeting has been communicated to the market in compliance with the current regulations. It is also clarified that analogous information to the market is made available upon the resolution adopted by the UniCredit Board of Directors in execution of the Group Compensation Systems.

It is worthwhile clarifying that, although all the resolutions on share based plans adopted by the Board of Directors are subject to the prior positive opinion of the Remuneration Committee of UniCredit, the information to the market, where due, is given only after the relevant resolution of the Board of Directors.

4.4. THE CHARACTERISTICS OF THE FINANCIAL INSTRUMENTS ASSIGNED

4.4.1 Description of the compensation plan.

The **2015 Group Incentive System** provides for the grant of an incentive – in cash and free UniCredit ordinary shares – to be allocated to Group Executives and other Identified Staff in a multi-year period (2016-2021) subject to the achievement of specific performance objectives

The **2014 Group Incentive System** provides for the grant of an incentive – in cash and free UniCredit ordinary shares – to be allocated to Group Executives and other Identified Staff in a multi-year period (2015-2020) subject to the achievement of specific performance objectives

The **2013 Group Incentive System** provides for the grant of an incentive – in cash and free UniCredit ordinary shares – to be allocated to Group Executives and other Identified Staff in a multi-year period (2014-2018) subject to the achievement of specific performance objectives

The **2012 Group Incentive System** provides for the grant of an incentive – in cash and free UniCredit ordinary shares – to be allocated to Group Executives and other selected roles in a multi-year period (2013-2017) subject to the achievement of specific performance objectives.

The **Share Plan** provides for the allocation to selected Group beneficiaries *free UniCredit ordinary shares*, subject every year to the application of the Zero Factor - as defined annually by the Board.

4.4.2 Indication of the time period for the implementation of the plan also indicating different cycles, if any, of its implementation.

The *free shares* related to the **2015 Group Incentive System** will be allocated by UniCredit in multiple installments (in the period 2018-2021) subject to the Board assessment in 2016 of the goals achievement set for 2015.

The *free shares* related to the **2014 Group Incentive System** will be allocated by UniCredit in multiple installments (in the period 2017-2020) subject to the Board assessment in 2015 of the goals achievement set for 2014.

The *free shares* related to the **2013 Group Incentive System** will be allocated in multiple installments (in the period 2016-2018) subject to the Board assessment in 2014 of the goals achievement set for 2013.

The *free shares* related to the **2012 Group Incentive System** will be allocated in multiple installments (in the period 2015-2017) subject to the Board assessment of the goals achievement set.

The *free shares* related to the **Share Plan** are subject every year to the application of the Zero Factor - as defined annually by the Board.

4.4.3 The termination date of the plan

The **2015 Group Incentive System** will lapse by May 2021.

The **2014 Group Incentive System** will lapse by May 2020.

The **2013 Group Incentive System** will lapse by May 2018.

The **2012 Group Incentive System** will lapse by May 2017.

The **Share Plan** will lapse by May 2016.

4.4.4 The overall maximum number of financial instruments, also in the form of options, assigned over any fiscal years with respect to the beneficiaries namely identified or identified by categories, as the case may be

The maximum number of *free shares* that the Board of Directors is authorized to allocate for the **2015 Group Incentive System** within the power of the delegation received by UniCredit Shareholders' Meeting is equal to 29,490,000.

The maximum number of *free shares* that the Board of Directors is authorized to allocate for the **2014 Group Incentive System** within the power of the delegation received by UniCredit Shareholders' Meeting is equal to 47,964,197.

The maximum number of *free shares* that the Board of Directors is authorized to allocate for the **2013 Group Incentive System** within the power of the delegation received by UniCredit Shareholders' Meeting is equal to 42,200,000.

The maximum number of *free shares* that the Board of Directors is authorized to allocate for the **2012 Group Incentive System** within the power of the delegation received by UniCredit Shareholders' Meeting is equal to 59,700,000.

The maximum number of *free shares* that the Board of Directors is authorized to allocate for the **Share Plan** within the power of the delegation received by UniCredit Shareholders' Meeting is equal to 206,000,000 (this number has been modified to nr. 31,277,019 ordinary shares due to the grouping operation made on December 27, 2011 and the AIAF factor application related to the operations on share capital made by UniCredit).

At this stage it is not possible to indicate the maximum number of *free shares* allocated in each fiscal year during the life of the Group Compensation Systems, since the actual definition will be done by the Board of Directors on the basis of the criteria approved by the Shareholders' Meeting.

4.4.5 The procedures and clauses for the implementation of the plan, specifying whether the assignment of the financial instruments is subject to the satisfaction of certain specific conditions and, in particular, to the achievement of specific results, including performance targets; a description of the aforesaid conditions and results

Considering the criteria described in the point 6.2.2, the allocation and the exercise of the *free shares* is subject to the achievement of the performance targets set by the Board of Directors. The assessment of the goals achievement should be done by the Board of Directors at the end of the performance period described in point 6.4.2.

4.4.6 Indication of the restrictions on the availability of the financial instruments allocated under the plan or of the financial instruments relating to the exercise of the options, with particular reference to the time limits within which the subsequent transfer of the stocks to the issuer or third parties is permitted or prohibited

The Group Compensation Systems provide that the *free shares* that will be allocated are free from restrictions and, hence, freely transferable as from the date of their issue and carrying the same rights as the ones already in circulation.

4.4.7 Description of any condition subsequent to the plan in connection with the execution, by the beneficiaries, of hedging transactions aimed at preventing the effects of potential limits to the transfer of the financial instruments assigned there under, also in the form of options, as well as to the transfer of the financial instruments relating to the exercise of the aforesaid options

In accordance with national and international regulatory guidelines and the Group Compensation Policy, beneficiaries are required to undertake not to use personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements. Involvement in any form of hedging transaction shall be considered in breach of Group compliance policies and therefore the rights to receive shares shall automatically expire.

4.4.8 Description of the consequences deriving from the termination of the employment or working relationship

With the exception of the “good leavers” cases as provided by the Rules, in case of exit of the beneficiary from the Group or in the event that the beneficiary is subject to disciplinary actions by the employer for irregular activities with reference to processes and rules related to i) risk underwriting ii) sales processes of banking and financial services iii) internal code of conduct, the beneficiary will lose the right to receive the *free shares*; the above unless the Board of Directors, with reference to each single case, decides otherwise.

4.4.9 The indication of any other provisions which may trigger the cancellation of the plan

The Group Compensation Systems do not provide for any provision which may trigger its cancellation.

4.4.10 The reasons justifying the redemption, pursuant to sect. 2357 and followings of the Italian Civil Code, by UniCredit, of the financial instruments contemplated by the plan; the beneficiaries of such redemption, indicating whether the same is limited only to certain categories of employees; the consequences of the termination of the employment relationship with respect to such redemption rights

The Group Compensation Systems do not provide for the redemption by UniCredit or by another Group company with reference to the *free shares* .

4.4.11 The loans or other special terms that may be granted for the purchase of stocks pursuant to sect. 2358, paragraph 3, of the Italian Civil Code

The Group Compensation Systems do not provide for a loan or other special terms for the purchase of the shares.

4.4.12 The evaluation of the economic burden for UniCredit at date of the assignment of the plan, as determined on the basis of the terms and conditions already defined, with respect to the aggregate overall amount as well as with respect to each financial instrument contemplated by the plan

The estimation of the overall cost expected by UniCredit in relation to the Group Compensation Systems at the date of promise to grant the *free shares*, has been made on the basis of the IAS principles, considering the accounting assumptions on the foreseeable beneficiaries exits before the allocation of the *free shares* and on the probability to achieve the performance targets related to the allocation of the *free shares*.

On the basis of these estimations, the overall expected cost for UniCredit at the date of promise to grant the target number of *free shares* is equal to € 1,012.22 mln:

- Euro 238 mln for the **2015 Group Incentive System**;
- Euro 316.32 mln for the **2014 Group Incentive System**;
- Euro 218 mln for the **2013 Group Incentive System**;
- Euro 222.3 mln for the **2012 Group Incentive System**;
- Euro 17.6 mln for the **Share Plan**.

4.4.13 The indication of any dilution on the corporate capital of the issuer resulting from the compensation plan, if any.

The maximum dilution impact of the Group Compensation Systems is amounting to approximately 1,28%.

4.4.14 Any limitation to the voting and to the economic rights

At this stage, the **2015, 2014, 2013 and 2012 Group Incentive System** do not provide for any limitation to the voting or economic rights for the shares allocated.

At this stage, the **Share Plan** does not provide for any limitation to the voting or economic rights for the shares allocated.

4.4.15 In the event the stocks are not negotiated on a regulated market, any and all information necessary for a complete evaluation of the value attributable to them

The Group Compensation Systems provide only for the use of shares negotiated on regulated markets.

4.4.16 The number of financial instruments belonging to each option

The Group Compensation System does not provide for options.

4.4.17 The termination date of the options

The Group Compensation System does not provide for options.

4.4.18 The modalities, time limits and clauses for the exercise of the options

The Group Compensation System does not provide for options.

4.4.19 The strike price of the options or the criteria and modalities for its determination, with respect in particular to:

- a) the formula for the calculation of the exercise price in connection with the fair market value; and to
- b) the modalities for the calculation of the market price assumed as basis for the calculation of the exercise price

The Group Compensation System does not provide for options.

4.4.20 In case the strike price is different from the fair market value as determined pursuant to point 6.4.19.b, the indication of the reasons for such difference

The Group Compensation System does not provide for options.

4.4.21 The criteria justifying differences in the exercise prices between the relevant beneficiaries or class of beneficiaries

The Group Compensation System does not provide for options.

4.4.22 In the event the financial instruments underlying granted options are not negotiated on a regulated market, the indication of the value attributable to the same or of the criteria for its determination

The Group Compensation System does not provide for options.

4.4.23 The criteria for the adjustments required in connection with any extraordinary transaction involving the corporate capital of the issuer as well as in connection with transaction triggering a variation in the number of the financial instruments underlying granted options.

The Group Compensation Systems do not provide for adjustments applicable in connection with extraordinary transactions involving UniCredit corporate capital (saving the provisions that the Board of Directors may define in the resolution in which the Board will exercise the delegation received from the General Shareholders' Meeting).

INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS

Table no. 1 of scheme 7 of Annex 3A Regulation no. 11971/1999

Name or Category (1)	Capacity	Box 1 Financial instruments other than Stock Options (8)						
		Section 1 Instruments related to outstanding plans, approved by previous shareholders meetings' resolutions						
		Date of shareholders meeting resolution	Type of financial instruments (12)	Number of financial instruments (11)	Assignment date (10)	Purchase price of financial instruments, if any	Market price at the assignment date	Vesting period (14)
Federico Ghizzoni	CEO	29/04/11	UniCredit ord.	284.091	11/04/13	0	3,520	01/01/2014 31/12/2015
Federico Ghizzoni	CEO	13/05/14	Unicredit ord.	175.464	09/04/2015 cpr 09/04/2015 cda/oc	0	6,269	09/04/2015 31/12/2019
2 Key Management Personnel	-	11/05/12	UniCredit ord.	108.877	11/04/2013 cpr 11/04/2013 cda/oc	0	3,520	11/04/2013 31/12/2016
3 Key Management Personnel	-	11/05/13	UniCredit ord.	87.512	11/03/2014 cpr 11/03/2014 cda/oc	0	5,862	11/03/2014 31/12/2017
7 Key Management Personnel	-	13/05/14	UniCredit ord.	371.658	09/04/2015 cpr 09/04/2015 cda/oc	0	6,269	09/04/2015 31/12/2019
Category of other employees: Managers	-	11/05/12	UniCredit ord.	8.146.422	11/04/2013 cpr 11/04/2013 cda/oc	0	3,520	11/04/2013 31/12/2016
Category of other employees: Managers	-	29/04/11	UniCredit ord.	1.098.891	20/03/2012 cpr 27/03/2012 bod/oc	0	4,010	27/03/2012 31/12/2014
Category of other employees: Managers	-	11/05/13	UniCredit ord.	9.207.471	11/03/2014 cpr 11/03/2014 cda/oc	0	5,862	11/03/2014 31/12/2017
Category of other employees: Managers	-	13/05/14	UniCredit ord.	14.177.722	09/04/2015 cpr 09/04/2015 cda/oc	0	6,269	09/04/2015 31/12/2019

Name or Category (1)	Capacity	Box 1 Financial instruments other than Stock Options						
		Section 2 Financial instruments to be assigned on the basis of the decision of: - BoD, as to be proposed to shareholders meeting - competent Body to implement shareholders meeting resolution (9)						
		Date of shareholders meeting resolution	Type of financial instruments (12)	Number of financial instruments	Assignment date (10)	Purchase price of financial instruments, if any	Market price at the assignment date	Vesting period (14)
Federico Ghizzoni	CEO	N.A.	UniCredit ord.	N.A.	N.A.	N.A.	N.A.	N.A.
Key Management Personnel	-	N.A.	UniCredit ord.	N.A.	N.A.	N.A.	N.A.	N.A.
Category of other employees: Managers	-	N.A.	UniCredit ord.	N.A.	N.A.	N.A.	N.A.	N.A.

Name or Category (1)	Capacity	Box 2 Stock Options							
		Section 1 Options relating to outstanding plans approved on the basis of previous shareholders meetings' resolutions (8)							
		Date of shareholders meeting resolution	Instrument description (12)	Financial instruments underlying the option held at the end of previous year (11) (a)	Financial instruments underlying the options exercised (13) (a)	Assignment date (10)	Exercise price	Market price of underlying shares at the assignment date (b)	Period of possible exercise (from..to)
Federico Ghizzoni	CEO	04/05/04	UniCredit	26.882	-	29/06/2004 cpr 22/07/2004 bod/oc	22,419	3,945	03/09/2008 31/12/2017
Federico Ghizzoni	CEO	04/05/04	UniCredit	35.843	-	10/11/2005 cpr 18/11/2005 bod/oc	26,878	5,266	18/11/2009 31/12/2018
Federico Ghizzoni	CEO	12/05/06	UniCredit	32.349	-	07/06/2006 cpr 13/06/2006 bod/oc	33,205	5,626	13/06/2010 31/12/2019
Federico Ghizzoni	CEO	10/05/07	UniCredit	56.137	-	07/06/2007 cpr 12/06/2007 bod/oc	39,583	37,127	15/07/2011 15/07/2017
Federico Ghizzoni	CEO	08/05/08	UniCredit	141.270	-	17/06/2008 cpr 25/06/2008 bod/oc	23,351	22,893	09/07/2012 09/07/2018
Federico Ghizzoni	CEO	29/04/11	UniCredit	672.125	-	20/03/2012 cpr 27/03/2012 bod/oc	4,010	4,1476	01/04/2016 31/12/2022
5 Key Management Personnel		04/05/04	UniCredit	163.355	-	29/06/2004 cpr 22/07/2004 bod/oc	22,419	3,945	03/09/2008 31/12/2017
5 Key Management Personnel		04/05/04	UniCredit	327.790	-	10/11/2005 cpr 18/11/2005 bod/oc	26,878	5,266	18/11/2009 31/12/2018
5 Key Management Personnel		12/05/06	UniCredit	273.201	-	07/06/2006 cpr 13/06/2006 bod/oc	33,205	5,626	13/06/2010 31/12/2019
5 Key Management Personnel		10/05/07	UniCredit	297.599	-	07/06/2007 cpr 12/06/2007 bod/oc	39,583	37,127	15/07/2011 15/07/2017
5 Key Management Personnel		08/05/08	UniCredit	814.359	-	17/06/2008 cpr 25/06/2008 bod/oc	23,351	22,893	09/07/2012 09/07/2018

5 Key Management Personnel		29/04/11	UniCredit	1.020.405	-	20/03/2012 cpr 27/03/2012 bod/oc	4,010	4,1476	01/01/2016 31/12/2022
Category of other employees: Managers		04/05/04	UniCredit	1.547.498	-	29/06/2004 cpr 22/07/2004 bod/oc	22,419	3,945	03/09/2008 31/12/2017
Category of other employees: Managers		04/05/04	UniCredit	4.038.449	-	10/11/2005 cpr 18/11/2005 bod/oc	26,878	5,266	18/11/2009 31/12/2018
Category of other employees: Managers		12/05/06	UniCredit	3.126.512	-	07/06/2006 cpr 13/06/2006 bod/oc	33,205	5,626	13/06/2010 31/12/2019
Category of other employees: Managers		10/05/07	UniCredit	3.042.490	-	07/06/2007 cpr 12/06/2007 bod/oc	39,583	37,127	15/07/2011 15/07/2017
Category of other employees: Managers		08/05/08	UniCredit	8.991.558	-	17/06/2008 cpr 25/06/2008 bod/oc	23,351	22,893	09/07/2012 09/07/2018
Category of other employees: Managers		29/04/11	UniCredit	6.643.869	-	20/03/2012 cpr 27/03/2012 bod/oc	4,010	4,1476	01/01/2016 31/12/2022

(a) The data is referred to the number of Financial instruments underlying the options assigned and not forfeited accordingly to the long term incentive plans and have been adjusted because of the capital operation resolved by UniCredit General Meeting on 29, April 2009 (script dividend), on 15, November 2009 and on 16, December 2011.

b) The market price of the financial instruments at the assignment date for plan 2004, 2005 and 2006 has not been adjusted because of the capital operation.

Name or Category (1)	Capacity	Box 2 Stock Options						
		Section 2 Options to be assigned on the basis of the decision of: - BoD, as to be proposed to shareholders meeting X competent Body to implement shareholders meeting resolution (9)						
		Date of shareholders meeting resolution	Instrument description (12)	Number of options	Assignment date (10)	Exercise price	Market price of underlying shares at the assignment date	Period of possible exercise (from..to)
Federico Ghizzoni	CEO	N.A.	UniCredit	N.A.	N.A.	N.A.	N.A.	N.A.
Key Management Personnel		N.A.	UniCredit	N.A.	N.A.	N.A.	N.A.	N.A.
Category of other employees: Managers		N.A.	UniCredit	N.A.	N.A.	N.A.	N.A.	N.A.

Footnotes to the table

- (1) The issuer shall fill-in a line for each beneficiary namely identified as well as for each category contemplated by the plan; for each individual or category shall be indicated a specific line for: i) each type of financial instrument or option granted (e.g., different exercise prices and/or exercise dates imply different type of options); ii) each plan approved by different shareholders' meetings.
- (2) Indicate the name of the members of the board of directors or management body of the issuer and of its subsidiaries or parent companies.
- (3) Indicate the name of the General Manager of the shares issuer.
- (4) Indicate the name of the individuals controlling the issuer of stocks, who are employee or who render their services to the issuer of stock without being employee of the same.
- (5) Indicate the name of other executives with strategic responsibilities of the shares issuer not classed as "small", in accordance with Article 3, paragraph 1, letter f) of Regulation no. 17221 of 12 March 2010, if they have, during the course of the year, received total compensation (obtained by adding the monetary compensation to the financial instrument-based compensation) in excess of the highest total compensation assigned to the members of the board of directors or management board, and to the general managers of the financial instrument issuer
- (6) Indicate the category of executives with strategic responsibilities for whom there is an indication by category is
- (7) Indicate the category of other employees and the category of collaborators not employed by the issuer. The issuer shall fill-in different lines in connection with the categories of employees or collaborators for which the plan provides for different characteristics (e.g., managers, officers, employees).
- (8) The relevant data shall refer to financial instruments relating to plans approved by means of:
 - i) shareholders' resolutions adopted prior to the date on which the competent corporate body approves the proposal to the shareholders' meeting and/or
 - ii) shareholders' resolutions adopted prior to the date on which the competent corporate body implements the shareholders' resolution;therefore the table shall indicate:
 - in the event under i) above, data adjourned as at the date of the competent body's proposal to the shareholders' meeting (in which case the table is attached to the information document prepared for the shareholders' meeting called to approve the plan);
 - in the event under ii) above, data adjourned as at the date of the competent body's resolution implementing the plan, (in which case the table is attached to the information documents to be published following the competent body's resolution implementing the plan);
- (9) The data may refer to:
 - a. the resolution of the board of directors preceding the shareholders' meeting, as to the table attached to the information document submitted to the same; in such event the table shall indicate only the characteristics already defined by the board of directors;
 - b. the resolution of the corporate body which resolves upon the implementation of the plan following the approval by the shareholders' meeting, in the event the table is attached to the press release to be issued following such last resolution implementing the plan.In both the aforesaid cases the issuer shall cross out the corresponding box relating to this footnote No. 9. For the data not available the issuer shall indicate in the corresponding box the code "N.A." (Not available).
- (10) In case the date of the assignment is different from the date on which the remuneration body (*comitato per la remunerazione*), if any, makes the proposal relating to such assignment, the issuer shall indicate also the date of such proposal highlighting the date of the board of directors or the

competent corporate body's resolution with the code "cda/oc" (for the board of directors/competent body) and the date of the proposal of the remuneration body (*comitato per la remunerazione*) with the code "cpr" (for the remuneration body).

- (11) The number of options held at the end year, preceding the date in which the shareholder's meeting is called resolve the new allocation.
- (12) Indicate for example, in box 1: i) stock of issuer X, ii) financial instrument indexed to issuer Y stock value, and in box 2: iii) option on issuer W stock with physical settlement; iv) option on issuer Z stock with cash settlement, etc..
- (13) The number of option exercised from the beginning of the plan until the end year, preceding the date in which the shareholder's meeting is called to resolve a new stock option plan.
- (14) Vesting period means the period between the moment in which the right to participate to the incentive system is granted and the moment in which the right may be exercised.