

PRESS RELEASE

UniCredit to strengthen and promote best in class corporate governance

The Board of UniCredit today approved a number of actions to strengthen its own corporate governance and to simplify the Bank's share capital structure. These amendments to the Company Articles of Association are subject to approval of a Shareholders' Meeting and an Extraordinary General Meeting to be convened on 4 December 2017.

The following resolutions will be put forward by the Board to the 2017 EGM:

- 1. Empowerment of the Board of Directors to present its own list of candidates for the election of Directors and increase of the number of Directors appointed from the minority list;**
- 2. Removal of the 5 per cent limit on voting rights;**
- 3. Mandatory conversion of savings shares into ordinary shares;**
- 4. Transfer of the Company's registered office from Rome to Milan.**

The resolutions concerning the mandatory conversion of savings shares into ordinary shares will be also put forward by the Board to the 2017 Special Meeting of Savings Shareholders that will be held on the same day, i.e. 4 December 2017.

The objective of these initiatives is to improve and simplify UniCredit S.p.A.'s corporate governance structure as well as to align it with the best practice, whilst also simplifying its share capital structure.

The notice of call concerning these Meetings will be published in the next days along with the relevant Directors' Reports on the items of the Agenda pursuant to the current terms and conditions.

In addition to the above initiatives, the Board of Directors resolved to initiate discussions with the relevant Authorities and market management companies in Poland to explore the feasibility of revoking the trading of ordinary shares on the Warsaw Stock Exchange.

EMPOWERMENT OF THE BOARD OF DIRECTORS TO PRESENT ITS OWN LIST OF CANDIDATES FOR THE ELECTION OF DIRECTORS AND INCREASE OF THE NUMBER OF DIRECTORS APPOINTED FROM THE MINORITY LIST

This amendment to the Company's Articles of Association is to allow the Board of Directors to present a list of candidates for the election of Directors at such time as the Board is being renewed.

This evolution is in accordance with the Italian Corporate Governance Code and objective envisaged by the relevant regulatory requirements, and is in line with best practice adhered to by a number of international listed companies, as well as companies in the Italian FTSE MIB Index.

In addition, in order to more closely align the Bank with best governance practices, the intention is, regardless of the total number of Board members, to raise the number of Directors appointed from the minority list from one to two.

REMOVAL OF THE 5 PER CENT LIMIT ON VOTING RIGHTS

This proposal is to remove the provision in the Articles of Association that limits ordinary shareholders' exercise of voting rights to 5% of Company share capital. This amendment would align UniCredit's governance with the principle that the voting system be proportional to the capital invested ("one share one vote"), in line with international best practice.

As it affects the rights of ordinary shareholders, this amendment triggers ordinary shareholders' rights to withdraw, pursuant to Article 2437 of the Italian Civil Code, which may be exercised pursuant to the provisions of law. Nevertheless, having taken into account the proposed amendment, which is exclusively to the benefit of shareholders and, in any event, should not prejudice any actions strengthening the Company's share capital under the "Transform 2019" plan, the decision that may be taken will be subject to the condition that the overall withdrawal does not exceed the threshold of no. 5,564,220 ordinary shares, equal to 0.25% of the Company's share capital (stop-loss). In any case, in order to preserve the Company's interest, the Board of Directors will be also empowered to waive it.

The liquidation value in relation to ordinary shares covered by withdrawal will be determined by referring to the arithmetic average of closing prices during the six months prior to the publication of the call notice for the Shareholders' Meeting which will vote on the resolution to approve the withdrawal pursuant to Article 2437-*bis* of the Italian Civil Code and, therefore, shall be calculated on that date.

MANDATORY CONVERSION OF SAVINGS SHARES INTO ORDINARY SHARES

This proposal, which will be submitted to the Shareholders' Meeting in its Extraordinary session and to the Special Meeting of Savings Shareholders, envisages the mandatory conversion of the current 252,489 savings shares into ordinary shares, along with the consequent amendments to the Company Articles of Association.

The conversion of savings shares into ordinary shares contributes to the pursuit of the objective of achieving an overall simplification of the capital structure, and achieves associated cost savings.

The conversion ratio has been set by the Board of Directors at its meeting in the following amount: no. 3.82 ordinary shares with regular dividend rights for each no. 1 savings share subject to the conversion, plus an additional cash adjustment equal to Euro 27.25 per savings share, assigning newly issued shares and/or own shares and in any case without variation of the share capital value.

Given that it affects the rights of savings shareholders, the conversion of saving shares into ordinary shares will not be submitted solely to the Shareholders' Meeting in its Extraordinary session, but it will also be submitted to the Special Meeting of this shareholder class, and will trigger the savings shareholders' right to withdraw, which may be exercised pursuant to legal provisions. The liquidation value in relation to savings shares covered by withdrawal will be determined by referring to the arithmetic average of closing prices during the six months prior to publication of the call notice for the Shareholders' Meeting at which resolutions are taken to legitimize the withdrawal pursuant to Article 2437-*bis* of the Italian Civil Code and, therefore, shall be calculated on that date.

TRANSFER OF THE COMPANY REGISTERED OFFICE FROM ROME TO MILAN

This action, which requires an amendment to Clause 2 of the Company Articles of Association, is part of the programme for streamlining the decision-making process; the Company's Head Office is located in Milan.

DELISTING FROM THE TRADING OF ORDINARY SHARES ON THE WARSAW STOCK EXCHANGE

Further to the disposal of the controlling equity interest in Bank Pekao in June 2017, discussions will be initiated with the relevant Authorities and market management companies in order to explore the feasibility of revoking the trading of ordinary shares on the Warsaw Stock Exchange in Poland.

All necessary amendments to the Company Articles of Association will become effective subject to having previously obtained the necessary authorizations from the Supervisory Authority.

Furthermore, the Board resolved to call on the same date (i.e., 4 December 2017) the Shareholders' Meeting also in its ordinary session and to put forward to the same the following resolution:

1. Completion of the Board of Statutory Auditors

Following the resignation handed in on 2 May 2017 by the permanent Statutory Auditor Mr. Enrico Laghi, Mr. Guido Paolucci - who was already a stand-in Statutory Auditor of the Company - replaced him, pursuant to the provisions of both law and the Articles of Association.

According to Article 2401 of the Italian Civil Code, the Shareholders' Meeting in its ordinary session - given that the office of Mr. Paolucci will expire at such convened Meeting - shall appoint a permanent Statutory Auditor for the completion of the Board of Statutory Auditors (and, if necessary, a new stand-in Statutory Auditor), who shall remain in office until the end of term of the current Board of Statutory Auditors and, therefore, until the Shareholders' Meeting called to approve the financial statements for the 2018 financial year.

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