

# Unlock your potential

**1. Authorisation to purchase treasury shares aimed at remunerating the shareholders - update and integration of the resolution of 8 April 2022. Consequent and inherent resolutions**

**Directors' Report**

**14 September 2022**

Ordinary part Shareholders' Meeting

# Authorisation to purchase treasury shares aimed at remunerating the shareholders – update and integration of the resolution of 8 April 2022. Consequent and inherent resolutions

**Directors' Report to the shareholders drafted pursuant to Article 125-ter of D.Lgs. 58 dated 24 February 1998 and Article 73 of the Regulation adopted by CONSOB with Resolution No. 11971 dated 14 May 1999**

Messrs Shareholders,

the Board of Directors has called you to an ordinary shareholders' meeting to resolve a proposal to update and integrate the authorisation to purchase shares of UniCredit S.p.A. ("**UniCredit**" or the "**Company**") resolved by the shareholders' meeting on 8 April 2022 (the "**Buy-Back Programme 2021**").

In particular, it should be noted that, on 8 April 2022, the shareholders' meeting authorised the Board of Directors to, *inter alia*, purchase UniCredit shares equal to a total expenditure up to Euro 2,579,954,000.00 and, in any case, not exceeding no. 215,000,000 shares.

Pursuant to the above-mentioned shareholders' meeting authorisation and the authorisation granted by the European Central Bank, on 11 May 2022 the Company launched the first tranche of the share buy-back programme for a maximum amount of Euro 1,580,000,000.00 (the "**First Tranche of the Buy-Back Programme 2021**"). On 14 July 2022, the First Tranche of the Buy-Back Programme 2021 was concluded with purchase in aggregate of no. 162,185,721 shares for a total expenditure of Euro 1,579,999,994.85 and, therefore, based on the authorisation granted on 8 April 2022, an additional maximum of no. 52,814,279 shares may be purchased for a total residual expenditure of Euro 999,954,005.15.

The no. 162,185,721 shares purchased with the First Tranche of the Buy-Back Programme 2021 were cancelled on 19 July 2022.

Considering the evolution of the price of UniCredit's share in recent months, in order to allow the prosecution of the Buy-Back Programme 2021 for the remaining part (equal to Euro 999,954,005.15) of the maximum total expenditure authorised by the shareholders' meeting on 8 April 2022, it is necessary to update and integrate the authorisation granted by such shareholders' meeting in order to increase the maximum number of UniCredit shares subject to the aforementioned authorisation from no. 52,814,279 to a maximum no. 200.000.000.

We submit to your attention this report, prepared in compliance with and according to the structure of Appendix 3A, table no. 4, of CONSOB Regulation 11971 of 14 May 1999 (the “**Issuers’ Regulation**”).

## 1 Reasons for the proposed authorisation to purchase UniCredit shares

In line with the communication made on 9 March 2022 with the publication of the explanatory report concerning the Buy-Back Programme 2021, the update of the authorisation to purchase UniCredit shares referred to under this report is part of the activities envisaged in the 2022-2024 strategic plan (“**UniCredit Unlocked**” or the “**Plan**”) presented to the market on 9 December 2021 and is aimed at the prosecution of the Buy-Back Programme 2021.

In particular, as of the day of this report, the Company has:

- distributed a cash dividend equal to a total consideration of Euro 1,170,046,000.00 from the allocation of profit for the year 2021, corresponding to approximately 30% of the so-called “underlying consolidated net profit”<sup>1</sup>, approved by the ordinary shareholders’ meeting held on 8 April 2022;
- in execution of the First Tranche of the Buy-Back Programme 2021, purchased no. 162,185,721 UniCredit shares, for a total expenditure of Euro 1,579,999,994.85; and
- cancelled the aforementioned no. 162,185,721 shares purchased.

In order to continue with the total distribution envisaged by UniCredit Unlocked in relation to the financial year ended on 31 December 2021, it is envisaged to launch one or more additional tranches of the Buy-Back Programme 2021 for the residual amount equal to a maximum of Euro 999,954,005.15 to purchase a number of UniCredit shares not exceeding no. 200,000,000 (equal to 9.9% of the share capital of UniCredit) (the “**Additional Tranche of the Buy-Back Programme 2021**”) instead of the no. 52,814,279 shares.

In line with the completion of the First Tranche of the Buy-Back Programme 2021, any shares purchased in execution of the Additional Tranche of the Buy-Back Programme 2021 will be subsequently subject to cancellation. Indeed, it is hereby specified that the Board of Directors simultaneously submits to the shareholders’ meeting, held in extraordinary session, the proposal to cancel such shares. For further information on the proposal to cancel the UniCredit treasury shares, please refer to the report of the Board of Directors referred to in item 1 on the extraordinary session agenda.

Without prejudice to the above, it is hereby specified that any purchase made under this request for authorisation will be (i) made in compliance with the purposes set out in the laws and regulations in force and applicable from time to time and with any indications given by the relevant Supervisory Authorities; and (ii) subject to prior authorisation by the European Central Bank. The execution of the share buy-back programme will also be assessed taking a prudent and sustainable approach to distributions.

## 2 Maximum number, category and nominal value of the shares covered by the authorisation

At the date of the report, the share capital of UniCredit is made up of Euro 21,220,169,840.48 and is comprised of no. 2,022,218,890 shares without nominal value.

In compliance with the purposes described under Paragraph 1 above and taking into account the available reserves as resulting from UniCredit’s financial statements as at 31 December 2021, it is proposed that the shareholders’ meeting updates and integrates the authorisation for the purchase, in one or more transactions, of maximum UniCredit shares equal to the total expenditure up to Euro 999,954,005.15, as updated following the conclusion of the First Tranche of the Buy-Back Programme 2021 (the “**Maximum Total Expenditure**”) for a number not exceeding no. 200,000,000 UniCredit shares (equal to 9.9% of UniCredit’s share capital), amount not including the shares already purchased and cancelled under the First Tranche of the Buy-Back Programme 2021.

Pursuant to Article 2357, paragraph 1, of the Italian Civil Code the purchase transactions will be carried out within the limits of distributable profits and available reserves reported in the latest duly approved financial statements, provided

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<sup>1</sup>Net profit adjusted for non-operating items

that any purchase, if actually executed in accordance with this report, shall be carried out within the limits and in accordance with the authorisation issued by the European Central Bank. In particular, following the authorisation of the shareholders' meeting and the authorisation that will be issued by the European Central Bank, a part of the available reserves and specifically of the "Share Premium Reserve", equal to the aggregate maximum expenditure as authorised by the European Central Bank, will be used to constitute a specific unavailable reserve named "Unavailable Reserve for the Purchase of Treasury Shares". In addition, in relation to the purchases carried out pursuant to the authorisation of the shareholders' meeting, an amount equal to the value of the purchases effectively made will be allocated to a negative component of net equity (item "Treasury shares"), as long as the treasury shares will be in the portfolio.

### 3 Useful information for assessing compliance with Article 2357, paragraph 3, of the Italian Civil Code

At the date of the report, UniCredit does not hold treasury shares in the portfolio. As of 30 June 2022, the subsidiaries of UniCredit held no. 761,149 shares of the Company.

The purchase subject to your authorisation complies with the limit set out in Article 2357, paragraph 3, of the Italian Civil Code since it concerns a number of shares that cannot exceed the limits set out in the said article (*i.e.*, one fifth of the share capital).

### 4 Term of authorisation

The purchase authorisation, which may be carried out in part and/or in one or more transactions, is requested until the earliest of: (i) the term of 18 (eighteen) months from the date of the authorisation resolution of the shareholders' meeting held on 8 April 2022; and (ii) the date of the shareholders' meeting which will be called to approve the financial statements for the year ending on 31 December 2022. It is understood that any purchase transactions – if authorised by you – may be carried out only after the issuance of the required authorisation from the European Central Bank (and within the limits thereof) and will be assessed in accordance with this report.

### 5 Minimum and maximum price

The share purchases referred to in this report must be carried out at a price that will be determined on a case-by-case basis, in compliance with the applicable regulatory requirements, including those of the European Union, in force from time to time, it being understood that the purchase price cannot diverge downwards or upwards by more than 10% from the official price registered by the UniCredit share in the trading session of Euronext Milan, organised and managed by Borsa Italiana S.p.A., on the day prior to the execution of each individual purchase transaction.

Without prejudice to the above, the Company will operate, in any case, in compliance with further operational limits required by laws and regulations in force and applicable from time to time (including the European law and regulations) and with the indications given by the competent Supervisory Authorities (if any).

### 6 Procedures for the purchase of UniCredit shares

The purchase transactions which are the subject of your authorisation will be carried out (in one or more transactions) in accordance with the procedures regulated pursuant to Article 132 of D.Lgs. 58 dated 24 February 1998 (the "**Italian Consolidated Financial Act**", Article 144-*bis* of the Issuers' Regulation, Article 5 of Regulation (EU) no. 596/2014 of the European Parliament and the Council of 16 April 2014 (the "**MAR**") and the related implementing provisions.

In particular, it is currently envisaged that purchases will be carried out, in accordance with the provisions of article 144-*bis*, paragraph 1, letter b) of the Issuers' Regulations, on regulated markets or multilateral trading facilities on which UniCredit shares are traded according to the operating procedures set out in the regulations governing the organisation and management of the relevant market, which do not allow direct matching of buy orders with predetermined sell orders.

The Company will communicate the purchase transactions of UniCredit shares (if any), in accordance with laws and regulations in force and applicable from time to time.

## 7 Cancellation with no reduction of share capital

The Board of Directors simultaneously submits to the shareholders' meeting, held in extraordinary session, the proposal to cancel any treasury shares purchased in execution of the authorisation which is the subject of this report, specifying that the cancellation will be carried out with no reduction in nominal value of the share capital, taking into consideration the absence of nominal value of UniCredit shares.

For further information on (i) the reserves that it is proposed to use for the possible purchase transactions of UniCredit shares and the possible cancellation of the same and (ii) the accounting impacts of such transactions, please refer to paragraph 2 above and the report of the Board of Directors referred to in item 1 on the extraordinary session agenda.

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Based on the above, the Board of Directors asks you to adopt the following:

*“Having acknowledged the proposal made by the Board of Directors, the ordinary shareholders' meeting of UniCredit S.p.A., having evaluated the explanatory report of the Board of Directors drafted pursuant to Article 125-ter of Legislative Decree 58 dated 24 February 1998 (the **“Italian Consolidated Financial Act”**) and Article 73 of the Regulation adopted by CONSOB with Resolution No. 11971 dated 14 May 1999 (the **“Issuers' Regulation”**) and in compliance with and according to the structure of Appendix 3A, table no. 4, of the Issuers' Regulation and the proposal contained therein;*

*hereby resolves*

*1. to update and integrate the authorisation granted by the shareholders' meeting on 8 April 2022, authorising the Board of Directors, pursuant to Articles 2357 et seq. of the Italian Civil Code and Article 132 of the Italian Consolidated Financial Act, to carry out the purchases, in one or more transactions, of shares of the Company, subject to authorisation of the European Central Bank, for the purposes illustrated in the abovementioned explanatory report of the Board of Directors; the authorisation, as updated and integrated pursuant to this resolution, is granted for maximum UniCredit shares equal to the residual total expenditure of up to Euro 999,954,005.15, as updated following the conclusion of the First Tranche of the Buy-Back Programme 2021, and, in any case, not exceeding no. 200,000,000 UniCredit shares (equal to 9.9% of UniCredit's share capital), amount including the residual no. 52,814,279 shares as authorised by the shareholders' meeting on 8 April 2022 and not including the shares already purchased and cancelled under the First Tranche of the Buy-Back Programme 2021, within the earliest of: (i) the term of 18 (eighteen) months from the date of the resolution of shareholders' meeting held on 8 April 2022; and (ii) the date of the shareholders' meeting which will be called to approve the financial statements for the year ending on 31 December 2022;*

*2. to authorise the Board of Directors to proceed with the purchases of UniCredit shares pursuant to the resolution under point 1) above, in accordance with the procedures specified thereafter:*

*(i) purchases must be carried out at a price that will be determined on a case-by-case basis, in compliance with the applicable regulatory requirements, including those of the European Union, in force from time to time, it being understood that the purchase price cannot diverge downwards or upwards by more than 10% from the official price registered by the UniCredit shares in the trading session of Euronext Milan, organised and managed by Borsa Italiana S.p.A., on the day prior to the execution of each purchase transaction;*

*(ii) purchase transactions shall be carried out in accordance with Article 132 of the Italian Consolidated Financial Act, Article 144-bis, paragraph 1, letters b), of the Issuers' Regulation, as well as in accordance with any other laws and regulations (including the European law and regulations), in force and applicable from time to time;*

*3. to confirm, for the execution of the purchase plan referred to in point 1 above and in compliance with the authorisation that will be issued by the European Central Bank, the allocation of a maximum amount up to Euro 999,954,005.15 (as residual amount following the conclusion of the First Tranche of the Buy-Back Programme 2021) to the specific reserve denominated “Unavailable Reserve for the Purchase of Treasury Shares” through withdrawal from the “Share Premium Reserve”;*

*4. to grant the Board of Directors and, on its behalf, the Chief Executive Officer, with the power of sub-delegation to Executive Personnel, with all powers in order to, in accordance with the conditions set out in the abovementioned*

*report, carry out the transaction of purchase of UniCredit shares and any necessary accounting entries resulting from the resolutions referred to in points 1) 2), and 3) above, as well as any purchases carried out in execution of this authorisation, in any case in full compliance with current regulations and within the limits set out in this authorisation as resolved above, together with any necessary power, none excluded or excepted, to carry out any other formality in order to obtain the necessary authorisations for the above-mentioned resolutions and, in general, any other authorisation for the full execution of the resolutions, including the power to make changes or additions to the resolutions (not substantially modifying the content of the resolutions) deemed necessary and/or appropriate for filing with the Companies Register or for the implementation of laws and regulations or which may be required by the relevant Supervisory Authorities.”.*