

# » 1. Authorisation to purchase treasury shares aimed at remunerating the shareholders

Directors' Report

27 October 2023

Ordinary part Shareholders' Meeting

# Authorisation to purchase treasury shares aimed at remunerating the shareholders. 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, among others, a proposal to authorise the purchase of a maximum shares of UniCredit S.p.A. ("**UniCredit**" or the "**Company**"), equal to a total expenditure up to Euro 2,500,000,000.00 and, in any case, not exceeding no. 160,000,000 UniCredit shares (equal to approximately [9]% of the share capital of UniCredit), to be carried out, in one or more transactions, within the earliest of: (i) the date of the shareholders' meeting which will be called to approve the financial statements for the year ending on 31 December 2023; and (ii) 30 June 2024, respectively pursuant to Article 2357 of the Italian Civil Code and Article 132 of Legislative Decree 58/1998 ("**Italian Consolidated Financial Act**") and the relevant implementing regulations, and Article 2357-ter of the Italian Civil Code. The purchase program is subject to the prior permission of the European Central Bank ("**ECB**").

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 shares of UniCredit

The request for authorisation to purchase shares referred to under this report is part of the activities envisaged in the 2022-2024 strategic plan ("**UniCredit Unlocked**") presented to the market on 9 December 2021.

Pursuant to UniCredit Unlocked, thanks to the new business model which allows for strong organic capital generation, an increased and growing shareholders distribution is envisaged. On 26 July 2023 in the context of the presentation of 1 H 23 results, a FY 23 guidance upgrade was provided including 2023 shareholder distribution equal to or higher than 6.5 billion.

In particular, following the results recorded in the first semester of 2023, with an organic capital generation of ca. Euro 6.5 billion, the Board of Directors proposes to undertake, as of the present time, a purchase of UniCredit shares (so called *share buy-back programme*) corresponding to a total expenditure up to a maximum of Euro 2,500,000,000.00 as shareholder remuneration. The aforementioned share buy-back programme constitutes a part of the total distribution that the Company expects to undertake during the year ending on 31 December 2024, it being understood that the final amount of the aforesaid distribution, as well as its allocation between the share buy-back programmes and dividends, will be defined by the BoD on the basis of actual 2023 results and capital position and subject to relevant approvals. With reference to the aforementioned share buy-back programme, 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 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 the share buy-back programme referred to in the buy-back programme will be (i) subject to prior permission of ECB; (ii) 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.

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

At the date of the approval of this report by the Board of Directors, the share capital of UniCredit is made up of Euro 21,277,874,388.48 and is comprised of no. 1,784,663,080 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 2022, as well as in compliance with the additional civil law requirements<sup>1</sup>, the authorisation is requested for the purchase, in one or more transactions, of maximum shares of UniCredit equal to a total expenditure up to Euro 2,500,000,000.00 (the "**Maximum Total Expenditure**") and, in any case, not exceeding no. 160,000,000 UniCredit shares (equal to approximately [9]% of UniCredit's share capital).

The purchases shall be carried out within the limits and in accordance with the permission that will be issued by the ECB, as well as in compliance with the above-mentioned civil law requirements. In particular, following the authorisation of the shareholder's meeting and the permission to be issued by the ECB, a part of the available reserves and specifically of the "Statutory Reserve" up to Euro 2,500,000,000.00, will be used to constitute a specific unavailable reserve named "Unavailable Reserve for the Purchase of Treasury Shares". In addition, pursuant to the authorisation of the shareholder's meeting, an amount equal to the value of the purchases effectively made will be allocated to a specific 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 approval of this report by the Board of Directors, UniCredit holds 9,202,000 treasury shares in the portfolio, purchased in the context of the buy-back programme announced to the market on 20 June 2023 and commenced on 30 June 2023. As of 31 August 2023, the subsidiaries of UniCredit held no. 582.864 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 date of the shareholders' meeting which will be called to approve the financial statements for the year ending on 31 December 2023; and (ii) 30 June 2024. It is understood that any purchase transactions – if authorised by you – may be carried out only after the issuance of the required permission from the ECB (and within the limits thereof) and will be assessed in accordance with this report.

---

<sup>1</sup>Pursuant to Article 2357, paragraph 1, of the Italian Civil Code, the Company may not purchase treasury shares except within the limits of distributable profits and available reserves reported in the latest duly approved financial statements.

## 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.

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 issued 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 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 treasury 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 the cancellation of shares, please refer to the report of the Board of Directors referred to in item 1 on the extraordinary session agenda.

\*\*\*\*\*

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 authorise 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, also in part and/or in one or more transactions, of shares of the Company, subject to authorisation of the European Central Bank, for the purposes illustrated in the above-mentioned explanatory report of the Board of Directors; the authorisation is granted for maximum shares of UniCredit equal to a total expenditure up to Euro 2,500,000,000.00 and, in any case, not exceeding no. 160,000,000 UniCredit shares, within the earliest of: (a) the date of the shareholders' meeting which will be called to approve the financial statements for the year ending on 31 December 2023; and (b) 30 June 2024;*

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 authorise, 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 2,500,000,000.00 to constitute a specific reserve denominated "Unavailable Reserve for the Purchase of Treasury Shares" through withdrawal from the "Statutory Reserve";

4. to grant the Board of Directors and, on its behalf, the Chief Executive Officer, as well as the Company's Executive Personnel, also severally, 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, 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."