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## UNICREDIT GROUP LONG TERM INCENTIVE PLAN 2010

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This presentation does not replace and/or supersede in any case the Directors' Reports concerning the relevant items on the Agenda of the ordinary and extraordinary shareholders' meeting scheduled on April, 20 2010 and published on the website [www.unicreditgroup.eu](http://www.unicreditgroup.eu).

Such Directors' reports are therefore the only documents with legal effect that the shareholders shall make reference to in order to obtain all the necessary information to duly exercise their voting rights.

Shareholders' Meeting – Extraordinary session

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April, 2010

## EXECUTIVE SUMMARY



2010 LTI PLAN

- Long Term Incentive (LTI) is a key element of the UniCredit Group Compensation policy which is **performance oriented, market aware and aligned with business strategy & stakeholder interests.**
- **Since 2000, the UniCredit Shareholders have supported the implementation of a number of share-based LTI Plans,** approved and allocated to selected groups of employees.
- On January, 21 2010 the Board of Directors, upon positive opinion of the Remuneration Committee, deliberated to submit to the Shareholders' Meeting for approval the **UniCredit Group Long Term Incentive Plan 2010:**
  - **adopting a combination of performance stock options & performance shares**
  - **performance conditions** on both Performance Shares and Stock Option vesting
  - **10-year total plan life with 3-year performance period**
  - **150% upside opportunity** to reflect introduction of performance conditions
  - **comprehensive view of performance,** including internal and external measures risk & cost of capital adjusted (relative Total Shareholder Return & Economic Profit)

### TODAY'S DECISION: LTI PLAN APPROVAL

- The Shareholders Meeting will be requested to:
  - **approve** - in the **Ordinary session** - the 2010 Group LTI Plan, in compliance with the current legal and regulatory provisions;
  - **grant** - in the **Extraordinary session** - the UniCredit Board of Directors with the authority to **increase the share capital** in order to service the 2010 Group LTI Plan.

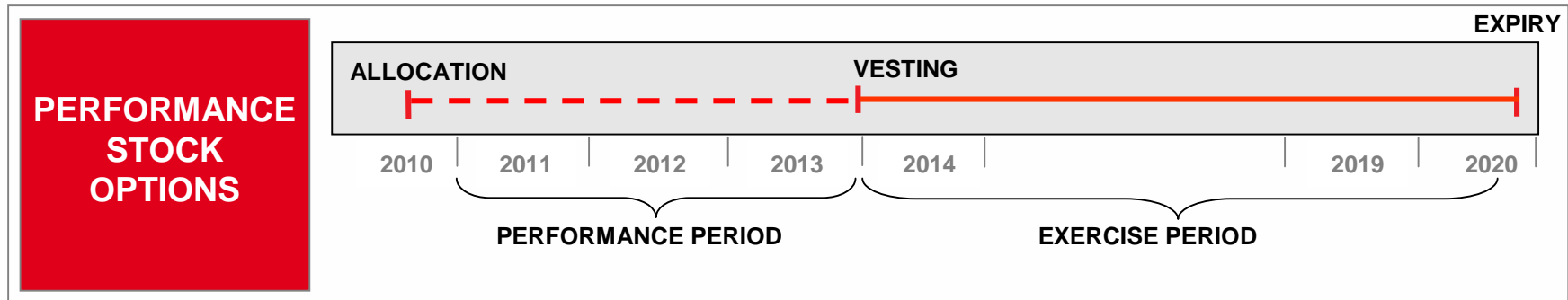
# COMBINATION OF PERFORMANCE STOCK OPTIONS & PERFORMANCE SHARES (1/2)



2010 LTI PLAN

■ **Performance stock options:**

- to be granted by May 2011 following a UniCredit Board resolution;
- exercisable as of the year following the 3 year performance period (2011-2013) and until December 31st 2020, subject to the achievement of performance conditions set by the Board of Directors and subsequently verified at the end of the 3 year period of reference.



- **The exercise price** of the stock options will be fixed by the Board as the arithmetic mean of the official market price of UniCredit ordinary shares during the month preceding the Board resolution to execute the grant.

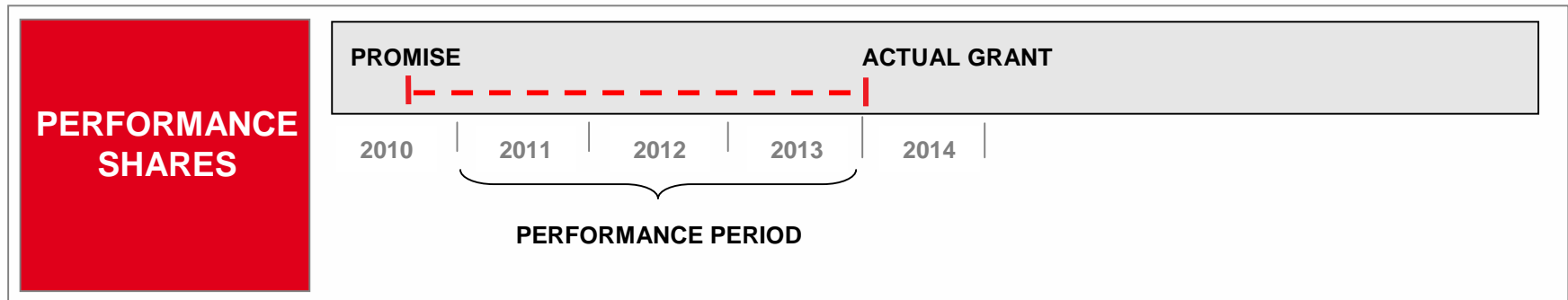
# COMBINATION OF PERFORMANCE STOCK OPTIONS & PERFORMANCE SHARES (2/2)



2010 LTI PLAN

■ Performance shares:

- Free UniCredit ordinary shares that the Company undertakes to grant in a one-time settlement subject to the achievement of performance conditions set by the Board of Directors.
- The performance period refers to 2011 – 2013, therefore the shares promised by the Board by May 2011 will be actually **granted in 2014**, in a one-time settlement, if the performance targets are achieved.



# PERFORMANCE CONDITIONS



2010 LTI PLAN

Actual number of stock options/shares to grant depends on 3-year performance achievements

PERFORMANCE CONDITIONS	r TSR	Σ EP 2011 – 2013 vs BUDGET			
		< 90%	90% ≥ < 100%	100% ≥ < 110%	≥ 110%
≥ Q3		50%	75%	125%	150%
≥ med		25%	50%	100%	125%
< med		0%	25%	75%	100%
≤ Q1		0%	0%	50%	75%

- Relative Total Shareholder Return (r TSR) measures the full reward on shareholder investment relative to peers
- Economic Profit (EP) set at Group or Business level

- r TSR = relative Total Shareholder Return over the 3 year performance period, measuring the full reward on shareholder investment (considering capital gain & dividends) relative to peers from the European Stoxx Banking Sector Index
- EP = Economic Profit set at **Group level** (for CEO, Deputy CEOs and corporate centre beneficiaries) or **Business Division level** (for business roles and competence lines roles within business divisions)

## GRANTING ALLOCATION (1/2)



2010 LTI PLAN

- The execution of the 2010 Group LTI Plan requires the issue of a maximum number of **128,000,000 performance stock options** (corresponding to an equal number of UniCredit ordinary shares) and of a maximum number of **59,000,000 performance shares**:

	Number	Potential impact on capital	} Potential impact on capital <b>0.97%</b>
Performance stock options	128,000,000	0.66%	
Performance shares	59,000,000	0.31%	

Share Capital: 19,296,628,481 shares

- On the basis of the authority granted pursuant to Sect. 2443 of the Italian Civil Code by the Shareholders' meeting in its **extraordinary session**, the issue of performance stock options and the promise of performance shares **will be resolved by the Board of Directors**, as in the past.

## GRANTING ALLOCATION (2/2)



- On the basis of the authority granted pursuant to Sect. 2443 of the Italian Civil Code by the Shareholders' meeting in its **extraordinary session**, the issue of performance stock options and the promise of performance shares **will be resolved by the Board of Directors**, as in the past.
- The Board of Directors will resolve:
  - to increase share capital, with the exclusion of rights, as allowed by section 2441.8 of the Italian Civil Code, for a maximum period of one year starting from the date of the shareholders' resolution, to service the exercise of performance stock options by the Personnel of the Holding Company and of Group banks and companies to subscribe to a **maximum number of 128,000,000** ordinary shares of par value € 0.50 each, corresponding to a **maximum nominal amount of € 64,000,000**;
  - to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, **within five years of the date of the shareholders' resolution**, for a **maximum nominal amount of € 29,500,000** through the issue of a **maximum number of 59,000,000** ordinary shares of par value € 0.50 each to be allotted to the Personnel of the Holding Company and of Group banks and companies. Such an increase in capital will be carried out using the special reserve set up for this purpose and reinstated or increased each year or in accordance with other methods dictated by applicable laws and regulations.