

One Bank, One UniCredit.

Annex 2 to 2019 Group Compensation Policy

2019 Compensation systems based on
financial instruments for UniCredit Group Employees
UniCredit Shareholders' Meeting - April 2019

Index

1. Introduction

2. 2019 Group Incentive System

2.1 Beneficiaries of the plan

2.2 The reasons for the adoption of the plan

2.3 The procedure for the adoption of the plan and the timeframe for the assignment of the financial instruments

2.4 The characteristics of the financial instruments assigned

3. Execution of the “Group Compensation Systems”

3.1 Beneficiaries of the plan

3.2 The reasons for the adoption of the plan

3.3 The procedure for the adoption of the plan and the timeframe for the assignment of the financial instruments

3.4 The characteristics of the financial instruments assigned

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 for the issuers adopted by CONSOB under resolution no. 11971 of May 14 1999 (the “Issuers 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 (“Informative Memorandum”) which will be reported to the Ordinary General Shareholders Meeting of UniCredit on April, 12 2018 which is called to resolve, inter alia, upon the approval for 2018 of the following new incentive plan:

- **“2019 Group Incentive System”** which provides for the allocation to a selected beneficiaries of Group employees that cover key positions of an incentive in cash and/or UniCredit free ordinary shares, over a multi-year period upon specific ways described hereafter and subject to the achievement of specific performance 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 April 12, 2018, April 20, 2017, April 14, 2016, May 13, 2015, May 13, 2014:

- **“Group Compensation Systems”** providing for the grant of free shares to a selected number of Group employees, according to the modality described below and subject to the achievement of specific performance conditions:
 - 2018 Group Incentive System
 - 2017 Group Incentive System
 - 2017-2019 LTI Plan
 - 2016 Group Incentive System
 - 2015 Group Incentive System
 - 2014 Group Incentive System

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

2. 2019 Group Incentive System

In compliance with Bank of Italy provisions set forth in Circular 285, December 17 2013 (Section Disposizioni di vigilanza per le Banche”) - 25th update of October 23, 2018, First Part, Title IV, Chapter 2, implementing the Capital Requirements Directive 2013/36/EU (CRD 4) 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 “**2019 Group Incentive System**” (hereinafter also the “2019 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 2019 Group Incentive System are about 1.000, including 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. Jean Pierre Mustier, CEO of UniCredit, is not among the beneficiaries of the 2019 Group Incentive System.

It is worth mentioning that certain potential beneficiaries of the 2019 Group Incentive System, in addition to the exercise of the managing powers connected to their offices, held offices in Management Bodies of companies, directly or indirectly controlled by UniCredit. Since these individuals are amongst the beneficiaries of the 2019 Group Incentive System 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 2019 Group Incentive System are defined based on criteria provided by European Banking Authority (EBA) regulatory technical standards issued on 2014, as follows:

- Chief Executive Officer (CEO), Senior Executive Vice Presidents (SEVP), Executive Vice Presidents (EVP), Senior Vice Presidents (SVP), Board members of relevant and identified Group Legal Entities
- Employees of the Group with total remuneration higher than Euro 500,000 in 2018
- 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 at Group level
- Other selected roles of the Group (defined also during possible future hiring processes)

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

a) 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 of the financial instrument issuer.

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

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

No natural or legal 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 2019 Group Incentive System there are no. 12 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, following the approval of the new re-organization of UniCredit's BoD on February 6, 2019:

- the Co-Head of Western Europe Division, Mr. Olivier Khayat and Mr. Francesco Giordano
- the Co-Head of CEE Division, Mr. Gianfranco Bisagni and Mr. Niccolò Ubertalli
- the Co-Chief Operating Officer, Mr. Ranieri de Marchis and Mr. Carlo Vivaldi
- the Group Chief Risk Officer, Mr. T. J. Lim
- the Head of Group Human Capital, Mr. Paolo Cornetta
- the Group Compliance Officer, Mr. Carlo Appetiti
- the Head of Group Legal, Mr. Gianpaolo Alessandro
- the Head of Internal Audit, Mrs. Serenella De Candia
- the Head of Finance Controls Area, candidate under selection process

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.

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 categories of employees to which different characteristics of the 2019 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 2019 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 2019 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 based on available bonus pool, individual performance evaluation of the beneficiary, 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 with share retention periods (a retention period of 1 year on both upfront and 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;
- a *malus* condition (Zero Factor) that will be applied in case specific thresholds (profitability, capital & liquidity) are not met both at Group and Country/Division levels. In particular, the Bonus Pool of 2019 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 the Chief Risk Officer function.

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 of the beneficiary and internal benchmarking for specific roles/markets.

Individual performance appraisal is based on specific goals, linked to the UniCredit Five Fundamentals of Competency Model: "Customers First", "People Development", "Cooperation and Synergies", "Risk Management", "Execution and Discipline".

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

- in 2020 the first installment of the overall incentive will be paid in cash and/or shares 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);
- the remainder of the overall incentive will be paid in several installments in cash and/or UniCredit free ordinary shares during the period
 - 2021 - 2025 for Senior Management;
 - 2021 – 2023 for other Identified Staff.
 - each 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 2019 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 2019 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 free shares to be issued with reference to the Plan. In any case, there is the indication of the criteria to be followed by the Board of Directors for the determination of the actual number of beneficiaries and the number of free shares to be granted in the resolutions that after the Annual Shareholders' Meeting approval will execute the Plans.

The 2019 Group Incentive System provides that in 2020 it 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 the Board of Directors of UniCredit.

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 2019 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 2019 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 2019 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 The procedure for the adoption of the plan and the 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 2019 Group Incentive System is to delegate to the Board of Directors, pursuant to Article 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 11, 2019 (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 Article 2349 of the Italian Civil Code, for a maximum nominal amount of 14,000,000 UniCredit ordinary shares, to be granted to the pre-selected 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 Article 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 2024, in order to assign last share installment provided for 2025 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 2019 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 2020, 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 evaluates 2019 performance achievements. The allocation of a maximum number of 16,000,000 UniCredit ordinary shares is proposed, representing about 0.72% of UniCredit share capital, of which maximum no. of 3,200,000 UniCredit ordinary shares devoted to the payment of so called "bonus buy-out", of other variable remuneration and to the severance payments. 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 serve the 2019 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 evaluates 2019 performance achievements.

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 2019 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 2019 Group Incentive System are provided for, other than the power of attorney that is provided by the Shareholders' Meeting to the Chief Executive Officer and the Head of Group Human Capital, also separately, to possibly make changes to the 2019 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 2019 Group Incentive System is to delegate the Board of Directors, pursuant to Article 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 11, 2019 (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 14,000,000 UniCredit ordinary shares, to be granted to pre-selected 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.

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Over the period 2021-2025 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 2019 Group Incentive System proposed to the Shareholders' Meeting, the Board of Directors followed the guidelines and criteria elaborated by the Remuneration Committee of UniCredit.

Even if the CEO of UniCredit is not among the beneficiaries of the 2019 Group Incentive System, he abstained from participating in the definition of the 2019 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 10, 2019 approved the proposal related to the 2019 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 2019 Group Incentive System.

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

The Remuneration Committee of UniCredit on January 8, 2018 positively resolved upon the criteria and the methodology elaborated for the definition of the 2019 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 2019 Group Incentive Systems proposal (January 10, 2019) and on the date of the decision made by the Remuneration Committee of UniCredit (January 8, 2018), resulted equal to Euro 10.516 and to Euro 10.466.

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:

- such assignment or the decision, if any, adopted thereon by the Remuneration Committee, and
- 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 2019 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 defined bonus pool, of the individual performance evaluation of the beneficiary, of internal benchmark for specific roles/markets.

Individual performance appraisal is based on specific goals, linked to the UniCredit Five Fundamentals of Competency Model: “Customers First”, “People Development”, “Cooperation and Synergies”, “Risk Management”, “Execution and Discipline”.

The achievement of Group performance parameters and risk-reward alignment will be reviewed by the Remuneration Committee and the Board of Directors of UniCredit.

The 2019 Group Incentive System provides that in 2020 the Board of Directors - once verified the achievement of the goals defined for 2019 - will define the percentage of payments in cash and shares established for each category of beneficiaries, as illustrated in the table below:

		2020	2021	2022	2023	2024	2025
Senior Management ¹ with variable remuneration > € 430,000	Cash	20% upfront cash	-	12% deferred cash	-	-	12% deferred cash
	Shares	20% upfront shares	-	12% deferred shares	12% deferred shares	12% deferred shares	-

		2020	2021	2022	2023	2024	2025
Senior Management ¹ with variable remuneration ≤ € 430,000	Cash	25% upfront cash	-	10% deferred cash	-	-	10% deferred cash
	Shares	25% upfront shares	-	10% deferred shares	10% deferred shares	10% deferred shares	-

		2020	2021	2022	2023
Other Identified Staff with variable remuneration > € 430,000	Cash	20% upfront cash	5% deferred cash	5% deferred cash	20% deferred cash
	Shares	20% upfront shares	15% deferred cash	15% deferred shares	-

		2020	2021	2022	2023
Other Identified Staff with variable remuneration ≤ € 430,000	Cash	30% upfront cash	-	-	20% deferred cash
	Shares	30% upfront shares	10% deferred cash	10% deferred shares	-

1. EVP and above banding and other apical roles foreseen by Bank of Italy Circular 285

The number of shares to be allocated in the respective installments shall be defined in 2020, on the basis of the arithmetic mean of the official market closing prices of UniCredit ordinary shares during the month preceding Board resolution that evaluates 2019 performance achievements. The maximum number of UniCredit free ordinary shares is estimated at 16,000,000, representing about 0.72% of UniCredit share capital, of which maximum no. of 3,200,000 UniCredit ordinary shares devoted to the payment of so called bonus “buy-out”, of other variable remuneration and to the severance payments.

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 (2020-2025) 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 2019 Group Incentive System will be allocated by UniCredit in multiple installments (as shown in the table above) subject to the 2019 Bonus approval in 2019 by the Board of Directors.

2.4.3 The termination date of the plan

The 2019 Group Incentive System will lapse by July 2025.

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 is estimated at 16,000,000, representing about 0.72% of UniCredit share capital, of which maximum no. of 3,200,000 UniCredit ordinary shares devoted to the payment of so called bonus “buy-out”, of other variable remuneration and to the severance payments. For the assignment of the last installment of shares planned for 2025 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 2019 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 2019 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.

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 (i.e. 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 2019 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 the Group Risk Management.

In order to align to regulatory requirements, in case level set KPIs are not met both at Group and Country/Division, 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 Board of Directors of UniCredit could establish to assign - for the 2019 Group Incentive System - free UniCredit ordinary shares that will be freely transferable at the end of the shares retention period, or in the year of the assignment, but subject to restrictions on the transfer for the foreseen shares retention period (a retention period of 1 year on both upfront and deferred shares).

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 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 2019 Group Incentive System provides that the Board of Directors will have the faculty to identify, in the resolution that will execute the 2019 System, the termination of the beneficiary with the relevant Group employing Company, as a 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 2019 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 2019 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 2019 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 2019 Group Incentive System at the grant date of the free shares, has been made on the basis of 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 Euro 170 mio to be split in 6 years. Depending on actual performance achievements, actual IAS cost of the Plan will vary from Euro 0 to a maximum of Euro 170 m. At this stage it is not possible to define the exact cost in each year of life of the 2019 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 2019 System on UniCredit share capital shall be approx. 0.72% 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 2019 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 2019 Group Incentive System provides only for the assignment of shares negotiated on regulated markets.

2.4.16 The number of financial instruments belonging to each option

The 2019 Group Incentive System does not provide for options.

2.4.17 The termination date of the options

The 2019 Group Incentive System does not provide for options.

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

The 2019 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 2019 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 2019 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 2019 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 2019 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 2019 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. Execution of the “group compensation systems”

3.1 Beneficiaries of the plan

With reference to the UniCredit Board of Directors resolutions of

- February 6, 2019
- February 7, 2018
- March 13, 2017
- February 9, 2016 and March 10, 2016
- April 9, 2015

to execute the **2018 Group Incentive System**, the **2017-2019 LTI Plan**, the **2016 Group Incentive System**, the **2015 Group Incentive System**, the **2014 Group Incentive System**, and the **2014 Group Incentive System** (hereinafter also the “Group Compensation Systems” or the “Plans”), approved by the Ordinary Shareholders Meeting on April 12, 2018, April 20, 2017, April 14, 2016, May 13, 2015, May 13, 2014; the following beneficiaries have been identified for the relevant plans:

- the **2018 Group Incentive System**, that provides for the grant of an incentive-in cash and/or UniCredit free ordinary shares-to be allocated to Group Identified Staff in a multi-year period (2019-2024), subject to the achievement of specific performance objectives;
- the **2017 Group Incentive System**, that provides for the grant of an incentive - in cash and/or UniCredit free ordinary shares - to be allocated to Group Identified Staff in a multi-year period (2018-2023), subject to the achievement of specific performance objectives. Therefore it provides for the allocation of the second tranche of cash promised in 2017, following the verification of the achievement of the Zero Factor provided by the system for the deferral payments;
- the **2017-2019 LTI Plan**, that provides for the grant of an incentive in UniCredit free ordinary shares to be allocated to a selected beneficiaries of Group employees that cover key positions in a multi-year period (2018-2023), subject to the achievement of specific performance objectives linked to the 2017-2019 Multi-Year Plan;
- the **2016 Group Incentive System**, that provides for the grant of an incentive - in cash and/or UniCredit free ordinary shares - to be allocated to Group Identified Staff in a multi-year period (2017-2022), subject to the achievement of specific performance objectives. Therefore it provides for the allocation of the second tranche of cash promised in 2017, following the verification of the achievement of the Zero Factor provided by the system for the deferral payments;
- the **2015 Group Incentive System**, that provides for the grant of an incentive - in cash and/or UniCredit free ordinary shares - to be allocated to Group Identified Staff in a multi-year period (2016-2021), subject to the achievement of specific performance objectives. Therefore it provides for the allocation of the first tranche of shares promised in 2016, following the verification of the achievement of the Zero Factor provided by the system for the deferral payments;
- the **2014 Group Incentive System**, that provides for the grant of an incentive - in cash and/or UniCredit free ordinary shares - to be allocated 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 shares 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 fifth tranche of the shares 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);

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

The Chief Executive Officer, Mr. Jean Pierre Mustier, benefits from the 2017-2019 LTI Plan only. It is worth mentioning that certain potential beneficiaries of the aforementioned 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 name is provided hereto and reference shall be made to the information provided below.

3.1.2 Categories of employees 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 are:

- for the **2018 Group Incentive System:**

- Senior Executive Vice Presidents, Executive Vice Presidents, Senior Vice Presidents, Board members of relevant Group Legal Entities;
- Employees with total remuneration greater than Euro 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 **2017 Group Incentive System:**

- Senior Executive Vice Presidents, Executive Vice Presidents, Senior Vice Presidents, Board members of relevant Group Legal Entities;
- Employees with total remuneration greater than Euro 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 **2017-2019 LTI Plan:**

- General Manager, Senior Executive Vice Presidents, Executive Vice Presidents, Senior Vice Presidents, Board members of relevant Group Legal Entities;
- Employees with total remuneration greater than Euro 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 **2016 Group Incentive System:**

- General Manager, Senior Executive Vice Presidents, Executive Vice Presidents, Senior Vice Presidents, Board members of relevant Group Legal Entities;
- Employees with total remuneration greater than Euro 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 **2015 Group Incentive System:**

- General Manager, Senior Executive Vice Presidents, Executive Vice Presidents, Senior Vice Presidents, Board members of relevant Group Legal Entities;
- Employees with total remuneration greater than Euro 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, Senior Executive Vice Presidents, Executive Vice Presidents, Senior Vice Presidents, Board members of relevant Group Legal Entities
- Employees with total remuneration greater than Euro 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

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

a) General Managers of UniCredit

Mr. Gianni Franco Papa, former General Manager of UniCredit, is among the beneficiaries of LTI Plan 2017-2019 (pro rata, until May 31, 2019), 2016 Group Incentive System, 2015 Group Incentive System, 2014 Group Incentive System and 2013 Group Incentive System.

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 March 12 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 meet the description; therefore no information is provided in connection thereto.

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

No natural or legal person 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 Group Compensation Systems, there are no. 12 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, following the approval of the new re-organization of UniCredit's BoD on February 6, 2019:

- the Co-Head of Western Europe Division, Mr. Olivier Khayat and Mr. Francesco Giordano
- the Co-Head of CEE Division, Mr. Gianfranco Bisagni and Mr. Niccolò Ubertalli
- the Co-Chief Operating Officer, Mr. Ranieri de Marchis and Mr. Carlo Vivaldi
- the Group Chief Risk Officer, Mr. T. J. Lim
- the Head of Group Human Capital, Mr. Paolo Cornetta
- the Group Compliance Officer, Mr. Carlo Appetiti
- the Head of Group Legal, Mr. Gianpaolo Alessandro
- the Head of Internal Audit, Mrs. Serenella De Candia
- the Head of Finance Controls Area, candidate under selection process

b) in the case of “small” companies, in accordance with Article 3, paragraph 1, letter f) of Regulation no. 17221 of March 12 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.

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

The **2018 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, 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 according to Bank of Italy disposals 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*) which applies in case specific thresholds (profitability, capital & liquidity) are not met at both Group and Country/Division levels.

The **2017 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, 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 according to Bank of Italy disposals 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*) which applies in case specific thresholds (profitability, capital & liquidity) are not met at both Group and Country/Division levels.

The **2017-2019 LTI Plan** is aimed at aligning Top and Senior Management interests to the long term value creation for the shareholder, to share price and Group performance appreciation and sustaining a sound and prudent risk management orienting the performance management measurement on a multi-year horizon.

The Plan has also the characteristic to be qualified as a "retention" tool in order to retain key Group resources for the achievement of the mid-long term Group Strategy.

The **2016 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, 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 according to Bank of Italy disposals 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*) which applies in case specific thresholds (profitability, capital & liquidity) are not met at both Group and Country/Division levels.

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:

- allocation of a variable incentive defined 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 according to Bank of Italy disposals 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*) which applies in case specific thresholds (profitability, capital & liquidity) are not met at both Group and Country/Division 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 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;
- 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*) which applies in case specific thresholds (profitability, capital & liquidity) are not met at both Group and Country/Division levels.

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

The **2018 Group Incentive System** provides an individual performance appraisal based on the achievement of specific goals, linked to the "Five Fundamentals" of Competency Model: "*Customers First*", "*People Development*", "*Cooperation and Synergies*", "*Risk Management*", "*Execution and Discipline*".

Incentive payouts shall be made over a multi-year period (2019 - 2024) 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 **2017 Group Incentive System** provides an individual performance appraisal based on the achievement of specific goals, linked to the "Five Fundamentals" of Competency Model: "*Customers First*", "*People Development*", "*Cooperation and Synergies*", "*Risk Management*", "*Execution and Discipline*".

Incentive payouts shall be made over a multi-year period (2018-2023) 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 **2017-2019 LTI Plan** provides for the allocation of UniCredit free ordinary shares, in several installments and over a multi-year period, subject to the achievement of specific performance conditions linked to the 2017-2019 Multi-Year Plan. Performance indicators of the LTI Plan to be evaluated for the definition of the numbers of shares are the following:

- Return On Allocated Capital;
- Cost/Income Ratio;
- NET Non Performing Exposure.

The **2016 Group Incentive System** provides an individual performance appraisal based on the achievement of specific goals, linked to the five 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 (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 **2015 Group Incentive System** provides an individual performance appraisal based on the achievement of specific goals, linked to the five 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 such as relevant options and behaviors, could be considered by the manager for the overall performance appraisal.

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 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 **2018 Group Incentive System** provides that in 2019 the Board of Directors - once verified the conditions for 2018 - defines the percentages of the payments in cash and shares for the beneficiaries categories.

The **2017 Group Incentive System** provides that in 2018 the Board of Directors - once verified the conditions for 2017 - defines the percentages of the payments in cash and shares for the beneficiaries categories.

The **2017-2019 LTI Plan** provides that in 2018 the Board of Directors - once verified the conditions for 2017 - defines the percentages of the payments in cash and shares for the beneficiaries categories.

The **2016 Group Incentive System** provides that in 2017 the Board of Directors - once verified the conditions for 2016 - defines the percentages of the payments in cash and shares for the beneficiaries categories.

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.

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

3.2.5 The evaluations, with respect to 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.

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 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.

3.3 The procedure for the adoption of the plan and the 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 best solution identified to execute the Group Compensation Systems is to delegate the Board of Directors, pursuant to Article 2443 of the Civil Code, the faculty to increase share capital on one or more occasions as described in the Director's Report presented to the Extraordinary Shareholders' Meeting of April 12, 2018, for the **2018 Group Incentive System** to the Extraordinary Shareholders' Meeting of April 20, 2017, for the **2017 Group Incentive System** and the **2017-2019 LTI Plan**, to the Extraordinary Shareholders' Meeting of April 14, 2016, for the **2016 Group Incentive System**, to the Extraordinary Shareholders' Meeting of May 13, 2015, for the **2015 Group Incentive System**, to the Extraordinary Shareholders' Meeting of May 13, 2014, for the **2014 Group Incentive System**, in accordance with the following provisions:

- with reference to the **2018 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 no. 8,200,000 UniCredit ordinary shares
- with reference to the **2017 Group Incentive System**, and the **2017-2019 LTI 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 no. 101,800,000 UniCredit ordinary shares (this number has been re-calculated to no. 20,000,000 ordinary shares after the reverse stock split of January 23, 2017 and the application of the "K Factor" adjustment recommended by Italian Society of Financial Analysts - AIAF, after capital transactions carried out by UniCredit). In addition, maximum no. 3,000,000 ordinary shares could be resolved by the BoD to finalize the execution of the 2017 Group Incentive System;
- with reference to the **2016 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 no. 22,800,000 UniCredit ordinary shares. In addition, maximum no. 1,700,000 ordinary shares could be resolved by the BoD to finalize the execution of the 2016 Group Incentive System (this number has been re-calculated to no. 4,888,994 ordinary shares after the reverse stock split of January 23, 2017 and the additional capital increase request to the Board of Directors on March 13, 2017 consequently to the application of the "K Factor" adjustment recommended by Italian Society of Financial Analysts - AIAF, after capital transactions carried out by UniCredit);
- 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 no. 29,490,000 UniCredit ordinary shares. In addition, maximum no. 2,010,000 ordinary shares could be resolved by the BoD to finalize the execution of the 2015 Group Incentive System (this number has been re-calculated to no. 4,362,056 ordinary shares after the reverse stock split of January 23, 2017 and the additional capital increase request to the Board of Directors on March 13, 2017 consequently to the application of the "K Factor" adjustment recommended by Italian Society of Financial Analysts - AIAF, after capital transactions carried out by UniCredit);
- 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 no. 28,964,197 UniCredit ordinary shares. In addition, maximum no. 9,500,000 ordinary shares could be resolved by the BoD to finalize the execution of the 2014 Group Incentive System (this number has been re-calculated to no. 3,846,419 ordinary shares after the reverse stock split of January 23, 2017);

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 Group Compensation Systems.

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 Group Compensation Systems are provided for.

3.3.4 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 April 12, 2018, April 20, 2017, on April 14, 2016, on May 13, 2015, and on May 13, 2014, the Board of Directors could resolve to approve a free share capital increase:

- for the **2018 Group Incentive System**, within a maximum period of five years, in one or more instances, of maximum no. 8,200,000 UniCredit ordinary shares;
- for the **2017 Group Incentive System** and the **2017-2019 LTI Plan**, within a maximum period of five years, in one or more instances, of maximum no. 101,800,000 UniCredit ordinary shares (this number has been re-calculated to no. 20,000,000 ordinary shares after the reverse stock split of January 23, 2017 and the application of the "K Factor" adjustment recommended by Italian Society of Financial Analysts - AIAF, after capital transactions carried out by UniCredit) and the additional capital increase request to the Board of Directors on March 5, 2018;
- for the **2016 Group Incentive System**, within a maximum period of five years, in one or more instances, of maximum no. 22,800,000 UniCredit ordinary shares (this number has been re-calculated to no. 4,888,994 ordinary shares after the reverse stock split of January 23, 2017 and the additional capital increase request to the Board of Directors on March 13, 2017 consequently to the application of the "K Factor" adjustment recommended by Italian Society of Financial Analysts - AIAF, after capital transactions carried out by UniCredit);
- for the **2015 Group Incentive System**, within a maximum period of five years, in one or more instances, of maximum no. 29,490,000 UniCredit ordinary shares. In addition, maximum no. 2,010,000 ordinary shares could be resolved by the BoD to finalize the execution of the 2015 Group Incentive System (this number has been re-calculated to no. 4,362,056 ordinary shares after the reverse stock split of January 23, 2017 and the additional capital increase request to the Board of Directors on March 13, 2017 consequently to the application of the "K Factor" adjustment recommended by Italian Society of Financial Analysts - AIAF, after capital transactions carried out by UniCredit);
- for the **2014 Group Incentive System**, within a maximum period of five years, in one or more instances, of maximum no. 28,964,197 UniCredit ordinary shares. In addition, maximum no. 9,500,000 ordinary shares could be resolved by the BoD to finalize the execution of the 2014 Group Incentive System (this number has been re-calculated after the reverse stock split of January 23, 2017);

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

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.

Even if the CEO of UniCredit is not among the beneficiaries of the Plans, the latter has abstained from participating in the definition of the Plans.

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

In accordance with the delegation received by the Shareholders' Meeting, as described in point 3.3.1, the Board of Directors on February 6, 2019 resolved to execute the Group Compensation Systems.

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

The Remuneration Committee, on February 5, 2019 positively resolved upon the conditions to be applied at the execution of the Group Compensation Systems.

3.3.8 The market price of UniCredit ordinary shares, on the dates mentioned in points 3.3.6 e 3.3.7

The market price of UniCredit ordinary shares, registered on the dates of Board of Directors approval of the Group Compensation Systems execution (February 6, 2019) and on the date of the positive opinion by the Remuneration Committee of UniCredit (February 5, 2019) resulted equal to Euro 10,332 and to Euro 9,9.

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:

- such assignment or the decision, if any, adopted thereon by the Remuneration Committee, and
- the spread 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:
 - not already public and capable to positively affect the market quotation, or
 - 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.

3.4 The characteristics of the financial instruments assigned

3.4.1 Description of the compensation plan

The **2018 Group Incentive System** provides for the grant of an incentive-in cash and/or free UniCredit ordinary shares-to be allocated to Group Executives and other Identified Staff in a multi-year period (2019-2024) subject to the achievement of specific performance objectives.

The **2017 Group Incentive System** provides for the grant of an incentive - in cash and/or free UniCredit ordinary shares - to be allocated to Group Executives and other Identified Staff in a multi-year period (2018-2023) subject to the achievement of specific performance objectives.

The **2017-2019 LTI Plan** provides for the grant of an incentive in UniCredit free ordinary shares to be allocated to a selected beneficiaries of Group employees that cover key positions in a multi-year period (2018-2023), subject to the achievement of specific performance objectives linked to the 2017-2019 Multi-Year Plan;

The **2016 Group Incentive System** provides for the grant of an incentive - in cash and/or free UniCredit ordinary shares - to be allocated to Group Executives and other Identified Staff in a multi-year period (2017-2022) subject to the achievement of specific performance objectives.

The **2015 Group Incentive System** provides for the grant of an incentive - in cash and/or 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/or 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.

3.4.2 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 **2018 Group Incentive System** will be allocated by UniCredit in multiple installments (in the period 2021-2024) subject to the Board assessment in 2019 of the achievement of the goals set for 2018.

The free shares related to the **2017 Group Incentive System** will be allocated by UniCredit in multiple installments (in the period 2020-2023) subject to the Board assessment in 2018 of the achievement of the goals set for 2017. The free shares related to the **2017-2019 LTI Plan** will be allocated by UniCredit in multiple installments (in the period 2020-2023) subject to the Board assessment in 2018 of the achievement of the goals set for 2017. The free shares related to the **2016 Group Incentive System** will be allocated by UniCredit in multiple installments (in the period 2019-2022) subject to the Board assessment in 2017 of the achievement of the goals set for 2016. 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 achievement of the goals 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 achievement of the goals set for 2014.

3.4.3 The termination date of the plan

The **2018 Group Incentive System** will lapse by July 2024.

The **2017 Group Incentive System** will lapse by July 2023.

The **2017-2019 LTI Plan** will lapse by 2023.

The **2016 Group Incentive System** will lapse by May 2022.

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

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

3.4.4 The overall maximum number of financial instruments, also in the form of options, assigned over any fiscal year 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 **2018 Group Incentive System** within the power of the delegation received by UniCredit Shareholders' Meeting is equal to 8,200,000.

The maximum number of free shares that the Board of Directors is authorized to allocate for the **2017 Group Incentive System** within the power of the delegation received by UniCredit Shareholders' Meeting is equal to 16,000,000.

The maximum number of free shares that the Board of Directors is authorized to allocate for the **2017-2019 LTI Plan** within the power of the delegation received by UniCredit Shareholders' Meeting is equal to 7,000,000.

The maximum number of free shares that the Board of Directors is authorized to allocate for the **2016 Group Incentive System** within the power of the delegation received by UniCredit Shareholders' Meeting is equal to 4,888,994.

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 4,362,056.

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 3,846,419.

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.

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; description of the aforesaid conditions and results

Considering the criteria described in the point 3.2.2, 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 3.4.2.

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

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

In accordance with national and international regulatory guidelines and the Group Compensation Policy, beneficiaries are required 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.

3.4.8 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 the beneficiary exits 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.

3.4.9 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.

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

3.4.11 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 loans or other special terms for the purchase of the shares.

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

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 Euro 1,120.32 mio:

- Euro 160 m for the **2018 Group Incentive system**;
- Euro 160 mio for the **2017 Group Incentive System**;

- Euro 66 mio for the **2017-2019 LTI Plan**;
- Euro 180 mio for the **2016 Group Incentive System**;
- Euro 238 mio for the **2015 Group Incentive System**;
- Euro 316,32 mio for the **2014 Group Incentive System**;

3.4.13 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 0.72%.

3.4.14 Any limitation to the voting and to the economic rights

At this stage, the 2017-2019 LTI Plan and the 2018, 2017, 2016, 2015 and 2014 Group Incentive System do not provide for any limitation to the voting or economic rights for the shares allocated.

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

3.4.16 Number of financial instruments belonging to each option

The Group Compensation Systems do not provide for options.

3.4.17 The termination date of the options

The Group Compensation Systems do not provide for options.

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

The Group Compensation Systems do 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:

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

The Group Compensation Systems do 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 Group Compensation Systems do not provide for options.

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

The Group Compensation Systems do 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 Group Compensation Systems do 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 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).

Box 1
Financial instruments other than Stock Options (8)

Section 1
Instruments related to outstanding plans, approved by previous shareholders meetings' resolutions

Name or Category (1)	Capacity	Section 1 Instruments related to outstanding plans, approved by previous shareholders meetings' resolutions							Vesting period (14)
		Date of shareholders meeting resolution	Type of financial instruments (12)	Number of financial instrument (a)	Assignment date (10)	Purchase price of financial instruments, if any	Market price at the assignment date		
Jean Pierre Mustier	CEO	20/04/17	UniCredit ord.	521,134	09/01/2017 cpr 10/01/2017 cda/oc	0	13.816	10/01/2017 31/12/2022	
Gianni Franco Papa	GM	11/05/13	UniCredit ord.	3,102	11/03/2014 cpr 11/03/2014 cda/oc	0	29.376	11/03/2014 31/12/2017	
Gianni Franco Papa	GM	13/05/14	UniCredit ord.	15,914	01/04/2015 cpr 09/04/2015 cda/oc	0	31.416	09/04/2015 31/12/2019	
Gianni Franco Papa	GM	13/05/15	UniCredit ord.	29,250	03/03/2016 cpr 10/03/2016 cda/oc	0	17.093	10/03/2016 31/12/2019	
Gianni Franco Papa	GM	20/04/17	UniCredit ord.	521,134	09/01/2017 cpr 10/01/2017 cda/oc	0	13.816	10/01/2017 31/12/2022	
4 Key Management Personnel		11/05/13	UniCredit ord.	9,898	11/03/2014 cpr 11/03/2014 cda/oc	0	29.376	11/03/2014 31/12/2017	
8 Key Management Personnel		13/05/14	UniCredit ord.	59,352	01/04/2015 cpr 09/04/2015 cda/oc	0	31.416	09/04/2015 31/12/2019	
8 Key Management Personnel		13/05/15	UniCredit ord.	121,668	03/03/2016 cpr 10/03/2016 cda/oc	0	17.093	10/03/2016 31/12/2019	
3 Key Management Personnel		14/04/16	UniCredit ord.	48,131	09/03/2017 cpr 13/03/2017 cda/oc	0	13.057	13/03/2017 31/12/2020	
2 Key Management Personnel		20/04/17	UniCredit ord.	225,824	09/01/2017 cpr 10/01/2017 cda/oc	0	13.816	10/01/2017 31/12/2022	
Category of other employees: Managers		11/05/13	UniCredit ord.	124,637	11/03/2014 cpr 11/03/2014 cda/oc	0	29.376	11/03/2014 31/12/2017	
Category of other employees: Managers		13/05/14	UniCredit ord.	2,203,321	01/04/2015 cpr 09/04/2015 cda/oc	0	31.416	09/04/2015 31/12/2019	
Category of other employees: Managers		13/05/15	UniCredit ord.	3,830,782	03/03/2016 cpr 10/03/2016 cda/oc	0	17.093	10/03/2016 31/12/2019	

Category of other employees: Managers		14/04/16	UniCredit ord.	2,946,477	09/03/2017 cpr 13/03/2017 cda/oc	0	13,057	13/03/2017 31/12/2020
Category of other employees: Managers		20/04/17	UniCredit ord.	4,026,732	09/01/2017 cpr 10/01/2017 cda/oc	0	13,816	10/01/2017 31/12/2022
Category of other employees: Severance		13/05/15	UniCredit ord.	196,849	03/03/2016 cpr 10/03/2016 cda/oc	0	17,093	
Category of other employees: Severance		14/04/16	UniCredit ord.	46,991	03/03/2016 cpr 10/03/2016 cda/oc	0	17,093	
Category of other employees: Severance		14/04/16	UniCredit ord.	220,220	30/06/2016 cpr 30/06/2016 cda/oc	0	12,253	
Category of other employees: Severance		14/04/16	UniCredit ord.	40,655	30/06/2016 cpr 30/06/2016 cda/oc	0	10,659	
Category of other employees: Severance		14/04/16	UniCredit ord.	100,442	03/08/2016 cpr 03/08/2016 cda/oc	0	10,338	
Category of other employees: Severance		14/04/16	UniCredit ord.	481,126	09/03/2017 cpr 13/03/2017 cda/oc	0	13,057	

(a) the shown data are referred to the number of financial instruments up to December 31, 2018.

		Box 1 Financial instruments other than Stock Options (8)						
		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)						
Name or Category (1)	Capacity	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)
Jean Pierre Mustier	CEO	N.A.	UniCredit ord.	N.A.	N.A.	N.A.	N.A.	N.A.
Gianni Franco Papa	GM	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.

**Box 2
Stock Options**

**Section 1
Options relating to outstanding plans approved on the basis of previous shareholders meetings' resolutions (8)**

Name or Category (1)	Capacity	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)
Gianni Franco Papa	GM	04/05/04	UniCredit	375	-	29/06/2004 cpr 22/07/2004 cda/oc	112.349	3.945	03/09/2008 31/12/2017
Gianni Franco Papa	GM	04/05/04	UniCredit	1,430	-	10/11/2005 cpr 18/11/2005 cda/oc	134.690	5.266	18/11/2009 31/12/2018
Gianni Franco Papa	GM	12/05/06	UniCredit	1,076	-	07/06/2006 cpr 13/06/2006 cda/oc	166.398	5.626	13/06/2010 31/12/2019
Gianni Franco Papa	GM	08/05/08	UniCredit	4,200	-	17/06/2008 cpr 25/06/2008 cda/oc	117.018	22.893	09/07/2012 09/07/2018
4 Key Management Personnel		04/05/04	UniCredit	12,230	-	29/06/2004 cpr 22/07/2004 bod/oc	112.349	3.945	03/09/2008 31/12/2017
4 Key Management Personnel		04/05/04	UniCredit	24,317	-	10/11/2005 cpr 18/11/2005 bod/oc	134.690	5.266	18/11/2009 31/12/2018
4 Key Management Personnel		12/05/06	UniCredit	23,072	-	07/06/2006 cpr 13/06/2006 bod/oc	166.398	5.626	13/06/2010 31/12/2019
5 Key Management Personnel		08/05/08	UniCredit	92,750	-	17/06/2008 cpr 25/06/2008 bod/oc	117.018	22.893	09/07/2012 09/07/2018
Category of other employees: Managers		04/05/04	UniCredit	6,310,995	-	10/11/2005 cpr 18/11/2005 bod/oc	112.349	3.945	03/09/2008 31/12/2017
Category of other employees: Managers		04/05/04	UniCredit	13,616,053	-	10/11/2005 cpr 18/11/2005 bod/oc	134.691	5.266	18/11/2009 31/12/2018
Category of other employees: Managers		12/05/06	UniCredit	10,794,252	-	07/06/2006 cpr 13/06/2006 bod/oc	166.399	5.626	13/06/2010 31/12/2019
Category of other employees: Managers		08/05/08	UniCredit	49,810,650	-	17/06/2008 cpr 25/06/2008 bod/oc	117.019	22.893	09/07/2012 09/07/2018

(a) The data are referred to the number of financial instruments underlying the options assigned and not forfeited accordingly to the long term incentive plans as at December, 31 2018 and have been adjusted because of the capital operation resolved by UniCredit General Meeting on April 29, 2009, on November 15, 2009, on December 16, 2011 and on January 12, 2017.

(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)		
Jean Pierre Mustier		N.A.	UniCredit ord.	N.A.	N.A.	N.A.	N.A.	N.A.		
Gianni Franco Papa		N.A.	UniCredit ord.	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.		

- (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:
- shareholders' resolutions adopted prior to the date on which the competent corporate body approves the proposal to the shareholders' meeting and/or
 - 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:
- 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;
 - 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.

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