

**Joint Merger Plan**

made on this very day

by and between

**UCG Beteiligungsverwaltung GmbH**

Lasallestraße 5  
1020 Vienna, Austria  
(FN 417796 g)

as the "Transferring Company"

and

**UniCredit S.p.A**

Via Alessandro Specchi 16  
00100 Rome, Italy  
(Reg. No. 00348170101)

as the "Receiving Company"

as follows:

## § 1 Preamble

- 1.1 It is intended that the business unit "CEE Business" of UniCredit Bank Austria AG, an Austrian subsidiary of the Receiving Company, is demerged and transferred to the Transferring Company by universal legal succession via a demerger by absorption (*Abspaltung zur Aufnahme*) (the "**Demerger**"), and then, in a subsequent step, that the Transferring Company is merged with the Receiving Company by way of a cross-border merger.
- 1.2 The Parties have drawn up a reorganisation plan in accordance with section 39 Austrian Reorganisation Tax Act (*Umgründungssteuergesetz*), which is attached to this Joint Merger Plan as Annex 1 (the "**Reorganisation Plan**") (attachment for the Austrian version - omitted).
- 1.3 The object of this Joint Merger Plan is to form a proposal to be agreed upon on the transfer of all assets and liabilities of the Transferring Company by way of a cross-border merger by absorption and by way of universal legal succession (*Gesamtrechtsnachfolge*) to the Receiving Company (the "**Merger**") pursuant to the provisions of the Austrian Federal Act on Cross-Border Mergers of Corporations in the European Union (*Bundesgesetz über die grenzüberschreitende Verschmelzung von Kapitalgesellschaften in der Europäischen Union: "EU Merger Act"*) and under the equivalent provisions of the Italian Leg. Decree 108/2008 on Cross-Border Mergers (*Decreto Fusioni Transfrontaliere; "Cross-Border Merger Decree"*).

## § 2

### Legal structure, company name and registered office of the relevant companies

- 2.1 UCG Beteiligungsverwaltung GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated under Austrian law with its seat in Vienna and its business address at Lasallestrasse 5, 1020 Vienna, registered in the Commercial Register (*Firmenbuch*) of the Commercial Court of Vienna (*Handelsgericht Wien*) under FN 417796 g (the "**Transferring Company**").
- 2.2 UniCredit S.p.A. is a public limited company incorporated under Italian law with its corporate seat in Rome and business address at Via Alessandro Specchi 16, 00100 Rome, Italy, registered with the Register of the Rome Chamber of Industry, Commerce, Crafts and Agriculture under number 00348170101, registered in the National Register of Banks as holding company of the UniCredit Banking Group, with number: 2008.1 (the "**Receiving Company**").

- 2.3 As at the date of publication of this Joint Merger Plan the Receiving Company is the sole shareholder of the Transferring Company, holding a share interest, corresponding to a fully paid-up capital contribution (*Stammeinlage*) of EUR 35,000. It is envisaged to carry out a cash capital increase with the Receiving Company prior to the execution of the Demerger from EUR 35,000.00 by EUR 140,712,977.39 to EUR 140,747,977.39 that as at the date of the registration of the Merger will be entirely held by the Receiving Company.
- 2.4 The Receiving Company's registered share capital amounts to EUR 20.846.893.436,94.

### **§ 3**

#### **Agreement on the transfer of assets and liabilities**

The Parties agree that the Transferring Company shall be merged with the Receiving Company by way of transferring all assets and liabilities of the Transferring Company to the Receiving Company by way of universal legal succession (*Gesamtrechtsnachfolge*), under exclusion of the liquidation of the Transferring Company, and thus by way of a cross-border merger by absorption pursuant to the provisions of the Austrian EU Merger Act and the article 4 number 1) of the Cross-Border Merger Decree in conjunction with article 2501 of the Italian Civil Code (*Codice Civile*) (merger by absorption).

### **§ 4**

#### **No grant of new shares or additional cash payments (share exchange ratio)**

- 4.1 Since all the shares in the Transferring Company are held – and will be held as at the date of the registration of the Merger – by the Receiving Company, no new shares will be issued by the Receiving Company pursuant to section 3 para 2 EU Merger Act in conjunction with section 96 para 2 Austrian Limited Liability Companies Act (*Gesetz über Gesellschaften mit beschränkter Haftung: "GmbHG"*) in conjunction with section 224 para 1 Austrian Stock Corporation Act as well as article 4 number 1 of the Cross-Border Merger Decree in conjunction with article 2505 of the Italian Civil Code. Therefore, no information and content are required in this respect in this Joint Merger Plan (section 5 para 3 EU Merger Act; article 4 number 1 of the Cross-Border Merger Decree in conjunction with article 2505, first paragraph, of the Italian Civil Code). The Receiving Company will proceed to the annulment of the shares in the Transferring Company.
- 4.2 Likewise, neither information and content on potential additional cash settlements are required.

## § 5

### Expected impact on the employment situation

- 5.1 The Transferring Company had no employees on 31 December 2015 and 1 January 2016 and does not employ any employees as of today. Furthermore, as of today no employee participation system applies and no supervisory board is legally mandatorily required.
- 5.2 Immediately before the legal effectivity of the Merger (see § 13 below) the Transferring Company assumes the business unit "CEE Business" from UniCredit Bank Austria AG by way of the Demerger as set out in § 1 above and described in more detail in the Reorganisation Plan. This business unit comprises less than 300 employees.
- 5.3 The Merger does not have any significant impact on the employees of the Transferring Company, because the employees will continue to be employed in the Austrian permanent establishment of the Receiving Company. Furthermore, the transfer of the business by way of the Merger is subject to the rules of the Austrian Employment Law Harmonisation Act (*AVRAG*). Pursuant to its section 3, the Receiving Company enters into the existing employment agreements as of the date of the transfer together with all rights and obligations, and the contractual terms and conditions of employment remain unchanged. The applicability of works agreements will not be affected by the transfer of the business according to section 31 para 4 of the Austrian Employment Act (*ArbVG*). The employment contracts cannot be terminated because of the Merger; the admissibility of termination of employment for other reasons remains unaffected. With respect to the applicable collective bargaining agreements sections 8 clause 2 ArbVG and section 4 para 1 AVRAG shall apply.
- 5.4 The Merger has no impact on the employees of the Receiving Company.
- 5.5 As of the day of the legal effectivity of the Merger (see § 13 below), the Receiving Company enters into all rights and obligations resulting from a company pension scheme, if any, to the extent such scheme applies to the employees of the Transferring Company.
- 5.6 As a consequence of the Merger, the Receiving Company will become universal legal successor of the Transferring Company with respect to all contractual rights and obligations. Any additional joint liability of the Transferring Company does not apply, because the Transferring Company will cease to exist as a legal entity upon closing of the Merger.

## § 6

### **Cut-off Date of the Merger** *(Verschmelzungstichtag)*

- 6.1 The Merger shall be carried out on the basis of the closing balance sheet of the Transferring Company as at 31 December 2015, which, including its annex, is attached to this Joint Merger Plan as Annex 2 hereto (the "**Closing Balance Sheet**") (attachment for the Austrian version - omitted).
- 6.2 The cut-off date of the merger is 31 December 2015, 24:00 (*Verschmelzungstichtag*; the "**Cut-off Date**"). Therefore, as of 1 January 2016 (00:00) (the "**Effective Date for Accounting and Tax Purposes**"), all actions and transactions of the Transferring Company shall be deemed to have been carried out for the account of the Receiving Company.
- 6.3 In the Closing Balance Sheet, all benefits and charges that have become due on the assets and liabilities being transferred as at midnight (24:00) on 31 December 2015 have been fully accounted for. From the Effective Date for Accounting and Tax Purposes (1 January 2016 (00:00)) onwards, all benefits and charges associated with the transferred assets and liabilities shall inure to the benefit of the Receiving Company, which shall also assume all pending transactions of the Transferring Company.
- 6.4 Immediately before the legal effectivity of the Merger, the Transferring Company will assume (see § 13) the business unit "CEE Business" from UniCredit Bank Austria AG by universal legal succession by way of the Demerger as set out in § 1 above and described in more detail in the Reorganisation Plan. A copy of the Transfer balance sheet (*Übernahmebilanz*), showing the assets and liabilities transferred to the Transferring Entity in the course of such demerger, is attached to this Joint Merger Plan as Annex 3 (attachment for the Austrian version - omitted).

## § 7

### **No grant of special rights**

- 7.1 No special rights for the purposes of section 5 para 2 and 7 EU Merger Act and of article 6 number 1 of the Cross-Border Merger Decree in conjunction with article 2501-ter , paragraph 1, number 7 of the Italian Civil Code shall be granted.
- 7.2 There are no shareholders enjoying special rights and no holders of securities other than shares representing the Transferring Company's share capital, and in particular, there are no holders of bonds, profit-sharing rights or other similar rights. Thus, no measures are intended for such persons.

## **§ 8**

### **No grant of special advantages**

- 8.1 Members of the administrative, management, supervisory or controlling boards of the companies involved in the Merger shall not receive any special advantages. In the same way, no special advantages shall be granted to auditors of the companies involved in the Merger or to experts who examine the present Joint Merger Plan, if necessary.
- 8.2 There is no intention to change the composition of the Board of Directors of the Receiving Company as a result of the Merger.

## **§ 9**

### **Articles of association and by-laws of the Receiving Company**

- 9.1 The present merger is a merger by absorption, thus no new company is created as a result of the Merger. The articles of association and the by-laws of the Receiving Company remain unchanged by the Merger, and are attached to this Joint Merger Plan as Annex 4.
- 9.2 In particular, the Articles of Association of the Receiving Company shall not be amended in connection with the Merger, as (i) the object of the Receiving Company already include the object of the Transferring Company (ii) the Receiving Company holds the entire share capital of the Transferring Company and (iii) the Receiving Company will not issue new shares within the framework of the merger.

## **§ 10**

### **Involvement of employees**

- 10.1 The involvement of employees in the company resulting from this merger is regulated by the Cross-Border Merger Decree in conjunction with the Italian Legislative Decree 188/2005, because the Receiving Company has its registered seat in Italy.
- 10.2 Neither the Transferring Company nor the Receiving Company are subject to an employee participation system. Therefore, pursuant to Article 19 of the Cross-Border Merger Decree, an employee participation procedure does not need to be carried out.
- 10.3 The managing director of the Transferring Company and the board of directors of the Receiving Company have each prepared a merger report which is handed out to the competent body of employee representation, or if such body is not existent, to the employees of the companies participating in the merger within due time. No further

measures in relation to employees and their representatives in the participating entities are envisaged.

## **§ 11**

### **Information on the evaluation of the assets and liabilities being transferred**

- 11.1 Due to the fact that the Receiving Company is not issuing any shares in the course of the Merger, no evaluation of the assets and liabilities being transferred is necessary for the calculation of any share exchange ratio or for the calculation of a cash settlement.
- 11.2 The Closing Balance Sheet was prepared in accordance with the provisions of the Austrian Commercial Code (*Unternehmensgesetzbuch*) governing annual financial statements and their audit and review.
- 11.3 For tax purposes, the Merger is being effected under the continuation of book values. The Receiving Company shall take on the assets and liabilities passing from the Transferring Company to the Receiving Company as part of the Merger at their book values and shall continue to value these at such book values in their tax accounting.
- 11.4 The Transferring Company has a positive fair market value.

## **§ 12**

### **Dates of the merging companies' annual accounts**

- 12.1 The reference date of the Transferring Company's latest annual financial statements is 31 December 2015.
- 12.2 The reference date of the Receiving Company's latest annual financial statements is 31 December 2015.

## **§ 13**

### **Legal Effectivity of the Merger**

- 13.1 As the Merger involves a merger by cross-border absorption and being the Receiving Company an Italian company, pursuant to section 3 para 3 EU Merger Act and article 15 of the Cross-Border Merger Decree, the Merger shall come into legal effect (*Rechtswirksamkeit*) on the day of registration of the Joint Merger Plan with the Italian Companies Register of the competent Chamber of Commerce of the Receiving Company or the subsequent date agreed by the Transferring Company and the Receiving Company in the merger deed.

Therefore, from a civil law perspective, the Receiving Company will acquire, by way of universal succession, all assets and liabilities, real and movable assets, tangible and intangible assets, of the Transferring Company as of the date of such registration of the Merger or the subsequent date agreed by the Transferring Company and the Receiving Company in the merger deed.

13.2 As of the day of the legal effectivity pursuant to civil law any person, agency or office (public or private) shall be authorised without any liability, through the simple exhibition of this Joint Merger Plan in the form of a notarial deed, to transfer, entitle and register in favour of the Receiving Company any asset belonging to the Transferring Company as well as any right, deed, document, deposit, title, policy contract, order, registered trademark, patent, licence as well as, by way of example:

- rights, obligations, legitimate interests and expectations *vis a vis* any third party;
- any profits and losses of any nature;
- guarantees and counter-guarantees granted to third parties related to the above mentioned contracts and/or orders;
- all the pending proceedings in which the Transferring Company may be involved.

#### **§ 14**

##### **Cash compensation for dissenting shareholders**

Since all shares in the Transferring Company are held by the Receiving Company, no offer of a cash compensation is required pursuant to section 5 para 4 EU Merger Act and article 4 number 1) of the Cross-Border Merger Decree in conjunction with article 2505, first paragraph, of the Italian Civil Code.

#### **§ 15**

##### **Board and shareholder approval**

15.1 The Managing Director of the Transferring Company and the Board of Directors of the Receiving Company have approved this Joint Merger Plan on 02/05/2016 and 10/03/2016, respectively.

15.2 Since article 2505 of the Italian Civil Code applies to the hereby transaction – and in accordance with the provisions of article 18 of the Cross-Border Merger Decree – the following provisions do not apply to the merger by absorption of the Transferring Company by the Receiving Company: Article 2501-ter, paragraph 1, n° 3, 4 and 5 of



the Italian Civil Code, article 6, paragraph 1, letter b of the Cross-Border Merger Decree; moreover, the experts report provided in article 2501-sexies of the Italian Civil Code (as mentioned by article 9 of the Cross-Border Merger Decree) is not required.

- 15.3 Even though the transaction represents a "simplified procedure" in compliance with article 18 of the Decreto Fusioni Transfrontaliere, the Board of Directors of the Receiving Company has approved the illustrative report of the merger containing detailed information and evaluations on the envisaged transaction.

## **§ 16**

### **Application of the Austrian Reorganisation Tax Act and of the Italian Tax Code (*TUIR - Testo Unico delle Imposte sui Redditi*)**

- 16.1 The tax benefits under Article I of the Austrian Reorganisation Tax Act (*Umgründungssteuergesetz*; "ARTA") are being applied to the merger. In particular, the present merger is tax neutral for the purposes of section 1 para 2 ARTA.
- 16.2 The merger date for the purposes of section 2(5) ARTA is 31 December 2015, 24:00.
- 16.3 According to the Italian Tax Law, the present merger is tax neutral according to and for the purpose of Article 178 and Article 179 of D.P.R. 22 December 1986, N. 917.

## **§ 17**

### **Charges and costs**

- 17.1 All costs and charges associated with drafting the present agreement, all costs resulting from the merger itself and all related charges shall be covered by the Receiving Company alone.
- 17.2 The Transferring Company does not own any land or real estate in Austria; therefore, the present merger shall not result in any real estate transfer tax being triggered.

## **§ 18**

### **Authorisation Bank of Italy**

The registration of this Joint Merger Plan with the Italian Company Register is subject to the authorisation by Bank of Italy as per article 57 of the Italian Banking Law, Legislative Decree no. 385 of 1.9.1993

Milan, \_\_\_\_\_ 2016

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Marina Natale  
Vice General Manager  
UniCredit S.p.A.

Vienna, \_\_\_\_\_ 2016

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Pasquale Giamboi  
Managing Director  
UCG Beteiligungsverwaltung GmbH

# Inside real life. A 360° view.

Articles of Association

“Joint stock company - Registered Office: Via Alessandro Specchi, 16, 00186 Rome - Head Office: Piazza Gae Aulenti, 3 Tower A, 20154 Milan; Registered in the Register of Banking Groups and Parent Company of the UniCredit Group, with. code 02008.1; ABI code 02008.1 - Fiscal Code, VAT number and Registration number with the Company Register of Rome: 00348170101- Member of the National Interbank Deposit Guarantee Fund and the National Compensation Fund”.

Welcome to  
**UniCredit**



*Translation in English of the document originally issued in Italian.  
In the event of any discrepancy, the Italian language version prevails.*

*Amendments to clauses 5 and 6 following the execution of the share capital increase resolved by Extraordinary Shareholders' Meeting on April 14<sup>th</sup>, 2016*

*(Updated as of May 5<sup>th</sup> 2016)*

## **SECTION I**

### **Establishment, registered office and duration of the Bank**

#### Clause 1

1. UniCredit, a limited company, formerly known as UniCredito Italiano, Credito Italiano and Banca di Genova prior to that, and established in Genoa by way of a private deed dated April 28, 1870, is a bank pursuant to the provisions of Legislative Decree no. 385 dated September 1, 1993, also named in abbreviated form UniCredit S.p.A..

2. The Bank may use, as brands or distinguishing marks, the names and/or distinguishing marks used at various times by the Bank and/or the Companies incorporated into the Bank.

#### Clause 2

1. The registered office of the Bank is located in Rome while its Head Office is located in Milan. It may establish and close down, both in Italy and abroad, secondary offices, branches, however named, and representative offices.

#### Clause 3

1. The duration of the Bank runs until December 31, 2100.

## **SECTION II**

### **Regarding the transactions of the Bank**

#### Clause 4

1. The purpose of the Bank is to engage in deposit-taking and lending in its various forms, in Italy and abroad, operating wherever in accordance with prevailing norms and practice. It may execute, while complying with prevailing legal requirements, all permitted transactions and services of a banking and financial nature. In order to achieve its corporate purpose as efficiently as possible, the Bank may engage in any activity that is instrumental or in any case related to the above.

2. The Bank, in compliance with current legal provisions, may issue bonds and acquire shareholdings in Italy and abroad.

3. The Bank, in its role of parent to the Banking Group UniCredit, pursuant to the provisions of Clause 61 of Legislative Decree no. 385 dated September 1, 1993, issues – in undertaking its management and co-ordination activities – instructions to other members of the Group in respect of the fulfilment of requirements laid down by the Bank of Italy in the interest of the Group's stability.

## **SECTION III**

### **Regarding share capital and shares**

#### Clause 5

1. The Bank's share capital, fully subscribed and paid-up, amounts to Euro 20,846,893,436.94 and is divided into 6,180,343,073 shares without nominal value, in turn made up of 6,177,818,177 ordinary shares and 2,524,896 savings shares.

2. Ordinary shares are registered shares.

3. No one entitled to vote may vote, for any reason whatsoever, for a number of Bank shares exceeding five per cent of share capital bearing voting rights, to this end, the global stake held by the controlling party, (be it a private individual, legal entity or company), all direct and indirect subsidiaries and affiliates has been taken into consideration; those shareholdings included in the portfolios of mutual funds managed by subsidiaries or affiliates have not, on the other hand, been taken into consideration. Control, including with regard to parties other than companies, emerges in the situations provided for by Article 2359, first and second paragraph, of the Italian Civil Code. Control whereby significant influence is exercised is regarded to be present in the situations provided for by Clause 23, second paragraph, of Legislative Decree no. 385 dated September 1, 1993 (Consolidation Act for

Laws Relating to Banking and Lending Activities). An affiliation emerges in the situations referred to in Article 2359, third paragraph, of the Italian Civil Code, for the purposes of computing the stake held, those shares held through custodian companies and/or intermediaries and/or those shares whose voting rights are assigned for any purpose or reason to a party other than their owner, are also taken into consideration. In the event of the above provisions being breached, any shareholders resolution carried may be impugned pursuant to the provisions of Article 2377 of the Italian Civil Code, where the majority required would not have been reached without this breach. Those shares whose voting rights may not be exercised are in any event computed in order for the Meeting to be properly formed.

4. Share capital may be increased by way of a shareholders' resolution, also according to Article 2441, fourth paragraph, second period, of the Italian Civil Code, through the issuance of shares bearing various rights, in conformity to legal requirements. Specifically, the Meeting may resolve upon the issuance of savings shares bearing the features and rights provided for by prevailing laws and by these Articles of Association.

5. Resolutions carried for the issuance of new savings and/or ordinary shares at the time of a capital increase or the conversion of shares of another class that have already been issued, do not require the approval of a Special Meeting of Savings Shareholders.

6. The Special Meeting of Shareholders may resolve upon the allocation of earnings to the employees of the Bank or subsidiaries, in conformity to prevailing laws.

#### Clause 6

1. In partial exercise of powers conferred by the Extraordinary Shareholders' Meeting held on May 4, 2004 pursuant to Article 2443 of the Italian Civil Code, the Board of Directors passed a resolution on July 22, 2004 to increase capital by a maximum amount of Euro 7,284,350 corresponding to a maximum number of 14,568,700 ordinary shares of Euro 0.50 each and passing another resolution on November 18, 2005 to increase capital by a maximum amount of Euro 20,815,000 corresponding to a maximum number of 41,630,000 ordinary shares of Euro 0.50 each, to be used to exercise a corresponding number of subscription rights reserved for the Executive Personnel of UniCredit S.p.A. and the other Group Banks and Companies who hold positions which are significant in terms of achieving the overall objectives of the Group. The aforementioned rights can be exercised from 2008 until 2017 according to the criteria and in the periods identified by the Board of Directors.

2. The Board of Directors, in partial exercise of the powers received as per Article 2443 of the Italian Civil Code from the Extraordinary Shareholders' Meeting of May 12, 2006, has resolved, on June 13, 2006 to increase the share capital of a maximum nominal amount of Euro 14,602,350 corresponding to a maximum number of 29,204,700 ordinary shares having a value of Euro 0.50 each, at the service of the exercise of a corresponding number of subscription rights to be granted to the Management of UniCredit S.p.A., as well as of the other Banks and companies of the Group, who hold positions considered highly relevant for the attainment of the overall Group targets. The aforementioned rights can be exercised from 2010 until 2019 according to the criteria and in the periods identified by the Board of Directors.

3. The Board of Directors, in partial exercise of the powers received, as per Article 2443 of the Italian Civil Code, from the Extraordinary Shareholders' Meeting of May 10, 2007, has resolved on June 12, 2007 to increase the share capital of a maximum nominal amount of Euro 14,904,711.50 corresponding to a maximum number of 29,809,423 ordinary shares with a value of Euro 0.50 each, at the service of the exercise of a corresponding number of subscription rights to be granted to the Management of UniCredit S.p.A., as well as of the other Banks and companies of the Group, who hold positions considered highly relevant for the attainment of the overall Group targets. The aforementioned rights can be exercised from 2011 until 2017 according to the criteria and in the periods identified by the Board of Directors.

4. The Board of Directors, in partial exercise of the powers received, as per Article 2443 of the Italian Civil Code, from the Extraordinary Shareholders' Meeting of May 8, 2008,

resolved on June 25, 2008 to increase the share capital of a maximum nominal amount of Euro 39,097,923 corresponding to a maximum number of 78,195,846 ordinary shares with a value of Euro 0.50 each, at the service of the exercise of a corresponding number of subscription rights to be granted to the Management of UniCredit S.p.A., as well as of the other Banks and companies of the Group, who hold positions considered highly relevant for the attainment of the overall Group targets. The aforementioned rights can be exercised from 2012 until 2018 according to the criteria and within the periods identified by the Board of Directors.

5. Capital increases resolved under the compensation policy, as provided for by the paragraphs above, are increased by an additional amount of no more than Euro 29,522,571 corresponding to no more than 5,904,514 ordinary share following the application of the AIAF adjustment factors as a consequence of the capital transaction resolved on by the Extraordinary Shareholders' Meeting on November 16, 2009 and, taken into account the conversion into stock resolved by the Extraordinary Shareholders' Meeting on December 15, 2011 and executed on December 27, 2011, of the operation on capital resolved by the Extraordinary Shareholders' Meeting on December 15, 2011.

6. Once the time periods for the capital increases resolved on through incentive/compensation plans have expired, the share capital shall be deemed to have increased by the amount subscribed as of the respective dates indicated therein.

7. The reverse split approved by the Extraordinary Shareholders' Meeting on December 15, 2011 and executed on December 27, 2011 should be taken into account when determining the maximum amount of shares to be issued in any capital increases carried out pursuant to the preceding paragraphs and for the purpose of the execution of the incentive plans from time to time approved by the Company, without prejudice to the maximum aggregate amount set for those increases.

8. The Board of Directors has the power, under the provisions of Article 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated May 11, 2012, to carry out a free capital increase, as allowed by Article 2349 of the Italian Civil Code, for a maximum amount of Euro 202,603,978.15 corresponding to up to 59,700,000 ordinary shares, to be granted to employees of UniCredit S.p.A. and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives.

9. The Board of Directors has the power, under the provisions of section 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated May 11, 2013, to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of Euro 143,214,140.73 corresponding to up to 42,200,000 ordinary shares, to be granted to employees of UniCredit S.p.A. and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives in execution of 2013 Group Incentive System.

10. The Board of Directors has the power, under the provisions of section 2443 of the Italian Civil Code, to resolve to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, on one or more occasions for a maximum period of five years (i) starting from the shareholders' resolution dated May 13, 2014, for a maximum amount of Euro 98,294,742.05, corresponding to a maximum number of 28,964,197 ordinary shares and (ii) starting from the shareholder's resolution of May 13, 2015, for a maximum amount of Euro 32,239,804.21 corresponding to up to 9,500,000 ordinary shares, to be granted to employees of UniCredit S.p.A. and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives in execution of 2014 Group Incentive System.

11. The Board of Directors has the power, under the provisions of section 2443 of the Italian Civil Code, (i) to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated May 13, 2015, for a maximum amount of Euro

100,075,594.87, corresponding to a maximum number of 29,490,000 ordinary shares and (ii) to carry out a free capital increase in 2021 for a maximum amount of Euro 6,821,022.23 corresponding to up to 2,010,000 ordinary shares, to be granted to employees of UniCredit and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives in execution of 2015 Group Incentive System.

12. The Board of Directors has the power, under the provisions of section 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated April 14, 2016, to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of Euro 77,370,044.40 corresponding to up to 22,800,000 ordinary shares, to be granted to employees of UniCredit and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives in execution of 2016 Group Incentive System.

#### Clause 7

1. Savings shares do not bear any voting rights. Any reduction of share capital due to losses does not have any effect on savings shares, other than for the portion of any loss that eventually exceed the overall amount of the capital represented by other shares; in the event of the Bank being wound up, savings shares enjoy the right of pre-emption in respect of the redemption of capital, up to Euro 6.3 per share. In case of capital transactions which modify the ratio between the amount of share capital and the number of shares outstanding, the above fixed numerical reference could be amended consequently. In the event of reserves being distributed, savings shares bear the same rights as other shares.

2. A resolution of the Special Meeting of Shareholders may vest the holders of savings shares with the ability to convert said shares into ordinary shares in accordance with the procedures and by the deadlines determined.

3. Whenever the Bank's ordinary shares or savings shares are barred from trading, the holder of savings shares may ask for its shares to be converted into ordinary shares, in accordance with the procedures resolved upon by the Special Meeting of Shareholders, convened as and when the need arises within two months from shares being barred from trading.

4. Savings shares, when fully paid-up, are bearer shares, unless provided for otherwise by law. At the request and expense of the Shareholder, they may be transformed into registered savings shares and vice versa.

5. Pursuant to the current law provisions a Common Representative of the saving shares bearers is appointed. The Common Representative shall remain in office for a period of no more than three financial years and may be re-elected. The Common Representative is entitled to join and take the floor in the Shareholders' Meetings.

6. In order to ensure that adequate information on transactions that may influence the price of the saving shares are received by the Common Representative, the latter shall be duly informed in this regard in compliance with the time limits and procedures for disclosing information to the market.

## **SECTION IV Regarding Meetings of Shareholders**

#### Clause 8

1. A General Meeting of Shareholders is convened at least one a year within 180 days of the end of the financial year, in order to resolve upon the issues that the prevailing laws and the Articles of Association make it responsible for.



2. In particular, the Meeting of Shareholders, besides establishing the remuneration of members of the bodies it has appointed, approves: (i) the remuneration and incentive policies for the members of the supervisory, management and control bodies as well as for the rest of employees; (ii) equity-based compensation schemes; (iii) the criteria to determine the compensation to be granted in the event of early termination of employment or early retirement from office including the limits set for said compensation in terms of number of years of fixed remuneration as well as the maximum amount deriving from their application. An adequate information shall be provided to the Shareholders about the enforcement of the remuneration policies.

3. Furthermore, the Ordinary Shareholders' Meeting can exercise, on the occasion of the remuneration policies' approval, the faculty to determine a ratio of variable to fixed remuneration of employees higher than 1:1, but in any case not exceeding the ratio of 2:1 being understood that the proposal shall be recognized as validly approved:

- with favorable vote of at least 2/3 of the company share capital represented in the Shareholders' Meeting, in case the Meeting itself is constituted with at least a half of the company share capital;

- with favorable vote of at least 3/4 of the company share capital represented in the Shareholders' Meeting, whatever is the company share capital constituting the Meeting.

4. A Special Meeting of Shareholders is convened whenever it is necessary to resolve upon any of the matters that are exclusively attributed to it by the prevailing laws.

#### Clause 9

1. The Meeting takes place at the Bank's Registered Office, at its Head Office or in another location within Italy, as indicated in the notice of Meeting.

2. If the notice of Meeting so states, then holders of voting rights can participate in the Meeting of Shareholders remotely and exercise their voting rights using electronic means, in accordance with the conditions established in the notice.

#### Clause 10

1. The Meeting is convened in accordance with legal and regulatory requirements via a notice published on the Company's web site and through other channels provided for under prevailing laws and regulatory provisions.

#### Clause 11

1. The Agenda of the Meeting is established in accordance with legal requirements and these Articles of Association by whoever exercises the power to call a meeting.

2. The right to amend the Agenda and to submit resolution proposals upon the items already on the Agenda may be exercised, in the situations, methods and time limits indicated in current regulations, by shareholders who individually or collectively represent at least 0.50% of share capital.

#### Clause 12

1. Meetings of Shareholders are held in a single call. The Board of Directors can establish that the Meeting of Shareholders be held in more than one call. The majorities established by the prevailing laws shall be adopted.

#### Clause 13

1. The Meeting may be attended by those who hold voting rights for whom notification has been received by the Company from the broker holding the relevant shareholder accounts within the time period established under prevailing laws.

#### Clause 14

1. Those who hold voting rights may arrange to be represented in the Meeting, in accordance with the provisions of prevailing legislation.

2. The delegation of voting rights may be granted also by means of a document in electronic format with a digital signature in accordance with the provisions of prevailing legislation and notified to a specific email address of the Company as pointed out in the notice of the Meeting or alternately through other methods as provided for under legal and regulatory provisions in force.

#### Clause 15

1. Every ordinary share entitles its holder to one vote, the provisions of Clause 5 excepted.

#### Clause 16

1. The Meeting is chaired by the Chairman of the Board of Directors or, where he is absent or impeded, by the Deputy Chairman or, where more than one Deputy Chairman has been appointed, by the Stand-in Chairman or, where the latter is absent or impeded, by the older Deputy Chairman. Where both the Chairman and all the Deputy Chairmen are absent or impeded, the Meeting is chaired by a Director or by a Shareholder designated by those in attendance. The person chairing the Meeting is assisted by a Secretary designated by the majority of those holding voting rights. The assistance of a Secretary is not required when the minutes of the Meeting is drawn up by a notary assigned by the Chairman.

2. The Chairman of the Meeting has full powers to regulate activities and discussions, in conformity to the criteria and procedures established by prevailing laws and foreseen in the Regulations for Shareholders' Meetings.

#### Clause 17

1. In order for a Meeting along with the resolutions carried therein to be valid, the relevant legal provisions are to be duly observed, except for what is provided for in Clause 5.

#### Clause 18

1. The minutes of Meetings are prepared and signed by the Chairman of the Meeting and the Secretary, when not prepared by a notary.

#### Clause 19

1. The copies and extracts of minutes of Meetings of Shareholders, signed and certified as valid and in conformity to requirements by the Chairman of the Board or by whoever deputises for him, pursuant to Clause 21 of the Articles of Association, or where the latter is/are absent or impeded by two Directors, constitute full evidence.

## **SECTION V Regarding the Board of Directors**

#### Clause 20

1. The Board of Directors is composed of between a minimum of nine and a maximum of twenty-four members. The composition of the Board of Directors must ensure the balance between the genders.

2. The members of the Board of Directors must meet the experience and integrity requirements laid down by prevailing regulations and other laws.

3. A number of Directors equal to at least the one provided for by the Code on Corporate Governance for Listed Companies must possess the following independence requirements In particular, a Director may not be considered independent in the following circumstances:

a) if he/she controls, directly or indirectly, the issuer also through subsidiaries, trustees or third parties, or is able to exercise a dominant influence over the issuer, or participates in a shareholders' agreement through which one or more persons can exercise a control or dominant influence over the issuer;

b) if he/she is, or has been in the preceding three fiscal years, a significant representative of the issuer, of a subsidiary having strategic relevance or of a company under common control with the issuer, or of a company or entity controlling the issuer or able to exercise over the same a considerable influence, also jointly with others through a shareholders' agreement;

c) if he/she has, or had in the preceding fiscal year, directly or indirectly (e.g. through subsidiaries or companies of which he is a significant representative, or in the capacity as partner of a professional firm or of a consulting company) a significant commercial, financial or professional relationship:

- with the issuer, one of its subsidiaries, or any of its significant representatives;
- with a subject who, also jointly with others through a shareholders' agreement, controls the issuer, or – in case of a company or an entity – with the relevant significant representatives;

or is, or has been in the preceding three fiscal years, an employee of the above-mentioned subjects;

d) if he/she receives, or has received in the preceding three fiscal years, from the issuer or a subsidiary or holding company of the issuer, a significant additional remuneration (compared to the "fixed" remuneration of nonexecutive director of the issuer and to remuneration of the membership in the committees that are recommended by the Code on Corporate Governance also in the form of participation in incentive plans linked to the company's performance, including stock option plans;

e) if he/she was a director of the issuer for more than nine years in the last twelve years;

f) if he/she is vested with the executive director office in another company in which an executive director of the issuer holds the office of director;

g) if he/she is shareholder or quotaholder or director of a legal entity belonging to the same network as the company appointed for the auditing of the issuer;

h) if he/she is a close relative of a person who is in any of the positions listed in the above paragraphs.

For the purposes of the above-mentioned cases, the definitions contained in the Code on Corporate Governance shall apply.

4. The Directors' term in office spans three operating years, except where a shorter term is established at the time they are appointed, and ends on the date of the Shareholders' Meeting convened for the approval of the accounts relating to the last operating year in which they were in office.

5. The Directors are appointed by the Shareholders' Meeting on the basis of lists submitted by legitimate parties in which candidates must be listed using a progressive number. Each list must introduce a number of candidates belonging to the least represented gender such as to ensure abundance by the balance between genders at least in the minimum quantity required by the provisions, also of a regulatory nature, in being.

6. In order to be valid, the lists must be filed at the Registered Office or the Head Office, also through long distance communication means and in accordance with the manner indicated in the notice of the Meeting which allows the identification of the parties that are doing the filing, no later than the twenty-fifth day prior to the date of the Shareholders' Meeting and must be made available to the public at the Registered Office, on the Company's web site and through other channels provided for under prevailing laws at least twenty-one days prior to the date of the Shareholders' Meeting. Each legitimate party may submit or contribute to the submission of only one list and, similarly, each candidate may only be included on one list, on penalty of ineligibility. Those legitimate parties who individually or collectively with others represent at least 0.5% of share capital in the form of ordinary shares with voting rights at ordinary Shareholders' Meetings are entitled to submit lists.

7. The ownership of the minimum number of shares required for filing lists is calculated with regard to the shares registered to each individual shareholder, or to multiple shareholders combined, on the day on which the lists are submitted to the Company. Ownership of the number of shares necessary for filing lists must be proven pursuant to the prevailing laws; such proof can even be submitted to the Company during or after the time when the lists are filed provided that this occurs prior to the deadline for when the Company must make the lists public.

8. By the deadline indicated in paragraph 6 above, parties having the right thereto who filed lists must, together with each list, also file any such further document and declaration required by the provisions, also of a regulatory nature, in being at the time as well as:

- the information on those who filed lists with information on the total percentage of equity investment held;
- information on the personal and professional characteristics of the candidates indicated on the list;
- a statement whereby the individual candidates irrevocably accept the position (subject to their appointment) and attest, under their responsibility, that there are no reasons for their ineligibility or incompatibility respect to candidacy, and that they meet the experience and integrity requirements provided for by current regulatory and other provisions;
- a statement that the independence requirements dictated by these Articles of Association have been met.

Any list that does not meet the above requirements shall be deemed to have not been filed.

9. All those entitled to vote may only vote for one list.

10. The election of Members of the Board of Directors shall proceed as follows:

- a) from the list obtaining the majority of votes cast shall be taken - in the consecutive order in which they are shown on the list - as much Directors as to be appointed, decreased of one Director - if the Board of Directors consists in a number lower or equal to 20 members - or decreased of two Directors - if the Board of Directors consists in a number higher than 20 members. The remaining Directors shall be taken - in the consecutive order in which they are shown on the list - from the minority list receiving the highest votes;
- b) if the majority list doesn't reach a sufficient number of candidates for the election of the number of Directors to be appointed - following the mechanism pointed out under the previous lett. a) - all the candidates from the majority list shall be appointed and the remaining Directors shall be taken from the minority list receiving the highest votes, in the consecutive order in which they are shown on the such list;
- c) if the minority list receiving the highest votes doesn't reach a sufficient number of candidates for the election of the number of Directors to be appointed the remaining Directors shall be taken in succession from the further minorities lists receiving the highest votes, always in the order in which they are shown on the lists;
- d) if the number of candidates included on the majority as well as minorities lists submitted is less than the number of the Directors to be elected, the remaining Directors shall be elected by a resolution passed by the Shareholders' Meeting by a relative majority ensuring the abidance by the independence and balance between genders principles established by the provisions, also of a regulatory nature, in being. If there is a tie vote between several candidates, a run-off will be held between these candidates by means of another vote at the Shareholders' Meeting;
- e) if only one list or no list is filed, the Shareholders' Meeting shall deliberate in accordance with the procedures set forth in item d) above;
- f) if the minimum necessary number of independent Directors and/or of Directors belonging to the least represented gender is not elected, the Directors of the most voted list who have the highest consecutive number and do not meet the requirements in question shall be replaced by the subsequent candidates, who meet the necessary requirement or

requirements, taken from the same list. Should it prove impossible, even applying said criterion, to single out Directors possessing said requirements, the above substitution criterion will apply to the minorities lists receiving the highest votes from which the candidates elected have been taken;

g) if, even applying the substitution criteria given in the previous lett. f), suitable substitutions have not been found, the Shareholders' Meeting shall resolve by a relative majority. In such circumstances the substitutions shall be effected beginning from the progressively most voted lists and from the candidates bearing the highest progressive number.

11. In the event of a Director dying, leaving office or failing to hold it for any other reason or where his term in office is lapsed or losing for any other reason the experience or integrity requirements, the Board of Directors can take steps to co-opt a Director, taking into proper account the right of minority interests to be represented. In the above cases, should the minimum number of independent Directors fall below the level established by the Articles of Association and/or should the number of Directors belonging to the least represented gender fall below the level established by law, the Board of Directors shall provide for their replacement.

12. For the appointment of Directors that need to be added to the Board of Directors, resolutions of the Meeting of Shareholders shall be by relative majority, ensuring abidance by the criteria of independence and balance between genders established by the provisions, also of a regulatory nature, in being.

#### Clause 21

1. The Board of Directors elects from amongst its members, for three operating years, unless a different duration is established by the Meeting pursuant to the provisions of Clause 20 above, one Chairman, one or more Deputy Chairmen (including one who acts as a stand-in) and a Secretary, who need not be one of its members. Where absent or impeded, the Chairman is replaced by the Stand-in Chairman. Where both the Chairman and Stand-in Chairman are absent or impeded, the Meeting is chaired by the oldest Deputy Chairman of those in attendance or, where all Deputy Chairmen are absent or impeded, by the oldest Director. Where the Secretary is absent or impeded, the Board of Directors designates a person to replace him.

2. The Board of Directors may appoint one Managing Director, while also determining his/her duties and powers, and may bestow special duties and powers upon other Board members.

3. The Managing Director is responsible for following the execution of resolutions carried by the Board of Directors, availing themselves of the Head Office.

4. The powers granted by the Board of Directors to the Managing Director can be further delegated to members of the Head Office, once again with the power to delegate further.

5. The Board of Directors can appoint one or more General Managers and/or one or more Deputy General Managers, establishing their roles and areas of competence. Should a Managing Director not have been appointed, the Board of Directors shall appoint a sole General Manager, and can appoint one or more Deputy General Managers, establishing their roles and areas of competence.

6. The General Managers report to the Managing Director, where appointed, in the exercise of the duties, executing the management directives from the Managing Director and, if so requested by the Managing Director, overseeing the execution of resolutions taken by the Board of Directors, with the assistance of the members of Head Office.

7. General Managers and Deputy General Managers can delegate the powers granted to them, with the power to delegate further.

8. The General Managers participate in the meetings of the Board of Directors, without being granted voting rights.

9. The empowered parties shall report to the Board of Directors on the conduct of their activities, with the modalities and terms set by the Board, in accordance with law.

#### Clause 22

1. The Board of Directors meets at the Bank's Registered Office or elsewhere in Italy or abroad at intervals of usually no more than three months and every time the Chairman feels it necessary or a Board meeting is requested by the Managing Director or by least three Directors. A Board meeting may also be convened on the initiative of one Statutory Auditor.

2. Whenever the Chairman of the Board of Directors deems it opportune, meetings of the Board of Directors may be held by using means of telecommunication, providing that each of the attendees may be identified by all the others and that each of the attendees is in a position to intervene real time during the discussion of the topics being examined, as well as receive, transmit and view documents. Once the fulfilment of these prerequisites has been verified, the meeting of the Board of Directors is considered held in the place where it was convened.

3. The Board is convened by the Chairman or by whoever replaces him and may also be convened using electronic means.

4. The Chairman and Managing Director, where appointed, may invite staff from UniCredit S.p.A. and/or Companies in the UniCredit Group to attend Board meetings.

#### Clause 23

1. The Board of Directors is vested with all powers necessary for the running of the Bank, except for those powers reserved for Meetings of Shareholders by law and by the Articles of Association.

2. In compliance with applicable laws and the Company's Articles of Association, the Board of Directors adopt rules concerning its functioning and attributions.

3. In addition to those duties and powers that may not be delegated according to the law, the Board of Directors is exclusively responsible for adopting resolutions regarding the following:

- the general guiding of, as well as the adoption and amendment of, the Bank's industrial, strategic and financial plans;
- assessing the general trend of business;
- adjustments made to the Articles of Association to comply with legal requirements;
- the merger by incorporation of companies in the situations foreseen by Article 2505 and 2505 (ii) of the Italian Civil Code;
- the demerger of companies in the situations foreseen by Article 2506 (iii) of the Italian Civil Code;
- the reduction of capital in the event of a shareholder withdrawing;
- decisions as to which Directors, in addition to those indicated in these Articles of Association, may represent the Bank;
- the determination of criteria for the coordination and management of Group companies and the determination of criteria for compliance with Bank of Italy requirements;
- risk management policies, as well as the evaluation of the functionality, efficiency and effectiveness of the internal audit system and the adequacy of the organisational, administrative and accounting set-up;
- the acquisition and sale of shareholdings, companies and/or businesses involving investments or divestments that exceed 5% of equity, as recorded in the last set of accounts approved by the Bank, and in any event the acquisition and sale of shareholdings that modify the composition of the Banking Group not included in the

industrial, strategic and financial plans already approved by the Board of Directors, whilst the provisions of Article 2361, second paragraph, of the Italian Civil Code continue to be duly observed;

- the resolutions concerning organization structures of the company and the related internal rules and regulations that shall be considered relevant, following the criteria established by the Board of Directors;
- the establishment of board committees;
- the creation and closing down, of secondary offices, branches, however named, and representative offices;
- the appointment and revocation of General Managers, Deputy General Managers and other Directors holding strategic responsibilities for the Bank;
- the appointment and revocation of the head of the internal audit function, the head of the risk management function and the head of the compliance function.

4. The Directors report to the Statutory Board of Auditors on the activities undertaken by the Bank and its subsidiaries, as well as on those transactions effected by them that are of significant importance from an economic, financial and balance-sheet perspective, with specific attention being paid to those transactions that could potentially give rise to a conflict of interest. To this end, they provide the Statutory Board of Auditors, at least once every quarter, with reports received from the Bank's relevant bodies and from subsidiaries that concern the activities and transactions in question, said reports being prepared in accordance with the guidelines issued by the Directors themselves.

#### Clause 24

1. In order for Board resolutions to be valid, the presence of the majority of Directors in office at the time is required.
2. The resolutions of the Board are adopted with the majority of the votes of those who have expressed their votes, with the exclusion of those who abstained; in case of equality of votes the Chairman will have a casting vote.

#### Clause 25

1. Resolutions carried by the Board of Directors are verified by way of minutes recorded in the register provided for this specific purpose, which are signed by the Chairman of the meeting and the Secretary.
2. Copies of the minutes, signed and certified as valid and in conformity to requirements by the Chairman of the Board or by whoever deputises for him, or by the Secretary, constitute full evidence.

#### Clause 26

1. The Directors are entitled to a reimbursement of those expenses incurred when performing their duties. The Board is also entitled to an annual fee, which shall be resolved upon by the Meeting and shall remain unchanged until the Meeting subsequently decides otherwise.
2. The way in which the emoluments payable to the Board of Directors (as resolved upon by the Meeting) are distributed is established by way of a Board resolution. The Board of Directors may also, after hearing the opinions of the Statutory Board of Auditors, establish the remuneration of the directors holding the specific roles provided for by Article 2389, third paragraph, of the Italian Civil Code.

## **SECTION VI Regarding Head Office**

## Clause 27

1. The Head Office is composed by General Managers, Deputy General Managers, other Directors holding strategic responsibilities for the Bank, employees assigned to the Head Office and seconded subjects.

2. The Head Office guarantees, in accordance with the guidelines established by the Managing Director or – where not appointed – by the General Manager, the smooth running of the business and the correct execution of resolutions carried by the Board of Directors.

3. The Managing Directors, the General Managers, the Deputy General Managers and the other Directors holding strategic responsibilities for the Bank are directly vested, without any further specific powers needing to be delegated, with the abilities, that can be exercised separately, to resolve the following decisions:

a) to promote and support legal and administrative actions, arbitration, appeasement and mediation proceedings, at any level of the law, including, for example, the exercising, remission and waiver of the right to proceed with a lawsuit, as well as the institution and the revocation of a civil action and to represent the Bank within every place of judicial, administrative, arbitration and appeasement proceedings, before any authority and in any state, and at any level of the law, including therefore in cassation and revocation proceedings and before the State Council, with the ability to do the interrogation due pursuant to the law, to appease, to reach agreements and to settle by compromise in arbitration proceedings, which may include friendly settlement arrangements as well as to waive acts and actions;

b) to enable, possibly through the use of special agents, mortgages and liens to be registered, subrogated, reduced, postponed and cancelled, as well as to effect and cancel registrations and records of any kind, regardless of whether or not the loans to which these registrations, records and entries refer have been paid;

c) to effect any transaction whatsoever, including the collection and withdrawal of securities and other instruments, with any company or body, with the Bank of Italy, Bank for Deposits and Loans, the Public Debt Agency, and, in any event, any office of the Public Administration, with no exclusion, State-owned organisations, enterprises and companies or public bodies, and, furthermore, to carry out every measure pertaining to these transactions;

d) to issue special mandates for the execution of single actions and operations or specific types of actions and operations and powers of attorney for litigation proceedings, as well as to appoint technical consultants and arbiters, assigning to them the appropriate powers and authorities;

e) to vest employees or third parties, including individually, with the ability to represent the Bank, as shareholder or as the delegate of minority interests, at the General or Special Meetings of Shareholders of Italian or foreign companies, in conformity to prevailing laws.

The empowered parties mentioned in this paragraph may delegate the above mentioned powers to the employees assigned to the Head Office or to the seconded subjects.

4. The Board of Directors has the ability to establish organisational structures and/or decision-making units of the Head Office, such as regional management offices, situated locally, to which the Managing Director or – where not appointed – the General Manager may delegate (availing itself of the Head Office if necessary) duties, powers and authorities, in addition to those indicated in Clause 28, for the management of branches, however named, determining the procedures by which they are to be exercised.

5. The Managing Director or – where not appointed – the General Manager may delegate to the Management Teams of branches, however named, (availing themselves of the Head Office and the structures referred to in the previous paragraph if necessary) duties, powers and authorities, in addition to those indicated in Clause 28, for the management of branches, determining the procedures by which they are to be exercised.



## Clause 28

1. The Management Team entrusted with the management of a branch, however named, solely for such management, is vested with the all the powers needed in order for ordinary transactions to be effected, said powers including the abilities referred to in points a) b) c) and d) of Clause 27 above and to be exercised, without the need for the specific granting of powers, by adopting the procedures set out in Clause 29 below.

## **SECTION VII Regarding representation and signing powers**

### Clause 29

1. Representation of the Bank (including procedural representation) and signing on behalf of the Bank are responsibilities assumed by the Chairman of the Board of Directors and, should he be absent or prevented, the Deputy Vice-Chairman, as well as – separately – by the Managing Director, the General Managers, and the Deputy General Managers, with said individuals vested with the ability to designate, be it a continuous basis or otherwise, employees of the Bank and persons on secondment to the Bank, as well as outside third parties, as representatives and special agents for the undertaking of single actions and operations or specific types of actions and operations and to appoint lawyers, technical consultants and arbiters, assigning to them the appropriate powers and authorities.

2. Procedural representation comprises, for example, the ability to initiate and support any action and measure to protect the Bank's rights and interests, which may involve applying for warnings, precautionary measures and emergency actions, and exercising enforceable actions, the exercising, remission and waiver of the right to proceed with a lawsuit, as well as the institution and the revocation of a civil action, within every place of judicial, administrative, arbitration and appeasement proceedings, before any authority and in any state, and at any level of the law, with all the powers needed for such purposes, including the power to confer the necessary relative powers of attorney for litigation proceedings, including general ones, to do the interrogation due pursuant to the law, and with every ability foreseen by law to appease, to reach agreements and to settle by compromise in arbitration proceedings, which may include friendly settlement arrangements as well as to waive acts and actions.

3. The following persons also have the ability to sign, pursuant to the preceding paragraphs, including for procedural representation, in the name of UniCredit S.p.A.:

a) for the Head Office and for all secondary offices, branches, however named, and representative offices: the Directors with strategic responsibilities for the Bank if different from those representatives indicated in the paragraph 1 and the other parties, included seconded persons, to whom this power has been granted;

b) for the Head Office Unit only: Managers and grade 2, 3 and 4 Assistant Managers assigned to the Head Office, as well as seconded subjects vested with this ability;

c) for individual secondary offices, branches, however named, and representative offices: Managers and grade 2, 3 and 4 Assistant Managers assigned to them, as well as seconded subjects vested with this ability.

In order to be binding, documents issued for the Bank by representatives who have been authorised pursuant to the provisions of this paragraph must be signed jointly by two of the persons indicated, with the restriction however that grade 2 and 3 Assistant Managers may only sign with a grade 4 Assistant Manager or a Manager.

4. In order to facilitate the smooth running of operations, the Board of Directors may however authorise the signature of Company staff and persons on secondment to the Company itself, including for procedural representation, jointly, but potentially singularly, for the types of documents that shall be determined by the Board itself.

## **SECTION VIII**

### **Regarding the Statutory Board of Auditors**

#### Clause 30

1. The General Meeting of Shareholders appoints five permanent Statutory Auditors, from whom the Chairman. Moreover it appoints four stand-in Statutory Auditors. The membership of the Board of Statutory Auditors must ensure the balance between genders.
2. Permanent and stand-in Statutory Auditors may be re-elected.
3. Pursuant to the provisions of prevailing legislation, at least two permanent Auditors and one stand-in Auditor must be listed in the Rolls of Auditors and have undertaken the legal auditing of accounts for a period of no less than three years. Any Auditors who are not listed in the Rolls of Auditors must have gained at least three years' total experience:
  - a) undertaking professional activities as a business accountant or lawyer, undertaken primarily in the banking, insurance and financial sectors;
  - b) teaching, at University level, subjects concerning - in the field of law - banking, commercial and/or fiscal law, as well as the running of financial markets and - in the field of business/finance - banking operations, business economics, accountancy, the running of the securities markets, the running of the financial and international markets and corporate finance;
  - c) performing managerial/executive duties within public organisations or offices of the Public Administration, as well as in the credit, financial or insurance sector, and the investment services sector and collective investment-management sector, both of which are defined in Legislative Decree no. 58 of February 24, 1998.
4. Permanent and stand-in members of the Statutory Board of Auditors are appointed in keeping with lists submitted by legitimate parties in which candidates must be listed by a progressive number. Lists must be divided in two directories, containing respectively up to five candidates for the seat as permanent Auditor and up to four candidates for the seat as stand-in Auditor. At least the first two candidates for the seat as permanent Auditor and at least the first candidate for the seat as stand-in Auditor given in the respective directories must be listed in the Rolls of Auditors and must have carried out the activity as Statutory accounting Auditor as envisaged by paragraph 3. Each directory for the appointment as permanent Auditor and stand-in Auditor must present a number of candidates belonging to the least represented gender such as to ensure, within the directory itself, the abidance by the balance of genders at least in the minimum quantity established by the provisions, also of a regulatory nature, in being. No candidate may appear in more than one list, or shall otherwise be disqualified.
5. The lists must, under penalty of forfeiture, be submitted to the Registered Office or the Head Office, also through long distance communication means and in accordance with the manner indicated in the notice of the Meeting which allows the identification of the parties that are doing the filing, no later than on the twenty-fifth day prior to the date of the Shareholders' Meeting, and are made available to the public at the Registered Office, on the Company's web site and through other channels provided for under prevailing laws, at least twenty-one days prior to the date of the Shareholders' Meeting. The right to deposit the lists lies with legitimate parties that, by themselves or together with others, represent at least 0.5% of ordinary share capital bearing voting rights for the General Meeting of Shareholders. Minority shareholders who have no connecting relationship with the shareholders concerned shall continue to have the option to take advantage of an extension in the deadline to present lists in those instances and using those procedures specified by current regulatory and other provisions.
6. The ownership of the minimum number of shares required for filing lists is calculated with regard to the shares registered to each individual shareholder, or to multiple shareholders combined, on the day on which the lists are submitted to the Company. Ownership of the number of shares necessary for filing lists must be proven in accordance

with the prevailing laws; such proof can even be submitted to the Company during or after the time when the lists are filed provided that this occurs prior to the deadline for when the Company must make the lists public.

7. Along with the lists filed by the parties having the right thereto, the latter must also , within the deadline indicated in paragraph 5 above, file any further document or declaration required by the provisions, also of a regulatory nature, from time to time in being. Any list that does not meet the above requirements shall be deemed to have not been filed.

8. Every person entitled to vote may vote in respect of one list only.

9. With regard to the appointment of permanent auditors, the votes obtained by each list are subsequently divided by one, two, three, four and five. The ratios thus obtained are allocated progressively to the candidates in the first sub-list of each list in the order foreseen by the list concerned, and are arranged in just the one schedule in descending order. Except where provided for otherwise in the next paragraph, those obtaining the highest ratios are elected as permanent Auditors.

10. Given the above, the first three candidates of the list obtaining the majority of the votes are in any case elected. Should four or more candidates from one list obtain the highest ratios, only the first three however shall be elected. In any case the fourth and fifth elected persons shall be those who obtain the highest ratios out of those belonging to the lists of minority.

11. The candidate who has obtained the highest share of votes among the candidates belonging to the list that obtained the highest number of votes among the minority lists, as defined by the current provisions (also regulatory) in force, shall be elected by the Shareholders' Meeting as Chairman of the Board of Statutory Auditors. In case of a tie between lists, the candidate from the list presented by the legitimate parties with a larger stake or, subordinately, by the higher number of parties, shall be elected Chairman of the Board of Statutory Auditors. In case of a further tie, the more senior candidate in terms of age shall be appointed Chairman. If the Chairman has not been elected on the basis of the above mentioned criteria, the Shareholders' Meeting shall appoint directly with relative majority.

12. With regard to the appointment of stand-in Auditors, the votes obtained by each list are subsequently divided by one, two, three and four. The ratios thus obtained are allocated progressively to the candidates in the second sub-list of each list in the order foreseen by the list concerned, and are arranged in just the one schedule in descending order. Except where provided for otherwise in the next paragraph, those obtaining the highest ratios are elected as stand-in Auditors.

13. The above remaining firm, the first two candidates of the list that has obtained the majority of the votes are in any case elected. Should three or more candidates of one list obtain the highest ratios, the first two of them shall in any case be elected. In whatever case the third and fourth elected persons shall be those who, amongst the persons belonging to the minority lists, have obtained the highest ratios.

14. In the event of two or more ratios amongst candidates as permanent Auditor and/or stand-in Auditor being level, the candidate from the list that has obtained the highest number of votes shall take priority – and if the number votes is equal, the oldest candidate shall then take priority.

15. Should the minimum number of permanent Auditors or of stand-in Auditors necessary, belonging to the least represented gender, not be elected, the Auditor of the most voted list with the highest progressive number and belonging to the most represented gender is substituted by the following candidate belonging to the least represented gender coming from the same list. Notwithstanding the above, should the minimum number of Auditors belonging to the least represented gender continue to lack, the substitution criterion will apply, if possible, to the minority lists progressively most voted from which elected candidates have been drawn, or will again apply to the most voted list. If, notwithstanding everything, the minimum number of Auditors belonging to the less represented gender

continues to be missing, the Shareholders' Meeting will resolve by a relative majority. In such case the substitutions will be effected beginning from the progressively most voted lists and from the candidates having the lowest ratio.

16. If in accordance with the deadlines and procedures set forth in the previous paragraphs only one list, or no list, has been presented, or the lists do not contain the required number of candidates to be elected, the Shareholders' Meeting shall pass a resolution for appointment or addition by relative majority. If there is a tie vote between several candidates, a run-off election shall be held between them with a further vote of the Shareholders' Meeting. The Shareholders' Meeting must in any case ensure the balance between the genders envisaged by the provisions - also of a regulatory nature - in being.

17. In the event of a permanent Auditor dying or leaving office or where his term in office is lapsed or he is not available for any other reason, he shall be replaced by the stand-in Auditor on the same list indicated by the outgoing Auditor according to the progressive order of the list, in abidance by the requirement concerning the minimum number of members registered in the Rolls of Auditors having undertaken the legal auditing of accounts according to paragraph 3 and by the principle of balance between the genders. If this is not possible, the departing Auditor shall be replaced by the stand-in Auditor having the required characteristics coming progressively from the most voted of the minority lists, according to the progressive order of listing. Where Auditors are not appointed by the list-based system, the stand-in Auditor provided for by legal provisions shall take over.

Whenever the Chairman is substituted, the stand-in Auditor taking his place also takes on the Chairman's seat. The Shareholders' Meeting envisaged by art. 2401, sub-sec. 1, of the Italian Civil Code, nominates or provides for the substitution of the Statutory Auditors abiding by the principle regarding the compulsory presence of the minorities and the balance between the genders. Where the appointment of the stand-in Auditor *in lieu* of the Auditor is not confirmed by the Shareholders' Meeting, he shall return to his position as stand-in Auditor.

18. For issues relating to the duties, powers and authorities assigned to Statutory Auditors, the determination of their remuneration and the length of their term in office, the prevailing laws shall apply.

19. In order to properly perform its tasks, and in particular to fulfill its obligation to promptly inform the Bank of Italy, and where provided, other supervisory authorities of irregularities in the management of the bank or violations of the law, the Statutory Board of Auditors is vested with all the powers provided for by prevailing laws and regulations.

20. The Statutory Board of Auditors performs the roles and functions required of it by the prevailing laws. In particular, it oversees compliance with laws, regulations and Articles of Association, the proper management and the adequacy of the organisational and accounting set-up of the Bank and of the risk management and control, as well as the functionality of the total internal audit system, of the external auditing of the accounts and the consolidated accounts, of the independence of the external audit firm and on the information process regarding to financial data.

21. Statutory Auditors may assume administration and control positions within other Companies within the limits established by regulatory and other provisions.

22. The Statutory Board of Auditors is properly formed when the majority of Statutory Auditors are present, with resolutions being carried as per the outright majority of votes cast by those present. In the event of a tie, the vote of the Chairman shall prevail.

23. Whenever the Chairman of Statutory Board of Auditors deems it opportune, meetings of the Statutory Board of Auditors may be held by using means of telecommunication, providing that each of the attendees may be identified by all the others and that each of the attendees is in a position to intervene real time during the discussion of the topics being examined, as well as receive, transmit and view documents. Once the fulfilment of these prerequisites has been verified, the meeting of the Statutory Board of Auditors is considered held in the place where the Chairman is located.

## **SECTION IX**

### **Regarding the accounts, dividend and reserve fund**

#### Clause 31

1. The Bank's operating year ends on 31 December of every year.
2. At the end of every operating year, the Board of Directors sees to the formation of the Bank's accounts.

#### Clause 32

1. The net profit reported in the accounts is allocated as follows:
  - a) no less than 10% to the reserve; when the reserve is at the maximum level foreseen by legal provisions, said profit is allocated with priority to the savings shares, at the level set out in point b) below;
  - b) the savings shares are allocated up to five per cent of Euro 6.3 per share; when, in any given operating year, the savings shares are allocated a dividend of less than five per cent of Euro 6.3 per share, the difference is added to the preferential dividend for the next two years; any earnings that remain after allocating the above dividend to the savings shares are distributed among all shares, in such a way that the savings shares are assigned a higher global dividend than due to ordinary shares, at a level equal to three per cent of Euro 6.3 per share;
  - c) whilst the above provisions regarding the higher overall dividend due to savings shares shall continue to be observed, the ordinary shares are allocated up to five per cent of Euro 6.3 per share.  
In case of capital transactions which modify the ratio between the amount of share capital and the number of shares outstanding, the fixed numerical reference referred to in points b) and c) of this paragraph 1, could be amended consequently;
  - d) any earnings that remain, and in respect of whose distribution the Meeting of Shareholders carries a resolution, are distributed among shares in addition to the allocations referred to in points b) and c) above;
  - e) the Meeting of Shareholders resolves upon the distribution of any undistributed earnings, further to a proposal from the Board of Directors.

2. The Meeting of Shareholders, further to a proposal from the Board of Directors, may assign to the ordinary and savings shareholders the right to require that the dividends referred to in points b), c) and d) above are settled, in whole or in part, in cash or by delivery of ordinary and/or savings shares, having the same entitlements of the shares outstanding at their time of assignment.

In case of assignment of such right, the Meeting of Shareholders, further to a proposal from the Board of the Directors, shall determine the criteria for the calculation and assignment of the shares, establishing the form of settlement of the dividend payment in case of non-exercise of such right by the shareholders.

Provided that the privilege on the dividend pertaining to the saving shares in accordance with the preceding letter b) will be paid in cash, except that the shareholder elects otherwise.

3. The Meeting of Shareholders, further to a proposal from the Board of Directors, may also resolve upon the formation and increase of reserves of an extraordinary and special nature, which are to be sourced from net profit before or after the allocations referred to in points c), d) and e) above.

4. The Meeting of Shareholders, further to a proposal from the Board of Directors, may allocate a portion of the annual net profit to projects of a social, welfare and/or cultural nature, with any such donations to be made as per the judgment of the Board of Directors.

5. The Bank may resolve upon the distribution of advance dividend payments in those situations, by those procedures and within those limits permitted by prevailing laws.

## **SECTION X Regarding withdrawal**

### Clause 33

1. The right of withdrawal is regulated by the law, on the understanding that shareholders that have not been involved in the approval of resolutions regarding the extension of the Bank's duration or the introduction or removal of restrictions imposed upon the circulation of shares may not exercise the right of withdrawal.

## **SECTION XI Regarding Manager charged with preparing a company's financial reports**

### Clause 34

1. The Board of Directors shall, subject to the mandatory opinion of the Board of Statutory Auditors, appoint a manager, for a period of up to three years, in charge of preparing company's financial reports for the performance of the duties assigned to such manager under current laws, and shall establish his powers, qualifications and compensation.

2. The manager in charge of preparing the company's financial reports shall be selected by the Board of Directors from the Bank's managers who meet all the following qualifications:

- a) a degree (or equivalent) in business or finance obtained in Italy or abroad;
- b) at least three years experience as a manager of an in-house area dedicated to the preparation of accounts or as a Chief Financial Officer in an Italian or foreign listed limited company (or equivalent) including UniCredit and its subsidiaries;
- c) assignment at the time of the appointment in a management or more senior position.

3. The Board of Directors shall ensure that the manager in charge of the preparation of company's financial reports has the appropriate powers and means to carry out the duties assigned to him under current laws and to properly comply with administrative and accounting procedures.

4. In the performance of his duties, the manager in charge of preparing company's financial reports may avail himself of collaboration provided by all areas of the UniCredit Group.

5. The manager in charge shall make all attestations and declarations that he is required to make in accordance with current laws including in conjunction with delegated bodies as required.