

# Governance organisational structure

The information in this section refers to the date of 5 February 2020 (approval date by the Board of Directors of the Report and Accounts 2019 - General Meeting Draft of UniCredit S.p.A. and of the Consolidated Report and Accounts of UniCredit group).

## Introduction

UniCredit's overall corporate governance framework, i.e. the system of rules and procedures that its corporate bodies refer to steer the principles of their behaviour and fulfil their various responsibilities towards the Group's stakeholders, has been defined in compliance with current national and European provisions as well as the recommendations contained in the Italian Corporate Governance Code for listed companies (hereinafter, also the "Code"). The Code, according to the major international markets' experience, identifies the corporate governance standards and best practices for Italian listed companies recommended by the Corporate Governance Committee, to be applied according to the "comply or explain" principle that requires the explanation in the corporate governance report of the reasons of failure to comply with one or more recommendations contained in its principles or criteria.

Moreover, UniCredit is subject to the provisions contained in the Supervisory Regulations issued by Banca d'Italia and, in detail, with regards to corporate governance issues, to the Supervisory Regulations on banks' corporate governance (Circular No.285/2013, Part I, Title IV, Chapter 1). In compliance with the aforementioned Supervisory Regulations UniCredit, as significant bank subject to the direct prudential supervision of the ECB, as well as a listed bank, is qualifiable as bank of a major size or operational complexity and consequently complies with the provisions applicable to such kind of bank.

Since 2001, UniCredit has adopted the Code which is available to the public on the Corporate Governance Committee website (<http://www.borsaitaliana.it/comitato-corporate-governance/homepage/homepage.en.htm>).

UniCredit yearly draws up a corporate governance report meant for its shareholders, institutional and non-institutional investors and the market. The report supplies suitable information on the UniCredit own corporate governance system.

Consistently with the relevant legal and regulatory obligations, as well as in line with the provisions of the Code, in its edition as updated in July 2018, the 2019 Report on corporate governance and ownership structure has been drafted, in accordance with Section 123/bis of the Legislative Decree No.58 dated 24 February 1998 (hereinafter, also the "TUF").

The Report on corporate governance and ownership structure, approved by the Board of Directors in its meeting held on 5 March 2020, is published at the same time as the Report on Operations on the Issuer's website (<https://www.unicreditgroup.eu/en/governance/governance-system-and-policies.html>). For further information on the UniCredit corporate governance system see the first of the above documents.

UniCredit, as issuer of shares also listed on the Frankfurt and Warsaw regulated markets, also fulfils the legal and regulatory obligations relating to listings on said markets as well as the provisions on corporate governance contained in the Polish Corporate Governance Code issued by the Warsaw Stock Exchange.

Since its establishment, UniCredit has adopted the so-called traditional management and control system.

The distinctive feature of this model is that the strategic supervision and the management of the company, the overseeing of its management and the legal accounting supervision are separated. In particular, the Board of Directors is solely responsible for the strategic supervision and the management of the Company, while the Board of Statutory Auditors is entrusted with supervising its management. Legal accounting supervision is assigned to an external audit firm by the Shareholders' Meeting on the basis of a proposal from the Board of Statutory Auditors, in compliance with relevant current laws.

The reasons behind the choice of such governance model are that it has proven capable of managing the business efficiently, while ensuring effective controls. That is, it creates the conditions for UniCredit S.p.A. to be able to guarantee the sound and prudent management of a complex and global banking group, such as the UniCredit group.

Moreover, the traditional management ascribes certain aspects to the sole responsibility of the Shareholders' Meeting, creating in this way an opportunity for dialogue and debate between shareholders and management about the fundamental elements of governance. These include the appointment and dismissal of directors, the appointment of the Board of Statutory Auditors members, the assignment of the mandate for the external auditing to an audit firm, the setting of the related remuneration, as well as the approval of the financial statements, the profit allocations, the resolutions on the remuneration and incentive policies and practices provided for by current provisions and the criteria to determine the compensation to be granted in the event of early termination of employment or early retirement from office.

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## Shareholders' Meeting

The Ordinary Shareholders' Meeting of UniCredit is convened at least once a year within 180 days of the end of the financial year, in order to resolve upon the issues that current laws and the Articles of Association make it responsible for. An Extraordinary Shareholders' Meeting is convened, instead, whenever it is necessary to resolve upon any of the matters that are exclusively attributed to it by current laws.

The Agenda of the Shareholders' Meeting is established pursuant to legal requirements and to the UniCredit Articles of Association by whoever exercises the power to call a Meeting.

The Ordinary Shareholders' Meeting has adopted Regulations governing Ordinary and Extraordinary Meetings in a functional and regular way. The Regulations are available on the Governance/Shareholders Meeting Section of the UniCredit website.

## Board of Directors

The Board of Directors of UniCredit may be comprised of between a minimum of 9 up to a maximum of 24 members. As at the approval date of this document, UniCredit has 15 Directors.

Their term in office is 3 financial years, unless a shorter term is established at the time they are appointed, and ends on the date of the Shareholders' Meeting called upon to approve the financial statements relating to the latest year in which they were in office.

The term in office of the current Board of Directors, which was appointed by the Shareholders' Meeting of 12 April 2018, will expire on the date of the Shareholders' Meeting called upon to approve the 2020 financial statements.

According to the current legal and regulatory provisions, the UniCredit Directors shall be appointed on the basis of a proportional representation mechanism ("*voto di lista*") abiding by the membership criteria concerning, inter alia, minority and independent Directors, as well as the balance between genders, pursuant to the procedures specified in Clause 20 of the UniCredit Articles of Association. The legitimate parties who are entitled to submit slates are the Board of Directors and the shareholders, who individually or collectively with others represent at least 0.5% of share capital in the form of ordinary shares with voting rights at the ordinary Shareholders' Meetings.

The UniCredit Articles of Association envisage that, regardless of the total number of the Board members, two Directors shall be appointed from the second slate receiving the highest votes, without any connection with the shareholders who, even jointly, filed, or voted for, the slate first by number of votes, to ensure to the minority shareholders a greater presence on the Board of Directors.

The Board establishes its qualitative and quantitative composition deemed to be optimal for the effective fulfillment of the duties and responsibilities entrusted to the Board of Directors by law, by the Supervisory Provisions and by the UniCredit Articles of Association, according to the current national and European provisions applicable on such topics, also concerning the time commitment and the limits upon the maximum number of offices that UniCredit Directors may hold.

Moreover, Directors must take into account the provisions of Section 36 of Law Decree No.201/2011 ("ban on interlocking directorships"), approved as statute by Law No.214/2011, which establishes that holders of a seat in managerial, supervisory and controlling bodies, as well as top management officers in companies or group of companies active in banking, insurance and financial markets are forbidden to hold similar offices, or to exercise similar duties, in competing companies or groups of companies.

The function and competencies of the Board of Directors are set forth in the UniCredit Corporate Bodies and Committees Regulation, available on the Governance/Governance system & policies Section of the UniCredit website.

## Independence of Directors

In compliance with the criteria established by Section 3 of the Code (which coincide with those envisaged by the UniCredit Articles of Association) and the provisions set out by Section 148 of the TUF, the Directors' independence shall be assessed by the Board of Directors every time the Board is renewed, as well as on an annual basis and whenever a person is appointed as Director, on the basis of the information provided by the Director him/herself or, however, available to the Company. The outcome of the assessments of the Board shall be notified after the appointment, through a press release disclosed to the market and, subsequently, within the Corporate Governance Report.

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With reference to the Board of Directors' members, the Corporate Governance, Nomination and Sustainability Committee and the Board of Directors, the latter at the annual verification carried out during its meeting held on 9 July 2019, as well as at the verification of individual Directors (5 March and 8 May 2019), carried out the assessment of the Directors' independence requirements based on the statements made by the parties concerned and on the information available to the Company.

With specific reference to the independence requirements laid down by the Code and the Articles of Association, information relating to the existence of direct or indirect relationships (credit relationships, business/professional relationships and employee relationships, as well as significant offices held) that the Directors and their other connected subjects may have with UniCredit and Group companies was taken into account.

In order to assess the potential significance of the abovementioned relationships, the Board of Directors has decided not to proceed with merely identifying predefined economic targets, which if simply exceeded could automatically indicate that independence has been compromised, as such check requires an overall assessment of both objective and subjective aspects. Therefore, for this purpose, the following criteria should be taken into account: (i) the nature and characteristics of the relationship; (ii) the amount in absolute and relative terms of the transactions; and (iii) the subjective profile of the relationship.

More specifically, when assessing the significance of the relationship, the following information, where available, is considered by the Board:

- as far as credit relations are concerned, the amount in absolute value of the credit granted, its weighting in relation to the system and, where appropriate, the economic and financial situation of the borrower;
- as far as professional/commercial relations are concerned, the characteristics of the transaction/relationship, the amount of the consideration and, where appropriate, the economic and financial situation of the counterparty;
- as far as offices held in Group companies are concerned, the total amount of any additional remunerations.

In all the above cases, all the parties involved (Director or family member; UniCredit or Group company) and, for relationships with companies/entities, the related kind of "connection" (post held/control participation) with the Director or the family member were taken into account.

As a result of such assessments and on the basis of the declaration provided by the persons concerned, the number of independent Directors according to the provisions of the Code is equal to 12.

According to the Code, the Board of Statutory Auditors, in its meetings held on 13 March, 8 May and 10 July 2019, ascertained, with a positive outcome, the proper application of the criteria and procedures adopted by the Board of Directors to assess the independence of its own members.

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## Status and activities of the Directors

In the following chart the information regarding the members of the Board of Directors in office at the approval date of this document is reported.

POSITION	MEMBERS	IN OFFICE		SLATE (M/m) <sup>(*)</sup>	EXECUTIVE	NON-EXECUTIVE	INDEPENDENT AS PER ARTICLES OF ASSOCIATION AND CODE	INDEPENDENT AS PER TUF	BOARD MEETINGS ATTENDANCE % <sup>(**)</sup>	NUMBER OF OTHER POSITIONS <sup>(***)</sup>
		SINCE	UNTIL							
Chairman	Bisoni Cesare <sup>(1)</sup>	04.12.2018	Approval of 2020 financial statements	M		X		X	100	--
Deputy Vice Chairman	Andreotti Lamberto <sup>(2)</sup>	04.12.2018	Approval of 2020 financial statements	M		X	X	X	83.33	1
CEO <sup>◊</sup>	Mustier Jean Pierre	04.12.2018	Approval of 2020 financial statements	M	X				100	--
Director	Al Mehairi Mohamed Hamad	04.12.2018	Approval of 2020 financial statements	M		X	X	X	83.33	7
Director	Balbinot Sergio	04.12.2018	Approval of 2020 financial statements	M		X		X	88.89	7
Director	Cariello Vincenzo	04.12.2018	Approval of 2020 financial statements	m		X	X	X	100	--
Director	Carlotti Elena <sup>(3)</sup>	02.07.2019	Approval of 2020 financial statements	--		X	X	X	100	--
Director	De Giorgi Diego <sup>(4)</sup>	02.05.2020	04.09.2020	--		X	X	X	--	--
Director	De Wismes Isabelle	04.12.2018	Approval of 2020 financial statements	M		X	X	X	88.89	--
Director	Lara Bartolomé Beatriz Ángela <sup>(4)</sup>	02.05.2020	04.09.2020	--		X	X	X	--	1
Director	Micossi Stefano	04.12.2018	Approval of 2020 financial statements	M		X	X	X	100	--
Director	Pierdicchi Maria	04.12.2018	Approval of 2020 financial statements	M		X	X	X	94.44	3
Director	Tondi Francesca	04.12.2018	Approval of 2020 financial statements	m		X	X	X	100	1
Director	Wolfring Alexander	04.12.2018	Approval of 2020 financial statements	M		X	X	X	100	3
Director	Zambon Elena	04.12.2018	Approval of 2020 financial statements	M		X	X	X	94.44	12
<b>----- Directors who left during the Period -----</b>										
Chairman	Saccomanni Fabrizio	04.12.2018	08.08.2019	M		X		X	100	--
Director	Boeckenfeld Martha Dagmar <sup>(5)</sup>	04.12.2018	09.18.2019	M		X	X	X	100	6
Director	Sironi Andrea <sup>(6)</sup>	04.12.2018	02.06.2019	M		X	X	X	72.73	3
<b>Quorum required for the submission of the slates for the latest appointment: 0.5%</b>										
<b>Number of meetings held during the financial year: 18</b>										

### Notes:

(\*) **M** = Member elected from the slate that obtained the majority of the Shareholders' votes;

**m** = Member elected from the slate voted by the minority;

(\*\*) Number of meeting attended/number of meetings held during the concerned party's term of office with regard to the period;

(\*\*\*) Number of positions as Director or Auditor held in other companies listed on regulated markets (both in Italy and abroad), including financial services companies, banks, insurance companies or other large companies. There is a list of such companies for each Director attached to the Report on corporate governance and ownership structure;

◊ Director in charge of the internal controls and risks management system.

(1) Appointed as Chairman on 20 September 2019, in place of Mr. Fabrizio Saccomanni. Mr. Bisoni, as Deputy Vice Chairman, acted as pro-tempore Chairman from 8 August up to 20 September 2019.

(2) Appointed as Deputy Vice Chairman on 8 October 2019, in place of Mr. Bisoni.

(3) Co-opted effective from 7 February 2019, in place of Mr. Andrea Sironi, and confirmed by the Shareholders' Meeting held on 11 April 2019.

(4) Co-opted on 5 February 2020, in place of Mr. Fabrizio Saccomanni and Ms. Martha Dagmar Boeckenfeld

(5) Resigned effective from 18 September 2019.

(6) Resigned effective from 7 February 2019.

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## Committees of the Board of Directors

In order to foster an efficient information and advisory system to enable the Board of Directors better to assess the topics for which it is responsible, also in accordance with the provisions of the Code, the Board has established four Committees, vested with research, advisory and proposal-making powers diversified by sector of competence: the Internal Controls & Risks Committee, the Corporate Governance, Nomination and Sustainability Committee, the Remuneration Committee and the Related-Parties Committee. Their duties are undertaken based on terms of reference and procedures set forth by the Board.

The Committees consist, as a rule, of a number of members from 3 up to 5. More specifically, the Internal Controls & Risks Committee, the Corporate Governance, Nomination and Sustainability Committee and the Remuneration Committee, set up in compliance with the provisions of the Banca d'Italia Supervisory Regulations on banks' corporate governance, envisaging 3 specialist committees, one on appointments, one on risks and one on remuneration, are composed of non-executives Directors, mostly independent pursuant to the Articles of Association. Such Committees must be differentiated from each other by at least one member and, if a Director elected by the minorities is present, that Director is a member of at least one Committee. The Chairman of each Committee shall be chosen from among the independent members. The Related-Parties Committee, set up for overseeing issues concerning transactions with related and associated parties, in compliance with the CONSOB regulatory provisions and the Banca d'Italia Supervisory Regulations, consists only of independent Directors pursuant to the Code.

The Corporate Governance, Nomination and Sustainability Committee also supervises the sustainability issues linked to the activity exercised by UniCredit and to the dynamics of the interactions of the latter with all the stakeholders.

None of the functions of one or more specialist Committees on appointments, risks and remuneration envisaged by the Code has been reserved to the Board of Directors. Moreover, none of the abovementioned Committees, per se, performs the multiple functions of two or more committees as envisaged by the Code. The Committee functions have not been allocated amongst the various Committees in a different manner vis-à-vis the provisions of the Code.

The Committee's tasks are coordinated by the Chairman, who exercises all necessary powers for its proper functioning. Each Committee draws up an annual plan of activities to ensure the fulfillment of its tasks. Committee meetings are convened by the Chairman with frequency adequate to the fulfillment of its tasks and plan of activities or when needed or requested in writing, with proper motivation, by at least two members of the Committee. The provisions set out for the Board of Directors' functioning shall apply, as compatible, to the Board Committees.

Committee members have the necessary knowledge, skills and experience to perform the duties assigned to them and ensure that any other corporate positions they hold in other companies or entities (including non-Italian ones) are compatible with their availability and commitment to serve as a Committee member.

At the invitation of each Committee Chairman, the CEO, other Directors, the General Manager (when appointed), the Manager in charge of drafting the company financial reports, as well as personnel belonging to the Company and the Group, may attend Committee meetings on specific Agenda items. Without prejudice to the possibility for the Statutory Auditors to attend the meetings, at the invitation of each Committee Chairman, the Chairman of the Board of Statutory Auditors, or other Auditors designated by the latter, may be called upon to attend Committee meetings. Always at the invitation of each Committee Chairman, personnel or externals appointed in the corporate bodies of the Group's subsidiaries may be called upon to attend Committee meetings.

To perform their duties, Board Committees have access to the financial resources necessary to guarantee their operational independence and, within the limitations of the budget approved by the Board of Directors, may consult independent external experts and invite them to attend meetings; in the event of specific requirements, the relevant budget may be supplemented.

The Chairman of each Committee, at the first available Board of Directors meeting, reports on the activities carried out during the Committee meetings.

The Board Committees' composition, functions and competencies are set forth in the Corporate Bodies and Committees Regulation, available on the Governance/Governance system & policies Section of the UniCredit website.

## Internal Controls & Risks Committee

The Internal Controls & Risks Committee consists of 5 non-executive Directors.

The composition of the Internal Controls & Risks Committee is the following: Mr. Alexander Wolfring (Chairman), Ms. Elena Carletti, Ms. Isabelle de Wismes, Ms. Maria Pierdicchi and Ms. Francesca Tondi.

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All members of the Committee meet the independence requirements prescribed by the Code, which coincide with those envisaged by the UniCredit Articles of Association, and are independent pursuant to Section 148, paragraph 3, of the TUF.

All members of the Committee meet the experience required by the applicable provisions, covering the provided areas of competence related to risk and control as well as in accounting and audit.

Committee meetings are attended by the Chairman of the Board of Statutory Auditors, the Head of Internal Audit, the Chief Compliance Officer and the Group Chief Risk Officer. At the invitation of the Committee Chairman, the Chief Executive Officer, other Directors, the Manager in charge of drafting the Company financial reports, as well as personnel belonging to the Company and the Group, may attend Committee meetings. Staff from the external audit firm may also be invited.

The Committee is responsible for setting up the necessary functional links with the Board of Statutory Auditors, so as to undertake activities deemed common to the two bodies, and to exchange information of mutual interest, within the purview of their respective competencies.

The Committee must be able to access relevant corporate information, consult external experts and, where necessary, communicate directly with the Heads of Internal Audit, Group Risk Management and Group Compliance.

In 2019, the Committee held 17 meetings.

## Duties

The Committee supports the Board of Directors on risk management and control-related issues.

Among other things, the Committee:

- d) with the support of the Corporate Governance, Nomination and Sustainability Committee, identifies and proposes to the Board who should be appointed as Head of the corporate control functions or assesses the evaluation of their dismissal; for the Head of Internal Audit function, issues its opinion on setting the remuneration and the performance goals associated with its variable portion in line with the company policies;
- e) pre-examines activity programmes (including audit plans) and annual reports from corporate control functions to be sent to the Board, as well as periodical reports prepared by these functions above and beyond legal or regulatory requirements;
- f) evaluates and issues opinions to the Board on the compliance of the internal control system and corporate organisation with the applicable rules and regulations, and on the requirements that must be complied with by the corporate control functions, drawing the Board's attention to any weaknesses and consequent corrective actions to be implemented; for this purpose, it assesses proposals put forward by the CEO;
- g) through evaluations and opinions, contributes to defining company policy on the outsourcing of corporate control functions;
- h) verifies that the corporate control functions correctly comply with the Board's recommendations and guidelines, assisting the Board in drafting the coordination documents envisaged under Banca d'Italia Circular No.285;
- i) examines and assesses the correct use of accounting principles and their uniformity with regard to drafting the main accounting documents (such as, by way of example, operating and consolidated financial statements, interim operating reports, etc.), for this purpose coordinating with the Manager in charge of drafting the company financial reports and with the Board of Statutory Auditors;
- j) examines the work carried out by the Group's external auditors and the results stated in their reports or any letters and suggestions;
- k) assesses any findings reported by Internal Audit and Group Compliance, or that may arise from enquiries and/or investigations carried out by third parties;
- l) may seek specific audit interventions, at such time informing the Chairman of the Board of Statutory Auditors;
- m) analyses Group guidelines for the Group Compliance function that fall within its remit, monitoring that they have been adopted and implemented;
- n) requests that the Head of Internal Audit draft any proposals for the qualitative and quantitative improvement of the function itself;
- o) is involved, within its specific remit, in the process of identifying material risk takers on an on-going basis.

With a special focus on risk management and control-related issues, the Committee supports the Board of Directors in:

- defining and approving strategic guidelines and risk management policies with specific reference to risk appetite and risk tolerance. For this purpose, it also examines the annual budget drafting guidelines;
- verifying that risk strategies, management policies and the Risk Appetite Framework (RAF) have been correctly implemented;
- defining policies and processes for evaluating corporate activities, including verification that the price and conditions of client transactions comply with the risk-related business model and strategies.

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Without prejudice to the competencies of the Remuneration Committee, the Committee checks that the incentives underlying the remuneration and incentive system comply with the RAF, particularly taking into account risks, capital and liquidity.

Moreover, the Committee reports to the Board of Directors on the status of the Group's internal control system.

Furthermore, as regards investments in non-financial equities, the Committee assesses, supports and puts forward proposals with regard to organizing and enacting internal controls on the making and managing of equity investments in non-financial companies, in addition to verifying compliance within the framework of such equity investments in terms of strategic and operational guidelines.

## Corporate Governance, Nomination and Sustainability Committee

The Corporate Governance, Nomination and Sustainability Committee consists of 5 non-executive Directors.

The composition of the Corporate Governance, Nomination and Sustainability Committee is the following: Mr. Stefano Micossi (Chairman), Mr. Cesare Bioni, Ms. Francesca Tondi, Mr. Alexander Wolfgring and Ms. Elena Zambon.

The majority of the members of the Committee (4 out of 5) meet the independence requirements prescribed by the Code, which coincide with those envisaged by the UniCredit Articles of Association; all the members are independent pursuant to Section 148, sub-section 3, of the TUF. The Chairman of the Committee is independent pursuant to the Code and Section 148, sub-section 3, of the TUF.

In 2019, the Committee held 15 meetings.

### Duties

Among other things, the Committee:

- p) provides opinions and support to the Board regarding the definition of the UniCredit corporate governance system, corporate structure and Group governance models and guidelines;
- q) drafts proposals to be submitted to the Board regarding the optimal qualitative and quantitative composition of the Board, and the maximum number of posts held by Directors in other companies considered compatible with effectively fulfilling these roles at UniCredit;
- r) provides opinions and support regarding the Board self-assessment process, as directed by the Chairman of the Board of Directors;
- s) sets targets for the least well represented gender in corporate bodies as well as for management and staff belonging to the Group, and prepares a plan to bring this proportion up to set targets;
- t) drafts proposals to be submitted to the Chairman of the Board of Directors regarding the selection of staff appointed to conduct the Board's self-assessment process.

The Committee provides opinions and support to the Board also regarding:

- u) the verification that UniCredit Directors comply with the requirements provided by applicable laws and the Articles of Association (including the ban on interlocking directorships laid down by applicable laws), and that they collectively and individually ensure abidance with the qualitative and quantitative composition of the Board deemed to be optimal;
- v) the selection of candidates for the post of Chairman, Chief Executive Officer and Director of UniCredit, in the event of co-optation, and, should the Board present its own list of candidates for the position of independent Director for approval by the UniCredit Shareholders' Meeting, taking into due account any recommendations from shareholders, as per the process for selecting candidates to the post of Board of Directors members (including the Chairman and the Chief Executive Officer) approved by the Board itself;
- w) the appointment of the CEO, General Manager, Deputy General Managers and other Senior Executive Vice Presidents who are executives with strategic responsibilities;
- x) the verification that the General Manager and the Manager in charge of drafting the company financial reports comply with the requirements provided by applicable laws and the Articles of Association, if applicable;
- y) the definition of appointment and succession plan policies for the CEO, General Manager, Deputy General Managers and other executives with strategic responsibilities, Senior Executive Vice Presidents, the Group Management Team (Executive Vice Presidents) and Leadership Team (Senior Vice Presidents);
- z) the definition of the policy for the appointment of corporate officers (members of the Board of Directors, Board of Statutory Auditors and Supervisory Board) at Group companies;
- aa) the designation of corporate officers (members of the Board of Directors, Board of Statutory Auditors and Supervisory Board) at the main companies.

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Moreover, the Committee:

- provides support, coordinating with the Internal Controls & Risks Committee, in proposing candidates or assessing dismissal for the roles of Heads of corporate control functions to the Board of Directors;
- undertakes research to help the Board of Directors draft a succession plan for executive directors.

Furthermore, the Committee oversees sustainability issues linked to the activities carried out by UniCredit and the dynamics underpinning interactions between UniCredit and all of its stakeholders.

Within this framework, in particular, the Committee:

- pre-examines the yearly Integrated Report, which constitutes a non-financial declaration pursuant to the provisions of Sections 3 and 4 of Legislative Decree No.254/2016, to be submitted for approval to the Board of Directors;
- drafts proposals with regard to the Group environmental and social strategy, annual objectives and targets, monitoring over time that they are implemented;
- oversees sustainability-related developments also in light of international guidelines and principles, monitoring the Group's performance.

## Remuneration Committee

The Remuneration Committee consists of 3 non-executive Directors.

The composition of the Remuneration Committee is the following: Mr. Lamberto Andreotti (Chairman), Ms. Elena Carletti and Ms. Elena Zambon.

All members of the Committee meet the independence requirements prescribed by the Code, which coincide with those envisaged by the UniCredit Articles of Association, and are independent pursuant to Section 148, paragraph 3, of the TUF.

At least one member of the Committee has adequate knowledge and experience in finance or remuneration policies, which the Board of Directors assesses at such time as they are appointed to the Committee.

In order for the incentives included in the compensation and incentive schemes to be consistent with the Bank's risk, capital and liquidity management, as well as to get updates on the market trends, compensation levels and regulatory developments, an external advisor also attends Committee meetings.

The Group Chief Risk Officer is invited, upon need, to attend Committee meetings to ensure that incentive schemes are appropriately updated to take into account all of the risks that the Bank has taken on, pursuant to methodologies in compliance with those adopted by the Bank in managing risk for regulatory and internal purposes.

In 2019, the Committee held 12 meetings.

## Duties

Among other things, the Committee:

- puts proposals to the Board regarding the remuneration and the performance goals associated with its variable portion, for the members of the Board of Directors, the General Manager, Deputy General Managers, Heads of the corporate control functions and personnel whose remuneration and incentive systems are decided upon by the Board;
- exercises oversight on the criteria for remunerating the most significant employees, as identified pursuant to the relevant Banca d'Italia provisions, as well as on the outcomes of the application of such criteria.

Furthermore, the Committee issues opinions to the Board on:

- bb) the remuneration policy for Senior Executive Vice Presidents, the Group Management Team (Executive Vice Presidents) and the Leadership Team (Senior Vice Presidents);
- cc) Group incentive schemes based on financial instruments;
- dd) the remuneration policy for corporate officers (members of the Board of Directors, Board of Statutory Auditors and Supervisory Board) at Group companies.

Committee members regarding whom the Committee is called upon to express its opinion on their remuneration as a result of their specific assignments shall not attend meetings at which the proposal for such remuneration is calculated.

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Furthermore, the Committee:

- coordinates the process for identifying material risk takers on an on-going basis;
- directly oversees the correct application of rules regarding the remuneration of the Heads of corporate control functions, working closely with the Board of Statutory Auditors;
- works with the other committees, particularly the Internal Controls & Risks Committee, to verify that the incentives included in compensation and incentive schemes are consistent with the RAF, ensuring the involvement of the corporate functions responsible for drafting and monitoring remuneration and incentive policies and practices;
- provides appropriate feedback on its operations to the Board of Directors, Board of Statutory Auditors and the Shareholders' Meeting;
- where necessary drawing on information received from the relevant corporate functions, expresses its opinion on the achievement of the performance targets associated with incentive schemes, and on the other conditions laid down for bonus payments.

## Related-Parties Committee

The Related-Parties Committee consist of 3 independent Directors.

The composition of the Related-Parties Committee is the following: Ms. Maria Pierdicchi (Chairwoman), Mr. Vincenzo Cariello and Mr. Stefano Micossi.

In reference to the Related-Parties Committee's meetings, only for reasons of urgency, in specific cases dealing with transactions falling into the decision-making powers of the Board of Directors, a meeting may be convened at least twelve hours in advance.

In 2019 the Committee held 11 meetings.

## Duties

The Committee operates on a consultative and proposition-making basis. The Committee oversees issues concerning transactions with related parties pursuant to CONSOB Regulation No.17221/2010 and transactions with associated parties pursuant to Banca d'Italia Circular No.263/2006 (Title V, Chapter 5), carrying out the specific role attributed to independent directors by the aforementioned provisions. Furthermore, it carries out any other duties assigned to it within the Global Policy for the management of transactions with persons in conflict of interest.

The Company's competent offices ensure a constant monitoring of transactions envisaged by the procedures for the identification and management of transactions with related and/or associated parties, also in view of enabling the Committee to propose corrective actions.

### a) Temporary replacement in cases of conflict of interest

For each individual transaction, Committee members must be different from the counterparty, its associated parties and/or any entities related to it.

If a Committee member is a counterparty to the transaction under examination (or is related/associated with the counterparty), he/she must promptly inform the Chairman of the Board of Directors and the Committee Chairman (provided he/she is not in a conflict of interest situation), and abstain from attending further Committee proceedings with regard to the transaction in which the relationship exists. Having consulted with the Committee Chairman (provided he/she is not in a conflict of interest situation), the Chairman of the Board of Directors shall immediately take steps to replace the member who has this conflict of interest with another member from the Board of Directors who qualifies as independent pursuant to the Italian Corporate Governance Code for listed companies, after contacting them beforehand, in order to restore the Committee to three non-related and non-associated independent Directors.

### b) Temporary replacement of unavailable members in the event of an urgent transaction

For transactions that need to be finalised urgently and require the intervention of the Related-Parties Committee during negotiations and due diligence and/or during the issue of opinions, having acknowledged the urgency and noted that the majority or all members are unable to meet or carry out the required activities in time to conclude the transaction, the Committee Chairman shall promptly inform the Chairman of the Board of Directors of this situation.

In any event, these circumstances must be communicated no later than the day after the Committee Chairman was informed that the majority or all Committee members were not available.

Having consulted with the CEO and determined that the transaction cannot be delayed, the Chairman of the Board of Directors immediately takes steps to find three Directors to sit on the Committee and follow the process for temporary substitutions in the event of conflicts of interest.

# Governance organisational structure

As regards sections a) and b) above, it should be noted that:

- replacements must be provided with all available information in good time before the meeting at which the Committee is called upon to express its opinion regarding the transaction;
- replacements undertake the duties allocated to them until the conclusion of the decision-making process regarding the specific transaction in question, and remain involved in the decisions taken by the Committee.

## Board Committees

MEMBERS	EXEC.	NON EXEC.	INDEP. AS PER ARTICLES OF ASSOCIATION AND CODE	INTERNAL CONTROLS & RISKS COMMITTEE		CORPORATE GOVERNANCE, NOMINATION AND SUSTAINABILITY COMMITTEE		REMUNERATION COMMITTEE		RELATED-PARTIES COMMITTEE	
				(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)
Bisoni Cesare		X				M	100%			C <sup>(1)</sup>	100%
Andreotti Lamberto		X	X					C	91.67%		
Mustier Jean Pierre	X										
Al Mehairi Mohamed Hamad		X	X								
Balbinot Sergio		X									
Cariello Vincenzo		X	X							M	100%
Carletti Elena		X	X	M <sup>(2)</sup>	100%			M <sup>(2)</sup>	100%		
De Giorgi Diego		X	X								
De Wismes Isabelle		X	X	M	100%						
Lara Bartolomé Beatriz Ángela		X	X								
Micossi Stefano		X	X			C	100%			M	100%
Pierdicchi Maria		X	X	M	100%					C <sup>(1)</sup>	100%
Tondi Francesca		X	X	M <sup>(3)</sup>	100%	M	100%				
Wolfgang Alexander		X	X	C	100%	M	100%				
Zambon Elena		X	X			M	86.67%	M	91.67%		
---- Members who left during the Period ----											
Boeckenfeld Martha Dagmar		X	X	M <sup>(4)</sup>	100%						
Sironi Andrea		X	X	M <sup>(5)</sup>	100%			M <sup>(5)</sup>	100%		
<b>No. of meetings held during the financial year</b>				<b>IC&amp;RC: 17</b>		<b>CGN&amp;S: 15</b>		<b>RC: 12</b>		<b>RPC: 11</b>	

### Notes:

(\*) A "C" (Chairman) or an "M" (Member) in this column shows that the member of the Board of Directors belongs to the Committee and also indicates his/her position.

(\*\*) Meetings' attendance percentage (number of meetings attended/number of meetings held during the concerned party's term of office with regard to the period).

(1) Further to the appointment of Mr. Bisoni as Chairman of the Board of Directors, effective from 20 September 2019, the Board of Directors, in its meeting held on 8 October 2019, on proposal of the Corporate Governance, Nomination and Sustainability Committee, has appointed Ms. Maria Pierdicchi as Chairwoman of the Related-Parties Committee.

(2) Office held since 7 February 2019.

(3) Office held since 8 October 2019.

(4) Office held until 18 September 2019.

(5) Office held until 6 February 2019.

# Governance organisational structure

## Board of Statutory Auditors

Pursuant to the UniCredit Articles of Association, the Ordinary Shareholders' Meeting appoints 5 permanent Statutory Auditors, among whom the Chairman, and 4 substitute Statutory Auditors. Both the permanent and substitute Statutory Auditors may be re-elected.

Permanent and substitute members of the Board of Statutory Auditors are appointed on the basis of a proportional representation mechanism ("voto di lista") in abidance by the composition criteria regarding, *inter alia*, the appointment of the Chairman of the Board by the minority shareholders and the balance between genders, as established by the UniCredit Articles of Association, and in compliance with current legal provisions. In detail, the candidate who has obtained the highest share of votes among the candidates belonging to the slate that obtained the highest number of votes among the minority slates, as defined by current provisions (also regulatory) in force, shall be selected by the Shareholders' Meeting as Chairman of the Board of Statutory Auditors.

Their term in office is 3 financial years and ends on the date of the Shareholders' Meeting called upon to approve the financial statements for the third year of office.

Members of the Board of Statutory Auditors shall meet the requirements envisaged by current provisions, also of a regulatory nature, in particular the professional experience, integrity and independence ones, and they can hold administrative and control appointments with other companies within the limits set by current laws and regulations.

The Shareholders' Meeting of 11 April 2019, appointed the permanent and substitute Statutory Auditors for the 2019-2021 financial years, with term of office until the date of the Shareholders' Meeting called upon to approve the 2021 financial statements.

In the following chart the information regarding the members of the Board of Statutory Auditors in office as at the approval date of this document.

### Statutory Auditors

POSITION	MEMBERS	IN OFFICE		SLATE (M/m) <sup>(*)</sup>	INDEPENDENT AS PER CODE	%( <sup>(**)</sup> )	NUMBER OF OTHERS POSITIONS <sup>(***)</sup>
		SINCE	UNTIL				
Chairman	Rigotti Marco Giuseppe Maria	04.11.2019	Approval of 2021 financial statements	m	X	100%	2
Permanent Statutory Auditor	Bonissoni Angelo Rocco	04.11.2019	Approval of 2021 financial statements	M	X	100%	--
Permanent Statutory Auditor	Navarra Benedetta	04.11.2019	Approval of 2021 financial statements	M	X	100%	4
Permanent Statutory Auditor	Paolucci Guido	04.11.2019	Approval of 2021 financial statements	M	X	100%	--
Permanent Statutory Auditor	Bientinesi Antonella	04.11.2019	Approval of 2021 financial statements	m	X	100%	2
Substitute Statutory Auditor	Pagani Raffaella	04.11.2019	Approval of 2021 financial statements	M	X		3
Substitute Statutory Auditor	Manes Paola	04.11.2019	Approval of 2021 financial statements	M	X		1
Substitute Statutory Auditor	Franchini Roberto	04.11.2019	Approval of 2021 financial statements	m	X		--
Substitute Statutory Auditor	Rimoldi Enrica	04.11.2019	Approval of 2021 financial statements	m	X		--
<b>---- Statutory Auditors who left during the Period ----</b>							
Chairman	Singer Pierpaolo	04.14.2016	04.11.2019	m	X	100%	--
Substitute Statutory Auditor	Talamonti Maria Francesca	04.14.2016	04.11.2019	m	X		2
Substitute Statutory Auditor	Amato Myriam	12.04.2017	04.11.2019	--	X		1
<b>Quorum required for the submission of the slates for the latest appointment: 0.5%</b>							
<b>Number of meetings held during the financial year: 57</b>							

#### Notes:

(\*) M = Member elected from the slate obtaining the majority of the Shareholders' votes; m = Member elected from the slate voted by a minority.

(\*\*) Meetings' attendance percentage (number of meetings attended/number of meetings held during the concerned party's term of office with regard to the period).

(\*\*\*) Number of positions as Director or Auditor held by the concerned party pursuant to Section 148/bis of the TUF. A complete list of such positions is published by the CONSOB on its website pursuant to Section 144-quinquiesdecies of the CONSOB Issuers Rules.

# Governance organisational structure

## Share capital

As at 31 December 2019, the fully subscribed and paid up UniCredit share capital amounted to Euro 20,994,799,961.81, divided into No.2,233,376,842 ordinary shares with no nominal value. The ordinary shares are issued in a dematerialised form and are indivisible as well as freely transferable.

No other types of shares, equity instruments or convertible or exchangeable bonds have been issued.

## Major Shareholders

On the basis of the results from the Shareholders Register, completed with the communications received according to Section 120 of the TUF and other information known to the Company, the relevant equity holdings, direct and indirect, as at 31 December 2019 were as follows.

According to the communications received pursuant to current provisions, the shareholders listed below hold significant shareholdings (more than 3%), not falling within the disclosure exemptions (Section 119/bis of the Consob Rules No.11971/99).

DECLARANT	DIRECT SHAREHOLDER	% OF ORDINARY CAPITAL	% OF VOTING CAPITAL
<b>BlackRock Inc.</b>		<b>5.084%</b>	<b>5.084%</b>
	BlackRock Institutional Trust Company, Na	1.327%	1.327%
	BlackRock Fund Advisors	1.205%	1.205%
	BlackRock Advisors (UK) Ltd	0.623%	0.623%
	BlackRock Advisors, LLC	0.535%	0.535%
	BlackRock Investment Management, LLC	0.513%	0.513%
	BlackRock Asset Management Deutschland Ag	0.454%	0.454%
	BlackRock Investment Management (UK) Ltd	0.253%	0.253%
	BlackRock Asset Management Canada Ltd	0.066%	0.066%
	BlackRock Investment Management (Australia) Ltd	0.042%	0.042%
	BlackRock Financial Management, Inc	0.025%	0.025%
	BlackRock Japan Co. Ltd	0.023%	0.023%
	BlackRock (Netherlands) B.V.	0.012%	0.012%
	BlackRock (Singapore) Ltd	0.003%	0.003%
	BlackRock International Ltd	0.002%	0.002%
	BlackRock Asset Management North Asia Ltd	0.001%	0.001%
<b>Dodge &amp; Cox</b>	<b>Dodge &amp; Cox</b>	<b>5.002%</b>	<b>5.002%</b>

# Governance organisational structure

## Participation Rights

Eligible to attend Shareholders' Meetings are those who hold voting rights and in respect of whom the Company has received, from the broker holding the relevant securities account, the notification within the deadline set forth by applicable law (record date, i.e. seven market trading days before the Shareholders' Meeting date).

Those who hold voting rights may arrange to be represented in the Shareholders' Meeting, in compliance with the provisions of the prevailing law.

UniCredit has always encouraged its shareholders to exercise their participation and voting rights and; for that reason, some time ago it adopted the Regulations governing Shareholders' Meetings to ensure their regular conduct. Said Regulations are available on UniCredit website on the Governance/Shareholders' Meeting Section.