

One Bank, One Team, One UniCredit.

UniCredit Group Tax Strategy

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1. INTRODUCTION

This document, approved by the Board of Directors of UniCredit S.p.A. (hereinafter "**UniCredit**"), describes the guidelines and principles followed by UniCredit Group in the management of tax issues and the risks (both financial and reputational) associated with them¹.

The principles articulated in this Tax Strategy are applicable to UniCredit S.p.A and to all legal entities and branches that are controlled by it (collectively hereinafter "UniCredit Group" or "Group" and individually "Group Entity"): the relative contents are included in a Global Policy (NR 1338), formally issued and implemented locally.

This Group Tax Strategy is also subject to periodic review, at least annually, by UniCredit's internal experts on tax and compliance matters and any appropriate significant change is submitted for approval to the UniCredit Board of Directors and onward communicated without delay to all UniCredit Group.

This Tax Strategy is guided by the same principles set out in UniCredit Group's Code of Conduct (Global Policy), which identifies the standards of conduct for all employees and which forms an essential part of their contractual obligations.

A proper framework for tax management is essential for UniCredit Group, its shareholders and all third parties affected by its activities.

UniCredit Group acknowledges that the taxes payable by it constitute an important part of the wider economic and social role that it plays in the jurisdictions in which it operates. As a global financial group that services both institutional bodies and private individuals, on one hand, UniCredit Group seeks to protect and improve its image and reputation, recognising that these are essential fundamentals of UniCredit's business development. In line with this, UniCredit Group also aspires to be fully compliant with the contributions to the community imposed by law.

In particular, UniCredit Group complies, in form and substance, with all domestic, international or supranational tax laws, regulations and practices, and cooperates with full transparency with the Tax Authorities of all jurisdictions where it operates. In particular, the goal of UniCredit Group is:

- (i) to pay all taxes due and promptly implement all obligations required by applicable tax laws;
- (ii) at the same time, maintain the Group's global tax efficiency, avoiding double taxation and reducing the tax burden only where legally permitted.

¹ UniCredit regards this publication as complying with the duty under Finance Act 2016 Schedule 19 para 16(2) UK Law.

In addition, given the complexity of the different tax laws to which it is subject, in order to ensure the achievement of the afore-mentioned objectives, UniCredit has adopted a comprehensive groupwide monitoring system to verify that it fully complies with all tax obligations in a timely manner.

For the avoidance of doubt, the principles articulated in this Tax Strategy apply across all kind of taxes irrespective of the nature of the tax, the jurisdiction in which it is chargeable or the party liable to pay or collect it.

UniCredit Group also seeks to establish constructive and cooperative relationships and open dialogue with the Tax Authorities in the various jurisdictions in which it conducts business.

As a result of UniCredit Group's presence in different countries, its international tax management objective is geared towards avoiding double taxation and at the full compliance with the relevant transfer pricing rules. The UniCredit Group does not undertake any transactions for the sole or predominant purpose of obtaining tax savings, and does not offer products or transactions for this purpose to its customers, employees or other third parties.

These principles and rules apply to UniCredit Group's approach to tax management, not only with respect to its obligations as "taxpayer", but also with respect to its wider obligations as a "financial intermediary" (e.g., FATCA, CRS , tax monitoring).

2. UniCredit Group Tax Policy

The UniCredit Group is guided by the following principles in relation to the tax management of its business activities:

- (i) compliance with form and substance of all relevant tax laws, regulations and practices applicable in every jurisdiction where the Group carries out its business;
- (ii) refusing to engage in any "aggressive tax planning" or tax avoidance
- (iii) application of a tax strategy that is consistent with the general rules of the Group, in its approach to risk and the values on which it is based;
- (iv) use of professional risk management standards for all risks associated with tax and ensuring that the procedures applied from time to time to that end are appropriate;
- (v) establishment of relations of mutual trust, cooperation and transparency with the Tax Authorities in the various jurisdictions where the Group operates, including through participation in projects of co-operative compliance;

- (vi) foster a culture of tax compliance and awareness of relevant tax laws throughout the Group, including to organisational units, not directly working within the tax department of the Group.

2.1. Compliance with laws, regulations and practices

The UniCredit Group is committed to complying with all applicable tax laws and regulations in the various jurisdictions in which it operates, having regard not only to the letter of the relevant rules but also the underlying rationale and interpreting them from a systematic perspective.

To this end, UniCredit has set up the Group Tax Affairs Department, a specialist tax department that is responsible for *inter alia*: identifying all relevant domestic, international and supranational tax regulations; implementing appropriate and effective procedures that guarantee compliance with such tax laws; overseeing tax risk management obligations and the proper and efficient taxation of the Group. Such implementation is ensured also in the other Group Entities, under the responsibility of the respective local tax departments.

The Group Tax Affairs Department is divided into sub-structures with specific roles and duties, with the tasks to be performed and the responsibilities attributed to each clearly identified.

The other Group Entities are generally also organised in this way, depending on their size.

The staff belonging to the Tax Affairs Departments are chosen on the basis that they have adequate training and skills for the role, having regard also to the complexity of the duties that they carry out. The UniCredit Group also offers training to their staff, guaranteeing the opportunity for them to attend specialised and refresher courses (whether organised internally or externally of the UniCredit Group). These requirements and principles must also be applied to the tax departments of the other members of the UniCredit Group, as set out in more detail in the Fiscal Framework Global Policy.

The members of the UniCredit Group companies are permitted to use, in various ways, external consultants for the management of tax matters, including compliance with the relevant regulations. However, in all such cases, these consultants are managed exclusively by the relevant Group members' Tax Department and are selected only on the basis that they will guarantee full compliance with the principles developed by the UniCredit Group in relation to tax management, as set out in this document. The consultants' commitment to the criteria above must be appropriately guaranteed.

2.2. Coherence of the tax strategy and Tone at the Top principle

Decisions which may have tax implications must take into account the whole ethos and values of the UniCredit Group (both tax- and non-tax related). To this end:

- (i) in accordance with OECD "best practice" principles, the boards of directors of UniCredit Group companies - and above all, the Board of Directors of UniCredit -

provide guidelines for tax management and are kept informed of the major tax issues relating to the UniCredit Group (the "Tone at the Top" principle);

- (ii) tax departments are routinely involved in the ordinary and extraordinary business activities of UniCredit Group, in order to ensure that tax management is performed in line with the overall strategy of the UniCredit Group;
- (iii) the Head of Group Tax Affairs periodically reports to the Top Management of the Holding Company on the most important matters concerning tax management and any related risks.

2.3. Tax management and implementation of the relevant procedures

At an operational level, the Group's tax risk is managed through a robust and sophisticated set of controls and procedures that permit extensive verification of the correctness of the data included in the relevant tax returns, of the associated tax payments and of any communications with the Tax Authorities.

The effectiveness and efficiency of these controls and procedures are periodically assessed in order to promptly undertake any necessary mitigation actions and modifications.

Any issue of particular complexity must be promptly managed in order to eliminate or minimise the consequent risk (whether financial or reputational). To do this, the UniCredit Group may seek the advice of external professionals or seek input from the competent Tax Authorities through the procedures from time to time permitted by applicable law (for example, rulings or Advance Pricing Agreements). The boards of directors of Group Entities affected by the larger and more complex issues are also informed so that they can provide their feedback.

In order to prevent any economic and reputational damages that could arise in certain cases, the Tax Affairs Department of each Group's Entity has the absolute and unfettered right/obligation to veto (or requalify for tax purposes) any operations, transactions, dealings or arrangements (including new products) that it believes, using best professional judgement, could expose the Group to unacceptable tax risk and / or which could be a breach of the principles set out in this Tax Strategy document. Under certain conditions, the same right/obligation is granted to the Group Tax Affairs Department with reference to all the Group's Entities.

2.4. Relationship with the Tax Authorities

UniCredit Group Entities cooperate fully with the competent Tax Authorities, do not hinder any audit activities by them and respond to requests received from the Tax Authorities promptly and transparently.

The UniCredit Group observes, in general, all official interpretations issued by the competent bodies of the Tax Authorities in the jurisdictions where it operates. However, the UniCredit

Group reserves the right not to comply with those interpretations to the extent that it considers that they are against:

- consolidated jurisprudential principles; or
- the founding principles of the relevant tax legislation,

or to the extent that the above official interpretations result in new, additional and more onerous obligations than those imposed by the law.

In addition, where possible under the regulations in force in the various jurisdictions in which it operates, UniCredit Group may participate in initiatives that establish and improve cooperation with the Tax Authorities (e.g., co-operative compliance procedures or systems); in fact, UniCredit Group generally intends to adopt and comply with the codes of practice and / or the co-operative compliance regimes advocated by the relevant authorities in the countries to whose tax jurisdiction it is subject in all reasonable circumstances².

UniCredit Group also collaborates and cooperates with the Tax Authorities, international organisations and with the legislative authorities of the various jurisdictions in which it operates in the enactment of new laws or clarification of interpretation or practice, in order to contribute to the necessary balance - and interaction - that should exist between the competing interests of the State and those of the companies and institutions that do business therein.

2.5. Spreading a culture of tax compliance among employees

UniCredit Group fosters and promotes awareness among its directors and employees in relation to tax risk.

To this end, members of the UniCredit Group organise training courses, both for individuals who work in tax departments as well as those that work in other areas. This allows to take more extensive control over tax risk resulting from business activities and foster a corporate culture of tax compliance.

With this in mind, the UniCredit Group does not permit remuneration packages for its directors or employees that are in any way connected to tax (savings) except to the extent that this would be expressly permitted by and consistent with the underlying spirit of the relevant law. Similarly, employees of the UniCredit Group must not purchase or offer, whether in writing or orally, investments, products and other operations that merely provide a tax

² In Ireland, since 2005 the Group has joined the Co-operative Compliance Framework with the Irish Tax Authorities; in the United Kingdom, since 2010 it has adopted HMRC's Code of Practice on Taxation for Banks and is unconditionally committed to full compliance with it. In Italy, UniCredit, and UniCredit Services have been admitted to the Italian Tax Cooperative Compliance Regime. This means inter alia that where significant uncertainties in relation to tax matters arise, the said UniCredit Group members will disclose these to the Tax Authorities and work collaboratively to achieve early resolution and hence certainty on both sides.

benefit for the Group, for customers and other parties, except to the extent that this would be expressly permitted by and consistent with the underlying spirit of the relevant law.

The UniCredit Group, its employees or other associated persons, are prohibited from knowingly facilitating attempts by its clients, counterparties or employees to defraud, deceive or otherwise mislead any tax authority. The Group is committed to taking all reasonable steps to prevent the facilitation of tax evasion by its employees or other associated persons.

UniCredit has also included the key principles of its Tax Strategy in the Code of Conduct of the UniCredit Group (as mentioned above), adherence to which is an integral part of the contractual obligations of those who work for the Group.

The controls and procedures implemented by the UniCredit Group pursuant to this Tax Strategy, as well as the rules stated herewith, are an integral part of the Group's employees' contractual obligations and breaching them gives rise to various types of disciplinary sanctions (from verbal reprimand to justified dismissal), depending on the seriousness of the offences.