



Global Policy
for the management of
transactions with persons in conflict of interest

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Global Policy for the management of transactions with persons in conflict of interest

Subject	Global Policy for the management of transactions with persons in conflict of interest
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GLOSSARY

Associated Persons	the set of the Associated Persons composed of Bank of Italy's Related Parties and its relevant connected persons pursuant to Bank of Italy Provisions
Bank of Italy Circular	the Bank of Italy Circular of December 27, 2006 no. 263 "New supervisory prudential provisions for banks"
Bank of Italy Provisions	the provisions concerning "Risk activities and conflicts of interest with associated persons" pursuant to Title V, Chapter 5 of Bank of Italy Circular
Banking Group	the group consisting of the set of the Entities
Banks Corporate Officers	the addressees of the prohibition provided by art. 136 of D.Lgs. 385/1993 (" <i>those having an administration, direction and control office</i> "). In UniCredit S.p.A. they are the members of the Board of Directors, of the Board of Statutory Auditors, both actual and alternate, and the General Manager
Bank of Italy Related Parties	the set of the Related Parties as defined by the Bank of Italy Provisions
Board of Directors	the Board of Directors of UniCredit S.p.A.
Board of Statutory Auditors	the Board of Statutory Auditors of UniCredit S.p.A.
Code of Conduct	the Code of Conduct for Listed Companies
Combined Perimeter	the set of the Related Parties pursuant to CONSOB Regulation and of the Associated Persons pursuant to Bank of Italy Provisions and of the further members added by UniCredit S.p.A. relevant pursuant to the mentioned provisions, as defined in this Policy
Committee	the UniCredit S.p.A. Related Parties and Equity Investments Committee
Companies	the companies (Italian and non-Italian) controlled, directly and indirectly, by UniCredit S.p.A., not belonging to the Banking Group
Connected Persons	the set of the connected persons pursuant to Bank of Italy provision
CONSOB Regulation	the CONSOB Regulation providing provisions on transactions with Related Parties (resolution of March 12, 2010, no. 17221)
CONSOB Related Parties	the set of the Related Parties as defined by the CONSOB Regulation
D.Lgs. 385/1993	the Legislative Decree of 1/9/1993, no. 385 "Italian Banking Law"
D.Lgs. 58/1998	the Legislative Decree 24/02/1998, no. 58 "Italian Consolidated Law on Finance"
Entities	the banks and the financial and instrumental companies (Italian and not Italian) controlled by UniCredit S.p.A., directly and indirectly, belonging to the Banking Group
Group	the group consisting of the whole of the Italian and not Italian Subsidiaries directly and indirectly controlled by UniCredit S.p.A. belonging and not belonging to the Banking Group
Italian Banks	the Italian banks of the Banking Group
Local Referent	a person, indicated by the Subsidiaries, in charge of the coordination of

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	relations between the Holding Company and the Subsidiaries, with reference to the transactions with members of the Combined Perimeter
Ordinary Transactions	the Transactions of Lesser Relevance ordinary and at market/standard conditions
Obligations of Banks Corporate Officers	the Obligations with the Banks Corporate Officers pursuant to art. 136 of D.Lgs. 385/1993
Persons in conflict of interest	the set made up of the members of the Combined Perimeter and of the Banks Corporate Officers pursuant to art. 136 of Legislative Decree no. 385/1993
Policy	this Global Policy
Presidio Unico	the structure established in Group Shareholding Department of UniCredit S.p.A., in charge of the coordination at Group level of the management of Transactions with the members of the Combined Perimeter
Procedures	the procedures for the management of the Transactions with Related Parties/Associated Persons required by CONSOB Regulation and by Bank of Italy Provisions
Ratios of Relevance	the Equivalent-value relevance Ratio, the Assets Relevance Ratio and the Liabilities Relevance Ratio (as defined by this global policy) in order to classify the Transactions with members of the Combined Perimeter, based on their quantitative relevance
Shareholding	Group Shareholding of UniCredit S.p.A.
Significant interests	The "significant interests" are intended when: a) one or more members of the Combined Perimeter are present in the share capital of the UniCredit S.p.A. Subsidiary, exercising a significant influence; b) remuneration systems of the members of the Key Personnel Managers of the Holding Company which significantly (higher than 25% of the overall remuneration) depend on the economic results achieved by the companies the transaction is performed with;
Smaller Transactions	the Transactions of ordinary nature and at market or standard conditions, whose amount is less than € 250,000 or the equivalent value in another currency
Subsidiaries	the Entities and the Companies when jointly considered
Supervised Intermediaries	the investment companies, the Italian and non-Italian asset management companies, the Electronic Money Institutions (IMELs), the intermediaries recorded in the list pursuant to art. 106 of Legislative Decree 385/1993, the payment institutions, as well as the non-Italian intermediaries (if supervised), belonging to a banking group and with own individual funds higher than the 2% of the consolidated own funds of UniCredit S.p.A.
Transactions of Greater Relevance	the Transactions where at least one of the Ratios of Relevance are higher than the threshold of 5% of the consolidated own funds taken from the most recently published consolidated balance sheet of UniCredit S.p.A.
Transactions of Lesser Relevance	the Transactions below the threshold of the Transactions of Lesser Relevance with significant amount and different than Smaller Transactions

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Transactions of Lesser Relevance with significant amount

the Transactions for which:

- the transaction value is between € 1 billion and the amount for the “greater relevance threshold”;
- the Asset Relevance Ratio and/or the Liability Relevance Ratio, despite the transaction value being less than € 1 billion, is equal to or above the ratio between € 1 billion and the consolidated own funds as per the most recent published consolidated balance sheet of UniCredit S.p.A.

UniCredit S.p.A. / Holding Company

UniCredit S.p.A., holding company of the Banking Group

REGULATORY GLOSSARY

Here below the definitions provided by CONSOB Regulation and Bank of Italy Circular:

Control (CONSOB) according to CONSOB Regulation the “Control is the power to determine the financial and operating policies of an entity in order to benefit from its activities. It is assumed that control exists when a person owns, directly or indirectly through subsidiaries, more than half of the voting rights of an entity unless, in exceptional cases, it can be clearly demonstrated that such ownership does not constitute control. Control also exists when a person owns half or less of the voting rights exercisable at shareholders' meeting if they have:

- a) control of more than half of the voting rights by virtue of agreement with other investors;
- b) the power to govern the financial and operating policies of the entity under a statute or agreement;
- c) the power to appoint or remove the majority of the members of the board of directors or equivalent body of corporate governance, and control of the entity held by that board or body;
- d) the power to cast the majority of the voting rights at meetings of the board of directors or equivalent body for corporate governance, and control of the entity held by that board or body”

Control (Bank of Italy) according to Bank of Italy Provisions “the control”, pursuant to section 23 of the Italian Banking Law, is the control provided for by article 2359, first and second paragraphs, of the Civil Code; control arising from contracts or provisions of the bylaws that establish or effectively entail the power to exercise management and coordination functions; the cases where control exists in the form of dominant influence. Control also refers to situations of joint control, that is where control over an economic activity is shared on the basis of a contract. In such cases the controlling parties are:

- a) the parties that can exercise decisive influence on the strategic financial and operational decisions of a business;
- b) other parties able to influence the management of a business due to the stake held, any agreements, whatever the form, and provisions of the bylaws that establish or effectively entail control.”

The control exists also when it is exercised indirectly, through controlled companies, trusts, interposed companies or persons. Companies controlled by entities subject to joint control are not considered indirectly controlled.”

Joint control (CONSOB) according to CONSOB Regulation the “Joint control is the contractually agreed sharing of control over any economic activity”

Key management personnel (CONSOB) according to CONSOB Regulation “Key management personnel are those persons who have the power and responsibility, directly or indirectly, for planning, directing and controlling activities of the company, including directors (whether executive or otherwise) of the company”

Corporate officers (Bank of Italy) according to Bank of Italy Provisions “the corporate officers are persons who hold office on managerial, supervisory or control bodies at the bank, a financial holding company or a supervised intermediary. This definition specially includes, in the traditional management and control system, the

directors and statutory auditors (permanent and alternate). In the two-tier management system, it covers both the members of the supervisory and management boards. In the one-tier management system, it entails both the directors and the members of the management control committee. The definition also covers the general manager and anyone whose tasks are equivalent to that of general manager”

Significant influence (CONSOB)

according to CONSOB Regulation the “significant influence is the power to participate in the determination of financial and operating policies of an entity without having control. Significant influence may be gained through share ownership, statute provisions or agreements. If a person owns, directly or indirectly (e.g. through subsidiaries), 20% or more of the voting power of the investee, it is presumed to have significant influence, unless it can be clearly demonstrated otherwise. Conversely, if the person owns, directly or indirectly (e.g. through subsidiaries), less than 20% of the voting power of the investee, it is presumed that the investor has not significant influence, unless such influence cannot be clearly demonstrated. The presence of a person in possession of absolute or relative majority of voting rights does not necessarily preclude another person from having significant influence. The existence of significant influence is usually evidenced in one or more of the following circumstances:

- a) representation on the board of directors or equivalent governing body of the investee;
- b) participation in decision making, including participation in decisions about the dividend or other distribution of profits;
- c) the presence of significant transactions between the investor and the investee;
- d) exchange of managerial personnel;
- e) the provision of essential technical information”

Significant influence (Bank of Italy)

according to Bank of Italy Provisions “the significant influence is the power to participate in the determination of financial and operating policies of an entity without having control. If a party owns, directly or indirectly, 20% or more of the share capital or voting power at the investee's general meeting or equivalent, or 10% for companies listed on regulated markets, it is presumed to have significant influence. Conversely, if a party owns less than the aforementioned thresholds, then the matter has to be specifically examined in-depth to determine if there is significant influence. Such an examination must at least look at the following ratios and take into account any other relevant circumstances:

- a) representation on the management body or the body responsible for strategic supervision at the investee; significant influence is not automatic if a party is able to appoint the minorities' representative pursuant to the rules governing issuers listed on regulated markets;
- b) participation in strategic decision making for a business, especially when the party holds the decisive vote for general meeting resolutions on financial statements, dividends, or other distribution of profits, even if the party does not appear to be in a situation of joint control;
- c) the presence of significant transactions, meaning "transactions of greater importance" as defined in this section, the exchange of managerial staff or the provision of essential technical information.

Significant influence also occurs when such influence is exercised indirectly through subsidiaries, trustees, bodies and intermediaries. Investee companies where the stake is owned by entities that are, in turn, subject to

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joint control are not considered to be under indirect significant influence”

**Joint venture
(CONSOB)**

according to CONSOB Regulation “A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity subject to joint control”

**Close relatives
(CONSOB)**

according to CONSOB Regulation “Close relatives are considered as those who it can be considered may influence, or be influenced by the party involved in their relations with the legal entity. These may include:

- a) a spouse as long as not legally separated and live-in partner;
- b) children and other persons under the party's responsibility, or that of the spouse not legally separated, or of the live-in partner”

**Close relatives
(Bank of Italy)**

according to Bank of Italy Provisions the “close relatives are all relatives up to second-degree relatives, the spouse or the partner who is the equivalent of a spouse of a related party as well as the children of the latter”

**Associated
company
(CONSOB)**

according to CONSOB Regulation “An associated company is an entity, even without legal personality, as in the case of a partnership, in which a shareholder exercises significant influence but not control or joint control”

SECTION I

1. INTRODUCTION

1.1.Purpose and scope of application and content summary

UniCredit S.p.A., in its capacity as the holding company, defines and issues rules and guidelines (*Global Policy*) meant for the Banking Group, in compliance with current laws and regulations¹ and in line with the Group's managerial system, as defined by the *Group Managerial Golden Rules*, in order to ensure stability for the Group and to guarantee unity of business vision and operations.

The Policy is meant for UniCredit S.p.A., the Entities and the Companies (the Entities and the Companies, when considered as a whole, are defined "Subsidiaries") .

The Policy aims to define principles and rules for monitoring risks resulting from situation of possible conflict of interest determined by the proximity of certain subjects to the decision-making centres of the Bank. To this purpose the Policy details the provisions to comply with in the management of:

- transactions with related parties pursuant CONSOB Regulation;
- transactions with associated persons pursuant to Bank of Italy Provisions
- obligations of Banks Corporate Officers pursuant to article 136 of the Legislative Decree no. 385/1993.

Furthermore the Policy contains references regarding balance sheet disclosure of transactions with related parties pursuant to Bank of Italy Circular n. 262 dated December 22, 2005 "Bank balance sheet – diagrams and rules of compilation" and of IAS 24 principle.

To the Policy purposes, the Related Parties pursuant to CONSOB Regulation, the Associated Persons pursuant to Bank of Italy Provisions and the other members envisaged by UniCredit S.p.A. pursuant to the above mentioned Regulations form the Group "Combined Perimeter", to which the subjects in conflict of interest pursuant to Art. 136 of Legislative Decree n. 385/1993 are also added. (The members of the Combined Perimeter and the subject in conflict of interest pursuant art. 136 , when jointly considered, are defined "Persons in conflict of interest").

The Policy defines:

- the criteria for the identification of the Persons in conflict of interest;
- the procedures of management/examination, proposal and approval of the transactions with the Persons in conflict of interest;
- the informative obligations to the Governing Bodies of the Holding Company;
- the necessary actions to ensure the fulfilment of the disclosure and transparency obligations on transactions pursuant to CONSOB Regulation as well as the recurring financial report.

The main owner of this document is Shareholding;

Accounting is charged – within its competence – with the update of the following areas: supervisory reporting on Associated Persons and financial statement disclosure.

The Policy is directly applicable to UniCredit S.p.A. and is intended for the Subsidiaries with reference to the management of transactions with members of Combined Perimeter and for the Italian Banks with reference to the provisions concerning the obligations of the Banks Corporate Officers.

¹ In particular, article 61 of D.Lgs. 385/1993 and the Supervisory Instructions for the banks issued by Bank of Italy.

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UniCredit S.p.A. and Subsidiaries implement the Policy contents, in compliance with legal and regulatory requirements locally in force, according to the guidelines diffused by the Holding Company, acting in its role of direction and coordination and in coherence with the relevant regulations. Should some provisions of the Policy be less stringent than the local rules in force, the Company shall comply with the local more stringent provisions in force.

UniCredit S.p.A. is committed, taking into consideration the need to assure the substantial compliance at a Group level of the relevant laws and regulations, to find organizational and operational solutions which allow to really get the mentioned purpose, safeguarding the respect of the regulations in force in the Countries where the Group operates.

The Subsidiaries have to start, in good time and in accordance with the provisions set out by the Group regulations in force, after the assessment and the relevant approval by their competent Corporate Bodies, with the required activities for the Policy enforcement. Moreover, the Italian listed Subsidiaries with shares diffused to the public have to, as addressees of the CONSOB Regulation, adopt their own internal procedures pursuant to the mentioned regulation, in coordination with this Policy.

Should a Subsidiary consider:

- the Policy be not applicable, or
- it necessary to make amendments and/or include exemptions to the provisions of the Policy in order to comply with local laws and regulations (if more stringent) or due to organisational and operational restrictions,

said company shall submit a *Non-Binding Opinion* request to Shareholding, according to the relevant Group rules in force.

Anyway, as confirmed by Bank of Italy, should there be proved difficulties by the non-Italian Subsidiaries in the collection of the necessary information to comply with the provisions on Associated Persons, UniCredit S.p.A. is allowed to acquire as much information as possible, even if not all, in compliance with the local laws, pursuant to the “best effort” and “proportionality” principles.

With reference to the items dealt by the Policy, the Holding Company – which is at the top of the control chain and the sole party responsible with regards to the Supervisory Authorities for all Group banking activities and corporate disclosures – manages relations with said Authorities and coordinates relations with the Supervisory Authorities carried out by the Subsidiaries, which must therefore timely notify the Holding Company of any problems concerning relations with the competent Supervisory Authorities and linked to the application of the Policy. The information flow must be set in compliance with supervisory regulations, as far as possible involving the Holding Company in advance in making contact with the Supervisory Authorities. The information supplied by the Holding Company is processed by the Subsidiaries in compliance with local confidentiality requirements and laws.

Approval the Policy

The Policy, approved by the Board of Directors in the meeting of the 5 March 2018 with the prior positive opinions of the Related Parties and Equity Investments Committee (the “**Committee**”) and of the Board of Statutory Auditors of UniCredit S.p.A. (the “**Board of Statutory Auditors**”), issued on the 27th February 2018, updates and replaces the *Global Policy for the management of transactions with persons in conflict of interest*, approved by the Board of Directors in the meeting of the 13th March 2017.

Publicity to the Policy

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The Policy is published on UniCredit S.p.A. web site and on the intranet Portal. Moreover, it is forwarded to the Subsidiaries, in compliance with the internal regulation concerning the management of the Global Rules. It is moreover decided that the publication date is reported in the Directors' Report, in compliance with the provisions of article 2391-*bis* of the Civil Code concerning the transactions with related parties.

Review of the Policy

UniCredit S.p.A., through the Presidio Unico, yearly assesses (no later than the end of the first quarter following the year-end) if the Policy requires to be amended, taking into account, *inter alia*, of its effectiveness in the daily practice and of possible changes in the relevant provisions (the changes in the law provisions which don't require any assessment and decision for their implementation are applied from the date of their entry into force; their formal insertion in the Policy is executed when the Policy is reviewed).

Should the assessment show that no changes are required, Shareholding submits the outcomes of the assessment to the Deputy General Manager – Strategy & Finance. An opinion on said matter is anyway issued by the Committee and the Board of Statutory Auditors. The proposed reviews are submitted to the Board of Directors for approval, with the prior positive binding opinions of the Committee and the Board of Statutory Auditors.

2. GROUP PRINCIPLES AND RULES

2.1 Identification, update and monitoring of the members of the Group Combined Perimeter

In consideration of the similarities contained in the CONSOB Regulation and in the Bank of Italy Provisions and with a view to enhancing the operations of the Holding Company's and Subsidiaries' functions, UniCredit S.p.A. – in its role of listed issuer at the top of the banking group – has defined a Group Combined Perimeter where the deliberative procedures detailed in the Policy unitarily apply, to the purposes of both CONSOB Regulation and Bank of Italy Provisions.

The complete and timely identification of the members of the Combined Perimeter is a necessary condition for the application of the deliberative procedures and for the application of specific provisions pursuant to CONSOB Regulation with reference to the disclosure obligations and to Bank of Italy Provisions with reference to the supervisory reporting and to the monitoring of the risk activities, whose references are provided in the following “*Specific provisions*”.

The Combined Perimeter consists of the aggregation of the **UniCredit S.p.A. Perimeter** (as bank and listed issuer) and of the Perimeter of the Banks and of the Supervised Intermediaries (with capital higher than 2% of the consolidated Own Funds) of the Banking Group (Italian and non-Italian), inclusive of the listed banks/supervised intermediaries, as well as of the Perimeter of the Italian listed issuer controlled by UniCredit S.p.A., different from the previous ones.

In order to identify the members of the mentioned perimeters, reference is made to the subjects defined by CONSOB Regulation and by Bank of Italy Provisions, respectively. Additional typologies can be added to these subjects in order to consider both relations with the Bank and/or the Group and, *inter alia*, the relevance of the relations with the economic groups which make use of articulated and complex corporate structures which cannot guarantee full transparency of the corporate and organizational structure. Moreover, the Bank, when identifies specific conflicts of interest concerning additional subjects, includes them as addressees of the regulation.

Here below a summary of the composition of the Combined Perimeter

	MEMBERS OF THE COMBINED PERIMETER OF THE GROUP			
	Shareholders ⁽¹⁾	Corporate Officers	Subsidiaries / Associated Companies	Connected persons
UniCredit S.p.A.	X	X ⁽²⁾	X	X
Banks and Supervised Intermediaries (the listed ones included)	X	X ⁽³⁾	X	X
Italian listed issuer of the Group different from the previous ones	X	X ⁽⁴⁾	X	X

(1) to be included the shareholders with a stake higher than 2% of the share capital

(2) to be included the members of the Executive Management Committee of UniCredit S.p.A., which are /are not managers with strategic responsibilities, with the addition of the Head of the Internal Audit Function of UniCredit S.p.A.

(3) to be included, for the Italian listed banks/intermediaries, the managers identified as “managers with strategic responsibilities”

(4) to be included the managers identified as “managers with strategic responsibilities”

All Subsidiaries are also required at individual level to comply with the provisions fixed by the local Supervisory Authorities of the Industry or of the market concerning the management of the transactions with persons in conflict of interest as enforced by the local laws.

2.2 Information collection and monitoring

The members of the Combined Perimeter shall provide the information needed to ensure their precise identification and the identification of their connected persons and they shall promptly communicate any changes to their position. Said Information, acquired from the Structures of the Holding Company (each competent according to the different types of Related Parties) and of those of the Banks and the Supervised Intermediaries are recorded in a specific tool, accessible by the Heads of the Functions of the Holding Company and by possible delegated persons, as well as by the Subsidiaries.

2.3 Supervisory reporting perimeter and IAS perimeter

For completeness, the following obligations complete the obligation frame on Related Parties and Associated Persons:

- Bank of Italy Circular n. 262 dated December 22, 2005 “Bank balance sheet – diagrams and rules of compilation” which requires the setting-up of the Reporting Perimeter consisting of the Associated Persons of UniCredit S.p.A. and of the Banks and of the Supervised Intermediaries of the Banking Group (Italian and non-Italian), which are reflected in the definition of Associated Persons by Bank of Italy Provisions (re.: Glossary), included the possible subjects detected by the competent function of GRM for juridical connection, to which it has to be added the co-owners of relationships (when the exposure cannot be connected to a specific co-owner, it is possible to ascribe the overall exposure to a set of co-owners);
- IAS 24 principle. The Perimeter set-up according the said principle to the purposes of the financial statements disclosure includes all the Related Parties as defined by the same principle and detailed in the “Manual of Accounting Rules and Principles”.²

² Re.: IE 911E, Sub-Attachment 19, Related Parties Transaction

3. TRANSACTIONS IDENTIFICATION AND MANAGEMENT AND CASES OF EXCLUSION

3.1 Identification of Transactions

The Transactions with the members of the Combined Perimeter are the transactions that UniCredit S.p.A. and the Subsidiaries execute with the members of the Combined Perimeter entailing risk activities underwriting, the transfer of resources, services or obligations, regardless of whether a fee is involved. With reference to the identification of the transactions under discussion, UniCredit S.p.A. pays special attention to the substance of the relationship and not simply to its legal form.

The following is anyway included:

- merger transactions, spin-off by incorporation or strictly non-proportional spin-off, if carried out with members of the Combined Perimeter (the proportional spin-off are excluded as they are transactions indifferently addressed to all the shareholders at the same conditions) and capital increase transactions;
- any decisions relating to the allocation of remuneration and economic benefits, in whatever form, to the members of the administrative and control bodies and to key management personnel, save the exclusions detailed below.

The following is included as an example list far from being intended exhaustive:

- banking transactions, including deposits and loans;
- the provision of investment services, both primary and ancillary);
- the distribution of financial and insurance products;
- all kinds of contractual agreements not covered by the previous points;
- the new granting, the changes and the periodic review of credit facilities (loans and credit lines) and other transactions entailing credit risk assumption (among them, issue of guarantees, commitments to supply funds and the deposit of securities of third parties), even if through umbrella resolutions or plafonds/internal limits (plafond /internal limits "drawn" on transactions), when the relevant elements are determined: amount, transaction typology, duration, nature, applied conditions, etc.. In case of lack of the mentioned elements the plafond/internal limits are not considered transactions pursuant to the Global Policy.

3.2 Assessment of the Transactions

The transactions with members of the Combined Perimeter are assessed based on relevance, nature and conditions.

Criteria to define the relevance of the transactions

The Transactions with members of the Combined Perimeter are divided, according to their relevancy, in *Transactions of Greater Relevance* and *Transactions of Lesser Relevance*, within them the *Transactions of Lesser Relevance with a significant amount* are detailed. For the identification of the quantitative thresholds to be considered for their classification, refer to the Appendix 2.

Criteria to define the "ordinariness"

The ordinariness is met when the following two selective criteria are both satisfied: i) the transaction must be ascribed to *operational activities* or, alternatively, to *related financial activities*; ii) the same transaction must also fall under the *ordinary exercise* of operational activities or related financial activities:

- the term *operational activity* is used to refer to the main income generating activities of the company and of the other management activities not classifiable as investment or financial;

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- the reference to the financial activity connected to the operational activity concerns the transactions which, even if in principle classifiable as financial, mainly have an ancillary nature to the execution of the operational activity.³

In order to assess whether or not a transaction falls within *the ordinary exercise* of operational activities or related financial activities, the following main indicators are to be considered: counterparty; subject of the transaction; recurrence of the transaction typology within the banking/company activity; dimension of the transaction; contractual terms and conditions of the transaction, also with regards to the characteristics of the fees. In case of transaction executed by a Subsidiary, the ordinariness must be assessed considering the activity executed by this latter.

Criteria to define the conditions and transaction convenience

The market/standard conditions are essentially realized when:

- applied to counterparties which are not members of the Combined Perimeter with regard to transactions with similar characteristics in terms of dimension, nature, typology, riskiness, etc.;
- inferable by handbooks, tables, price lists, product lists, frame agreements, etc. or applicable according to conditions defined and enforced by laws;
- applied to similar transactions by “comparables”. , where available.

Reasons for possible variations of the economical-contractual conditions applied to the transaction compared to the market/standard conditions have to be adequately justified by the opportunity and the profitability of the transaction itself.

The economic convenience of the transaction has to be described in order to assess the economic interest for the Bank in the transaction; in this regard suitable elements describing the parameters involved in the assessment with regard to the different type of transaction (RACE etc.) must be shown.

The ordinariness of the conditions and the economic convenience of the transaction have to be shown, among the others, from the documentation supporting the decision taken according to the managerial processes time by time in force, supported by suitable evaluation (so called Plausibility check) by technical and control function (Finance, Risk Management / Lending Office and Compliance) each one responsible for its own competence area, with respect to the adequacy of the information about conditions and economic profitability of the transaction and of the relationship as a whole provided by the transaction owner.

The output of the above early inquiry is submitted to the bodies involved in the deliberative process and in order to allow the issuing of an informed opinion to the Related Parties Committee, having appropriate and complete information about the effective profitability of the transaction and of the overall customer relation (providing information also on the profitability of other possible relations with the counterparty, if present).

The debt restructuring activities in whatsoever technical form articulated (included the restructuring plans and the D/E swap transactions in companies experiencing temporary financial difficulties or executed with the aim of credit recovery), to be resolved with members of the Combined Perimeter are not considered ordinary transactions for nature and conditions.

The restructuring activities as defined above which should be executed with terms/conditions different from those detailed in the resolution, as well as the possible further transactions which should add to the original resolution are not ordinary as well.

In this context, in addition to what is already provided by the Global Policy for the exclusion of transactions with and between the Subsidiaries (regardless of the shareholding quota) applicable when the significant interests are not present (as described below), they are excluded from the deliberative procedures provided for the transactions not the transactions with amount (assessed as the Maximum Risk entailed in the transaction with the related party) below the threshold of € 5 million, unless they are:

³Pursuant to the CONSOB Communication DEM/10078683 of 24th September 2010, the capital increases without option rights do not generally fall in the ordinary financial activity connected to the operative activity

a) new D/E transactions with related parties or transactions with related parties participated as a result of a D/E transaction (during the first 5 years after the transaction)

b) write off transactions

c) executed with members of the Combined Perimeter as Shareholders or Corporate Officers of UniCredit SpA and their referable subjects, or with controlled (not fully owned) or associated companies when significant interests are present in the share capital.

Moreover, the transactions that are classified as simple renewal/internal review are excluded from the deliberative process foreseen for ordinary transactions, unless the transactions include at least one withdrawal credit facility.

The transactions connected to debt recovery (so called "workout") in the different typologies foreseen by the operational procedure are not ordinary for nature and conditions, meaning the transactions connected to settlement agreement with the counterparty. Transactions connected to juridical activities of enforced recovery or in insolvency procedure case are not considered as transactions, or in case of strict provisions assessment or file closing in case of ascertained unrecoverability as a result of the recovery juridical activities or insolvency procedure as well.

In this context, in addition to the provisions for transactions with and between Subsidiaries (regardless of shareholding quota) without significant interest (as described below), they are still excluded from the application of the deliberative procedures for non-ordinary transactions, transactions of an amount (estimated as an exposure and / or loss towards the related party) below the threshold of € 5 million, unless they are attributable to the cases referred to in lett. a) and c) above.

The following categories have been defined, taking into account the mentioned characteristics:

A) Smaller Transactions

They are the Transactions with the members of the Combined Perimeter, of ordinary nature and at market/standard conditions where the value of the transaction is less than € 250,000 or an equivalent amount in a different currency.

B) Ordinary Transactions

They are the Transactions with the members of the Combined Perimeter, of Lesser Relevance (different from the Smaller Transactions and under the threshold which defines the Transactions of Lesser Relevance with a significant amount), that form part of the bank's ordinary operations or of the connected financial activity and at market/standard conditions

C) Not Ordinary Transactions

It has to be specified that the transactions with the members of the Combined Perimeter of Greater Relevance and of Lesser Relevance with a significant amount, as well as those of Lesser Relevance or Smaller when not falling within the ordinary operations of the company executing the transactions or at conditions different from the market or standard conditions are not ordinary.

3.3 Cases of exclusions

Considering the assessment of the Transactions pursuant to the above mentioned characteristics the following cases of total/partial exclusion from the deliberative or reporting procedures described in the Global Policy are provided .

3.3.1 Transactions on which the CONSOB Regulation and the Bank of Italy Provisions do not apply to

- a) Transaction carried out by UniCredit S.p.A. with Entities or between Entities when a 100% ownership relationship exists (included the transactions concerning the transfer of funds or of "collaterals" executed within the management system of the liquidity risk at consolidated level) provided that in the transaction or in the Entity-counterparty there are no significant interests by other members of the Combine Perimeter.

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The presence of said significant interests is presumed when there are remuneration systems of the members of the Key Personnel Managers of UniCredit S.p.A. which largely (more than 25% of the overall remuneration) depend on the period results achieved by the Entities which are the transaction counterparties.

- b) Resolutions by the shareholders' meeting pursuant to art. 2389, subsection 1 of the Italian Civil Code concerning the compensation due to the members of the Board of Directors and the resolutions taken with regards to the remuneration of Directors holding specific offices falling within the perimeter of the total amount previously determined by the Shareholders' Meeting falling under the provision of art. 2389, subsection 3 of the Italian Civil Code.
- c) Shareholders' meeting resolutions pursuant to art. 2402 of the Italian Civil Code relating to compensation due to the members of the Board of Statutory Auditors;
- d) Compensation plans based on financial instruments approved by the shareholders' meeting falling within the provision of art. 114-bis of the D.Lgs. 58/1998 and the relevant implementation transactions;
- e) Resolutions other than those pursuant to art. 2389, subsection 1 of the Italian civil code concerning the remuneration of Directors appointed to specific offices and of other key management personnel, given that: i) UniCredit S.p.A. has adopted a remuneration policy; ii) in defining the remuneration policy, the UniCredit S.p.A. Remuneration Committee was involved, consisting exclusively of non-executive Directors, the majority of which are independent; iii) the explanatory report for the remuneration policy has been submitted for approval by the UniCredit S.p.A. Shareholders' meeting. iv) all compensations have to be consistent with said Policy.
- f) Transactions to be implemented on the basis of instructions with a view to obtaining stability given by the Supervisory Authority, or on the basis of provisions issued by UniCredit S.p.A. in implementation of instructions given by the Supervisory Authority in the interests of Group stability, without prejudice to the provisions of art. 5 of the CONSOB Regulation.

3.3.2 Other cases on which the deliberative/reporting procedures described in the Global Policy do not apply to

- a) **Transactions falling within the scope of application of art. 136 of D.Lgs. 385/1993.**

The transactions with the members of the Combined Perimeter that are also banks corporate officers of Italian Banks pursuant to art. 136 of D.Lgs. 385/1993 or their referable subjects fall within the scope of application of the mentioned article; therefore:

 - are subject to the deliberative procedures set out by the aforementioned article (unanimous approval by the Board members attending the meeting and favourable opinion of all the Statutory Auditors; if some Statutory Auditors are not attending the board meeting, their favourable opinion is separately collected);
 - does not require a prior opinion from the Committee since it is sufficient:
 - for the minutes from the meeting where the transaction was approved to include the reasons why the transaction is in the company's interests and that the terms and conditions are suitable and substantively correct;
 - that the Committee is provided with a prompt and comprehensive information flow about the transaction, in accordance with the methods set out for the Transactions of Greater Relevance, of Lesser Importance with a significant amount and of Lesser Relevance, save the provisions of art. 5 of the CONSOB Regulation on the disclosure obligations to the market.

The Committee receives a prior report (before the resolution is passed) on the transactions with the members of the Combined Perimeter falling under art. 136 of D.Lgs. 385/1993.

In Section II of the Policy reference is made to the provisions to be met for the management of the obligations with the Bank Corporate Officers.

UniCredit SpA, in force of the option provided by the CONSOB Regulation and the Bank of Italy Provisions, also excludes from the application of the deliberative procedures (referred to in this Policy) the transactions as listed below:

b) Smaller Transactions

UniCredit S.p.A., making use of the faculties provided for by the CONSOB Regulation and the Bank of Italy Provisions, excludes from the application of the Procedures under this Section the Transactions as defined in the following.

c) Transactions with and between the Subsidiaries (regardless of the shareholding quota)

The deliberative procedures for the execution of transactions with or between Subsidiaries (even if not fully owned) provided for in this section are not to be applied, considering it is sufficient to quarterly draft an information flow, at least aggregated, suitable for the monitoring of said kind of transactions, also by the Committee, in the view of possible corrections. Said exclusion is not applicable when the significant interests of other members of the Combined Perimeter are present in the transaction or in the counterparty company. The “significant interests” are intended when:

- one or more members of the Combined Perimeter (different from Subsidiaries) are present in the share capital of the UniCredit S.p.A. Subsidiary, exercising a significant influence;
- remuneration systems of the members of the Key Personnel Managers of UniCredit S.p.A. which significantly (higher than 25% of the overall remuneration) depend on the economic results achieved by the companies the transaction is performed with.

In the transactions between an (Italian) controlling bank and its (Italian) controlled bank, the only beneficiary of the exclusion is the controlling bank.

It is also possible to consider the exclusion from the deliberative procedures when the control is proven by conditions having factual, financial and economic nature, it being understood that no significant interests as previously described are present.

4. MANAGEMENT OF THE TRANSACTIONS WITH PERSONS IN CONFLICT OF INTEREST

The process for the management of the Transactions with members of the Combined Perimeter or with third companies where a significant interest is present begins when the Transaction Owner of UniCredit S.p.A. or of the Subsidiary starts its negotiations, follows with the enquiry and ends with the transaction resolution which can be passed according to different processes due to the specific characteristics/assessment of the transaction.

Save the compliance with the management processes fixed from time to time within each legal entity (Holding Company and Subsidiaries) and the relations between the Subsidiaries and the Holding Company, the Transaction Owner is in charge of collecting – starting from the negotiations and the preliminary examination – the main information concerning the transaction and is charged with the preliminary execution of the necessary checks and assessments.

4.1 Disclosure to the Presidio Unico

The reporting is forwarded to the Presidio Unico after the assessment of the deliberative body , which ensure completeness and correctness of the reporting (counterparty, transaction typology, relevancy, ordinariness and conditions, possible application of art. 136 of Leg. Decree 385/1993), and the reporting timeliness. Moreover, the deliberative body provides specifications on the interest in the transaction execution as well as on the convenience and substantial correctness of its conditions. Such information is considered necessary, among the others, to allow the issuing of the Committee Opinion, when provided by the Global Policy.

The Transaction Owner, once completed the preliminary checks and assessments. when the preconditions are met, reports the transaction to the Presidio Unico (or to the Local Referent, if present, for the Subsidiaries) for the finalization of the deliberative process. The report is forwarded to the Presidio Unico through the specific form.

4.2 Deliberative Procedures

For the resolution of the Transactions with members of the Combined Perimeter UniCredit S.p.A. and the Subsidiaries have to follow deliberative procedures depending on the transaction relevancy and of its characteristics with regard to the applied conditions.

This section describes the procedures UniCredit S.p.A. and its Subsidiaries have to follow with reference to the Transactions with the members of the Combined Perimeter, depending on whether they are Transactions of Greater Relevance, of Lesser Relevance with a significant amount or of Lesser Relevance not ordinary.

Said procedures do not apply to the transactions falling within the “cases of exclusion”.

The Appendix summarizes the abovementioned procedures.

Procedures for the approval of the transactions of greater relevance and of lesser relevance with significant amount

- **Procedure for the transactions executed by UniCredit S.p.A.**

The Transactions of Greater Relevance and of Lesser Relevance with a significant amount between UniCredit S.p.A. and members of the Combined Perimeter are approved by the Board of Directors, except for the transactions falling within the competence of the Shareholders' meeting, save the issue of a justified and favourable opinion from the Committee. In this regard:

- a) the Committee receives from the Presidio Unico a timely notice about the beginning of negotiations/proceedings, anyway no later than the term for signing any confidentiality agreements, as Committee members shall comply with;

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- b) the Committee, also through one or more delegated members, promptly receives a report from the Presidio Unico, and it can request additional information and formulate observations for the relevant corporate bodies and persons entrusted with negotiating and examining the deal, with a specific focus on the nature of the transaction and of the relation, the method for performing the transactions, the terms and conditions, including the economic ones, of the transaction, the assessment process, the underlying interests and justifications and other risks for UniCredit S.p.A. The Presidio Unico has to promptly forward all information available so that Committee, or one or more delegated members, can be an effective part of the negotiation/examination stage;
- c) the Presidio Unico shall act to ensure the Committee is timely convened, through its Secretary Office, in order to issue the prior and justified opinion. At the same time, it shall undertake to gather all the documentation needed to assess the transaction, also with the support of other Holding Company structures, and then make them available, sufficiently in advance, to the Committee members, so that they can issue an informed opinion on the transaction;
- d) after completing its analysis, the Committee issues its opinion, complying with the timeframes set in the normal deliberative procedures adopted by UniCredit S.p.A., taking into account of the required timing for the finalization of the transaction:

if the Committee issues a positive opinion

- the transaction is submitted to the approval of the Board of Directors. The Function proposing the transaction informs the Presidio Unico of the resolution content

If the Committee issues a negative opinion

- the deliberative process is interrupted⁴

In compliance with the relevant provisions, the opinion of the Committee concerns the interest of the bank/company to execute the transaction, as well as the benefits and the substantial correctness of the relevant conditions. The opinion is considered favourable when showing the full agreement on the transaction. A negative judgement, even if on a single aspect, is considered sufficient for the issue of a negative opinion, unless otherwise specified by the Committee.⁵

The Board of Directors and the Board of Statutory Auditors timely receive an information flow drafted by the Presidio Unico on the Transactions of Greater Relevant and of Lesser Relevance with a significant amount of UniCredit S.p.A. when the deliberative process has been interrupted due to the prior negative or subjects to findings issued by the Committee.

⁴ UniCredit S.p.A., as listed issuer subject to CONSOB Regulation, has decided (in compliance with the mentioned Regulation) to interrupt the deliberative procedure (without the involvement of the Board of Statutory Auditors) for UniCredit S.p.A. Transactions of Greater Relevance and of Lesser Relevance with a significant amount. Said approach is supported by Bank of Italy's position: «... the transactions also falling within the scope of application of CONSOB provisions have to comply with the procedural rules provided for by both of the provisions. Therefore, if the bank, pursuant to CONSOB regulation, considers binding the negative opinion of the independent directors, the transaction (of greater relevance) on which the independent directors have issued a negative opinion can not be executed.». The interruption of the deliberative procedure cannot be applied to said kind of transactions when executed by Subsidiaries.

⁵ According to CONSOB, in order to have the opinion considered positive, the Committee must show that the entire transaction is shared in full. It is therefore required that, should the opinion be defined as positive and, as such, allow for the transaction execution despite the presence of some elements of disagreement, indication as to the reasons for which it is considered that these elements do not affect the overall judgement on the legal entity's interest in finalizing the transaction should be provided, as well as on the substantive correctness of the relevant conditions

• **Procedures for the transactions executed by Subsidiaries**

The Transactions of Greater Relevance and of Lesser Relevance with a significant amount between the Subsidiaries and the member of the Combined Perimeter are resolved by the Board of Directors of the Subsidiary (or by the corresponding governing body for the non-Italian Subsidiaries). With reference to the Italian Banks, it is likewise necessary the issue of a previous opinion by the committee of the independent directors (also convened in an ad-hoc committee) set by the same bank. The resolution on the transaction has to be submitted for a non-binding opinion of the Board of Directors (of UniCredit S.p.A.), as Holding Company, subject to the opinion of the Committee (of UniCredit S.p.A.).

The possible negative opinion issued by the Committee and by the Board of Directors has not a binding effect for the approving body of the Subsidiaries, save the minutes have to provide adequate justifications of the reasons leading to the approval, despite the issue of the negative opinion by the Committee and/or by the Board of Directors.

When the transaction is approved, the proposing function of the Subsidiary informs the Presidio Unico.

The Board of Directors and the Board of Statutory Auditors timely receive an information report drafted by the Presidio Unico on the Transactions of Greater Relevant and of Lesser Relevance with a significant amount of the Subsidiaries, approved by their governing Bodies, despite the negative opinion or an opinion subject to findings issued by the Committee.

The involvement of the UniCredit S.p.A. Committee is not provided for the transactions executed by the banks or by the Group companies when of greater relevance only pursuant to the procedures by them adopted.

Procedures for approval of the transactions of lesser relevance not-ordinary

• **Procedures for the transactions executed by UniCredit S.p.A.**

The Transactions of Lesser Relevance not ordinary between UniCredit and the members of the Combined Perimeter are approved by the competent decision-making body of UniCredit S.p.A. pursuant to current rules and regulations or to the delegation of powers adopted by the Board of Directors, subject to the issue of the (non-binding) justified opinion by the Committee. The Committee, also through one or more delegated members, promptly receives an information report drafted by the Presidio Unico, and it can request additional information and formulate observations for the relevant bodies, with a specific focus on the nature of the transaction and of the relation, the method for performing the transactions, the terms and conditions, including the economic ones, of the transaction, the assessment process, the underlying interests and justifications and other risks for UniCredit S.p.A.. The Presidio Unico has to promptly forward all useful information so that Committee, or one or more delegated members, can be effectively involved.

If the Committee issues a positive opinion

- the transaction is submitted to the approval of the entrusted body

If the Committee issues a negative opinion

- the transaction is submitted to the approval of the entrusted body; in case of a positive resolution, the minutes provide an adequate justification of the reasons leading to the resolution, despite the negative opinion of the Committee

The Function proposing the transaction promptly informs the Presidio Unico on the resolution result issued by the entrusted body.

The approval resolution to undertake transactions must always include an adequate justification about the suitability and the economic benefits of the transaction, the reasons for any variations in the economic/contractual or other terms and conditions compared to market or standard ones. This justification must be supported by adequate information Appendixed to the resolution.

The Board of Directors and the Board of Statutory Auditors timely receive an information flow drafted by the Presidio Unico on the Transactions under discussion approved by the competent entrusted Bodies, despite the negative opinion or an opinion subject to findings issued by the Committee

- **Procedures for the transactions executed by Subsidiaries**

The Transactions of Lesser Relevance not ordinary between the Subsidiaries and the member of the Combined Perimeter are approved by the competent bodies of the Subsidiaries, subject to the prior issue of a justified and positive opinion by the Committee (of UniCredit S.p.A.), save the issue of a previous opinion of Holding Company, when provided for in compliance with the Group Regulations from time to time in force. For the **Italian Banks** it is likewise necessary the prior opinion of the committee of the independent directors (also convened in an ad-hoc committee) set by the same bank.

Also in this case, if the Committee issue a positive opinion, the transaction is submitted to the approval of the entrusted Body; if the Committee issue a negative opinion, the transaction is submitted to the approval of the entrusted Body, which in case of a positive resolution has to detail in the minutes the adequate justification on the reasons leading to the resolution of the transactions despite the negative opinion of the Committee.

The Function of the Subsidiary proposing the transaction informs the Presidio Unico of the resolution result issued by the entrusted body.

The approval resolution to undertake transactions must always include an adequate justification about the suitability and the economic benefits of the transaction, the reasons for any variations in the economic/contractual or other terms and conditions compared to market or standard ones. This justification must be supported by adequate information Appendixed to the resolution.

The Board of Directors and the Board of Statutory Auditors receive an information flow drafted by the Presidio Unico on the Transactions under discussion approved by the entrusted Bodies of the Subsidiary, despite the negative opinion or an opinion subject to findings issued by the Committee.

Pre-deliberative phase in the event of urgent convocation

In order to allow the Committee to be fully aware (while issuing the prior and justified opinion) even when the convocation is urgent, additional specific provisions have been set for the management of the pre-deliberative phase, which integrate the ordinary procedure.

- **Transactions of Greater Relevance and Transactions of Lesser Relevance with a significant amount**

- Prompt involvement – given the timeframe for the transaction – of the Chief Executive Officer by the Presidio Unico (this timescale cannot exceed, in any case, two working days from the time when the Presidio Unico was informed that the negotiation/examination phase had been completed).

The Chief Executive Officer shall determine how urgent the convocation is and, in cooperation of the Chairman of the Board of Directors, he or she shall set the date for the Board of Directors to make its decision ("board jurisdiction").

- Prompt (consistent with the date set for the Board of Directors) calling of a Committee meeting to undertake the necessary preliminary activities (where required) and to issue a prior, justified opinion.
- Sending the Committee's opinion without delay to the decision-making body and, anyway, no later than the day after the opinion was issued).

- **Transactions of Lesser Relevance not ordinary**

- Obligation to call a Committee meeting promptly (and no more than two working days from when the Presidio Unico was informed of the transaction) and, at the same time, to involve the competent decision-making body
- Sending the Committee's opinion without delay to the decision-making body and, anyway, no later than the day after the opinion was issued.

Aggregation

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In case of not ordinary transactions, aside the transactions falling in the cases of exclusion foreseen at point 3.3.2(c), homogeneous or executed under an organic plan, executed by UniCredit S.p.A. and/or by its Subsidiaries, during the financial year, with the same associated person, the Presidio Unico aggregates the transactions amount in the view of the calculation of the relevancy threshold.

The Presidio Unico monitors said Transactions in the view of the “aggregation” calculation.

The monitoring of the transactions which, when altogether considered, cause the overcoming of the threshold of the greater relevance set out by the Policy is made annually starting from the beginning of every financial year or from the date of publication of the disclosure Document set out for the transactions of greater relevance as of Appendix 4 further to the overcoming of the mentioned threshold due to the Aggregation.

Procedures for the approval of Plafond/Internal limits

UniCredit S.p.A. and its Subsidiaries have to follow the deliberative procedures described above also with reference to the approval of defined plafond/internal limits (“Plafond”), whenever such transactions are submitted to the competent deliberative body for the first granting or for renewal/review.

Same provisions are provided for the renewal/review of a part/entire Plafond drawn on transactions for which the Bank is already committed to specific terms and conditions.

In this regard, the Committee taking in consideration, case by case, that (i) to the credit transactions market / standard conditions were applied at the time of the provision / resolution or that (ii) such transactions, due to circumstances that occurred, are not any more characterized by market / standard conditions, issues an opinion on the overall interest and convenience of the Plafond, evaluating the effective profitability of the same and of the relationship with the related party as a whole. Furthermore, in the case referred to sub (ii), where the conditions exist - on the legal-contractual and / or commercial relationship - issues a recommendation to activate with the counterparty initiatives aimed to restore the application to the credit transactions of market /standard economic conditions.

The Plafond with undefined elements which, therefore, cannot qualify as transactions pursuant to the Global Policy, which in any case are not subject to the deliberative procedures above described, are subject to information report to the Committee when of amount above € 1 billion.

It is intended that, in any case, the single drawdowns of the plafond when of greater relevance/of lesser relevance with significant amount or not ordinary for nature or conditions are subject to the deliberative procedures provided for by the Policy.

In case of plafond granted to UniCredit S.p.A. Corporate Officers or Shareholders or to their connected persons, the single drawdowns, even if of lesser relevance and ordinary, when:

- of amount above € 50 millions;
- not referable to the following sub-plafond categories: money market risk – Guarantees/Avals/Documentary credit risk < 1 year – pre-settlement risk – secondary risk – settlement risk – cash covered transaction;

have to be reported in advance to the Presidio Unico which aggregates their amounts for the calculation of the relevance thresholds.

The exceeding of € 1 billion (and, afterwards, of € 2 billions, € 3 billions, etc. till the full utilization of the plafond, included the latest part of the plafond regardless of its amount) due to the plafond-aggregation causes the submission of the latest transaction which causes the exceeding to the Committee for its opinion.

In case of plafond in favour of associated and controlled companies (not fully owned, with significant interest), the relevant drawdowns are not considered for the plafond-aggregation and are subject to the deliberative procedures provided for by the Policy if of greater relevance/of lesser relevance with significant amount or not ordinary for nature or conditions.

4.3 Umbrella Resolutions

UniCredit S.p.A. may have recourse to umbrella resolutions for specific kinds of transactions with certain categories of members of the Combined Perimeter and with single Parties of the same. The Policy provides that:

- the approval of the resolutions is subject to the deliberative process of the Transactions of Greater Relevance, of Lesser Relevance with significant amount and of Lesser Relevance on the basis of the maximum amount of transactions covered under the resolution (as considered in aggregate);
- umbrella resolutions expire after one year, refer to pre-defined transactions, and state the expected maximum amount over the reference period and the approximate conditions;
- with support from the Presidio Unico, proposing offices must inform the Board of Directors about umbrella resolution implementation on at least a quarterly basis;
- the resolutions must be disclosed (for transparency) in an information document in compliance with CONSOB Regulation in cases where the expected maximum amount of transactions covered under the Umbrella Resolution, considered as an aggregate, exceeds the threshold of greater relevance. Transactions concluded in implementation of a Umbrella Resolution for which an information document has been published are not included in cumulative transaction calculations.

4.4 Information Flows

The Presidio Unico is charged with the drafting and forwarding at regular intervals of specific information flows to:

- the Board of Directors and the Board of Statutory Auditors;
- the Committee;
- Compliance;
- Group Administrative and Analytics Office

as specified in the following. In particular, the Presidio Unico:

- quarterly drafts and sends to the Boards of Directors, to the Board Statutory Auditors and to the Committee a comprehensive report on any transactions of UniCredit S.p.A. and of Subsidiaries with the members of the Combined Perimeter concerning the mentioned period, which also reports the transactions concerning the previous period, but reported after the fixed deadline. This report is promptly forwarded by the Presidio Unico to the Compliance Function of the Holding Company. The typologies of the reported transactions and the timing for the drafting and the forwarding of the information flow to the mentioned Bodies are described in the GPR;
- drafts *and sends half-yearly to the Board of Directors to the Committee a specific information flow* on the main issues concerning the Combined Perimeter, as detailed in the GPR; this is also promptly forwarded (by the Presidio Unico) to the Compliance Function of the Holding Company.
- transmits to the Accounting Function, upon request, the relevant information under its competence and of its availability, useful for the drafting of the interim directors' report and of the annual directors' report, with reference to:
 - individual Transactions of Greater Relevance and of Lesser Relevance with a significant amount executed with the members of the Combined Perimeter concluded during the relevant quarter;
 - other individual Transactions with CONSOB Related Parties “that have significantly affected” UniCredit S.p.A. financial position or results;
 - changes or developments to Transactions with the members of the Combined Perimeter reported in the last Yearly Report, which have had a “significant effect” on UniCredit S.p.A. financial position or results in the relevant period.

4.5 Specific provisions for Associated Persons Bank of Italy and CONSOB Related Parties

4.5.1 Prudential limits and level of risk appetite

The provisions specify that taking risk activities to associated persons has to be considered within the limits referred to the Consolidated Own Funds.

The risk exposure limits with associated persons are detailed in the GRM internal regulation. Said limits have to be yearly approved by the Board of Directors (according to the changes of the Own Funds).

To the purposes of limits monitoring and calculation, the risk activities are weighted considering the riskiness connected to the nature of the counterparty and of the possible forms of credit recovery defined in compliance with the provisions fixed by the Supervisory provisions on risk concentration. Refer to the GP “Risk activities and conflicts of interest with associated persons – Internal controls policy” for the description of the monitoring activity performed and of the procedures when the limits are exceeded.

4.5.2 Disclosure and supervisory reporting on Associated Persons

Bank of Italy Provisions specify that both the risky activities with Associated Persons and the transactions executed by them are to be reported to the Bank of Italy at intervals and with details required by the relevant regulations on prudential reporting. Consolidated reports are sent by the Holding Company and individual company reports are sent by the individual Italian banks.

The whole set of the risk activities with Associated Persons must be reported at the consolidated level, on a quarterly basis.

The forwarding of the relevant information to the Holding Company for the consolidated supervisory reporting has to be performed in compliance with the local laws (i.e., privacy, banking secrecy).

The Supervisory Reporting on the risk activities with Associated Persons concerns the cash exposure (e.g., loans, shares, bonds, subordinate loans) and off-balance sheet exposures (e.g., issued guarantees), attributable to the Persons, both when he/she is the only owner of the relation and when he/she is co-owner with other parties, regardless of the possible nature of Associated Person attributable to the co-owners.

At individual level, in addition to the quarterly reporting of the risk activities, it is also required the reporting of the Transactions with Associated Persons, as well as the Transactions of Greater Relevance. The Smaller Transactions are not part of the information flow.

The chart below summarizes the typology of reporting, its frequency and its scope of application.

Typology	Frequency	Relevancy	Notes
Reporting concerning risk activities with Associated Persons	Quarterly	Consolidated and Individual	The reporting is made taking into consideration the associated persons defined at the banking group level they belong to
Reporting of the transactions with Associated Persons	Yearly	Individual	
Reporting of the Greater Relevance transactions with Associated Persons	Quarterly	Individual	

Consolidated supervisory reports are forwarded to Bank of Italy by the Holding Company’s Group Regulatory Reporting (“**GRR**”), in compliance with the supervisory provisions, within the 42nd day from the quarterly relevant date (i.e., within T+42 days following the 31/3, 30/6, 30/9 and 31/12 of each year).

4.5.3 Disclosure and transparency obligations pursuant to CONSOB Regulation

Disclosure and transparency obligations provided by the CONSOB Regulation for the transactions with related parties (and the relevant updates in case of changes of the provided details) have to be observed when transactions with “CONSOB Related Parties” of UniCredit S.p.A. are performed, including the parties detected by UniCredit S.p.A. according to an autonomous assessment.

The fulfilments differ in consideration of specific circumstances, anyway save the disclosure obligations to the market set out by article 144, section 1, of D.Lgs. 58/1998, if the relevant conditions are met.

For the further details on said fulfilments refer to the *Appendix*.

4.5.4 Financial Statements disclosure

The Financial Statements disclosure concerning the related parties (Section H of the explanatory notes) has to detail information required by IAS 24 principle and by Bank of Italy Circular 262:

- information on the key personnel managers’ remuneration;
- information on the transactions with related parties.

The IAS 24 principle defines the “key personnel managers” and the “Transactions with related parties” as specified here below:

- the key personnel managers are the persons empowered and charged, directly or indirectly, with the planning, the management and the checks of the entities activities, included the entity managers;
- the transaction with a related party is identified as a *transfer of resources, services or obligations among related parties regardless whether a fee is agreed*.

5. SHARING OF DUTIES BETWEEN THE HOLDING COMPANY AND THE ENTITIES

In order to grant the effective execution of the activities and the coherence of the policies, of the methodologies and of the practice in the management of the transactions with persons in conflict of interest in all Group Entities, the Group Model provides for a clear partition of duties between the Holding Company and the Legal Entity.

5.1 Duties of the Holding Company

5.1.1 Duties of the Corporate Bodies

The CONSOB Regulation and the Bank of Italy Provisions provide for the management of the Transactions with CONSOB Related Parties and Associated Persons the involvement of the Board of Directors and of the independent directors convened in a specific committee; the involvement of the Board of Statutory Auditors is only provided for by Bank of Italy Provisions with reference to specific transactions with Associated Persons. The duties assigned by UniCredit S.p.A. to the mentioned corporate bodies are described here below.

The Board of Directors:

- approves the Policy and its relevant reviews, with the prior positive opinions of the Committee and Board of Statutory Auditors;
- appoints the members of the Committee in accordance with the appointment criteria fixed in regulations in force and in the Policy. Moreover, the Chairman of the Board of Directors proceeds with the temporary replacement of the member(s) of the Committee when fixed and provided for by the Policy (replacement due to conflict of interest and due to unavailability in case of urgent convocation);
- approves UniCredit S.p.A. Transactions of Greater Relevance and of Lesser Relevance with a significant amount, except for the Transactions falling within the competence of the Shareholders' Meeting;
- approves the Transactions of UniCredit S.p.A. which also fall within article 136 of D.Lgs. 385/1993 (unanimous approval and positive opinion of the members of the Board of Statutory Auditors);
- issues opinions on the Subsidiaries' Transactions of Greater Relevance and of Lesser Relevance with a significant amount;
- receives periodic information flows (according to the criteria detailed in the Policy), on the Transactions of UniCredit S.p.A. and of the Subsidiaries and on the main issues concerning the Combined Perimeter;
- approves the risk exposure limits with associated persons.

The Related Parties and Equity Investments Committee⁶, is charged as follows:

- issues detailed, justified and binding opinions in the view of the resolution of the Board of Directors, on the overall suitability of the Policy and of the Procedures therein and of the following updates to meet the goals set out by the CONSOB Regulation and the Bank of Italy Provisions and by art. 136 of D.Lgs. 385/1993;
- is involved, altogether or through the independent member of the Committee appointed for that during the negotiations and the preliminary activities of UniCredit S.p.A.'s and the Subsidiaries' Transactions of Greater Relevance and of Lesser Relevance with a significant amount, through the receipt of a complete, timely information flow and with the faculty to request information and make observations to the appointed bodies and parties in charge of running negotiations and preliminary activities;

⁶ With reference to the Committee operating, refer to Annex 5 "Operating of the Committee – Hints"

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- issues, when provided for, prior and justified opinions on the Transactions of UniCredit S.p.A. and of the Subsidiaries, with regards to the interest in finalizing the transactions as well as on the convenience and the substantive correctness of the relevant conditions;
- states – on the grounds of the details made available by the Presidio Unico – on the major issues concerning the Combined Perimeter;
- monitors, also in order to make possible correction activities, the Ordinary Transactions.

The Committee can be supported in the issuing of its opinions concerning the mentioned Transactions, by independent specialists, autonomously chosen, paid by UniCredit S.p.A..

Moreover, in the view of a timelier sharing of information, a member of the Board of Statutory Auditors and the Management of the Bank can, following invitation by the Committee itself, attend the Committee meetings.

The Board of Statutory Auditors:

- issues justified, analytic and binding opinions in the view of the following resolutions of the Board of Directors on the overall suitability of the Policy and of the Procedures mentioned therein, as well as on the following updates to meet the goals set out by the CONSOB Regulation, the Bank of Italy Provisions and article 136 of D.Lgs. 385/1993 (said opinion is added to the analytic opinion requested to the Committee);
- receives information flows (no later than the third day following to the issue by the Committee of its opinion) on the Transactions of Greater Relevance and of Lesser Relevance with a significant amount of UniCredit S.p.A. for which the deliberative process has been interrupted following the issue of a prior negative opinion or an opinion subject to findings by the Committee;
- receives information flows (no later than the third day following to the issue by the Committee of its opinion) on the Transactions of Greater Relevance and of Lesser Relevance with a significant amount of Subsidiaries for which the Committee has issued a prior negative opinion or an opinion subject to findings (in this cases not binding for the resolution).

The Board of Statutory Auditors supervises that the Policy complies with the principles provided for by the relevant regulations as well as on its observance. To that end, the Board of Statutory Auditors can be supported by the Internal Audit and/or request to that function specific checks and reports.

5.1.2 Duties of the Internal Functions

UniCredit has adopted a new organizational model to ensure and supervise the operational process in the preliminary phase for the management of transactions with members of the Combined Perimeter and to improve the completeness and adequacy of the information provided by the transaction owner - in particular with regard to the verification of the conditions applied and the overall economic convenience - in order to allow the Related Parties Committee to issue its opinion, when envisaged, supported by an analytical assessment of the main characteristics of the transaction.

The organizational model for managing the transaction with the members of the Combined Perimeter foresees a principle of proportionality and diversification of professional skills, substantially structured taking into account the following roles:

- a) The transaction owner, without prejudice to the compliance with the management processes envisaged within each entity (Holding and Subsidiaries) and in the relations between the Subsidiaries and the Holding, preliminarily verifies the linking of the transaction to the application of the Global Policy and where applicable it collects - already in the phases of the negotiations and the preliminary inquiry - the main information regarding the transaction and in particular: the conditions applied to the transaction, its profitability and the interest for the Bank about the finalization.

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- b) The control functions identified in the Finance, Risk Management / Lending Office and Compliance perform for their own competence profile and depending on the type of transaction, the Plausibility Check activity in order to verify the adequacy of the information about conditions and economic profitability of the transaction and of the relationship as a whole provided by the transaction owner to complete the preliminary inquiry of the file for the consequent issue of the opinion by the Related Parties Committee.
- c) The Presidio Unico is responsible for verifying the completeness of the documentation and the presence of the opinion issued by the control functions in the Plausibility Check to submit the overall results to the evaluations of the Related Parties Committee for the purpose of issuing the opinion when envisaged.

In particular, the responsibilities of the organizational structures to oversee the overall activity are defined and detailed below.

Group Shareholding, through the Presidio Unico, established within the mentioned function, has the responsibility of:

- the coordination and monitoring at Group level of the Transactions with CONSOB Related Parties and Associated Persons;
- the support of the Committee and the Board of Statutory Auditors, as their referent through the relevant Secretariats, in the activities concerning the management of the relevant Transactions;
- the monitoring on the Policy implementation (also escalating, when necessary) and of the detection (also with the support of other UniCredit S.p.A. functions) of possible needs of updates, submitting the proposed changes to the prior assessment and approval of the competent governing bodies;
- the monitoring of the management process of Transactions with the members of the Combined Perimeter.

In this regard, the Presidio Unico, which hasn't an operational involvement in the deliberative phases, is in charge of the coordination in UniCredit S.p.A. and towards the Subsidiaries of the different procedural phases of the management process of the Transactions under discussion, checking as well the adequacy of the received information, each competent for a kind of transactions in relation to its responsibility area and from the Local Referents (chosen by the Subsidiaries for the transactions executed by them), who, respectively, are in charge of the prompt communication of the transaction and of the content completeness in the view of a final assessment.

In particular, for new transactions to be submitted to the Related Parties Committee or, where required, also for the renewals of other transactions (where the revision of the terms and conditions is contractually required), it involves, in the absence of documentary elements proving the full link of pricing to the market/standard conditions and / or the economic interest of the transaction, the business Function owner of the transaction in order to provide additional necessary documental elements and the Technical and Control Functions (Finance, Risk Management / Lending Office and Compliance) to perform the plausibility checks on the assessments carried out about the conditions and the profitability of the transaction and of the relationship with the related party and about the documental elements provided to support such evaluations. In particular, Risk Management / Lending Office and Compliance perform the aforementioned role respectively for credit operations and for the remaining transactions.

Group Finance is responsible for the transactions to be submitted to the opinion of the Related-Party Committee or, if required, also for the renewals of other transactions (where the revision of the terms and conditions are contractually required) to carry out the plausibility check on the information provided by the owner of the transaction by verifying the pricing parameters of the transaction as well as the use of pricing tools in coherence with the Global Rule ⁷ in accordance

⁷ rif. GR 666 and relevant GPR (all.1 alla 666): "Risk-Adjusted Pricing Discipline – Pricing Methodology according to Group Transfer Price Framework" (UC-2013-008)".

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with the product / client perimeter of the transaction. In this context, the same function plays a Governance role limited to the coordination and supervision of the checks carried out by the local Finance structures.

Group Credit & Integrated Risks is charged as follows:

- identifies all the time, through the function charged with the monitoring of the economic groups in order to control the large risks, which will be supported by the business and local risk functions, possible relations among their counterparties and among the latter and the Group, to detect if they can be, due to that, qualified as connected person. The outcomes are promptly communicated to the Presidio Unico for the following update of the Combined Perimeter;
- measures of the risk underlying the relations with members of the Combined Perimeter;
- checks compliance with the prudential limits related to the risk activity towards members of the Combined Perimeter on the basis of the risk appetite set out in internal policies;
- forwards a quarterly information flow to the Committee.

Group Credit Transaction is charged as follows:

- in consistency with the rules concerning the credit activity, it makes the assessments within its competence on the Transactions;
- it provides for the credit transactions with members of the Combined Perimeter support to the Presidio Unico and to the Committee according to the principles and rules defined by the relevant regulation “Credit underwriting process of proposals for persons in conflict of interest” to be referred to for further details;
- it analyses the information provided by the proposing function, providing, when fixed, the information flow that the Presidio Unico forwards to the Committee;
- for transactions to be submitted to the opinion of the Related Parties Committee or, if required, also for the renewals of other transactions in place (where the revision of the terms and conditions are contractually required), make the plausibility check on the information provided by the transaction owner, confirming, among other things, consistency with the credit parameters and the sample of the comparables and the correct representation of the risk appetite. In this context, the same Function plays a Governance role limited to the coordination and supervision of the checks carried out by the local Risk Management structures;
- forwards a quarterly information flow to the Committee.

It is intended that the Presidio Unico can anyway ask for its cooperation with reference to the need to support the meetings of the Related Parties Committee.

Group Regulatory Reporting (GRR) is charged as follows:

- it draws up and sends to Bank of Italy the supervisory reports provided for the associated persons (both on a consolidated and individual level).

GRR is supported by:

- Group Credit & Integrated Risks for the activities concerning the checks on the reasonableness of the reported exposures in comparison with the records in the risk management systems;
- Shareholding, by providing both the Combined Perimeter and the list of the transactions with the Members of the Combined Perimeter reported to the Presidio Unico, except for the cases of exclusions which do not require any reporting.

With regard to process responsibility, each structure is committed for ensuring the accuracy, completeness and regulatory consistency with respect to the laws and regulations from time to time in force, of the information it provides to GRR and, ultimately, to the manager in charge of drafting accounting and corporate records at UniCredit S.p.A.

Individual Financial Statement is responsible for the individual financial statement of UniCredit S.p.A. concerning the Related Parties and is supported by Shareholding, who provides both the Combined Perimeter and the list of the relevant transactions executed.

Consolidation Perimeters & Accounting Information Management is responsible for the definition of the perimeter of the “Group related parties” in Tagetik and is supported by:

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- Group Shareholding, which provides both the Combined Perimeter and the list of the finalized transactions with the Members of the Combined Perimeter on the basis of the received information;
- the various consolidated companies which contribute to the explanatory notes in Tagetik.

Group Compliance, for non-credit transactions to be submitted to the Related Parties Committee's opinion or, where required by the Presidio Unico, also for the renewals of other transactions (where the revision of the terms and conditions are contractually required), for which additional investigations are needed is responsible for:

- verifying that the "four eyes" principle has been executed in compliance with the internal regulations and that the relevant results are highlighted in the information to the Related Party Committee in an appropriate manner;
- verifying that any deviations from the provisions of the internal regulations are adequately motivated and highlighted;
- verifying any situations of conflict of interest involving the external experts who provided the evaluations and / or the sources of the information used as a benchmark in the preliminary investigation.

The **Compliance Function** checks over time, through second level controls, the existence and the reliability of procedures and proper systems to ensure compliance with law obligations and with those obligations provided for by the Internal Regulation with reference to the management process of the Transactions with members of the Combined Perimeter.

The **Internal Audit Function**, within its audit plans and according to a risk based approach, checks the monitoring of the compliance with the provisions of the activity at any company level. Further references on the Internal Audit Function are detailed in the "Global Policy on the Risk activities and conflicts of interest with associated persons – Internal policies on controls" and, with specific reference, to the paragraph "Controls of Compliance and Internal Audit Functions" (re.: UniCredit S.p.A. Internal Regulation no. 674E).

As far as the respective roles and duties of the functions pursuant to the provisions mentioned by the Global Policy (included the Risk Management Function) are concerned, reference is made to the UniCredit S.p.A. Organizational Book, as well as to the specific policies and the specific processes and procedures.

5.2 Duties of the Entity

UniCredit S.p.A., as Holding Company, applies the Policy and Procedures described herein on a consolidated basis to the Subsidiaries, inspired by criteria of proportionality with regard to the implementation, included the above described procedure for the Plausibility Check. It is intended that the listed Italian subsidiaries and those with shares spread in the public, as addressees of CONSOB Regulations, are required to adopt own internal procedures pursuant to the abovementioned Regulation, in coordination with the present policy.

As far as the enforcement of the provisions by the non-Italian Subsidiaries is concerned, given the principles and criteria fixed by this Global Policy in the Chapter "Purpose and scope of application" with reference to the approval and implementation, it is taken into account that the Subsidiaries have already adopted their own procedures pursuant to local regulations, according to the discretion given to the EU Member states provided by the Capital Requirement Directive (CRD IV) to locally discipline the transactions with related parties.

5.2.1 Italian Banks of the Banking Group

Management of transactions with members of the Combined Perimeter: UniCredit S.p.A. submits the Policy to the governing bodies of Italian Banks, together with the request to draft a similar document and to proceed with its adoption and implementation. The banks prepare and approve, also in compliance with the provisions of Bank of Italy Provisions, their procedures for the management of Transactions with members of the Combined Perimeter, in accordance with the following guidelines:

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- ✓ *Requirements and role of independent directors:* the responsibilities assigned to the independent directors are attributed to a Committee, within the Board of Directors, made up exclusively of non-executive and independent directors. Given the above criterion, the Committee may coincide with the Committee for Internal Control under the provisions on corporate governance, providing temporary replacement mechanisms in cases of conflicts of interest and temporary unavailability of the members of the committee in the case of urgent transactions.
- ✓ *Functions involved in the activity with the members of the Combined Perimeter:* the establishment of the role of the Local Referent is required, with coordination functions between Italian banks and the Presidio Unico.
- ✓ *Perimeter of Italian Banks:* Italian banks contribute to the determination of the “Combined Perimeter”.
- ✓ *Limits to the risk activities:* adoption of the provisions of relevant Regulation.
- ✓ *Transactions with members of the Combined Perimeter:* The implementation of the provisions of the Policy is required, also in the case of exclusion and for deliberative process.
- ✓ *Internal information flows:* Italian banks establish rules similar to the provisions of the Policy with reference to the internal information flows to the administrative and control bodies and to their Committee of independent directors as well as to the Compliance function. The information included in the flows must be transmitted to the Presidio Unico, in order to enable the preparation of quarterly reporting for the governing Bodies of the Holding Company.

Management of the Obligations of the Banks Corporate Officers: the provisions regarding the Bank Corporate Officers apply to transactions between Italian banks and their Corporate Officers. Italian banks implement the provisions of the following Section and carry on procedures consistent with those specified by the Holding Company.

Procedures, processes and information systems: Italian Banks adopt adequate processes and procedures, properly implementing the information systems, also in order to guarantee the precise, the complete and the prompt: i) check of the collected information relating their own Associated Persons and relevant updates, which are necessary for the Perimeter of the Banks and of the Supervised Intermediaries; ii) transmission to the Holding Company, where provided for, of the information flows concerning the transactions with members of the Combined Perimeter; iii) transmission to the Holding Company of any information useful for the management of the transactions described in this Policy, in compliance with the regulatory framework.

The Italian Banks take care of the fulfillments relating to the check of the obligation to report and to execute the same, in compliance with the terms and the method described by the regulatory framework, choosing the responsible function acting as referent of the Presidio Unico.

Within the mentioned processes and procedures, the Italian Banks set up appropriate informatics able to support the Holding Company activity, also with reference to Supervisory reporting relating, in particular, to risk activities with Associated Persons.

5.2.2 Companies controlled by UniCredit S.p.A.

The **Italian and non-Italian Subsidiaries** held by UniCredit S.p.A. develop and submit to their competent Corporate Bodies the Policy with the request to proceed to its adoption and implementation setting up points of control consistent with those of the policy proportionally to the actual relevance of potential conflicts of interest, according to the following guidelines:

- responsibilities attributed by the regulation to the independent directors must be assigned to the Committee (of UniCredit S.p.A.); the establishment of specific committees at the Controlled Companies is not required;
- a Local Referent must be identified, liaising and coordinating activities between the Subsidiary and the Holding Company;
- internal systems must be implemented, in order to consider the Combined Perimeter, made available by Holding Company, also with subsequent updates;
- the criteria specified by the Policy for the identification and assessment of Transactions with members of the Combined Perimeter must be adopted, also with regard to the cases of exclusion;

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- involvement, as appropriate, of the Committee (of UniCredit S.p.A.), through the Presidio Unico , in order to obtain a prior and justified (non-binding) opinion on transactions with members of the Combined Perimeter, in accordance with the deliberative procedures provided for in the Policy, without prejudice to the powers of the governing bodies and business functions;
- appropriate information must be included in the decision-making stages regarding the Transactions with members of the Combined Perimeter, highlighting the interest of the bank / company to the transaction, the cost-effectiveness and the correct application of the conditions;
- internal information flows must be prepared for the Holding Company (Presidio Unico), in respect to Transactions with members of the Combined perimeter.

Non-Italian banks and supervised intermediaries (Italian and non-Italian) of the Banking Group contribute to the “Combined Perimeter”.

Procedures, processes and information systems

The Subsidiaries adopt adequate processes and procedures, properly implementing the information systems, in compliance with local regulations, also in order to guarantee the precise, the complete and the prompt: i) transmission to the Holding Company, where provided for, of the information concerning the transactions with members of the Combined Perimeter; ii) transmission to the Holding Company of any information useful for the management of the transactions described in this Policy, in compliance with the regulatory framework. Moreover, the non-Italian Banks and the Supervised Intermediaries of the banking Group guarantee the precise, complete and prompt check of the collected information concerning their own Associated Persons and relevant updates necessary for the Perimeter of the Banks and of the Supervised Intermediaries.

The Subsidiaries take care of the fulfillments relating to the check of the obligation to report and to execute the same, in compliance with the terms and the method described by the regulatory framework, choosing the responsible function acting as referent of the Presidio Unico.

Within the mentioned processes and procedures, the Subsidiaries set up appropriate informatics able to support the Holding Company activity, also with reference to Supervisory reporting relating, in particular, to risk activities with Associated Persons.

The Entities, within the activity of **supervisory reporting**, are liable for the following:

- providing to the Holding Company the data necessary to draft the consolidated reporting in compliance with the provisions in force as well as with the received operational instructions;
- certifying the data recorded in the tool for the consolidation;
- supporting the Holding Company providing all the necessary information for the execution of the second level controls and for the management of possible requests by the Authorities (e.g.: findings).

The Entities, within the activity concerning the **financial statement information**, are responsible for their contribution to Tagetik.

SECTION II - OBLIGATIONS OF BANKS CORPORATE OFFICERS

1 INTRODUCTION

The article 136 of D.Lgs. 385/1993 forbids any parties who hold administration, management and control offices in a bank, to undertake obligations of any nature or to execute purchase and sales agreements, either directly or indirectly, with the bank they administer, manage, or control, unless authorized by a Board resolution unanimously passed and with the favourable vote of all members of the supervisory body, save as provided for by the Italian Civil Code in respect of Directors' interests and transactions with related parties. Said provision is applicable to the obligations between the **Italian banks and their Banks Corporate Officers** ("Corporate Officers"). The present Section is intended for UniCredit S.p.A. and the Italian Banks of the Group, which will have to implement its contents in compliance with principles and criteria here detailed and will have to fix operational procedures coherent with those provided by the Holding Company. It is intended that any assessment concerning the really application of this provision is charged to the involved persons, considering that art. 136 of D.Lgs. 385/1993 leads to convictions, and, finally, to the competent criminal Court.

2. OBJECTIVE SCOPE OF APPLICATION

The application of art. 136 concerns "*transactions of whatever nature*" and "*buy and sell transactions*", respectively, signed or executed "directly or indirectly" by the Corporate Officers Acts falling within the scope of applicability of art. 136:

- buy and sell transactions;
- obligations of any nature (either financial or other) including professional assignments entrusted on an ongoing or occasional basis to banks corporate Officers or to associated firms the same are members of. In particular, the Bank of Italy does not recommend to entrust professional assignments on an ongoing and exclusive basis, as such a practice could have an impact on the compatibility of the party's interests with the company's interests;
- any purchases and sales in currency or securities which don't comply with the conditions set out below;
- any "ready-cash" bank cheque exchange transactions.

According to specifications of Bank of Italy, the following doesn't fall within article 136, as arising from the contractual relationship in which the subjective quality of the counterparty is not significant and there is not, never in principle, the possibility of conflict of interest that the rule intends to prevent:

- services which do not imply any credit issuing, including the opening of deposits, also in the form of bank accounts with standard conditions granted to customers or employees;
- obligations related to the purchase and sale of currency or securities, including State bonds or bonds granted by the State, listed on the regulated market, whenever the following assumptions are all in place: execution on regulated markets; application of standard conditions for customers; price advance in case of purchase; prior delivery of securities in case of sale.

There is an "*indirect obligation*" when a corporate officer undertakes an obligation through a different subject (individuals/ juridical persons). In that case, the Governing Body, which must be informed by the Corporate Officer of its specific position, considers if the proposed operation is or is not an indirect obligation, undertaken by the Corporate Officer. The check is carried out with the abstention of the Corporate Officer who is deemed to be involved.

In the cases of obligations undertaken by Companies, this rule can be deemed enforceable when the Corporate Officer: i) holds in the company a control position, pursuant to article 23 of D.Lgs. 385/1993; ii) is a partner in an ordinary partnership or in an unlimited partnership; iii) is an unlimited partner in an informal partnership or a partnership limited by shares; iv) is the sole shareholder in a stock company.

3. SUBJECTIVE SCOPE OF APPLICATION

According to the mentioned article the Corporate Officers (*those who hold administration, management and control offices in a bank*) perimeter consists of the banks corporate Officers of UniCredit S.p.A., of the Italian banks, and of the subjects which can be considered referable to them, as follows:

- the individuals (i.e. consort or other relative of the corporate officer) and/or juridical persons which can be considered, due to an economic connection, as "intermediary persons", who give rise to an indirect obligation upon the corporate Officer; the mere "family" relationship may not be important, provided that, considering it is a criminal matter, the specific evaluation of each case must be left to the Corporate Officers;
- the persons linked to one or more Corporate Officers by such a relevant relationship that the Corporate Officers have to personally and unlimitedly meet their obligations (e.g.: an ordinary or an unlimited partnership where the corporate officer is a partner; an informal partnership or a partnership limited by shares where the Corporate Officer is an unlimited partner; a stock company where the corporate officer is the sole shareholder).
- the companies directly or indirectly controlled by the Corporate Officers;

4. MANAGEMENT OF THE OBLIGATIONS UNDERTAKEN WITH UNICREDIT S.P.A.

The obligations the Directors, the Statutory Auditors, the CEO and the General Manager of UniCredit S.p.A. directly or indirectly execute with the bank are subject to the application of article 136. The function of UniCredit S.p.A., within its respective competences in relation to the obligation content, submits the relevant proposal to the Board of Directors for approval. In detail:

- the Risk Management Function for the credit transactions;
- the Functions competent for single different activities within the Planning, Finance & Administration Department and the Corporate and Investment Bank (CIB) Division for the financial transactions (among them, e.g., the listing of financial instruments, bond issues and securitizations);
- the function competent in relation to the obligation content for the transactions different from those detailed above.

The justified resolution of the Board of Directors has to be unanimously passed by the Directors entitled to vote and with the favourable vote of all the Statutory Auditors (effective Statutory Auditors). If some of the Statutory Auditors cannot attend the Board meeting, their approval is recorded separately. Such deliberative procedure has to be followed by the Italian Banks if transactions with their respective corporate officers are executed, provided that each Bank defines rules for the involvement of its own Internal Functions. For the obligations of Corporate Officer pursuant to Art. 136 which also fall within the scope of application of CONSOB Regulation and Bank of Italy Provision, as Transactions with members of the Combined Perimeter, refer to previous par. 5.2.2.

APPENDIXES

APPENDIX 1 – COMBINED PERIMETER

UniCredit S.p.A. (Holding Company) Perimeter

It consists of the set of CONSOB Related Parties and Associated Persons of UniCredit S.p.A., which are grounded on the definitions of related parties and associated persons issued respectively by CONSOB Regulation and Bank of Italy Provisions, as well as in the further additions inserted on the basis of autonomous assessment.

CONSOB RELATED PARTIES	BANK OF ITALY Associated Persons	
	Related Parties	Connected Persons
<p>1) The parties who directly or indirectly, including through subsidiaries, trustees or intermediaries:</p> <p>a) control (*) UniCredit S.p.A., are controlled by UniCredit S.p.A. or are under common control;</p> <p>b) hold a stake in UniCredit S.p.A. such as to be in a position to exert significant influence over this latter;</p> <p>c) exercise control over UniCredit S.p.A. jointly with others.</p> <p>2) The associated companies of UniCredit S.p.A..</p> <p>3) The joint ventures in which UniCredit S.p.A. is a participant.</p> <p>4) The key management personnel in UniCredit S.p.A. or its controlling company (including executive and non-executive Directors and Statutory Auditors and their alternates).</p> <p>5) The close relatives of one of the persons referred to no. (1) or (4).</p> <p>6) The entities in which a person referred to in no. (4) or (5) above exercises control, joint control or significant influence or owns, directly or indirectly, a significant percentage of voting rights, in any case no less than 20% of the voting rights.</p> <p>7) The supplementary pension funds, collective or individual, Italian or non-Italian, established or promoted by UniCredit, as well as the funds UniCredit S.p.A. can exercise influence on.</p>	<p>8) UniCredit S.p.A. Corporate Officers</p> <p>9) The participants of UniCredit S.p.A. (that is, the parties who have to obtain Bank of Italy authorisation to hold the capital of banks, pursuant to section 19 and following of D.Lgs. 385/1993).</p> <p>10) The parties other than participants who are able to appoint, by themselves, one or more members of the management or strategic supervision bodies of UniCredit S.p.A., including if this is on the basis of agreements, however stipulated, or clauses in the Articles that explicitly or effectively cover the use of such rights or powers.</p> <p>11) The Companies or businesses, even if not incorporated as a company, over which UniCredit S.p.A. or a company of the Banking Group can exercise control or significant influence</p> <p><i>UniCredit S.p.A. also keeps a record up to second-degree relatives of the parties under no. (8), (9) and (10), storing such information to make it available to the Bank of Italy should they be requested.</i></p>	<p>12) The companies or businesses, even if not incorporated as businesses, that are controlled from a related party (from no. 8 to no. 11).</p> <p>13) The parties that control a related party as indicated in no. (9) and (10) or the parties subject, either directly or indirectly, to common control with the same related party.</p> <p>14) The close relatives of a related party (from no. 8 to no. 11) and the companies or businesses controlled by the latter.</p>
<p>With reference to the detection of the subjects referable to the Combined Perimeter categories, it is also established that Group Risk Management Function, on the basis of the information in their hands, supplements the declaration of the related party with the possible further juridical connections entailing the qualification of connected person.</p>		
<p style="text-align: center;">OTHER PARTIES INCLUDED IN THE COMBINED PERIMETER</p> <ul style="list-style-type: none"> ▪ The parties who directly or indirectly – through subsidiaries, trustees or intermediaries – hold a shareholding of more than 2% of the share capital of UniCredit S.p.A., represented by shares with voting rights, all directly or indirectly controlled parties by the same parties and the close relatives as well as the companies or businesses controlled by the latter. ▪ The parties who have implemented (between them) an agreement, drawn up in whatever form, for the joint exercise of the voting right in the Shareholders Meeting of UniCredit S.p.A. above the threshold which has to be made public pursuant the relevant law (anyway not below the 2%) and the parties which directly or indirectly control them and the parties directly or indirectly controlled by the latter as well as the close relatives of the controlling parties and the companies or businesses controlled by the latter. ▪ The members of the Executive Management Committee different those qualified as managers with strategic responsibilities, as their inclusion in the Combined Perimeter and of their referable subjects is provided for by CONSOB Regulation (no. 4, 5 and 6), and of the Head of Internal Audit Function of UniCredit S.p.A., as well as: <ul style="list-style-type: none"> – the entities in which they exercise control, joint control or significant influence or own, directly or indirectly, a significant percentage, anyway no less than 20%, of voting rights; – their close relatives and the entities in which the latter exercise control, joint control or significant influence or own, directly or indirectly, a significant percentage, anyway no less than 20%, of voting rights. 		

Perimeter of the banks and of the supervised intermediaries of the banking group (Italian and non-Italian), including the listed ones and the other Italian listed issuers controlled by UniCredit S.p.A.

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It consists of the set of the Associated Persons (Related Parties Bank of Italy and relevant connected persons) of each (Italian and non-Italian) Bank belonging to the Banking Group except UniCredit S.p.A. (as its Associated Persons are already included in the UniCredit S.p.A. Combined Perimeter) and of each (Italian and non-Italian) Supervised Intermediary of the Banking Group which are described in the definition of associated persons pursuant to Bank of Italy Provisions. Furthermore, for the sole Italian listed Banks/Supervised Intermediaries, their CONSOB Related Parties as defined by the CONSOB Regulation are included. The CONSOB Related Parties of the Italian listed issuer controlled by UniCredit S.p.A., different from the previous ones, are included as well. Likewise UniCredit S.p.A. Perimeter further cases have been included on the basis of autonomous assessment.

CONSOB RELATED PARTIES	BANK OF ITALY ASSOCIATED PERSONS	
	<i>Related Parties</i>	<i>Connected persons</i>
	<p>1) The parties who directly or indirectly, including through subsidiaries, trustees or intermediaries:</p> <p>a) control the listed entity, are controlled by the same or are under common control;</p> <p>b) hold a stake in the listed entity such as to be in a position to exert significant influence over this latter;</p> <p>c) exercise control over the listed entity jointly with others.</p> <p>2) The associated companies of the listed entity.</p> <p>3) The joint ventures in which the listed entity is a participant.</p> <p>4) The key management personnel in the listed entity or its controlling company (including executive and non-executive Directors and Statutory Auditors and their alternates).</p> <p>5) The close relatives of one of the persons referred to no. (1) or (4).</p> <p>6) The entities in which a person referred to in no. (4) or (5) above exercises control, joint control or significant influence or owns, directly or indirectly, a significant percentage of voting rights, in any case no less than 20% of the voting rights</p> <p>7) The supplementary pension funds, collective or individual, Italian or non-Italian, established or promoted by listed entity, as well as the funds listed entity can exercise influence on.</p>	<p>8) The Corporate Officers of the banks and of the supervised intermediaries.</p> <p>9) The participants of the banks and of the supervised intermediaries (that is, the parties who have to obtain Bank of Italy authorisation to hold the capital of banks, pursuant to section 19 and following of D.Lgs. 385/1993).</p> <p>10) Parties other than participants who are able to appoint, by themselves, one or more members of the management or strategic supervision bodies of the banks and of the supervised intermediaries, including if this is on the basis of agreements, however stipulated, or clauses in the Articles that explicitly or effectively cover the use of such rights or powers.</p> <p>11) Companies or businesses, even if not incorporated as a company, over which the banks and the supervised intermediaries or a company of the Banking Group can exercise control or significant influence.</p> <p><i>(*) The Bank and the Italian Supervised Intermediaries also keeps a record up to second-degree relatives of the related parties under no. (8), (9) and (10), storing such information to make it available to the Bank of Italy should they be requested.</i></p>
<p>With reference to the detection of the subjects referable to the Combined Perimeter categories, it is also established that Group Risk Management Function, on the basis of the information in their hands, supplements the declaration of the related party with the possible further juridical connections entailing the qualification of connected person.</p>		

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OTHER MEMBERS OF THE COMBINED PERIMETER

- The parties who directly or indirectly – through subsidiaries, trustees or intermediaries – hold a shareholding of more than 2% of the share capital of the Banks and of the Supervised Intermediaries of the banking Group (Italian and non-Italian), including the listed ones, as well as the other Italian listed issuers, different from the previous ones, represented by shares with voting rights, as well as all directly or indirectly controlled parties by the same and the close relatives, as well as the companies and businesses controlled by the latter.
- The parties who have implemented (between them) an agreement, drawn up in whatever form, for the joint exercise of the voting right in the Shareholders Meeting of the Banks and the Supervised intermediaries of the Banking Group (Italian and non-Italian), including the listed ones, as well as the other Italian listed issuers, different from the previous ones above the threshold which has to be made public pursuant the relevant law (anyway not below the 2%) and the parties which directly or indirectly control them and the parties directly or indirectly controlled by the latter, as well as well as the close relatives of the controlling parties and the companies or businesses controlled by the latter.
- For the sole listed banks, the key management personnel, different from those qualified as “managers with strategic responsibilities”, being their inclusion in the Combined Perimeter and of their referable subjects provided for by CONSOB Regulation (no. 4, 5 and 6), included on the basis of autonomous assessments by the listed banks, as well as the the entities in which they exercise control, joint control or significant influence or own, directly or indirectly, a significant percentage, anyway no less than 20%, of voting rights; their close relatives and the entities in which the latter exercise control, joint control or significant influence or own, directly or indirectly, a significant percentage, anyway no less than 20%, of voting rights

APPENDIX 2 – RELEVANCE RATIOS

The Transactions of Greater Relevance are those transactions where at least one of the following “**Relevance Ratios**”, applicable according to the transaction specificity, is higher than 5%. For the acquisitions, mergers and carve outs the threshold, still at 5% , has to be calculated using the methods indicated below for the “Asset Relevance Ratio”.

- **Equivalent-value relevance ratio:** this is the ratio between the equivalent transaction and the consolidated Own Funds of UniCredit S.p.A. as per the most recently published consolidated balance sheet. If the economic conditions of the transaction are set, the transaction value is:
 - for the cash components, the amount paid to or by the contractual counterparty;
 - for the financial instrument components, the *fair value* calculated, on the transaction date, in accordance with the international accounting standards;
 - for funding transactions or the granting of guarantees, the maximum amount payable.

If the economic conditions for the transaction are linked to either partially or completely unknown magnitudes, then the equivalent transaction value is the maximum amount payable or receivable under the agreement (for multi-year services for which a fee is paid, the value is their current value).

- **Asset Relevance Ratio:** this is the ratio between the total asset of the entity that is the subject of the transaction and UniCredit S.p.A.’s total assets. The data to be used must be taken from the most recently consolidated balance sheet published by UniCredit S.p.A.; where possible, similar data must be used to calculate the total assets for the entity that is the subject of the transaction.

For transactions involving the acquisition or sale of shareholdings in companies that have impact on the consolidation area, the value of the numerator is the total asset of the investee, regardless of the percentage of capital being available.

For the transactions involving the acquisition or sale of shareholdings in companies that no impact on the consolidation area, the value for the numerator is:

- for acquisitions, the transaction value increased by liabilities for the purchased company taken on by the purchaser;⁸
- for disposals, the amount of the sold asset.

For acquisitions and sales of the other assets (other than shareholdings), the value for the numerator is:

- for acquisitions, the greater between the amount paid and the carrying amount at which the item will be recorded;
- for sales, the book value for the asset;

- **Liabilities relevance ratio:** this is the ratio of total liabilities of the entity acquired and total UniCredit S.p.A. assets. The data to be used must be taken from the latest consolidated balance sheet published by UniCredit S.p.A.. Where possible, similar data should be used to determine the total liabilities of the legal entity or business unit (branch) acquired.

⁸ Consob Communication DEM/10078683 dated 24/09/2010 highlights that “the value of the numerator will also count the liabilities of the acquired company only if it is contractually required that the purchaser has to assume obligations in relation to said liabilities (...)”

APPENDIX 3 – DELIBERATIVE PROCEDURES

Procedures for transactions executed by UniCredit S.p.A.

Relevance	Nature	Conditions	Committee Opinion	Approval
Greater relevance / Lesser relevance with significant amount	Ordinary / Not Ordinary for nature and/or conditions		YES, binding	BoD
Lesser relevance	Ordinary	Standard/Market	NO	Competent Body
Lesser relevance	Not Ordinary for nature and/or conditions		YES, not binding	Competent Body

Procedures for transactions executed by Subsidiaries

Relevance	Nature	Conditions	Committee Opinion	UniCredit S.p.A. BoD Opinion	Approval
Greater relevance / Lesser relevance with significant amount	Ordinary / Not Ordinary for nature and/or conditions		YES, not binding	YES, not binding	Competent governing body of the subsidiary
Lesser relevance	Ordinary	Standard/Market	NO	NO	Competent Body
Lesser relevance	Not Ordinary for nature and/or conditions		YES, not binding	NO	Competent Body

APPENDIX 4 – CONSOB FULFILMENTS

DISCLOSURE ON TRANSACTIONS OF GREATER RELEVANCE

Following approval of a Transaction of Greater Relevance, the Presidio Unico drafts, falling under the provision of art. 114, paragraph 5 of the D.Lgs. 58/1198⁹ the Disclosure Document in compliance with the provisions of the CONSOB Regulation.

For the purpose of drafting this Disclosure Document, the Presidio Unico requests the support of the structure of the Holding Company or Subsidiaries proposing the transaction, in order to obtain the necessary information, with the involvement of the other Functions of the Holding Company and/or the concerned Subsidiaries.

The Presidio Unico ensures that the Disclosure Document, once drafted, is made available to the public at the UniCredit S.p.A. registered offices and in the ways provided for by the CONSOB Issuer Regulation, in any case within seven days from the approval of the transaction by the Board of Directors of the legal entity or by the Governing Bodies of the Controlled Company, or, should the competent Body resolve to present a contractual proposal, at the time when the contract, even if preliminary, is drawn up according to applicable regulations (the Document is made available within seven days from the approval of the proposal to be submitted to the shareholders' meeting in case of transactions falling within the shareholders' meeting competence).

Within the same terms provided for the publication of the Disclosure Document, the Presidio Unico makes available to the public, as an attachment to the document itself or on the UniCredit S.p.A. website, the opinion of the Committee and any possible opinions provided by the independent experts.

The Disclosure Document and the opinions are also sent to CONSOB at the same time of the disclosure to the public.

Should the threshold of relevance be exceeded due to the Aggregation of more than one Transactions of Lesser Relevance, the Disclosure Document is made available to the public within fifteen days from the approval of the transaction or signature of the contract implying the overcoming of the threshold. Should the threshold of relevance be exceeded by a transaction executed by an Entity, the terms shall take effect as from the time when the Holding Company is acquainted with the transaction.

Finally, the Presidio Unico sends to the manager in charge of drafting accounting and corporate records (the Chief Financial Officer), upon specific request, all useful details so that the latter can provide the suitable disclosure in the interim directors' report and annual directors' report, on the individual Transactions of Greater Relevance and of Lesser Relevance with a significant amount.

This obligation also applies to the Ordinary Transactions of Greater Relevance and of Lesser Relevance with a significant amount, carried out at conditions comparable to the market/standard conditions.

DISCLOSURE ON THE ORDINARY TRANSACTIONS, OF GREATER RELEVANCE, CARRIED OUT AT CONDITIONS COMPARABLE TO MARKET OR STANDARD CONDITIONS

Even if the deliberative procedures of the ordinary transactions of greater relevance carried out at market or standard (comparable) conditions do not differ from those provided for the Transactions of greater relevance above, they benefit from a simplification in terms of disclosure obligations as provided for by the CONSOB Regulation.

⁹ If a Disclosure Document has to be likewise drafted pursuant to articles 70, paragraph 4 and 5, and 71 of the CONSOB Issuer Regulation, a single document containing the information pursuant to both regulations can be published, within the most stringent deadline between the deadlines provided for by the applicable provisions (re.: article 5, paragraph 6 of the CONSOB Regulation).

More specifically, as an exception to the transparency obligations provided for by art. 5, subsections from 1 to 7 of the CONSOB Issuer Regulation (concerning the disclosure document), for the ordinary transactions of greater relevance carried on at market or standard (comparable) conditions, the following disclosures must be made, in addition to the information to be provided pursuant to the provision of Art. 154-*ter* of the D.Lgs. 58/1998:

- notice to CONSOB within 7 days from the finalization of the transaction or communication of the same by the Subsidiaries executing it, in relation to the counterparty, the subject and value of the transaction;
- specific disclosure in the interim directors' report and in the annual directors' report on transactions executed making use of mentioned simplification;
- a specific disclosure in the directors' report, concerning the counterparty, the subject and the value of the transactions executed making use of this simplification.

DISCLOSURE ON THE TRANSACTIONS OF LESSER RELEVANCE

Pursuant to the provision of Art. 154-*ter* of the D.Lgs. 58/1998, the Presidio Unico sends to the Chief Financial Officer all useful details so that the latter can duly provide a disclosure in the interim directors' report and annual directors' report on the individual transactions with related parties executed in the relevant period "that have significantly affected" the Company equity situation or results.

Finally, save the provisions of Art. 114, section 1, of the D.Lgs. 58/1998, the Presidio Unico ensures that within fifteen days of the end of each quarter of the financial year, a document specifying the counterparty, the subject and value of the transactions approved in the relevant quarter where a negative opinion has been issued by the Committee, as well as the reasons for which the competent deliberative bodies of UniCredit S.p.A. have decided not to agree with that opinion is made available to the public at the registered offices and in the ways specified by the CONSOB Issuer Regulations. Within the same terms, as an attachment to the above document or on the UniCredit S.p.A. website, the negative opinion of the Committee is also made available to the public.

DISCLOSURE ON THE ORDINARY TRANSACTIONS, OF LESSER RELEVANCE, CARRIED OUT AT MARKET OR STANDARD CONDITIONS

In the event of approval of an Ordinary Transaction of Lesser Relevance, carried on at market or standard (comparable) conditions, the Presidio Unico, pursuant to the provision of art. 154-*ter* of the D.Lgs. 58/1998, sends to the Chief Financial Officer, upon a specific request, all useful details items in its availability that may be useful in order to allow the latter to duly provide a disclosure in the interim directors' report and annual directors' report on the individual transactions executed with CONSOB Related Parties in the relevant period.

APPENDIX 5 – OPERATING OF THE COMMITTEE – HINTS

The **Related Parties and Equity Investments Committee** consists of three members appointed by the Board of Directors among its non-executive and independent members pursuant to article 3 of the Code of Conduct of the listed companies. The following are the main element underlying the operating of the committee.

Temporary replacement in the event of a conflict of interests

For every individual transaction, the Committee members must not be the counterparty, their related parties and/or parties linked to them.

Should one member of the Committee be a counterparty of the transaction under assessment, or related or connected to the counterparty, he or she must promptly inform the Chairman of the Board of Directors and the Chairman of the Committee (when he/she isn't in conflict) and then refrain from taking any further part in the Committee's workings on the transaction to which the relation refers. The Chairman of the Board of Directors, having consulted the Chairman of the Committee (when he/she isn't in conflict), immediately replaces the member in conflict and indicate, after having contacted him, another member of the Board of Directors meeting the independence requirements, so to restore the presence of three unrelated/unconnected independent Directors in the Committee.

Temporary replacement in case of urgent convocation, if Committee members are unavailable

Where it is necessary to urgently convoke the Committee during the negotiation and enquiry phases and/or for the issuing of an opinion, the Chairman of the Committee – after having noted the occurrence and checked that the majority or totality of Committee members are unavailable to meet or to carry out the required activities in time for the transaction to be concluded - promptly informs the Chairman of the Board of Directors of this situation.

In all cases, this communication must be made no later than the day after the Chairman of the Committee learnt that the majority or totality of members were unavailable.

The Chairman of the Board of Directors, having consulted the Chief Executive Officer on the impossibility to postpone the transaction, immediately reforms Committee by appointing three independent directors following the same procedure provided for when a member has to be temporarily replaced due to a conflict of interest.

In relation to replacement procedure here described, the following has to be specified:

- the replacements must receive all the available information in due course before the meeting where the Committee has to issue its own opinion on the transaction;
- the replacements perform the tasks assigned to them until the finalization of the deliberative stage on which they have been involved and the decisions taken within the Committee are ascribed to them.