



# **Ordinary and Extraordinary Shareholders' Meeting 11<sup>th</sup> May 2013**

- **Directors' Reports and proposals concerning the items on the agenda**

# **AGENDA**

## **Ordinary Session**

1. Approval of UniCredit S.p.A. 2012 individual financial statement, reclassification of the net assets reserves and re-statement of the so-called “negative reserves”; presentation of the consolidated financial statement; completion of the legal reserve; cancellation of the so-called “negative reserves” for the components not subject to variations through final coverage of same; reallocation of the 2011 loss;
2. Allocation of the UniCredit S.p.A. 2012 operating result of the year; distribution of dividend drawn up from Company reserves from profit;
3. Appointment of the Board of Statutory Auditors and of the Substitute Statutory Auditors. Appointment of the Chairman of the Board of Statutory Auditors;
4. Determination of the remuneration due to the Board of Statutory Auditors, for each year in office;
5. Appointment of the Directors necessary to complete the Board of Directors and authorization of competing activities according to Sec. 2390 of the Italian Civil Code;
6. Restatement of the remuneration expected to the Directors for their activities carried out within the Board Committees and other Company bodies, per each year of office;
7. 2013 Group Compensation Policy;
8. 2013 Group Incentive System;
9. 2013 UniCredit Group Employee Share Ownership Plan;

## **Extraordinary Session**

1. Amendments to Clauses 5, 6, 10, 11, 12, 14, 20, 30 and 32 of the Articles of Association;
2. Delegation to the Board of Directors, under the provisions of Sec. 2443 of the Italian Civil Code, of the authority to resolve, on one or more occasions for a maximum period of five years starting from the date of the shareholders’ resolution, to carry out a free capital increase, as allowed by Sec. 2349 of the Italian Civil Code, for a maximum amount of € 143,214,140.73 corresponding to up to 42,200,000 UniCredit ordinary shares, to be granted to the personnel of the Holding Company and of the Group banks and companies who hold positions of particular importance for the purpose of achieving the Group’s overall objectives; consequent amendments to the Articles of Association.

## ORDINARY SESSION

### Item no. 1. on the Agenda

#### BOARD OF DIRECTORS' REPORT

**APPROVAL OF UNICREDIT S.P.A. 2012 INDIVIDUAL FINANCIAL STATEMENT, RECLASSIFICATION OF THE NET ASSETS RESERVES AND RE-STATEMENT OF THE SO-CALLED "NEGATIVE RESERVES"; PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENT**

**COMPLETION OF THE LEGAL RESERVE**

**CANCELLATION OF THE SO-CALLED "NEGATIVE RESERVES" FOR THE COMPONENTS NOT SUBJECT TO VARIATIONS THROUGH FINAL COVERAGE OF SAME**

**REALLOCATION OF THE 2011 LOSS**

Dear Shareholders,

You have been called to an Ordinary Shareholders' Meeting of UniCredit S.p.A. (the "**Company**", or "**UniCredit**"), in order to approve, *inter alia*, the Company's non-consolidated financial statements as at and for the year ended 31 December 2012, with a related reclassification of the equity reserves and restatement of the "negative reserves" (described in detail in the draft financial statements approved by the Board of Directors of UniCredit on 15 March 2013; the increase of the "Legal Reserve" to its full statutory amount and the elimination of the "negative reserves" by having them made up in full; and the reallocation of the loss recorded in the 2011 financial year.

The present Report is intended to provide an illustration of the reasons for that operations and the proposals on the agenda that are related thereto, in accordance with the provisions of Article 125-*ter* of Legislative Decree No. 58 of 24 February 1998.

**NON-CONSOLIDATED FINANCIAL STATEMENTS OF UNICREDIT AS AT 31 DECEMBER 2012,  
AND RECLASSIFICATION AND RESTATEMENT OF THE EQUITY RESERVES**

With respect to the non-consolidated financial statements of the Company as at 31 December 2012, and the reclassification of the positive equity reserves and the restatement of the “negative reserve” contained therein, for details we refer you to the draft financial statements as approved by the Board of Directors on 15 March 2013, made available to shareholders in the manner and at the times required by current legislation and regulations.

We would remind you that the reclassification of the positive reserves and the restatement of the “negative reserves” are the outcome of a survey that the Company began at the end of the fifteen-year period of expansion that transformed UniCredit from a local bank to a pan-European banking group. That process of growth and consolidation culminated in the definition in November 2011 of a new strategy that would ensure the Group was properly positioned for the macroeconomic and regulatory environment. In connection therewith, the decision was made to conduct a survey of the Bank's equity in order to examine its composition, and if appropriate make reclassifications, combinations and divisions of the items that make up the equity.

In that light, as the Consolidated First Half Financial Report as at 30 June 2012 described, over the course of 2012 the Company undertook a survey of the internal composition of its equity, in order to verify the manner in which its system of reserves was organised, to ensure that this was consistent with the origin of those reserves and their characterisation under the legal framework.

Following that work, the results of which are set forth in the draft financial statements for the 2012 financial year, the Board of Directors has considered it desirable that it should in classifying the equity reserves apply a criterion that gives preference to the origin and economic nature of the items, and the events from which they derived (a substantive approach), rather than one that recognises as profit reserves only those components that derive from the non-utilisation of year end profits (a formal approach).

The substantive approach in fact leaves the amount of equity untouched, but allows information to be provided that in as faithful a manner as possible reflects the characteristics, nature and effects of the transactions that gave rise to the reserves, consistent *inter alia* with the guiding principle of IAS/IFRS, that substance prevail over form.

Following application of this new approach, some reserves that last year were considered as capital and thus included among “Reserves – *other*” will now be classified as profit reserves, in that they were historically derived from capital gains made in previous financial years (and obviously, not by mere valuation), even if not yet realised outside the Group, or from profits that were realised but never distributed by companies of the Group that were subsequently merged into UniCredit S.p.A.

During the survey, there has been detected the presence of a number of “negative reserves” alternatively classified as a decrease of the profit reserves or the other reserves in the balance sheet.

These items – which related, for example, to differences that arose upon the transition to IAS/IFRS (what are known as first-time adoption reserves), or to capital losses that occurred upon sales of treasury shares – are set out in the Company's balance sheet (see the specific table included under the “*Composition of the equity in relation to availability and distributability*”), and have been met, on a provisional basis, out of available equity reserves, pending their ultimate elimination by resolution of the shareholders' meeting.

In relation to these items of negative reserves, it is believed that their reclassification into the profit or capital reserves would not be possible because the “negative reserves” would cause an erosion of the Company's equity as a whole. The total value of these reserves, regardless of their origin, would have an effect on the availability/distributability of the positive items of the equity.

For that reason, the Board of Directors has considered more coherent representing these negative reserves altogether as a negative item under “Reserves – *other*”.

Following the application of that approach, “negative reserves” that were previously included under “Reserves – *from profits*” have been restated under “Reserves – *other*”.

For further details of this, see the 2012 financial statements.

#### **INTEGRATION OF THE LEGAL RESERVE**

In recent years UniCredit has, as mentioned, carried out a number of measures to strengthen its capital, including the share capital increase resolved upon in December 2011 and completed at the beginning of 2012. Even as a result of that transaction – which made a considerable increase to share capital – the Legal Reserve is currently below the minimum established by Article 2430 of the Italian Civil Code (namely, one-fifth of the share capital).

While there is a statutory requirement that the reserve must be increased, for so long as that limit amount is not reached, with the allocation of at least one-twentieth of the annual net profits (Article 2430, first paragraph, of the Italian Civil Code), the academic authorities are in clear agreement that the Legal Reserve may also be increased through the use of other available reserves. That way, there may be greater scope for profits generated in future financial years to be released, including further to such dividend policies as the Company may wish to pursue. At the same time, the equity structure will, in light of the restricted treatment that the legal reserve receives, be strengthened further.

The proposal made to you is to increase the Legal Reserve to its full amount, which is to say, up to the limit indicated in the first paragraph of Article 2430 of the Italian Civil Code - through the use of the “Share Premium” reserve, by an amount of € 2,413,456,828.

#### **ELIMINATION OF THE "NEGATIVE RESERVES"**

The “negative reserves” that, as described earlier, will be restated in the draft 2012 financial statements under “*Reserves – other*” can be definitively replenished applying substantially the same rules applicable to the treatment of the losses of a financial year.

In light of the above, in the context of the more general survey conducted by the Company for reclassification of the equity reserves, the Board of Directors proposes to eliminate the “negative reserves” recorded as net equity under “*Reserves – other*” that,

given their definitive nature, cannot be subject to any further changes. These negative reserves amount in total to €3,962,124,412 and are to be replenished through utilisation of an equivalent amount out of the “Share Premium” reserve.

Also in this case, this proposal - which the Board of Directors considers appropriate for a better and more linear interpretation of the Company’s net equity - would not have any impact on the overall balance of the net equity.

#### **REALLOCATION OF THE 2011 LOSSES**

The Shareholders' Meeting of May 2012 was called to resolve upon the resolution of the losses for the 2011 financial year, in an amount of € 6,348,648,535, flowing predominantly from impairment of goodwill and trademarks, losses on investments, and integration costs. The Shareholders' Meeting resolved, in particular, to settle the losses in question as follows:

- € 1,195,844,979, using the “*Statutory Reserve*”;
- € 1,193,962,434, using the “*Reserve for allocating profits to Shareholders through the issuance of new free shares*”;
- € 13,563,701, using other reserves; and
- € 3,945,277,421, using the “*Share Premium*” reserve.

As mentioned under the paragraph headed “*Non-Consolidated Financial Statements of UniCredit as at 31 December 2012 and Reclassification and Restatement of Equity Reserves*” above, over 2012 the Company carried out a survey of the internal composition of its equity, in order to verify that its system of reserves was organised in a manner consistent with those reserves' origins and their characterisation under the legal framework. In connection therewith, it considered the opportunity of making an allocation of the loss recorded in the 2011 financial year that varied from that resolved upon by the Shareholders' Meeting of 11 May 2012, so that it would be met entirely through use of the “*Share Premium*” reserve, which would reinstate profit reserves by an amount of € 2,390,599,892 and other reserves by an amount of € 12,771,222.

The Board of Directors considers that this proposal for the reallocation of the loss may ensure a more dynamic and linear organisation of the information regarding the distributable equity reserves. That appears particularly significant in a context of an enduring economic slowdown, of difficulty in the financial markets, and of tensions surrounding sovereign debt (which have diminished only in part in recent months) which have held back economic recovery, especially in Italy.

The reinstatement of the profit reserves - thus an equilibrated presence of the profit reserves alongside the capital reserves - could thus allow UniCredit S.p.A. to pursue its policy on the remuneration of capital in a manner that is more consistent, linear, and transparent (subject, obviously, to the limitations that arise from time to time in relation to capital requirements and any indications from the regulatory authorities), while at the same time maintaining considerable capital strength, on both a consolidated and non-consolidated basis. The proposed reallocation would not, *per se*, modify the amount of the equity items that are available for distribution to shareholders but would rather result in a reinstatement in large part of the profit reserves, which would ensure a clearer and more linear representation of the equity items relative to their possible future uses.

The proposed approach is also the logical consequence of the fact that the Consolidated Net Result is more representative of the non-consolidated Net Result of UniCredit S.p.A. There is now broad consensus that the consolidated accounting information is more representative of the true profitability and soundness of the companies belonging to the Group, because that representation effectively sterilises the infragroup dealings, including dividends that are expected from subsidiaries, which may be recognised in the Company's net profit only the following year. Accordingly, to have the ability to deploy distributable profit reserves, especially where there is a positive Consolidated Net Result, would also allow such periodic remuneration as may be expected by the Company's shareholders to be managed with greater clarity.



It should also be emphasised that:

- the proposed change in allocation of the loss related to the 2011 financial year would not have any impact on the overall balance of the Company's equity, which would remain unchanged;
- the proposed change in the reserves to be used to make up the losses, as opposed to the ones whose equally legitimate use was approved by the Shareholders' Meeting in May 2012, does not conflict with the principles that have been manifestly recognised by the academic authorities and the case law, regarding the order in which reserves should be applied to make up losses, and shareholders' rights and expectations are moreover also not injured in any way; and
- the proposed reallocation of the loss from the 2011 financial year would not have any impact upon the total amount of Tier 1 capital of the Company, on a non-consolidated and on a consolidated basis, as its effects would only be at the level of categorisations that distinguish between share premium and other reserves, all of which contribute to Tier 1 capital.

In light of the above, the Board of Directors, in accordance with applicable statutory and regulatory provisions, proposes the reallocation of the 2011 loss of € 6,348,648,535, which last year was met out of the "*Statutory Reserve*", in the amount of € 1,195,844,979; the "*Reserves - reserve for allocating profits to Shareholders through the issuance of new free shares*", in the amount of € 1,193,962,434; other reserves in the amount of € 13,563,701; and the "*Share Premium*" reserve, in the amount of € 3,945,277,421. Under the reallocation, the entirety of the loss would be allocated to the "*Share Premium*" reserve.

We should clarify, in conclusion, that in the event of the proposal's approval, following the elimination of the "negative reserves" and the bringing of the legal reserve to its full statutory amount discussed in above, the Company's shareholders' equity would be comprised as follows:

Capital:	19,654,856,199
a) ordinary shares	19,646,630,216
b) other shares	8,225,983
Share premium	24,098,985,323
Reserves:	14,056,563,732
a) from profit	8,844,805,923
- legal	1,517,514,412
- statutory	1,195,844,979
- others	6,131,446,532
b) others	5,211,757,809
- legal	2,413,456,828
- others	2,798,300,981
Revaluation reserves:	401,087,406
Equity instruments	0
Treasury shares	-2,440,001
Profit (Loss) of financial year	-219,783,468
Shareholders' equity	57,989,269,191

\* \* \*

Dear Shareholders,

Should you agree with the content, and the reasoning, set forth in this Directors' Report, we would invite you to approve the following resolutions:

*"The Shareholders' Meeting of UniCredit, in ordinary session, in concurring with the content and reasoning set forth in the Directors' Report, hereby*

*resolves as follows:*

*to approve the financial statements of UniCredit S.p.A. as at and for the year ended 31 December 2012, comprising the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Shareholders' Equity, the Cash Flow Statement, and the Notes to the Financial Statements, as presented by the Board of Directors, both as a whole and with respect to the individual component entries (including the reclassification of the positive reserves and the restatement of the negative reserves of the shareholders' equity, as illustrated in the Statement of Changes in the Shareholders' Equity), and thereby to approve:*

- (i) the allocation to the Legal Reserve of an amount of € 2,413,456,828, out of a corresponding amount from the "Share Premium" reserve;*
- (ii) the making-up of the "negative reserves" through the use of the "Share Premium" reserve, by an aggregate amount of € 3,962,124,412; and*
- (iii) the reallocation of the loss of the financial year shown in the Financial Statements as at and for the year ended 31 December 2011 - in substitution of the decision resolved upon by the Shareholders' Meeting of 11 May 2012 - by using exclusively the "Share Premium" reserve by an amount of € 6,348,648,535 and the consequent reinstatement of the Statutory Reserve in the amount of € 1,195,844,979; the "Reserve for allocating profits to Shareholders through the issuance of new free shares" in the amount of € 1,193,962,434 and other reserves in the amount of € 13,563,701;*

*acknowledging, consequently, that following the determinations made hereunder:*

- the "Legal Reserve" will amount to € 3,930,971,240;*
- the "Share Premium" reserve will amount to € 24,098,985,323.*

## **ORDINARY SESSION**

### **Item no. 2. on the Agenda**

#### **BOARD OF DIRECTORS' REPORT**

##### **ALLOCATION OF THE UNICREDIT S.P.A. 2012 OPERATING RESULT OF THE YEAR**

##### **DISTRIBUTION OF DIVIDEND DRAWN UP FROM COMPANY RESERVES FROM PROFIT**

Dear Shareholders,

You have been called to the Shareholders' Meeting of the Company in order that you may, *inter alia*, approve the allocation of the Company's result for the year, and the distribution of distributable reserves to ordinary shareholders and savings shares holders.

##### **ALLOCATION OF THE ANNUAL RESULT OF UNICREDIT S.P.A.**

Notwithstanding the positive result on a consolidated basis, the Company has in the 2012 financial year recorded a loss on a non-consolidated basis of € 220 million, which was primarily the consequence of a significant increase in rectifications on the value of credits that have deteriorated in order to improve the coverage of the same, in the context of the recessionary macroeconomic environment.

Consistent with the proposal for the reallocation of the 2011 loss, under the first item on the agenda, the Board of Directors proposes that the 2012 loss be made up entirely by use of the "*Share Premium*" reserve, which as a consequence, taking into consideration also the resolutions adopted under the first item of the agenda, will amount to € 23,879,201,855.

## DISTRIBUTION OF THE COMPANY'S PROFIT RESERVES

The Board of Directors considers that the Company and the Group are appropriately capitalised thanks to the share capital increase that took place in early 2012 and the excellent results achieved by UCB, Bank Austria and Pekao.

These subsidiaries have each generated profits that in aggregate amounted to € 1.8 billion, of which € 687 million by UCB € 423 million by Bank Austria, and € 706 million by Pekao.

Given the situation, the Board has thus considered favourably the submission for approval by the Shareholders' Meeting of the proposal to distribute a part of the profit reserves shown in 2012 draft financial statements and resulting in part from the reclassification (illustrated in the draft 2012 financial statements) of the positive reserves described in the first item on the agenda.

This proposal - which envisages the distribution of an amount of € 0.09 per ordinary share and per savings share, in accordance with *inter alia* Clause 7.1 of the Company's By-laws - allows Shareholders to be remunerated, without prejudicing in any way the capital adequacy of the Company and of the Group. In the event that the proposal is approved, the Group capital adequacy ratios would be at the following levels:

- Tier 1 Ratio: 11.44; Total Capital Ratio: 14.52.

The aforementioned capital adequacy ratios comply with the requirements laid down by European Union and national regulators, and satisfy the standards required for the sound and prudent management of the Company<sup>1</sup>.

Without prejudice to compliance with Article 6, sub-paragraph 6, of Legislative Decree 38/2005 regarding the amount required of the reserve referred to in sub-paragraph 1(a) of the same Article, which as at 31 December 2012 was fully covered and amounted to € 5,722,550, it is proposed that the distribution be made in accordance with all applicable law and regulations, such that the shares go ex-dividend on 20 May 2013 and the payment on 23 May 2013.

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<sup>1</sup> Core Tier 1 Ratio, as defined according to an internal methodology (as currently it is not included in the Prudential Regulatory Reporting Schemes), would be equal to 10.84

Under Article 83-*terdecies* of Legislative Decree 58/1998 (the Consolidated Law of Financial Intermediation), persons who based on the Company's records are Shareholders at the end of the accounting day on 22 May 2013 will be entitled to receive distribution of the Reserve.

The distribution of reserves is subject to the same tax treatment as the distribution of dividends.

\* \* \*

Dear Shareholders,

Further to the above, we invite you to make the following resolutions:

*"The Shareholders' Meeting of UniCredit, in ordinary session, having referred to the determinations made in approving the Financial Statements as at and for the year ended 31 December 2012, and on the basis of the composition of the shareholders' equity resulting from those determinations,*

*resolves:*

- (i) to make up the loss from the 2012 financial year through the use of the "Share Premium" reserve, in an amount of € 219,783,468; and*
- (ii) to distribute to shareholders an aggregate amount of € 512,534,665, thus, taking into consideration the redistribution consequent to the Company's treasury shares and shares underlying the financial instruments known as 'Cashes', equal to € 0.09 per ordinary share and per savings share, from the profit reserves."*

## **ORDINARY SESSION**

### **Items no. 3. and no. 4. on the Agenda**

#### **BOARD OF DIRECTORS' REPORT**

##### **APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS AND OF THE SUBSTITUTE STATUTORY AUDITORS. APPOINTMENT OF THE CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS**

##### **DETERMINATION OF THE REMUNERATION DUE TO THE BOARD OF STATUTORY AUDITORS, FOR EACH YEAR IN OFFICE**

Dear Shareholders,

since the current term of office for the Board of Statutory Auditors ends with the approval of the 2012 financial statements, you are being asked to appoint the new control body and to determine the remuneration of its members.

On this regard we recall that, pursuant to Clause 30 of the Articles of Association, the Ordinary Shareholders' Meeting is required to appoint five permanent Auditors, amongst which the Chairman must be chosen, and four substitute Auditors, ensuring the balance of genders.

According to the current laws and regulations the appointment must be made on the basis of lists presented by the legitimated parties (persons which represent, either on their own or together with others, at least 0.5% of the ordinary share capital with voting rights at Ordinary Shareholders' Meetings). Each legitimated party may submit or contribute to the submission of only one list.

The candidates must be divided into two lists, containing respectively up to five candidates for the seat as permanent Auditor and up to four candidates for the seat as substitute Auditor and listed using a progressive number. At least the first two candidates for the seat as permanent Auditor and at least the first candidate for the seat as substitute Auditor must have been listed for at least three years in the Rolls of Auditors and must have carried out the activity as accounting Auditor for a period of no less than three years as envisaged by current provisions and by the Articles of Association.

Each list for the appointment as permanent Auditor and substitute Auditor must present a number of candidates belonging to the least represented gender such as to ensure, within the list itself, the abidance by the balance of genders at least in the minimum proportion required by current provisions, also of a regulatory nature. No candidate may appear in more than one list, under penalty of forfeiture.

The candidate who obtains the highest share of votes among the candidates belonging to the list that obtains the highest number of votes among the minority lists, as defined by the current provisions, also of a regulatory nature, is appointed as Chairman of the Board of Statutory Auditors. If the Chairman of the Board of Statutory Auditors can't be elected according to the criteria established by the Articles of Association, he/she must be appointed by the Shareholders' Meeting directly with relative majority.

The lists must, under penalty of forfeiture, be filed at UniCredit S.p.A.'s registered office or Head Office within the twenty-fifth day prior to the date of the Shareholders' Meeting, together with the information and documents required pursuant to the current laws and to the Articles of Association, including the lists of the managerial and control offices held by the candidates in other companies. At least twenty-one days before the date of the Shareholders' Meeting, the lists must be made available to the public (at UniCredit S.p.A.'s registered office, on the Company web site and according to the other modalities established by the current provisions).

The application of the Consob regulations concerning the extension of the term for the presentation of the lists remaining firm, if - in accordance with the terms and modalities set forth by the Articles of Association - only one list has been presented, or no list at all has been presented, or the lists do not contain the number of candidates required to be elected, the Shareholders' Meeting must resolve on the appointment or the integration of the members of the Board of Statutory Auditors by relative majority. In case of an equal number of votes for two or more candidates, a second ballot shall be held between them with a further vote of the Shareholders' Meeting. The Shareholders' Meeting must in any case ensure the balance between the genders envisaged by the current provisions, also of a regulatory nature.

In addition to the appointment of the Board of Statutory Auditors, it is necessary to resolve on the annual remuneration due to the members of the Board of Statutory Auditors for the entire period of the relevant office. To that regard we remind you that the annual remuneration approved by the Shareholder's Meeting on 22 April 2010 is Euro 130,000 for the Chairman of the Board of Statutory Auditors and Euro 95,000 for each permanent Auditor, as



well as an attendance fee of Euro 400 for each Board meeting. Finally, we remind you that the Auditors benefit from an insurance policy covering civil liability already agreed upon by the Company in compliance with the resolution adopted by the Shareholders' Meeting on 11 May 2012.

Pursuant to the provisions of the UniCredit Articles of Association, the current laws and regulations, as well as the Consob communication no. DEM/9017893 issued on 26 February 2009, you are invited to resolve on the following proposals:

- the appointment of the permanent Auditors, including the Chairman of the Board of Statutory Auditors, and of the substitute Auditors of UniCredit S.p.A. for the financial years 2013, 2014 and 2015 (i.e. up to the Shareholders' Meeting called to approve the 2015 financial statements);
- the determination of the annual remuneration due to the members of the Board of Statutory Auditors for the entire period of their office.

## **ORDINARY SESSION**

### **Item no. 5. on the Agenda**

#### **BOARD OF DIRECTORS' REPORT**

##### **APPOINTMENT OF DIRECTORS FOR INTEGRATION OF THE BOARD OF DIRECTORS**

##### **AUTHORIZATION FOR COMPETING ACTIVITIES PURSUANT TO SECTION 2390 OF THE ITALIAN CIVIL CODE**

Dear Shareholders,

One of the reasons for calling this Ordinary Shareholders' Meeting of UniCredit S.p.A. (the "Company" or "UniCredit") was so that you could decide to appoint three Directors for the integration of the Board of Directors, as well as authorize, pursuant to Section 2390 of the Italian Civil Code, the Directors to engage in competing activities.

The paragraphs below provide details of the proposals that you are being asked to approve.

##### **Appointment of Directors for the integration of the Board of Directors**

The Shareholders' Meeting, held on May 11, 2012, appointed the Directors for the financial years 2012-2014, to stay in office until the Shareholders' Meeting called for the approval of the 2014 financial statements, and resolved that they ought to be 19 in number.

Following said Meeting, as a result of the resignation of Mr. Khadem Al Qubaisi and Mr. Antonio Maria Marocco, the Board of Directors, in its October 18, 2012, and December 18, 2012, meetings co-opted respectively Mr. Mohamed Ali Fahim and Mr. Giovanni Quaglia as Directors of the Company, pursuant to Section 2386 of the Italian Civil Code, by means of resolutions approved by the Board of

Statutory Auditors. In said meetings the Board checked the suitability of Mr. Al Fahim and Mr. Quaglia to hold the office.

The choice of the above mentioned Directors was made on the advice of the Corporate Governance, HR and Nomination Committee given on October 10, 2012 and December 11, 2012, in accordance with the instructions issued by the Bank of Italy in January 2012 and with the provisions of the Corporate Governance Code for Listed Companies, on the basis of the criteria established by the Board itself within the qualitative and quantitative composition deemed optimal to ensure the proper working of the management body approved on March 20, 2012.

The Board of Directors went ahead and verified, within the term required by current provisions, whether the professional experience, integrity and independence requirements asked for by law were being met by the Directors, Mr. Mohamed Ali Al Fahim and Mr. Giovanni Quaglia.

Given that, pursuant to Section 2386 of the Italian Civil Code, the Directors appointed by the Board of Directors to replace those having left during the year remain in office until the next Shareholders' Meeting, it is necessary to submit to today's Shareholders' meeting the appointment of two Directors for the completion of the Board.

As a consequence of Mr. Friedrich Kadmoska's resignation, as from the end of the next Shareholders' Meeting, which communication was given on March 6, 2013, it becomes necessary to provide for the replacement also of such Director.

The Board of Directors, on March 15, 2013, decided to propose to today's Shareholders' meeting the reappointment of the Directors already co-opted, Mr. Al Fahim and Mr. Quaglia, and the appointment of Mr. Alexander Wolfgring, in order to replace the position of Mr. Friedrich Kadmoska, stating that the proposal was presented to the March 7 Corporate Governance, HR and Nomination Committee, that expressed its favorable opinion.

The ordinary Shareholders' Meeting will resolve with the majorities required by law, without applying the list vote system, in any case abiding by the principles of independence and gender balance required by current provisions, also of a regulatory nature.

The document "Qualitative and quantitative composition of the UniCredit S.p.A. Board of Directors", published on the Company's Internet site from March 20,

2012, is made available to the shareholders; in such a way the Shareholders are allowed to choose the candidates to propose for the integration of the Board in time, taking into account the professional competences required and giving the reasons for possible discrepancies vis-à-vis the analyses carried out by the Board.

### **Authorization for competing activities pursuant to Section 2390 of the Italian Civil Code**

Since today's Shareholders' Meeting is appointing the two Directors for the integration of the Board of Directors, it also needs to decide on whether they can undertake competing activities pursuant to Section 2390 of the Italian Civil Code – on the basis of the curricula available on the Company's internet site – also in the case of application of Section 36 of Decree Law no. 201/2011, as amended and ratified by Law no. 214/2011. The curricula of Mr. Al Fahim, Mr. Quaglia and Mr. Wolfgring are attached to this Report (Att. 1, 2 and 3).

To that regard the law in question provides that Directors may not become partners with unlimited liability in competitor companies, carry out competing activities on their own account or on that of third parties or take up the office of director or general manager in competitor companies, unless they have been so authorized by the Shareholders' Meeting. Failure to comply with this provision of law can result in the Director being removed from office and being liable for any damages. In accordance with the Corporate Governance Code for Listed Companies, the Board of Directors - in cases where the Shareholders' Meeting grants general, prior approval for exceptions to the ban on competing activities established by the aforementioned provision of law - must examine any questionable cases that might arise following appointment, informing the Shareholders' Meeting of any critical issues.

The above does not change the application of Section 36 of Decree Law no. 201 of December 6, 2011, as amended and ratified by Law no. 214 of December 22, 2011.

### **Resolutions submitted to the Ordinary Shareholders' Meeting**

Dear Shareholders,

If you agree with the contents and arguments presented in the above Directors' Report, having taken into account what is established by the Articles of

Association regarding the composition and ways for appointing the Board of Directors as well as the indications contained in the document entitled "Qualitative and quantitative profile for the UniCredit S.p.A. Board of Directors", then we ask you to approve the following resolutions:

1. to appoint three Directors for the integration of the Board of Directors, confirming the position of the Directors already co-opted, Mr. Al Fahim and Mr. Quaglia as well as appointing Mr. Alexander Wolfgring; these Directors shall remain in office until the end of term of the current Board and, therefore, until the Shareholders' Meeting called to approve the financial statements of the year 2014;
2. to authorize the Directors that will be elected to carry out competing activities pursuant to Section 2390 of the Italian Civil Code.

Mohamed Ali Al-Fahim

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Experience

*2008-current International Petroleum Investment Company  
(IPIC) Head of Finance, Finance & Accounts  
Department*

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IPIC is a wholly owned investment vehicle of the Government of the Emirate of Abu Dhabi with a mandate to invest in energy and energy related industries and to implement certain strategic projects on behalf of its shareholder.

Within IPIC, I am responsible for the overall Management of the Finance Division including Budgeting, Funding, Treasury and Financial Analysis.

During my time with IPIC, I have been integral in arranging some of the largest financings in the international and domestic bank markets as well as establishing IPIC's GMTN Programme, under which IPIC has achieved many regional firsts for which it has garnered numerous international accolades.

I am also involved in the evaluation and ongoing management of certain of IPIC's investments. In this capacity, I am currently a member of the following boards of directors:

- Energias de Portugal, S.A., General and Supervisory Board Member
- Aabar Investments PJS
- Arabtec Holdings PJSC
- First Energy Bank
- Al Izz Islamic Bank

**2000 — 2008 Abu Dhabi National Oil Company (ADNOC) Head  
of Group Financing Department**

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ADNOC is wholly owned by the Government of the Emirate of Abu Dhabi and operates in all areas of Abu Dhabi's oil and gas industry. ADNOC is one of the largest oil and gas companies in the world.

While at ADNOC I was head of the Finance Department. In addition to general oversight of the Department, I was responsible for, among other things:

- Managing the cash flow for ADNOC and its Group companies;
- Developing and implementing appropriate risk strategies for cash management, including those related to currency and interest rate;
- Negotiating and implementing financial solutions with financial institutions;
- On-going monitoring and maintenance of all financial instruments
- Qualitative and quantitative analysis of financial position of ADNOC counterparties
- Providing and evaluating the financing / re-financing options and makes recommendations relative thereto, to major financing programs for the Company and its Group Companies.
- Monitoring the financial structures of the Company and its subsidiaries to ensure these are planned and managed in accordance with corporate policy and sound business practices.

**2006 (Full  
Calendar Year)**

***Secondment, HSBC Bank plc (London, Canary Wharf)***

During my time at ADNOC, I had the opportunity to experience secondments into some of the world's leading banking and accounting firms, including a secondment to the Corporate, Investment Banking and Markets team within HSBC's Project and Export Finance Division.

While at HSBC, I played an integral role in the implementation of the financing of the "Borouge" expansion, a series of petrochemical plants in the Emirate of Abu Dhabi which is 60% owned by ADNOC.

I also gained broad based experience in the Project Finance markets generally while with HSBC

2001-2002

***Secondment to KPMG(Dubai)***

I also enjoyed a secondment to KPMG while working with ADNOC. While with KPMG, I was in the Corporate Finance team and involved closely in deal management on a number of corporate finance advisory engagements, participating in investor research and identification, client relationship management, investor presentations and deal structuring.

**Education**

Bachelor of Science, Finance Major, 1999  
Suffolk University, Boston, MA. U.S.A.

**Professional Courses**

During my professional Career, I have successfully completed numerous courses and seminars, including in the areas of:

- Banking, Foreign Exchange, Derivatives
- Project Finance
- Business Management and Leadership
- Sovereign Wealth University - Morgan Stanley

**Personal Details**

Date of Birth: 4<sup>th</sup> March 1976  
Nationality: U.A.E (Abu Dhabi)  
Residency: Abu Dhabi, UAE

**Signed**

  
\_\_\_\_\_

15 March 2013, Milan



## **CURRICULUM VITAE**

**Giovanni QUAGLIA**

### ***Personal details:***

Born in Genola (Cuneo, Italy) on 20.10.1947

Address: /

Freelance professional

Italian tax code nr. /

### ***Educational details:***

1967 Secondary school diploma (Classics)

1971 Degree in Modern Letters, University of Turin, Faculty of Letters and Philosophy,

### ***Professional titles:***

School principal

Sessional lecturer in Economics and Business Administration at the Department of Management, Economics and Business Administration Section, University of Turin

Chartered Auditor

Freelance journalist

### ***Administrative positions:***

1970-1981 Mayor of Genola

1976-1983 President of the Saluzzo-Savigliano-Fossano District Board

Regional Councillor for Piedmont from 1983 to 1988; in this capacity member and later Vice Chairman of the Planning, Budget and Finance and HR Committee

1988-2004 President of the Province of Cuneo

### ***Past positions in public and private organisations:***

1989-1992 Statutory Auditor of Ceva-Garessio-Albenga S.r.l.

1992-1995 Statutory Auditor of R.A.C. – Raccordi Autostradali Cuneesi S.p.A.

1991-1993 Statutory Auditor of Infotour Piemonte S.r.l.

1992-1995 Statutory Auditor of Cassa Rurale e Artigiana di Vottignasco

1989-1992 Chairman of the Board of Directors of ATI – Azienda Trasporti Interurbani S.p.A.

1989-1995 Member of the Board of Directors and Executive Committee of S.A.T.A.P. – Societa' Autostradale TO-AL-Piacenza S.p.A.

1993-1999 Member of the Board of Directors of Autofiori S.p.A.

1994-1997 Member of the Board of Directors of Allione Ricerca Agroalimentare S.p.A.

1997-1999 Chairman of the Board of Directors of Agenzia Turistica Valli Alpine e Città d'Arte

1994-2000 Vice Chairman of Cassa di Risparmio di Torino Foundation



2001-2003 Chairman of the Board of Directors of the Piedmont Chapter of the independent agency governing Municipal and Provincial Secretaries' Boards  
2002-2004 Member of the Board of Directors and Executive Committee of Banca Cassa di Risparmio di Savigliano  
2000-2005 Member of the Board of Directors of Agenzia di Pollenzo S.p.A.  
2004-2005 Chairman of the Turin-Cuneo Levaldigi Airport Management Company  
2000-2006 Standing Statutory Auditor of Autostrade S.p.A.  
2002-2003 Standing Statutory Auditor of Newco 28 S.p.A.  
2003-2004 Standing Statutory Auditor of Autostrade per l'Italia S.p.A.  
2006-2008 Vice Chairman of Provincial Board of Croce Rossa of Cuneo  
2006-2010 Member of the Board of Directors of IRIDE S.p.A. and IREN S.p.A.  
2008-2011 Chairman of Equitalia Cuneo S.p.A. and Vice Chairman of Equitalia Nomos S.p.A.  
2004-2012 Member of the Board of Directors of Autostrade per l'Italia S.p.A.  
2007-2012 Member of the Board of Directors of Sviluppo e Crescita CRT Foundation  
2004-2012 Member of the President's Office of ACRI  
2012 Member of the Board of Directors of Banca Pitagora S.p.A.  
2008-13<sup>th</sup> March 2013 Chairman of the Board of Directors of REAM Sgr S.p.A.

***Current positions:***

Chairman of Autostrada Torino-Savona S.p.A.  
Member of the Board of Directors of SIAS S.p.A.  
Member of the Board of Arbitrators of AISCAT  
Chairman of the Board of Directors of Cogetech S.p.A.  
Chairman of the Board of Directors of Cogemat S.p.A.  
Chairman of the Board of Statutory Auditors of Perseo S.p.A.  
Statutory Auditor of EFFETI S.p.A.  
Chairman of the Board of Directors of OGR-CRT S.c.p.a.  
Chairman of the Board of Directors of Le Terre di Savoia tourist bureau  
Member of the Board of Directors of Università degli Studi di Scienze Gastronomiche of Pollenzo  
Chairman of the Cuneo Chapter of the "Associazione Dante Alighieri"

***Honorary titles:***

1988 Commendatore al merito della Repubblica italiana (Commander of the Order of Merit of the Italian Republic)  
1993 Grande Ufficiale al merito della Repubblica italiana (Grand Officer of the Order of Merit of the Italian Republic)  
1995 Gold medal (first class) awarded by the Ministry of Education for singular merits in the area of culture, the arts and education  
2002 Cavaliere di Gran Croce della Repubblica italiana (Knight Grand Cross of the Italian Republic)  
2004 Commendatore dell'Ordine di San Gregorio Magno (Knight Commander of the Order of St. Gregory the Great) awarded by Pope John Paul II



***Recent publications:***

Quaglia G., Tardivo G., (soon to be released) *La creazione del valore per l'impresa ed il territorio* (Value creation for businesses and local communities), Turin, Isedi.

Quaglia G., Miglietta A., (2012) *Etica e finanza. Per un rapporto tra persona e mercato* (Ethics and finance. Relations between the individual and the market), Cittadina Editrice, Assisi

Quaglia G., (2011), *Il ruolo della Fondazione CRT nella creazione di valore per il territorio* (The role of the Cassa di Risparmio di Torino Foundation in creating value for the local community), in "La Fondazione CRT", L'Artistica di Savigliano, Cuneo

Quaglia G., (2011) *Conclusioni. Le sfide dei family business* (Conclusions. The challenges facing family businesses), in Tardivo G., Cugno M., *Il sistema family business. Un patrimonio da valorizzare* (The family business system. A treasure to be valued), Franco Angeli, Milan

Quaglia G., (2007) *Settimane sociali (1907-2007. Un confronto per la crescita italiana* (Social weeks (1907-2007. A comparison for Italian growth), Aragno

15 March 2013



*Authorisation is hereby granted to handle this personal information in accordance with Leg. Decree nr. 196/2003 and subsequent amendments. Pursuant to article 10 of Law nr. 675 of 31/12/1996 I hereby declare, under my own exclusive responsibility, that the information provided in this curriculum vitae is true.*

## Alexander WOLFGRING (Mag)

Born in Vienna (Austria), September 17th, 1962

Nationality: Austria

### Education

Degree in Economics and Business Administration (Vienna University of Economic and Business)

### Professional profile

1987 – 1994	Zentralsparkasse, Wien (Savings bank of the City of Vienna) Various Management positions Planning Department, deputy head
1994 – 2005	Bank Austria, Wien, head of <i>Risk Management</i> Member of Risk Committee Member of Asset Liability Committee
2005 – 2006	HVB Bank Slovakia a.s., Bratislava, Member of the Board of Directors
2005 – 2012	AVZ GmbH, Member of the Board of Directors
Since 2012	Privatstiftung zur Verwaltung von Anteilsrechten, Wien (Banking Foundation, Vienna) Managing Director and Member of the Board of Directors

### Other offices currently held

Managing Director AVB Holding GmbH, Vienna  
Managing Director API Besitz, GmbH, Vienna  
Managing Director SBV Social Business GmbH, Vienna  
Member of the Supervisory Board, Österreichisches Verkehrsbüro AG, Vienna  
Managing Director AVZ GmbH, Vienna  
Managing Director AVZ Holding GmbH, Vienna  
Managing Director AVZ Finanz-Holding GmbH, Vienna  
Managing Director LVBG Luftverkehrsbeteiligungs GmbH, Vienna

### Other information

Publication: "Risikomanagement für Finanz- und Kapitalmärkte", Wien, 2008  
Consultant  
Various lectures

27/03/2013



In relation to the proposals for nomination to the office of **DIRECTOR** of UniCredit S.p.A. that will be put to the Ordinary Shareholders' Meeting to be held on May 11, 2013, in single call

**UNICREDIT S.P.A. INFORMS THAT**

on the basis of the documentation released and of the statements made,

Mr. Mohamed Ali Al Fahim, Mr. Giovanni Quaglia and Mr. Alexander Wolfgring – candidates upon suggestion by the Board of Directors,

**HAVE STATED THAT THEY**

- irrevocably accept the candidature as member of the Board of Directors of UniCredit S.p.A. and their possible appointment as Director;
- possess the independence requirements envisaged by the Section 148, par. 3, of the TUF;
- possess the independence requirements envisaged by the Section 3 of the Corporate Governance Code for Listed Companies.

Also, Mr. Mohamed Ali Al Fahim, Mr. Giovanni Quaglia and Mr. Alexander Wolfgring, in view – *inter alia* – of the regulations contained in Sections 2382 and 2387 of the Italian Civil Code, in Section 26 of the Legislative Decree no. 385 dated September 1, 1993, in Section 147-*quinquies* of the Legislative Decree no. 58 dated February 24, 1998, in Treasury Decree no. 161 dated March 18, 1998 and Justice Decree no. 162 dated March 30, 2000

**HAVE ATTESTED**, under their responsibility,

- that there are no reasons for their ineligibility, forfeiture or incompatibility and that they meet the requirements provided for by current Italian laws and regulations as well as by the Articles of Association of UniCredit S.p.A. for the appointment as Director.

Lastly, Mr. Mohamed Ali Al Fahim, Mr. Giovanni Quaglia and Mr. Alexander Wolfgring, have undertaken to promptly inform UniCredit S.p.A. of any changes in the circumstances declared by them that might occur after signing this declaration and have authorized the publication of the data and information which concern the personal and professional characteristics mentioned in their respective *curriculum vitae*.

## **ORDINARY SESSION**

### **Item no. 6. on the Agenda**

#### **BOARD OF DIRECTORS' REPORT**

#### **RESTATEMENT OF THE REMUNERATION EXPECTED TO THE DIRECTORS FOR THEIR ACTIVITIES CARRIED OUT WITHIN THE BOARD COMMITTEES AND OTHER COMPANY'S BODIES, PER EACH YEAR OF OFFICE**

Dear Shareholders,

We remind that on May 11, 2012 the Ordinary General Meeting approved to assign to the Board of Directors of your Company, per each year of office, a total remuneration of Euro 2,800,000, of which Euro 1,235,000 to allocate to the members of Board Committees and other Company's Bodies, in addition to a attendance fee of Euro 400 per each participation at the meetings of the Board of Directors, of the Board Committees and of other Company's Bodies which the Directors participate to, even if held in the same day.

As result of this deliberation, the Board of Directors resolved the allocation of the aforementioned remuneration of Euro 1,235,000 among the Directors members of the Board Committees (Corporate Governance, HR and Nomination Committee, Remuneration Committee, Permanent Strategic Committee and Internal Controls and Risks Committee), as well as of the Supervisory Body pursuant to the Legislative Decree 231/2001.

At the time of the board resolution, the Internal Controls & Risks Committee operated both in plenary, both in restricted composition within three Sub Committee, one of which – the Related-Parties Transactions Sub-Committee (hereinafter the "Sub-Committee") – in charge of the issues concerning the transactions with related parties pursuant to CONSOB Regulation no. 17221/2010.

Taking into consideration the extension of the duties assigned to the Sub-Committee subsequently its establishment in accordance with the provisions issued by Bank of Italy concerning *Risk activities and conflicts of interest with associated persons and Equity*

*investments held by banks and banking groups pursuant to New Regulations for the Prudential Supervision of Banks*, the Board of Directors of your Company approved on February 19, 2013 the establishment of a Committee *ad hoc* named "Related-Parties and Equity Investments Committee" (the "Committee"), separate to Internal Controls & Risks Committee, composed of three independent Directors pursuant to Corporate Governance Code for Listed Companies, for expressing opinions concerning procedures and transactions with related parties and associated persons, as well as for monitoring non financial equity investments, in accordance with mentioned regulations, with the consequent suppression of Sub-Committee.

It is therefore proposed to assign a remuneration to Directors belonging to the Committee, as result of the extension of the responsibilities charged on them and in accordance with the remuneration given to the Directors participating in other Board Committees.

Dear Shareholders,

in light of the foregoing, we propose to approve an increase of the remunerations already approved by the Ordinary General Meeting on May 11, 2012, providing an increase from Euro 1,235,000 to Euro 1,343,000 of the annual amount to assign to the Directors for their participation to Board Committees and other Company's bodies; consequently the total amount of the remuneration to assign to the Directors is equal to Euro 2,908,000, save as the attendace fee of Euro 400 for participation to the meeting, as described above.

## ORDINARY SESSION

### Item no. 7. on the Agenda

#### BOARD OF DIRECTORS' REPORT

#### 2013 GROUP COMPENSATION POLICY

Dear Shareholders,

We have called this Ordinary Meeting to request your approval of the *Group Compensation Policy*, set out in the attached document which forms an integral part of the present Report, in compliance with the provisions set by the "Supervisory Provisions concerning Banks Organization and Corporate Governance" issued by Bank of Italy which prescribe that the Shareholders' Meeting approve, amongst other items, the remuneration policy for directors, employees and external collaborators as well as according to section 123-ter of the Legislative Decree 58/1998 (TUF). The approval of remuneration policy and incentive systems must evidence their conformity with prudent risk management and the company's long-term objectives; they must also ensure an appropriate balance between the fixed and variable components, including in the case of the latter, risk-weighting systems and mechanisms designed to ensure that compensation is linked to effective and lasting results.

Furthermore, and again in compliance with indications of the regulators, information is provided on the implementation of remuneration policy approved by the Shareholder's Meeting of May 11, 2012 (*Annual Compensation Report*).

It is therefore proposed that this Shareholders' Meeting approves the annual revision of the *Group Compensation Policy* which defines the principles and standards which UniCredit applies to and are reflected in the design, implementation and monitoring of compensation policy and systems across the entire UniCredit organization. This proposal was drawn up by the Human Resources function considering the contribution of Compliance, Risk and Finance functions on the topics under their scope. Shareholders are also invited to consult the information regarding the implementation of remuneration policies approved by the Shareholders' Meeting on May 11, 2012.



### ***Group Compensation Policy***

The key principles of the *Group Compensation Policy*, which are confirmed with respect to those approved by the Board of Directors on March 27, 2012 and by the Ordinary Shareholders' Meeting on May 11, 2012, are fully described in the Group Compensation Policy that has been made available to shareholders and the market and that is summarized here below:

- (a) the UniCredit compensation approach is performance oriented, market aware and aligned with business strategy and stakeholder interests, ensuring remuneration competitiveness & effectiveness as well as internal and external equity & transparency by driving sustainable behaviors and performance.
- (b) within UniCredit's governance structure, rules and processes for delegation of authority and for compliance have been defined with the aim of assuring adequate control, coherence and compliance of remuneration framework across the Group
- (c) the key pillars of the Group Compensation Policy are:
  - “clear and transparent governance;”
  - “compliance with regulatory requirements & principles of conduct;”
  - “continuous monitoring of market trends & practices;”
  - “sustainable pay for sustainable performance and”
  - “motivation & retention of all employees, with particular focus on talents and mission-critical resources.”
- (d) on the basis of these principles, the Group Compensation Policy establishes the framework for a consistent approach and a homogeneous implementation of sustainable remuneration in UniCredit, with particular reference to the Executive population.

### ***Annual Compensation Report***

In line with national and international disclosure standards, the key implementation features and outcomes of Group Compensation Policy and Incentive Systems in 2012, as well as demonstration of the coherence of the underlying logic of

Group incentive systems with our compensation policy and with specific regulatory requests, are described in the *Annual Compensation Report* made available for information to shareholders and the market. The Annual Compensation Report provides a description of compensation practices adopted in UniCredit and the implementation of Group Incentive Systems, as well as Remuneration Tables with a focus on Non-Executive Directors, Senior Executives and other identified staff, in compliance in particular with Bank of Italy circular no. 263 dated March 30, 2011.

The Report provides also the disclosure as per sec. 123-ter of Legislative Decree no. 58/1998 and sec. 84-quarter of the Issuers Regulation no. 11971/1999 as following amended, referring to Directors, Statutory Auditors, General Managers and other key management personnel. Moreover, in the Annex of the document it is disclosed specific information on equity plans approval and execution, as requested by sec. 114-bis of Legislative Decree no. 58/1998.

Furthermore, in line with the indications of national and international regulators, it is deemed appropriate within the annual review of policy and incentive systems to introduce some updates including in particular: description of 2013 Group incentive system as will be approved by the Shareholders' Meeting; specific compensation and pay-mix policy for control functions; updated disclosure regarding the definition of the 'identified staff' population; further details on performance conditions and metrics within the dedicated chapter on performance measurement (KPI Bluebook); further guidelines on Group pay-mix policy; updates of compliance drivers for incentive systems.

\* \* \*

Dear Shareholders,

If you agree with the above proposal, you are invited to approve it by adopting the following resolution:

"The Ordinary Shareholders' Meeting of UniCredit S.p.A., having heard the directors' proposal,

#### **RESOLVES**

to approve the *Group Compensation Policy* as contained in the attached document which forms an integral part of the present Report, in order to define the principles and standards which UniCredit shall apply and reflect in its design, implementation and monitoring of compensation practices across the entire organization."

## **ORDINARY SESSION**

### **Item no. 8. on the Agenda**

## **BOARD OF DIRECTORS' REPORT**

### **2013 GROUP INCENTIVE SYSTEM**

Dear Shareholders,

We have called this ordinary meeting to request your approval of the 2013 Group incentive system, providing for the allocation of an incentive in cash and/or in free ordinary shares, to be granted in a multi-year period to a selected group of Group employees, according to the modalities described below and subject to the achievement of specific performance conditions.

This proposal has been formulated in compliance with the provisions of section 114-bis of Decree 58 dated February 24 1998, and in accordance with the provisions set forth by Consob with reference to incentive plans based on financial instruments assigned to corporate officers, employees and collaborators; for this purpose, a document describing the details of the incentive systems has been prepared pursuant to Section 84-bis of the Consob Regulation no. 11971/99 and subsequent amendments, and has been made available to the public under the terms of law.

In line with Group Compensation Policy and considering the indications issued by Bank of Italy and the direction set by the European Directive CRD III (Capital Requirements Directive) and by EBA (European Banking Authority) guidelines, it is deemed appropriate to submit to the approval of this Shareholders' meeting the implementation of incentive system based on financial instruments in order to align shareholder and management interests, reward long term value creation, share price appreciation and motivate and retain key Group resources.

## **1. 2013 GROUP INCENTIVE SYSTEM**

### **GOALS**

The 2013 Group Incentive System (the “2013 System”) aims to attract, motivate and retain Group beneficiaries, in compliance with national and international regulatory requirements with the aim to define – in the interest of all stakeholders – incentive systems aligned with long term company strategies and goals, linked to Group results, adjusted in order to consider all risks, in coherence with capital and liquidity levels needed to cover the activities in place and, in any case, able to avoid misleading incentives that could drive excessive risk taking for the bank and the system in its whole.

### **BENEFICIARIES**

2013 System beneficiaries are:

- Chief Executive Officer (CEO), General Manager (GM), Deputy General Manager (DGM), Senior Executive Vice Presidents (SEVP) (currently 17 people), Executive Vice Presidents (EVP) and other identified staff<sup>1</sup> (currently circa 130 people);
- Senior Vice Presidents (SVP) (currently circa 450 people) and other selected roles<sup>2</sup> (currently circa 520 people).

### **ELEMENTS OF THE 2013 SYSTEM**

- (a) Beneficiaries of 2013 System, upon the achievement of goals defined for 2013 and considering individual performance, as well as results at business level and, as relevant, at country and/or Group level, shall receive an overall incentive defined using a multi-perspective Performance Screen assessment of operational & sustainability drivers and also of other additional goals, as relevant. The overall incentive amount of CEO, GM, DGM, SEVP, EVP and other identified staff will be subject to the application of an overall risk/sustainability factor<sup>3</sup> (“Group Gate”), related to 2013 Group profitability, solidity and liquidity results;
- (b) incentive payouts shall be made over a multi-year period (2014-2018) in a balanced structure of upfront (following the moment of performance evaluation) and deferred

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<sup>1</sup> Employees materially impacting market, credit, liquidity risk at Group level and with an incentive higher than €500,000

<sup>2</sup> Including employees in Corporate & Investment Banking division with incentive exceeding €100,000

<sup>3</sup> For the SVP positions the Group Gate impacts the first bonus installment, while the remaining installments are subject to the application of future Zero Factors for each year of payment

payments, in cash and in shares, subject to continuous employment at each date of payment and as follows:

- in 2014 the first installment of the overall incentive will be payable in cash, in absence of any individual values / compliance breach, considering also the gravity of any internal/external findings i.e. Audit, Bank of Italy, Consob and/or analogous local authorities;
  - over the period 2015 – 2018, the remainder of the overall incentive will be payable in installments in cash and/or UniCredit free ordinary shares, subject to the application of a Zero Factor in each year and in absence of any individual /values compliance breach, considering also the gravity of any internal/external findings i.e. Audit, Bank of Italy, Consob and/or analogous local authorities;
  - the distribution of share payments takes into account the applicable regulatory requirements regarding the application of share retention periods. In particular, the payment structure has been defined considering Bank of Italy provisions requiring a share retention period of 2 years for upfront shares and of 1 year for deferred shares;
- (c) As required by law under Bank of Italy provisions, final evaluation of Group sustainable performance parameters and risk-reward alignment will be reviewed by the Remuneration Committee and defined under the responsibility and governance of the Board of Directors.
- (d) the percentages of payments in cash and shares are defined considering beneficiary categories, as described in the following table:

	<b>2014 (1st installment)</b>	<b>2015 (2nd installment)</b>	<b>2016 (3rd installment)</b>	<b>2017 (4th installment)</b>		<b>2018 (5th installment)</b>
	Cash	Cash	Shares	Shares	Cash	Shares
CEO, GM, DGM, SEVP, EVP and other “identified staff”	20%	20%	20%	20%	10%	10%
SVP	40%	20%	20%	20%	-	-

- (e) Regarding beneficiaries categories defined as other “identified staff” and “other selected roles”, it is highlighted that:

- the other “identified staff” and the other selected roles have been identified on the basis of an ex-ante definition of potential “risk-taker” including a functional mapping of job families under Markets & Investment Banking area, impacting credit, market and liquidity risks;
  - the payment modalities provided for by the 2013 System shall be consistently applied also to bonuses defined for beneficiaries in such categories. In particular full application of system elements will be applied to the other “identified staff” with bonuses above €500,000, while deferral in cash and/or shares will apply proportionally to “other selected roles” following a scaling approach;
- (f) the number of shares to be allocated in the respective installments is defined in 2014, considering the arithmetic mean of the official market price of UniCredit ordinary shares during the month preceding the Board resolution that evaluates 2013 performance achievements;
- (g) allocations of a maximum number of 42,200,000 UniCredit ordinary shares are proposed, representing about 0.73% of UniCredit share capital, while the estimated impact in case of target performance shall be approx 0.49%. The free UniCredit ordinary shares to be allocated will be freely transferable with the exception of any indications later described;
- (h) in order to guarantee the compliance with regulatory and legal dispositions (also in fiscal area) in the countries where the Group is present, adaptations may be made for 2013 System implementation, that do not change substantially the content of resolutions of Board today and General Shareholders’ Meeting. Such adaptations may include in particular: a different percentage distribution of the various installments of payments; a different period of deferral; a retention period on granted shares; allocation of local company shares instead of Group shares; application of Group Gate and Zero Factor that may incorporate profitability, solidity and liquidity results of local Group companies; extension of 2013 System application to other beneficiaries considered as equivalent to risk takers or other selected roles;
- (i) if the implementation of 2013 System should have any adverse effects (legal, tax or other) on Group Companies and / or beneficiaries residing in countries where the Group is present, the Board of Directors may provide for the recourse to alternative solutions, that fully comply with the principles of 2013 System and allow achievement of the same results (for example also using a trust company or the allocation of shares or other instruments of the UniCredit Group local companies where the beneficiary is employed; or paying an equivalent amount in cash in lieu of granting shares, to be

determined on the basis of the market value of UniCredit shares, considering the arithmetic mean of the official market price of ordinary shares during the month preceding each Board resolution to execute the actual grant). In particular, the definition of a share retention period, in case requested by local regulators, may be carried out, in line with the fiscal framework as applicable at the relevant time in countries where the Group is present, either via the allocation of restricted shares or the formulation of a promise of share allocation at the end of the intended retention period.

## **2. SHARES REQUESTED FOR THE 2013 GROUP INCENTIVE SYSTEM**

The issue of UniCredit free ordinary shares necessary for the execution of the 2013 System, as in the past, will be performed in compliance with section 2349 of the Italian Civil Code and will be object of a delegation of power of attorney to the Board of Directors, in compliance with section 2443 of the Italian Civil Code.

Accordingly, the extraordinary session of today's shareholders' meeting will be asked to approve the proposal to delegate to the Board of Directors the power of attorney to resolve, on one or more occasions for a maximum period of five years, to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum nominal amount of € 143,214,140.73 corresponding to up to 42,200,000 UniCredit ordinary shares, to be granted to employees of the Holding Company and of Group banks and companies.

The allocation of free ordinary shares needed for the execution of 2013 System shall be done using the special reserve known as "Provisions Linked to the Medium Term Incentive System for Group Personnel", which, if case, may be restored or increased via allocation of profits or a portion of available statutory reserves, formed from the distribution of company profits that shall be identified by the Board of Directors at the moment of share issuance. In case the amount of the "Provisions Linked to the Medium Term Incentive System for Group Personnel" does not allow the issuance (full or partial) of UniCredit ordinary shares to service the 2013 System, an equivalent amount in cash will be allocated to the beneficiaries, determined in base of arithmetic mean of the official market price of UniCredit ordinary shares during the month preceding the Board resolution that evaluates performance achievements.

Dear Shareholders,

If you agree with the above proposal, you are invited to approve it by adopting the following resolution:

"The Ordinary Shareholders' Meeting of UniCredit S.p.A., having heard the Directors' proposal,

RESOLVES

1. to adopt the 2013 Group Incentive System which provides for the allocation of an incentive in cash and/or UniCredit free ordinary shares, to be performed by May 2018, to selected UniCredit Group employees in the manner and terms described above;
2. to confer to the Chairman and to the Chief Executive Officer, also separately, every opportune power of attorney to implement the present resolution and the documents which represent part of it, also rendering any amendments and/or integrations which should be necessary to enact the present deliberations of today's Shareholders' Meeting (not changing substantially the content of the resolutions) in order to comply with any provision of rules and regulations in countries where Group companies are located."



## **ORDINARY SESSION**

### **Item no. 9. on the Agenda**

#### **BOARD OF DIRECTORS' REPORT**

#### **UNICREDIT GROUP EMPLOYEE SHARE OWNERSHIP PLAN 2013 (LET'S SHARE 2013)**

Dear Shareholders,

We have called this Ordinary Meeting to request your approval of the "UniCredit Group Employee Share Ownership Plan 2013" aimed at offering to employees of the Group the possibility to invest in UniCredit shares at favourable conditions, in compliance with the provisions of sect. 114-bis of Decree 58 dated 24 February 1998 and according to the provisions set forth by Consob referring to incentive plans based on financial instruments assigned to corporate officers, employees and collaborators.

With this aim, a document has been drawn up pursuant to Section 84-bis of the Consob Regulation no. 11971/99 that has been made available to the public within the timeframe legally required.

As you will recall, your company was one of the first in Italy to understand that the reinforcement of a sense of employees' belonging and commitment to achieve corporate goals is a relevant factor to maximize corporate value. In this regard, starting from 2008 the UniCredit Shareholders' Meeting has approved share ownership plans aiming at offering employees of the Group the possibility to invest in UniCredit shares at favourable conditions.

As in the past and in compliance with the provisions of the Supervisory Authority regarding policies and practices for compensation and incentives within banks, it is proposed that this Shareholders' Meeting approves for the year 2013 a new share ownership plan offered to employees, the "UniCredit Group Employee Share Ownership Plan 2013" ("Let's Share 2013 Plan"), whose execution modalities and features are substantially in line with the employee share ownership plans adopted by your Company in recent years.

## **GOALS**

The Plan aims at reinforcing employees' sense of belonging and commitment to achieve corporate goals.

## **BENEFICIARIES**

Considering that the Let's Share 2013 Plan is addressed to the employees of the UniCredit Group, the potential Participants would be circa 160,000.

## **PLAN ELEMENTS**

(a) Election Period: there are two main election windows:

- 1<sup>st</sup> election window: from 27<sup>th</sup> November 2013 to 15<sup>th</sup> January 2014;
- 2<sup>nd</sup> election window: from 27<sup>th</sup> May 2014 to 15<sup>th</sup> July 2014;

During the election windows, employees participating in the Plan Let's Share 2013 ("Participants"), will choose the overall amount that they want to invest in purchasing UniCredit ordinary shares (the "Shares"), up to a maximum contribution of € 6,000 per annum. The minimum annual contribution amount is defined considering the peculiarities of each country where participants are resident;

(b) Enrolment Period: from January 2014 to December 2014 the Participants will have the opportunity to buy Shares by means of monthly debits on their current account ("monthly" modality) or by payments in one or two instalments made in the months of January or July ("one-off" modality). In case during the Holding Period a Participant leaves the Plan 2013, he/she will lose the free shares allocated to him/her in accordance with the below point c);

(c) "Free Shares": at the beginning of the Enrolment Period (January or July 2014), the Participant will receive an immediate discount equal to 25% on the Shares' purchase price in the form of allocation of UniCredit free shares ("Free Share");

The Free Shares will be subject to lock-up during 1 year and the Participant will lose the entitlement to the Free Shares if, during the 1-year Holding Period, he/she will no longer be an employee of a UniCredit Group Company, unless the employment has been terminated for one of the specific reasons stated in the Rules of the Plan 2013. In some countries where the Group companies are

present, for fiscal reasons, it will not be possible to grant the Free Shares at the beginning of the Enrolment Period: in that case an alternative structure is offered that provides (at the beginning of the Enrolment Period) to the Participants of those countries the right to receive the Free Shares at the end of the Holding Period (“Alternative Structure”).

- (d) Holding Period: during the 1-year Holding Period (from January/July 2014 to January/July 2015), the Participants can sell the purchased shares at any moment, but by doing so they will lose the Free Shares in respect of the number of shares sold.
- (e) Execution modalities: the Let's Share 2013 Plan provides for the use of shares to be purchased on the market, therefore it will not have any diluting impact on Holding Company share capital. To that end, Participants will have to give a mandate to a broker (internal or external to UniCredit Group) to purchase the Shares to be deposited in an account opened in their name.
- (f) Fiscal and social contribution: The fiscal and social contributions schemes applied will be in line with the applicable law in the country in which each Participant is fiscally resident (with the exception of expatriated employees for whom the “tax equalisation” principle will be applied by which the employee taxation and the social security contributions applied will be the same of the reference home country).

In case of substantial changes in the scenario of reference or if the actual participation rate would be higher than the expected one assumed in the definition of the Plan 2013 or for any unforeseen circumstances due to operational or legal constraints, the operational modalities presented might be no more adequate: consequently, during the execution phase, it may be required to make changes/integrations, asking, in the case, for the relevant authorizations needed, keeping anyway the assumptions according to which the Plan Let's Share 2013 is defined by the Shareholders' Meeting.

An evaluation process is ongoing on the possibility, subject to an agreement with the Unions, that the Italian Participants could contribute to the Let's Share 2013 Plan investing a portion of the company bonus (VAP). If confirmed, the modalities and the timing to make the contribution from the Italian Participants could be changed accordingly but respecting the logic of the Plan Let's Share 2013 as presented to the today's Shareholders' Meeting.

\* \* \*

Dear Shareholders,

If you agree with the above proposal, you are invited to approve it by adopting the following resolution:

"The Ordinary Shareholders' Meeting of UniCredit S.p.A., having heard the directors' proposal,

RESOLVES

1. to adopt the "UniCredit Group Employee Share Ownership Plan 2013" aiming at offering to all employees of the Group the possibility to invest in UniCredit shares at favourable conditions;
2. to give to the Chairman and/or to the Chief Executive Officer, respectively, any relevant power of attorney to enact today's resolution and to make all possible changes and integrations to the "UniCredit Group Employee Share Ownership Plan 2013" (not changing substantially the content of the resolution) which should be necessary to carry out what was resolved, also in order to comply with every legal and regulatory provisions applied from time to time in the participating countries in which the Group companies are based."

## **EXTRAORDINARY SESSION**

### **Item no. 1. on the Agenda**

#### **BOARD OF DIRECTORS' REPORT**

#### **AMENDMENTS TO CLAUSES 5, 6, 10, 11, 12, 14, 20, 30 AND 32 OF THE ARTICLES OF ASSOCIATION**

Dear Shareholders,

We called this Extraordinary Shareholders' Meeting to decide on the proposal to amend some of the provisions in UniCredit's current Articles of Association.

These amendments are mainly designed to align the text of the Articles of Association with the provisions introduced by Legislative Decree no. 91 of 18 June 2012 ("*Amendments to Legislative Decree no. 27 of 27 January 2010, implementing Directive 2007/36/EC on the exercise of certain rights of shareholders in listed companies*"). It was also deemed advisable to use this opportunity to submit a few additional changes to the Shareholders' Meeting that are merely formal in nature or that aim at updating.

Given this, we would like to explain the amendments to the Articles of Association that we are submitting for your approval. The changes relate to Clauses 5, 6, 10, 11, 12, 14, 20, 30 and 32.

#### **1. AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

##### **1.1. The amendments to the Articles of Association linked to Legislative Decree no. 91/2012**

Legislative Decree no. 91/2012 (hereafter also the "Decree"), on the basis of specific powers granted to the government (Law no. 88/2009), contains provisions that complete and amend Legislative Decree no. 27/2010, which was the Italian law implementing the Directive on the rights of shareholders of listed companies (Directive 2007/36/EC, the so-called *Shareholders' Rights Directive*). These provisions were issued, particularly, to implement certain suggestions that were made following the

initial application of the aforementioned regulations and to solve certain problems that came to light during the period when Shareholders' Meetings were held in 2011.

The Decree contains, among other aspects, provisions that:

- a) amended Article 126-bis of Legislative Decree no. 58/1998 ("Consolidated Law on Finance" or "TUF"), expressly extending the rules governing integrations to the Agenda to include the right of shareholders to present proposed resolutions, prior to the meeting, on matters already on the Agenda;
- b) amended the rules governing calling Shareholders' Meetings set out in Article 2369 of the Italian Civil Code, establishing a system that is the opposite of the existing one: the new default method for calling meetings is a "single call", unless the Articles of Association provide otherwise.

In relation to the aforementioned elements, the proposal is to amend Clauses 11 and 12 of the Articles of Association.

In more detail, for Clause 11 the proposal is to explicitly highlight the right of shareholders to present proposed resolutions, prior to the meeting, on matters already on the Agenda. Using this right would require the same percentage of share ownership that (forgoing the higher threshold established by law) is currently established by the relevant clause in the Articles of Association for making amendments to the Agenda. This is the logical option for avoiding a situation in which shareholders exercising largely the same rights are required to meet different thresholds. Otherwise, Article 126-bis of the TUF would set the threshold, for presenting proposals, at 1/40 of the share capital (that is, 2.5%), while for amendments the limit would be the one in the Articles of Association (at least 0.5% of the share capital). For the sake of clarity, it should be noted that the new provisions in the Articles of Association would apply to Shareholders' Meetings held after these changes are approved.

For Clause 12, the amendments reflect the new regulatory framework, setting out the general rule for Shareholders' Meetings to be held in a single call. However, the clause maintains the Board of Directors' right to use, for individual Shareholders' Meetings, multiple calls to ensure suitable organisational flexibility. It should be noted that since the law has allowed companies (albeit on an optional basis) to hold

Shareholders' Meetings in a single call, UniCredit's Board of Directors has chosen to use this option to make the relevant procedures more efficient.

The other amendments are largely formal in nature, being designed to align the wording in the Articles of Association with the new regulatory provisions and/or with the operational methods already adopted by UniCredit. More specifically:

- in Clause 10, for the notice of call for Shareholders' Meetings, reference is made to the terms that CONSOB - pursuant to the new Article 125-bis of the TUF - can establish for the methods for publishing such calls (other than that on the company's website);
- in Clause 14, there is an express mention of the possibility to grant voting proxies through electronic means, referring - in compliance with the new text of the Article 135 novies of TUF – to the document in an electronic format with a digital signature in accordance with article 21 of Legislative Decree 82/2005. As the occasion arises, in compliance with the practice already used by the Company, the dispatching of an email to a specific UniCredit email address is envisaged as a means for the possible notification of voting proxies through electronic devices;
- in Clauses 20 and 30, the rules for filing lists for electing people to corporate bodies (Directors and Auditors) have been amended, expressly including the option to file lists via remote communication, in compliance with the new text of Article 147-ter of the TUF and the existing text of Article 144-sexies of CONSOB Issuers Regulation.

## **1.2. Others amendments to the Articles of Association**

It is also being proposed that, along with making the amendments needed to adjust the Articles of Association to the Decree, this opportunity be taken to make additional changes.

In addition to updating Clause 6 - by removing the current paragraphs 9, 10, 11 and 12 which cover powers granted to the Directors for capital increases where the term for using such powers will have expired by the date of the Extraordinary

Shareholders' Meeting this Report is for - the other amendments relate to Clauses 5 and 32.

More specifically, for Clause 5, paragraph 4 is completed - in compliance with Article 2441(4) of the Italian Civil Code for companies with listed shares - by including the option to exclude, for capital increases, the option rights within the limit of ten per cent of the existing share capital, provided the issue price is equal to the market price of the shares and this has been confirmed in a specific report by the external audit firm. The proposed amendment simplifies the process if the Shareholders' Meeting approves a capital increase using the aforementioned procedure. Such a capital increase could also be done on the basis of power delegated to the Board of Directors pursuant to Article 2443 of the Italian Civil Code (recently amendment by Leg. Decree no. 184 of 11 October 2012).

The proposed change to Clause 32, regarding scrip dividends, is designed to clarify the wording of paragraph 2 to indicate that the possible payment of dividends in Company shares can include assigning the Company's ordinary and savings shares in accordance with the shares owned.

### **1.3. Information about the right of withdrawal and other aspects**

The current proposed amendments to the Articles of Association do not give rise to the right of ordinary and savings shareholders to withdraw pursuant to Article 2437 of the Italian Civil Code. The proposal also does not require the approval of a Special Meeting of savings shareholders pursuant to Article 146(1)(b) of Legislative Decree no. 58 of 24 February 1998 since it does not prejudice the rights of this category.

The proposed changes to the Articles of Association are subject to authorization of the Bank of Italy pursuant to Article 56 of Legislative Decree no. 385/93.

## **2. PROPOSALS FOR THE AMENDMENT OF UNICREDIT'S ARTICLES OF ASSOCIATION**

The amendments to the Company's Articles of Association which are proposed to today's Shareholders' Meeting according to the above are detailed in the table below.



<b>CURRENT WORDING</b>	<b>DRAFT AMENDMENT</b>
<b>SECTION III</b> <b>Regarding share capital and shares</b>	<b>SECTION III</b> <b>Regarding share capital and share</b>
<p><u>Clause 5</u></p> <p>1. The Bank's share capital, fully subscribed and paid-up, amounts to Euro 19,647,948,525.10 and is divided into 5,789,536,030 shares without nominal value, in turn made up of 5,787,112,132 ordinary shares and 2,423,898 savings shares.</p> <p>2. Ordinary shares are registered shares.</p> <p>3. No one entitled to vote may vote, for any reason whatsoever, for a number of Bank shares exceeding five per cent of share capital bearing voting rights, to this end, the global stake held by the controlling party, (be it a private individual, legal entity or company), all direct and indirect subsidiaries and affiliates has been taken into consideration; those shareholdings included in the portfolios of mutual funds managed by subsidiaries or affiliates have not, on the other hand, been taken into consideration. Control, including with regard to parties other than companies, emerges in the situations provided for by Article 2359, first and second paragraph, of the Italian Civil Code. Control whereby significant influence is exercised is regarded to be present in the situations provided for by Clause 23, second paragraph, of Legislative Decree no. 385 dated September 1, 1993 (Consolidation Act for Laws Relating to Banking and Lending Activities). An affiliation emerges in the situations referred to in Article 2359, third paragraph, of the Italian Civil Code, for the purposes of computing the stake held, those shares held through custodian companies and/or intermediaries and/or those shares whose voting rights are assigned for any purpose or reason to a party other than their owner, are also taken into consideration. In the event of the above provisions being breached, any shareholders resolution carried may be impugned pursuant to the provisions of Article 2377 of the Italian Civil Code, where the majority required would not have been reached without this breach. Those shares whose voting rights</p>	<p><u>Clause 5</u></p> <p>1. <i>Unchanged text</i></p> <p>2. <i>Unchanged text</i></p> <p>3. <i>Unchanged text</i></p>

<p>may not be exercised are in any event computed in order for the Meeting to be properly formed.</p> <p>4. Share capital may be increased by way of a shareholders' resolution, through the issuance of shares bearing various rights, in conformity to legal requirements. Specifically, the Meeting may resolve upon the issuance of savings shares bearing the features and rights provided for by prevailing laws and by these Articles of Association.</p> <p>5. Resolutions carried for the issuance of new savings and/or ordinary shares at the time of a capital increase or the conversion of shares of another class that have already been issued, do not require the approval of a Special Meeting of Savings Shareholders.</p> <p>6. The Special Meeting of Shareholders may resolve upon the allocation of earnings to the employees of the Bank or subsidiaries, in conformity to prevailing laws.</p>	<p>4. Share capital may be increased by way of a shareholders' resolution, <b>also according to Article 2441, fourth paragraph, second period, of the Italian Civil Code</b>, through the issuance of shares bearing various rights, in conformity to legal requirements. Specifically, the Meeting may resolve upon the issuance of savings shares bearing the features and rights provided for by prevailing laws and by these Articles of Association.</p> <p>5. <i>Unchanged text</i></p> <p>6. <i>Unchanged text</i></p>
<p><u>Clause 6</u></p> <p>1. In partial exercise of powers conferred by the Extraordinary Shareholders' Meeting held on May 4, 2004 pursuant to Article 2443 of the Italian Civil Code, the Board of Directors passed a resolution on July 22, 2004 to increase capital by a maximum amount of Euro 7,284,350 corresponding to a maximum number of 14,568,700 ordinary shares of Euro 0.50 each, passing another resolution on November 18, 2005 to increase capital by a maximum amount of Euro 20,815,000 corresponding to a maximum number of 41,630,000 ordinary shares of Euro 0.50 each, to be used to exercise a corresponding number of subscription rights reserved for the Executive Personnel of UniCredit S.p.A. and the other Group Banks and Companies who hold positions which are significant in terms of achieving the overall objectives of the Group, and passing another resolution on December 15, 2005 to increase capital by a maximum amount of Euro 750,000 corresponding to a maximum number of 1,500,000 ordinary shares of Euro 0.50 each. The aforementioned rights can be exercised from 2008 until 2017 according to the criteria and in</p>	<p><u>Clause 6</u></p> <p>1. <i>Unchanged text</i></p>

the periods identified by the Board of Directors.

2. The Board of Directors, in partial exercise of the powers received as per Article 2443 of the Italian Civil Code from the Extraordinary Shareholders' Meeting of May 12, 2006, has resolved, on June 13, 2006 to increase the share capital of a maximum nominal amount of Euro 14,602,350 corresponding to a maximum number of 29,204,700 ordinary shares having a value of Euro 0.50 each, on July 1, 2006 to increase the share capital of a maximum nominal amount of Euro 45,150 corresponding to a maximum number of 90,300 ordinary shares having a value of Euro 0.50 each, at the service of the exercise of a corresponding number of subscription rights to be granted to the Management of UniCredit S.p.A., as well as of the other Banks and companies of the Group, who hold positions considered highly relevant for the attainment of the overall Group targets. The aforementioned rights can be exercised from 2010 until 2019 according to the criteria and in the periods identified by the Board of Directors.

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

4. The Board of Directors, in partial exercise of the powers received, as per Article 2443 of the Italian Civil Code, from the Extraordinary Shareholders' Meeting of May 8, 2008, resolved on June 25, 2008 to increase the share capital of a maximum nominal amount of Euro 39,097,923 corresponding to a maximum number of 78,195,846 ordinary shares with a value of Euro 0.50 each, at the service of the exercise of a

2. *Unchanged text*

3. *Unchanged text*

4. *Unchanged text*

corresponding number of subscription rights to be granted to the Management of UniCredit S.p.A., as well as of the other Banks and companies of the Group, who hold positions considered highly relevant for the attainment of the overall Group targets. The aforementioned rights can be exercised from 2012 until 2018 according to the criteria and within the periods identified by the Board of Directors.

5. Capital increases resolved under the compensation policy, as provided for by the paragraphs above, are increased by an additional amount of no more than Euro 3,645,855.50 corresponding to no more than 7,291,711 ordinary share following the application of the AIAF adjustment factors as a consequence of the capital transaction resolved on by the Extraordinary Shareholders' Meeting on November 16, 2009.

6. The Board of Directors, in partial exercise of the powers received, as per Article 2443 of the Italian Civil Code, from the Extraordinary Shareholders' Meeting of April 22, 2010, resolved on March 22, 2011, to increase the share capital of a maximum nominal amount of Euro 42,114,682 corresponding to a maximum number of 84,229,364 ordinary shares with a value of Euro 0.50 each, at the service of the exercise of a corresponding number of subscription rights to be granted to the Management of UniCredit S.p.A., as well as of the other Banks and Companies of the Group, who hold positions considered highly relevant for the attainment of the overall Group targets. The aforementioned rights can be exercised as of the year following the 3 year performance period (2011-2013) and until 2020 according to the criteria and within the periods identified by the Board of Directors.

7. Capital increases resolved under the compensation policy, as provided for by the paragraphs above, are further increased, taking into account of the reverse split approved by the Extraordinary Shareholders' Meeting on December 15, 2011 and executed on December 27, 2011, by an amount of no more than Euro 46,483,590 corresponding to no more than 9,296,718 ordinary shares following the application of the AIAF adjustment factors as a consequence of the capital transaction resolved

5. *Unchanged text*

6. *Unchanged text*

7. *Unchanged text*

on by the Extraordinary Shareholders' Meeting on December 15, 2011.

8. The Board of Directors, in partial exercise of the powers received, as per Article 2443 of the Italian Civil Code, from the Extraordinary Shareholders' Meeting of April 29, 2011, resolved on March 27, 2012, to increase the share capital of a maximum amount of Euro 46,114,455 corresponding to a maximum number of 9,222,891 ordinary shares, at the service of the exercise of a corresponding number of subscription rights to be granted to the Management of UniCredit S.p.A., as well as of the other Banks and Companies of the Group, who hold positions considered highly relevant for the attainment of the overall Group targets. The aforementioned rights can be exercised as of the year following the 4 year performance period (2012-2015) and until 2022 according to the criteria and within the periods identified by the Board of Directors.

9. The Board of Directors has the right, in accordance with Article 2443 of the Italian Civil Code, to resolve - once or more times and for a period of maximum 5 years from the date of the Extraordinary Shareholders Meeting resolution taken on May 10, 2007 - to increase the registered capital for cash in accordance with Article 2441, paragraphs 1, 2 and 3 of the Italian Civil Code, for a total amount of nominal Euro 525,000,000 corresponding to up to 1,050,000,000 ordinary shares of par value Euro 0.50 each, to be used for potential acquisition transactions by UniCredit.

10. The Board of Directors has the power, under the provisions of Article 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated May 10, 2007, to carry out a free capital increase, as allowed by Article 2349 of the Italian Civil Code, for a maximum nominal amount of Euro 5,500,000 corresponding to up to 11,000,000 ordinary shares of par value Euro 0.50 each, to be granted to Management of UniCredit and of Group banks and companies.

11. The Board of Directors has the power, under the provisions of Article 2443 of the Italian Civil Code, to resolve, on one or more occasions for a

8. *Unchanged text*

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maximum period of five years starting from the shareholders' resolution dated May 8, 2008, to carry out a free capital increase, as allowed by Article 2349 of the Italian Civil Code, for a maximum nominal amount of Euro 12,439,750 corresponding to up to 24,879,500 ordinary shares of par value Euro 0.50 each, to be granted to the Personnel of UniCredit and of Group banks and companies.

12. The Board of Directors has the power, under the provisions of Article 2443 of the Italian Civil Code, to resolve - including on one or more occasions for a maximum period of one year starting from the shareholders' resolution dated April 22, 2010 - to increase share capital with the exclusion of rights, as allowed by Article 2441.8 of the Italian Civil Code, to service the exercise of options issued by the Board of Directors to subscribe to a maximum number of 128,000,000 ordinary shares, corresponding to a maximum nominal amount of Euro 64,000,000, to be reserved for the Personnel of UniCredit S.p.A. and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives.

13. The Board of Directors has the power, under the provisions of section 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated April 29, 2011, to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum nominal amount of Euro 103,000,000 corresponding to up to 206,000,000 ordinary shares of par value Euro 0.50 each, to be granted to employees of UniCredit S.p.A. and of Group banks and companies. The maximum number of free ordinary shares to be issued as an application of the power granted to the Board of Directors is integrated, taking into account the reverse split approved by the Extraordinary Shareholders' Meeting on December 15, 2011 and executed on December 27, 2011, by an additional amount of no more than no. 10,677,019 ordinary shares following the application of the AIAF adjustment factors as a consequence of the capital transaction resolved on by the Extraordinary Shareholders' Meeting on December 15, 2011.

~~maximum period of five years starting from the shareholders' resolution dated May 8, 2008, to carry out a free capital increase, as allowed by Article 2349 of the Italian Civil Code, for a maximum nominal amount of Euro 12,439,750 corresponding to up to 24,879,500 ordinary shares of par value Euro 0.50 each, to be granted to the Personnel of UniCredit and of Group banks and companies.~~

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14. The Board of Directors has the power, under the provisions of section 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years from the shareholders' resolution dated April 29, 2011, to carry out a financed capital increase with exclusion of option rights, as allowed by section 2441.8 of the Italian Civil Code, to service the exercise of rights to be issued by Board of Directors for the subscription of a maximum nominal amount of 68,000,000 ordinary shares corresponding to a maximum nominal amount of € 34,000,000, to be granted to employees of UniCredit S.p.A. and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives. The maximum number of financed ordinary shares to be issued as an application of the power granted to the Board of Directors is integrated, taking into account the reverse split approved by the Extraordinary Shareholders' Meeting on December 15, 2011 and executed on December 27, 2011, by an additional amount of no more than Euro 17,622,265 corresponding to maximum no. 3,524,453 ordinary shares following the application of the AIAF adjustment factors as a consequence of the capital transaction resolved on by the Extraordinary Shareholders' Meeting on December 15, 2011.

15. The Board of Directors has the power, under the provisions of Article 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated April 22, 2010, to carry out a free capital increase, as allowed by Article 2349 of the Italian Civil Code, for a maximum nominal amount of Euro 29,500,000 corresponding to up to 59,000,000 ordinary shares of par value Euro 0.50 each, to be granted to employees of UniCredit S.p.A. and of Group banks and companies. The maximum number of free ordinary shares to be issued as an application of the power granted to the Board of Directors is integrated, taking into account the reverse split approved by the Extraordinary Shareholders' Meeting on December 15, 2011 and executed on December 27, 2011, by an additional amount of no more than no. 44,183 ordinary shares following the application of the AIAF adjustment factors as a consequence of the

104. The Board of Directors has the power, under the provisions of section 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years from the shareholders' resolution dated April 29, 2011, to carry out a financed capital increase with exclusion of option rights, as allowed by section 2441.8 of the Italian Civil Code, to service the exercise of rights to be issued by Board of Directors for the subscription of a maximum nominal amount of 68,000,000 ordinary shares corresponding to a maximum nominal amount of € 34,000,000, to be granted to employees of UniCredit S.p.A. and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives. The maximum number of financed ordinary shares to be issued as an application of the power granted to the Board of Directors is integrated, taking into account the reverse split approved by the Extraordinary Shareholders' Meeting on December 15, 2011 and executed on December 27, 2011, by an additional amount of no more than Euro 17,622,265 corresponding to maximum no. 3,524,453 ordinary shares following the application of the AIAF adjustment factors as a consequence of the capital transaction resolved on by the Extraordinary Shareholders' Meeting on December 15, 2011.

115. The Board of Directors has the power, under the provisions of Article 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated April 22, 2010, to carry out a free capital increase, as allowed by Article 2349 of the Italian Civil Code, for a maximum nominal amount of Euro 29,500,000 corresponding to up to 59,000,000 ordinary shares of par value Euro 0.50 each, to be granted to employees of UniCredit S.p.A. and of Group banks and companies. The maximum number of free ordinary shares to be issued as an application of the power granted to the Board of Directors is integrated, taking into account the reverse split approved by the Extraordinary Shareholders' Meeting on December 15, 2011 and executed on December 27, 2011, by an additional amount of no more than no. 44,183 ordinary shares following the application of the AIAF adjustment factors as a consequence of the

capital transaction resolved on by the Extraordinary Shareholders' Meeting on December 15, 2011.

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

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

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

capital transaction resolved on by the Extraordinary Shareholders' Meeting on December 15, 2011.

~~126.~~ Once the time periods for the capital increases resolved on through incentive/compensation plans have expired, the share capital shall be deemed to have increased by the amount subscribed as of the respective dates indicated therein.

~~137.~~ The reverse split approved by the Extraordinary Shareholders' Meeting on December 15, 2011 and executed on December 27, 2011 should be taken into account when determining the maximum amount of shares to be issued in any capital increases carried out pursuant to the preceding paragraphs and for the purpose of the execution of the incentive plans from time to time approved by the Company, without prejudice to the maximum aggregate amount set for those increases.

~~148.~~ The Board of Directors has the power, under the provisions of Article 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated May 11, 2012, to carry out a free capital increase, as allowed by Article 2349 of the Italian Civil Code, for a maximum amount of Euro 202,603,978.15 corresponding to up to 59,700,000 ordinary shares, to be granted to employees of UniCredit S.p.A. and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives.

<p align="center"><b>SECTION IV</b> <b>Regarding Meetings of Shareholders</b></p>	<p align="center"><b>SECTION IV</b> <b>Regarding Meetings of Shareholders</b></p>
<p><u>Clause 10</u></p> <p>1. The Meeting is convened in accordance with legal requirements via a notice published on the Company's web site and through other channels provided for under prevailing laws and regulatory provisions.</p>	<p><u>Clause 10</u></p> <p>1. The Meeting is convened in accordance with legal <b>and regulatory</b> requirements via a notice published on the Company's web site and through other channels provided for under prevailing laws and regulatory provisions.</p>



<p><u>Clause 11</u></p> <p>1. The Agenda of the Meeting is established in accordance with legal requirements and these Articles of Association by whoever exercises the power to call a meeting.</p> <p>2. The right to amend the Agenda may be exercised, in the situations, methods and time limits indicated in current regulations, by shareholders who individually or collectively represent at least 0.50% of share capital.</p>	<p><u>Clause 11</u></p> <p>1. <i>Unchanged text</i></p> <p>2. The right to amend the Agenda <b>and to submit resolution proposals upon the items already on the Agenda</b> may be exercised, in the situations, methods and time limits indicated in current regulations, by shareholders who individually or collectively represent at least 0.50% of share capital.</p>
<p><u>Clause 12</u></p> <p>1. Meetings of shareholders can be held in more than one call in accordance with the provisions of law. The Board of Directors can establish that the Meeting of Shareholders be held in a single call and, in such a case, the majorities established by the prevailing laws shall be adopted.</p>	<p><u>Clause 12</u></p> <p>1. Meetings of <del>s</del>Shareholders <del>can be</del> <b>are</b> held in <b>a single</b> <del>more than one</del> call. The Board of Directors can establish that the Meeting of Shareholders be held in <b>more than one</b> <del>a single</del> call. <del>and, in such a case,</del> †The majorities established by the prevailing laws shall be adopted.</p>
<p><u>Clause 14</u></p> <p>1. Those entitled to attend the Meeting may arrange to be represented, in accordance with the provisions of prevailing legislation.</p> <p>2. The delegation of voting rights may be notified also through an electronic communication to a specific section of the Company's web site, as provided for by the notice of the Meeting or alternately through other methods as may be provided for under legal and regulatory provisions in force.</p>	<p><u>Clause 14</u></p> <p>1. Those <b>who hold voting rights</b> <del>entitled to attend the Meeting</del> may arrange to be represented <b>in the Meeting</b>, in accordance with the provisions of prevailing legislation.</p> <p>2. The delegation of voting rights may be <del>notified also through an electronic communication to a specific section of the Company's web site,</del> <b>granted also by means of a document in electronic format with a digital signature in accordance with the provisions of prevailing legislation and notified to a specific email address of the Company</b> as <del>provided for</del> <b>pointed out in</b> <del>by</del> the notice of the Meeting or alternately through other methods as <del>may be</del> provided for under legal and regulatory provisions in force.</p>

<p style="text-align: center;"><b>SECTION V</b> <b>Regarding the Board of Directors</b></p>	<p style="text-align: center;"><b>SECTION V</b> <b>Regarding the Board of Directors</b></p>
<p><u>Clause 20</u></p> <p>1. The Board of Directors is composed of between a minimum of nine and a maximum of twenty-four members. The composition of the Board of Directors must ensure the balance between the genders.</p> <p>2. The members of the Board of Directors must meet the experience and integrity requirements laid down by prevailing regulations and other laws.</p> <p>3. In addition, at least three Directors must meet the independence requirements established for statutory auditors by Legislative Decree No. 58 of February 24, 1998, and a number of Directors equal to the one provided for by the Code on Corporate Governance for Listed Companies must possess the independence requirements established by the Code itself. The independence requirements established by Legislative Decree No. 58 of February 24, 1998 and those specified by the Code on Corporate Governance for Listed Companies may be cumulative for the same person.</p> <p>4. The Directors' term in office spans three operating years, except where a shorter term is established at the time they are appointed, and ends on the date of the Shareholders' Meeting convened for the approval of the accounts relating to the last operating year in which they were in office.</p> <p>5. The Directors are appointed by the Shareholders' Meeting on the basis of lists submitted by legitimate parties in which candidates must be listed using a progressive number. Each list must introduce a number of candidates belonging to the least represented gender such as to ensure abidance by the balance between genders at least in the minimum quantity required by the provisions, also of a regulatory nature, in being.</p> <p>6. In order to be valid, the lists must be filed at the Registered Office or the Head Office no later than the twenty-fifth day prior to the date of the</p>	<p><u>Clause 20</u></p> <p>1. <i>Unchanged text</i></p> <p>2. <i>Unchanged text</i></p> <p>3. <i>Unchanged text</i></p> <p>4. <i>Unchanged text</i></p> <p>5. <i>Unchanged text</i></p> <p>6. In order to be valid, the lists must be filed at the Registered Office or the Head Office, <b>also through long distance communication means and</b></p>

Shareholders' Meeting and must be made available to the public at the Registered Office, on the Company's web site and through other channels provided for under prevailing laws at least twenty-one days prior to the date of the Shareholders' Meeting. Each legitimate party may submit or contribute to the submission of only one list and, similarly, each candidate may only be included on one list, on penalty of ineligibility. Those legitimate parties who individually or collectively with others represent at least 0.5% of share capital in the form of ordinary shares with voting rights at ordinary Shareholders' Meetings are entitled to submit lists.

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

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

- the information on those who filed lists with information on the total percentage of equity investment held;
- information on the personal and professional characteristics of the candidates indicated on the list;
- a statement whereby the individual candidates irrevocably accept the position (subject to their appointment) and attest, under their responsibility, that there are no reasons for their ineligibility or incompatibility respect to candidacy, and that they meet the experience

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

7. *Unchanged text*

8. *Unchanged text*

and integrity requirements provided for by current regulatory and other provisions;

- a statement that the independence requirements dictated by these Articles of Association have been met.

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

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

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

a) from the list obtaining the majority of votes cast shall be taken - in the consecutive order in which they are shown on the list – as much Directors as to be appointed, decreased of one Director – if the Board of Directors consists in a number lower or equal to 20 members – or decreased of two Directors - if the Board of Directors consists in a number higher than 20 members. The remaining Directors shall be taken - in the consecutive order in which they are shown on the list – from the minority list receiving the highest votes;

b) if the majority list doesn't reach a sufficient number of candidates for the election of the number of Directors to be appointed – following the mechanism pointed out under the previous lett. a) – all the candidates from the majority list shall be appointed and the remaining Directors shall be taken from the minority list receiving the highest votes, in the consecutive order in which they are shown on the such list;

c) if the minority list receiving the highest votes doesn't reach a sufficient number of candidates for the election of the number of Directors to be appointed the remaining Directors shall be taken in succession from the further minorities lists receiving the highest votes, always in the order in which they are shown on the lists;

d) if the number of candidates included on the majority as well as minorities lists submitted is less than the number of the Directors to be elected, the remaining Directors shall be elected by a resolution passed by the Shareholders' Meeting by a relative majority ensuring the abidance by the independence and balance

9. *Unchanged text*

10. *Unchanged text*

between genders principles established by the provisions, also of a regulatory nature, in being. If there is a tie vote between several candidates, a run-off will be held between these candidates by means of another vote at the Shareholders' Meeting;

e) if only one list or no list is filed, the Shareholders' Meeting shall deliberate in accordance with the procedures set forth in item d) above;

f) if the minimum necessary number of independent Directors and/or of Directors belonging to the least represented gender is not elected, the Directors of the most voted list who have the highest consecutive number and do not meet the requirements in question shall be replaced by the subsequent candidates, who meet the necessary requirement or requirements, taken from the same list. Should it prove impossible, even applying said criterion, to single out Directors possessing said requirements, the above substitution criterion will apply to the minorities lists receiving the highest votes from which the candidates elected have been taken;

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

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

11. *Unchanged text*

<p>12. For the appointment of Directors that need to be added to the Board of Directors, resolutions of the Meeting of Shareholders shall be by relative majority, ensuring abidance by the criteria of independence and balance between genders established by the provisions, also of a regulatory nature, in being.</p>	<p>12. <i>Unchanged text</i></p>
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<p align="center"><b>SECTION VIII Regarding the Statutory Board of Auditors</b></p>	<p align="center"><b>SECTION VIII Regarding the Statutory Board of Auditors</b></p>
<p><u>Clause 30</u></p> <p>1. The General Meeting of Shareholders appoints five permanent Statutory Auditors, from whom the Chairman. Moreover it appoints four stand-in Statutory Auditors. The membership of the Board of Statutory Auditors must ensure the balance between genders.</p> <p>2. Permanent and stand-in Statutory Auditors may be re-elected.</p> <p>3. Pursuant to the provisions of prevailing legislation, at least two permanent Auditors and one stand-in Auditor must have been listed for at least three years in the Rolls of Auditors and have undertaken the legal auditing of accounts for a period of no less than three years. Any Auditors who are not listed in the Rolls of Auditors must have gained at least three years' total experience:</p> <p>a) undertaking professional activities as a business accountant or lawyer, undertaken primarily in the banking, insurance and financial sectors;</p> <p>b) teaching, at University level, subjects concerning - in the field of law – banking, commercial and/or fiscal law, as well as the running of financial markets and – in the field of business/finance – banking operations, business economics, accountancy, the running of the securities markets, the running of the financial and international markets and corporate finance;</p> <p>c) performing managerial/executive duties within public organisations or offices of the Public Administration, as well as in the credit, financial or insurance sector, and the investment services</p>	<p><u>Clause 30</u></p> <p>1. <i>Unchanged text</i></p> <p>2. <i>Unchanged text</i></p> <p>3. <i>Unchanged text</i></p>

sector and collective investment-management sector, both of which are defined in Legislative Decree no. 58 of February 24, 1998.

4. Permanent and stand-in members of the Statutory Board of Auditors are appointed in keeping with lists submitted by legitimate parties in which candidates must be listed by a progressive number. Lists must be divided in two directories, containing respectively up to five candidates for the seat as permanent Auditor and up to four candidates for the seat as stand-in Auditor. At least the first two candidates for the seat as permanent Auditor and at least the first candidate for the seat as stand-in Auditor given in the respective directories must be listed in the Rolls of Auditors and must have carried out the activity as Statutory accounting Auditor as envisaged by paragraph 3. Each directory for the appointment as permanent Auditor and stand-in Auditor must present a number of candidates belonging to the least represented gender such as to ensure, within the directory itself, the abidance by the balance of genders at least in the minimum quantity established by the provisions, also of a regulatory nature, in being. No candidate may appear in more than one list, or shall otherwise be disqualified.

5. The lists must, under penalty of forfeiture, be submitted to the Registered Office or the Head Office no later than on the twenty-fifth day prior to the date of the Shareholders' Meeting, and are made available to the public at the Registered Office, on the Company's web site and through other channels provided for under prevailing laws, at least twenty-one days prior to the date of the Shareholders' Meeting. The right to deposit the lists lies with legitimate parties that, by themselves or together with others, represent at least 0.5% of ordinary share capital bearing voting rights for the General Meeting of Shareholders. Minority shareholders who have no connecting relationship with the shareholders concerned shall continue to have the option to take advantage of an extension in the deadline to present lists in those instances and using those procedures specified by current regulatory and other provisions.

4. *Unchanged text*

5. The lists must, under penalty of forfeiture, be submitted to the Registered Office or the Head Office, also through long distance communication means and in accordance with the manner indicated in the notice of the Meeting which allows the identification of the parties that are doing the filing, no later than on the twenty-fifth day prior to the date of the Shareholders' Meeting, and are made available to the public at the Registered Office, on the Company's web site and through other channels provided for under prevailing laws, at least twenty-one days prior to the date of the Shareholders' Meeting. The right to deposit the lists lies with legitimate parties that, by themselves or together with others, represent at least 0.5% of ordinary share capital bearing voting rights for the General Meeting of Shareholders. Minority shareholders who have no connecting relationship with the shareholders concerned shall continue to have the option to take advantage of an extension in the deadline to present lists in those instances and using those procedures specified by current regulatory and

other provisions.

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

6. *Unchanged text*

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

7. *Unchanged text*

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

8. *Unchanged text*

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

9. *Unchanged text*

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

10. *Unchanged text*

11. The candidate who has obtained the highest share of votes among the candidates belonging to the list that obtained the highest number of votes among the minority lists, as defined by the

11. *Unchanged text*



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

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

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

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

15. Should the minimum number of permanent Auditors or of stand-in Auditors necessary, belonging to the least represented gender, not be elected, the Auditor of the most voted list with the highest progressive number and belonging to the most represented gender is substituted by the following candidate belonging to the least represented gender coming from the same list.

12. *Unchanged text*

13. *Unchanged text*

14. *Unchanged text*

15. *Unchanged text*

Notwithstanding the above, should the minimum number of Auditors belonging to the least represented gender continue to lack, the substitution criterion will apply, if possible, to the minority lists progressively most voted from which elected candidates have been drawn, or will again apply to the most voted list. If, notwithstanding everything, the minimum number of Auditors belonging to the less represented gender continues to be missing, the Shareholders' Meeting will resolve by a relative majority. In such case the substitutions will be effected beginning from the progressively most voted lists and from the candidates having the lowest ratio.

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

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

16. *Unchanged text*

17. *Unchanged text*

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

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

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

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

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

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

18. *Unchanged text*

19. *Unchanged text*

20. *Unchanged text*

21. *Unchanged text*

22. *Unchanged text*

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

23. *Unchanged text*

<p style="text-align: center;"><b>SECTION IX</b> <b>Regarding the accounts, dividend and reserve fund</b></p>	<p style="text-align: center;"><b>SECTION IX</b> <b>Regarding the accounts, dividend and reserve fund</b></p>
<p><u>Clause 32</u></p> <p>1. The net profit reported in the accounts is allocated as follows:</p> <p>a) no less than 10% to the reserve; when the reserve is at the maximum level foreseen by legal provisions, said profit is allocated with priority to the savings shares, at the level set out in point b) below;</p> <p>b) the savings shares are allocated up to five per cent of Euro 6.3 per share; when, in any given operating year, the savings shares are allocated a dividend of less than five per cent of Euro 6.3 per share, the difference is added to the preferential dividend for the next two years; any earnings that remain after allocating the above dividend to the savings shares are distributed among all shares, in such a way that the savings shares are assigned a higher global dividend than due to ordinary shares, at a level equal to three per cent of Euro 6.3 per share;</p> <p>c) whilst the above provisions regarding the higher overall dividend due to savings shares shall continue to be observed, the ordinary shares are allocated up to five per cent of Euro 6.3 per share.</p> <p>In case of capital transactions which modify the ratio between the amount of share capital and the number of shares outstanding, the fixed numerical reference referred to in points b) and c) of this paragraph 1, could be amended</p>	<p><u>Clause 32</u></p> <p>1. <i>Unchanged text</i></p>

<p>consequently;</p> <p>d) any earnings that remain, and in respect of whose distribution the Meeting of Shareholders carries a resolution, are distributed among shares in addition to the allocations referred to in points b) and c) above;</p> <p>e) the Meeting of Shareholders resolves upon the distribution of any undistributed earnings, further to a proposal from the Board of Directors.</p> <p>2. The Meeting of Shareholders, further to a proposal from the Board of Directors, may assign to the ordinary and savings shareholders the right to require that the dividends referred to in points b), c) and d) above are settled, in whole or in part, in cash or by delivery of ordinary shares, having the same entitlements of the ordinary shares outstanding at their time of assignment.</p> <p>In case of assignment of such right, the Meeting of Shareholders, further to a proposal from the Board of the Directors, shall determine the criteria for the calculation and assignment of the ordinary shares, establishing the form of settlement of the dividend payment in case of non-exercise of such right by the shareholders.</p> <p>Provided that the privilege on the dividend pertaining to the saving shares in accordance with the preceding letter b) will be paid in cash, except that the shareholder elects otherwise.</p> <p>3. The Meeting of Shareholders, further to a proposal from the Board of Directors, may also resolve upon the formation and increase of reserves of an extraordinary and special nature, which are to be sourced from net profit before or after the allocations referred to in points c), d) and e) above.</p> <p>4. The Meeting of Shareholders, further to a proposal from the Board of Directors, may allocate a portion of the annual net profit to projects of a social, welfare and/or cultural nature, with any such donations to be made as per the judgment of the Board of Directors.</p> <p>5. The Bank may resolve upon the distribution of advance dividend payments in those situations, by those procedures and within those limits permitted by prevailing laws.</p>	<p>2. The Meeting of Shareholders, further to a proposal from the Board of Directors, may assign to the ordinary and savings shareholders the right to require that the dividends referred to in points b), c) and d) above are settled, in whole or in part, in cash or by delivery of ordinary <b>and/or savings</b> shares, having the same entitlements of the <del>ordinary</del> shares outstanding at their time of assignment.</p> <p>In case of assignment of such right, the Meeting of Shareholders, further to a proposal from the Board of the Directors, shall determine the criteria for the calculation and assignment of the <del>ordinary</del> shares, establishing the form of settlement of the dividend payment in case of non-exercise of such right by the shareholders.</p> <p>Provided that the privilege on the dividend pertaining to the saving shares in accordance with the preceding letter b) will be paid in cash, except that the shareholder elects otherwise.</p> <p>3. <i>Unchanged text</i></p> <p>4. <i>Unchanged text</i></p> <p>5. <i>Unchanged text</i></p>
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### **3. RESOLUTIONS SUBMITTED TO THE EXTRAORDINARY SHAREHOLDERS' MEETING**

Dear Shareholders,

If you agree with the contents and arguments presented in the Directors' Report above, then we ask you to approve the following resolutions:

"The Extraordinary Shareholders' Meeting, having heard the proposal of the Board of Directors

#### **RESOLVES**

1. to approve the following amendments to the Articles of Association:

- amendment of paragraph 4 of Clause 5 according to the following new text:

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

- cancellation of current paragraphs 9, 10, 11 and 12 of Clause 6, with the consequent renumbering of the following paragraphs 13, 14, 15, 16, 17 and 18 respectively as paragraphs 9, 10, 11, 12, 13 and 14;

- amendment of Clause 10 according to the following new text:

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

- amendment of paragraph 2 of Clause 11 according to the following new text:

*"2. The right to amend the Agenda and to submit resolution proposals upon the items already on the Agenda may be exercised, in the situations, methods and time*

*limits indicated in current regulations, by shareholders who individually or collectively represent at least 0.50% of share capital.”*

- amendment of Clause 12 according to the following new text:

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

- amendment of Clause 14 according to the following new text:

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

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

- amendment of paragraph 6 of Clause 20 according to the following new text:

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

- amendment of paragraph 5 of Clause 30 according to the following new text:

*“5. The lists must, under penalty of forfeiture, be submitted to the Registered Office or the Head Office, also through long distance communication means and in accordance with the manner indicated in the notice of the Meeting which allows the identification of the parties that are doing the filing, no later than on the twenty-fifth day prior to the date of the Shareholders’ Meeting, and are made available to the public at the Registered Office, on the Company’s web site and through other channels provided for under prevailing laws, at least twenty-one days prior to the date of the Shareholders’ Meeting. The right to deposit the lists lies with legitimate parties that, by themselves or together with others, represent at least 0.5% of ordinary share capital bearing voting rights for the General Meeting of Shareholders. Minority shareholders who have no connecting relationship with the shareholders concerned shall continue to have the option to take advantage of an extension in the deadline to present lists in those instances and using those procedures specified by current regulatory and other provisions.”*

- amendment of paragraph 2 of Clause 32 according to the following new text:

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

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

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

2. to grant the Chairman and the Chief Executive Officer, also severally, all the necessary powers, including the power to sub-delegate to management personnel, to act within the law in order to implement the above resolutions, to file and register them pursuant to the requirements of law, and to do whatever else may be necessary for the



implementation of the above resolutions, giving explicit approval and ratification in advance;

3. to authorise the Chairman and the Chief Executive Officer, also severally, to register the Articles of Association, as above updated, with the Register of Companies (Registro delle Imprese).”

## **EXTRAORDINARY SESSION**

**Item no. 2. on the Agenda**

### **BOARD OF DIRECTORS' REPORT**

#### **2013 GROUP INCENTIVE SYSTEM**

**Delegation to the Board of Directors, under the provisions of section 2443 of the Italian Civil Code, of the authority to resolve, on one or more occasions for a maximum period of five years starting from the date of the shareholders' resolution, to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of € 143,214,140.73 corresponding to up to 42,200,000 UniCredit ordinary shares, to be granted to the Personnel of the Holding Company and of Group banks and companies, who hold positions of particular importance for the purposes of achieving the Group's overall objectives; consequent amendments to the articles of association.**

Dear Shareholders,

We have called you in extraordinary session to submit for your approval the proposal to delegate authority to the Board of Directors, pursuant to section 2443 of the Italian Civil Code, to increase the share capital under section 2349 of the Civil Code (granting of free shares to employees of UniCredit Group) in implementation of the 2013 Group Incentive System (the "2013 System") submitted to the approval of today's ordinary session of the shareholders' meeting. We are also submitting for your approval the consequent amendments required to the articles of association.

In line with Group Compensation Policy and considering the indications issued by Bank of Italy and the direction set by the European Directive CRD III (Capital Requirements Directive) and by EBA (European Banking Authority) guidelines, it is deemed appropriate to implement compensation systems based on financial instruments in order to align shareholder and management interests, reward long term value creation, share price appreciation and motivate and retain key Group resources.

In this context, the 2013 System has been submitted to the approval of today's ordinary session of the shareholders' meeting as summarised below, the purpose and implementation criteria of which are described in the directors' report on the Plan approved by today's shareholders' meeting in ordinary session. Please also note that for information purposes a document set up pursuant to Section 84-bis of the Consob Regulation no. 11971/99 and subsequent amendments has been published according to the terms of law.

The 2013 System aims to incentive in a multi-year period the following Group employees: Chief Executive Officer (CEO), General Manager (GM), Deputy General Manager (DGM), Senior Executive Vice Presidents (SEVP) (currently 17 people), Executive Vice Presidents (EVP) and other identified staff<sup>1</sup> (currently circa 130 people), Senior Vice Presidents (SVP) (currently circa 450 people) and other selected roles<sup>2</sup> (currently ca 520).

Beneficiaries of 2013 System, upon the achievement of goals defined for 2013 and considering individual performance, as well as results at business level and, as relevant, at country and/or Group level, shall receive an overall incentive defined using a multi-perspective Performance Screen assessment of operational & sustainability drivers and also other additional goals, as relevant. Incentive payouts shall be made over a multi-year period (2014-2018) in a balanced structure of upfront (following the moment of performance evaluation) and deferred payments - in cash and in free ordinary shares - subject to continuous employment at each date of payment and as follows:

	<b>2014 (1st installment)</b>	<b>2015 (2nd installment)</b>	<b>2016 (3rd installment)</b>	<b>2017 (4th installment)</b>		<b>2018 (5th installment)</b>
	Cash	Cash	Shares	Shares	Cash	Shares
CEO, GM, DGM, SEVP, EVP and other "identified staff"	20%	20%	20%	20%	10%	10%
SVP	40%	20%	20%	20%	-	-

The number of shares to be allocated in the respective installments shall be defined in 2014, considering the arithmetic mean of the official market price

<sup>1</sup> Employees materially impacting credit, market, liquidity risks at Group level and with an incentive higher than €500,000

<sup>2</sup> Including employees in Corporate & Investment Banking division with incentive exceeding €100,000

of UniCredit ordinary shares during the month preceding the Board resolution that evaluates 2013 performance achievements.

In order to guarantee the compliance with regulatory and legal dispositions (also in fiscal area) in the countries where the Group is present and to ensure that no negative effects (legal, fiscal or other) versus Group companies and/or beneficiaries resident in countries where the Group is present, adaptations may be made for 2013 System implementation by the Board of Directors that fully comply with the principles of 2013 System and allow achievement of the same results.

Considering the number of beneficiaries and the total number of financial instruments to be allocated, the optimal method identified to service the Group Incentive System is the deliberation – on one or more occasions – by the Board of Directors upon power of attorney delegated by this shareholders' meeting under section 2443 of the Italian Civil Code, of a free capital increase, as allowed by section 2349 of the Italian Civil Code, within five years of the date of the shareholders' resolution, for a maximum amount of € 143,214,140.73 corresponding to up to 42,200,000 UniCredit ordinary shares, to be granted to employees of the Holding Company and of Group banks and companies. In compliance with sect. 2349 of the Civil Code, the consequent amendments to the articles of association are submitted to today's Shareholders' Meeting.

The increase in capital would be carried out using the special reserve known as "Provisions Linked to the Medium Term Incentive System for Group Employees" set up for this purpose which, if case, may be restored or increased via allocation of profits or a portion of available statutory reserves, formed from the distribution of company profits that shall be identified by the Board of Directors at the moment of share issuance.

In case the amount of the "Provisions Linked to the Medium Term Incentive System for Group Personnel" does not allow the issuance (full or partial) of UniCredit ordinary shares to service the 2013 System, an equivalent amount in cash will be allocated to the beneficiaries, determined in base of arithmetic mean of the official market price of UniCredit ordinary shares during the month preceding the Board resolution that evaluates performance achievements.

Should the aforementioned delegation of power of attorney be exercised to its maximum amount, the newly issued shares would represent 0.73% of

existing share capital, while the estimated impact in case of target performance shall be approx. 0.49%.

Dear Shareholders,

In relation to the above, considering as approved by today's ordinary Shareholders' Meeting the adoption of the 2013 Group Incentive System, you are invited to approve the following resolutions:

"Having heard the directors' report, the extraordinary shareholders' meeting of UniCredit S.p.A.

#### RESOLVES

1. to grant the Board of Directors, under the provisions of section 2443 of the Italian Civil Code, the authority to resolve - on one or more occasions for a maximum period of five years from the date of shareholders' resolution - to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of € 143,214,140.73 corresponding to up to 42,200,000 ordinary shares, to be granted to employees of UniCredit S.p.A. and of Group banks and companies, who hold positions of particular importance for the purposes of achieving the Group's overall objectives in execution of the 2013 System for UniCredit Group employees approved by today's Ordinary Meeting. Such an increase in capital shall be carried out using the special reserve known as "Provisions Linked to the Medium Term Incentive System for Group Employees" set up for this purpose which, if case, may be restored or increased via allocation of profits or a portion of available statutory reserves, formed from the distribution of company profits that shall be identified by the Board of Directors at the moment of share issuance;
2. further to the resolution passed in point 1, to insert a new paragraph in article 6 of the articles of association with the following text:

*"The Board of Directors has the power, under the provisions of section 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated 11 May 2013, to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of Euro 143,214,140.73 corresponding to up to 42,200,000 ordinary shares, to be*

*granted to employees of UniCredit S.p.A. and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives in execution of 2013 Group Incentive System."*

3. to delegate to the Board of Directors all the necessary powers for issuing the new shares;
4. give to the Chairman and/or to the Chief Executive Officer, respectively, every opportune powers of attorney to:
  - (i) provide for implementing the above resolutions under terms of law;
  - (ii) accept or adopt all amendments and additions (not changing substantially the content of the resolutions) which should be necessary for registration at the Register of Companies;
  - (iii) proceed with the deposit and registration, under terms of law, with explicit and advanced approval and ratification
  - (iv) make the consequent amendments to article 5 of the articles of association relating to the new amount of share capital, and to count the new paragraph of article 6 of the articles of association passed in point 2 above, also considering further amendments that may be approved by today's Extraordinary Shareholders' Meeting."