

**Ordinary and Extraordinary
Shareholders' Meeting
20th April 2017**

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

AGENDA

Ordinary Part

1. Approval of the 2016 individual financial statements of UniCredit S.p.A.; elimination of the so-called "negative reserves" for components not subject to change by means of their definitive coverage. Presentation of the consolidated financial statements of the UniCredit Group;
2. Allocation of the UniCredit S.p.A. 2016 result of the year;
3. 2017 Group Incentive System;
4. 2017-2019 Long-term Incentive Plan (2017-2019 LTI Plan);
5. Group Termination Payments Policy;
6. 2017 Group Compensation Policy.

Extraordinary part

1. Delegation to the Board of Directors, under the provisions of section 2443 of the Italian Civil Code, of the authority to resolve in 2022 to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of € 3,181,011.56 corresponding to up to 339,236 UniCredit ordinary shares to be granted to the Personnel of the Holding Company and of Group banks and companies, in order to complete the execution of the 2016 Group Incentive System; consequent amendments to the Articles of Association;
2. 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 € 187,539,740.00 corresponding to up to 20,000,000 UniCredit ordinary shares to be granted to the Personnel of the Holding Company and of Group banks and companies in execution of the 2017 Group Incentive System and of the 2017-2019 LTI Plan; consequent amendments to the Articles of Association.

The UniCredit individual and consolidated financial statements as at December 31, 2016, and the 2016 UniCredit Report on Corporate Governance and ownership structure will be made available according to the terms provided for by rules of law and regulations.

The Group Termination Payments Policy and the 2017 Group Compensation Policy, which form an integral part of the Directors' Reports, regarding items 5 and 6 of the Ordinary Part on the Agenda, are made available in separate documents.

ORDINARY SESSION

Item 1 on the Agenda

BOARD OF DIRECTORS REPORT

APPROVAL OF THE 2016 INDIVIDUAL FINANCIAL STATEMENTS OF UNICREDIT S.p.A.; ELIMINATION OF THE SO-CALLED “NEGATIVE RESERVES” FOR COMPONENTS NOT SUBJECT TO CHANGE BY MEANS OF THEIR DEFINITIVE COVERAGE. PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE UNICREDIT GROUP

Dear Shareholders,

You have been called to the Ordinary Shareholders' Meeting of UniCredit S.p.A. (the “Company” or “UniCredit”) to approve, *inter alia*, the individual financial statements of the Company as at December 31, 2016, and elimination of the so-called “negative reserves” by means of their definitive coverage.

This Report is intended to illustrate the reasons behind such operation and the proposals on the issue on the agenda, in accordance with Art. 125 ter of Legislative Decree no. 58 of February 24, 1998.

2016 INDIVIDUAL FINANCIAL STATEMENTS OF UNICREDIT

With regard to the individual financial statements of the Company as at December 31, 2016, please refer to the draft financial statements approved by the Board of Directors on March 13, 2017, and made available to shareholders in the manner and with the deadlines prescribed by current legislative and regulatory provisions. Please note that the Legal Reserve to date amounts to €4,200,904,723.67, capacious compared to the limit set by Art. 2430 of the Italian Civil Code, even after the capital increase.

ELIMINATION OF THE SO-CALLED “NEGATIVE RESERVE” BY MEANS OF THEIR DEFINITIVE COVERAGE

Given that the so-called “negative reserves” can be finally settled applying substantially the same rules applicable to the treatment of the losses of a financial year, the Board of Directors proposes to eliminate the so-called “negative reserves” classified under the shareholders' equity of UniCredit which, having definitive characteristics, cannot be subject to further changes.

These negative reserves, which amount in total to €3,510,702,462.91, are subject to proposed elimination:

- for the amount of €368,965,123.48¹ by use of the following “Profit Reserves”:
 - €263,438,549.38 Reserve related to business combinations under common control;
 - €100,554,329.80 Statutory Reserve;
 - €4,972,244.30 Reserves arising out of Split-offs.
- for the amount of €3,141,737,339.43² by use of the following reserves:
 - €2,508,551,030.12 Share Premium Reserve;
 - €633,186,309.31 Capital Reserves (€511,209,464.92 Reserves arising out of share swaps; €25,172,951.76 Business Combinations Reserve (IFRS3); €56,710,666.13 Reserves arising out of transfer of assets ex Law 218/90³; €10,700,000.00 Reserves arising out split-offs €200,245.47 Reserves related to Business combinations under common control €29,192,981.03 Other Capital Reserves³).

The proposal does not have any impact on the overall extent of Shareholders' Equity of the bank, but is considered appropriate by the Board for a more immediate and straightforward interpretation of such Equity.

* * *

¹ Negative reserves Related to the payment of usufruct fees on Cashes financial instruments.

² Negative reserves for €2,794,156,713.65 related to business combinations under common control transactions, €266,441,430.77 related to payment of AT1 coupons, €81,139,195.01 related to other transactions.

³ For the amount not subject to tax suspension.

Dear Shareholders,

If you agree with the contents and the arguments set out in the Directors' Report illustrated above, we invite you to adopt the following resolutions:

“The Shareholders' Meeting of UniCredit, in ordinary session, agreeing with the contents and arguments set out in the Directors' Report,

resolves:

to approve the Financial Statements of UniCredit S.p.A. as at December 31, 2016, comprising the Balance Sheet, Income Statement, Statement of Comprehensive Income, Statement of Changes in Shareholders' Equity, Cash Flow Statement and Notes to the Accounts, as presented by the Board of Directors as a whole and with regard to the individual entries and thereby approve coverage of the negative reserves totaling €3,510,702,462.91 through use of:

- the Share Premium Reserve for the amount of €2,508,551,030.12;*
- Profit Reserves for the amount of €368,965,123.48⁴ (€263,438,549.38 Reserves related to business combinations under common control, €100,554,329.80 Statutory Reserve, €4,972,244.30 Reserves arising out of Split-offs);*
- Capital Reserves for the amount of €633,186,309.31 (€511,209,464.92 Reserves arising out of share swaps; €25,172,951.76 Business Combinations Reserve (IFRS3); €56,710,666.13 Reserves arising out of transfer of assets ex Law 218/90⁵; €10,700,000.00 Reserves arising out of split-offs; €200,245.47 Reserves related to business combinations under common control €29,192,981.03 Other capital reserves⁵)*

thus acknowledging that, as a result of the decisions taken here:

- the Statutory reserve will amount to €679,463,948.86*
- the Share Premium Reserve will amount to €24,859,931,295.94;*
- the Business Combinations Reserve (IFRS3) will amount to €2,093,451,254.24;*
- the Reserves arising out of transfer of assets will amount to €420,379,677.98.”*

⁴ Negative reserved Related to the payment of usufruct fees on Cashes financial instruments.

⁵ For the amount not subject to tax suspension.

ORDINARY SESSION

Item 2 on the Agenda

BOARD OF DIRECTORS REPORT

Allocation of the UniCredit S.p.A. 2016 result of the year

Dear Shareholders,

You have also been called to the Ordinary General Meeting of the Company in order to approve, inter alia, allocation of the 2016 result of your Company.

ALLOCATION OF THE UNICREDIT S.P.A. RESULT OF THE YEAR

The Company, on an individual basis, recorded a loss of €11,460,132,614.58 in 2016, mostly arising from the incisive actions taken following approval of the new 2016-2019 Strategic Plan, namely i) alignment of the value of a portfolio of non-performing loans identified for sale at the prices expected from market operations initiated in relation to said loans; ii) the change in the estimates of the value of impaired loans to customers, in order to reflect the prevailing conditions at the balance sheet date based on the new impaired loans management approach; iii) the liabilities attributable to business restructuring costs (both relating to redundancies and to the renegotiation of existing contracts) as well as to legal and compliance risks; iv) the write-down of certain equity investments, deferred tax assets and other financial investments.

The Board of Directors proposes to cover the entire loss from the 2016 financial year through the use of the Share Premium Reserve.

* * *

Dear Shareholders,

In relation to the above, we invite you to take the following resolutions:

“The Shareholders’ Meeting of UniCredit, in ordinary session, in reference to the decisions taken upon approval of the Financial Statements as at December 31, 2016, and on the basis of the composition of shareholders’ equity resulting from these decisions ,

resolves:

to cover the loss from the 2016 financial year through the use of the Share Premium Reserve for the amount of €11,460,132,614.58:

- 1. thereby acknowledging that, following the decisions taken, the Share Premium Reserve will amount to €13,399,798,681.36.”*

ORDINARY PART

Items 3 and 4 on the Agenda

DIRECTORS' REPORT

2017 GROUP INCENTIVE SYSTEM

2017-2019 LTI PLAN

Dear Shareholders,

We have called this ordinary meeting to request your approval of compensation systems, providing for the grant of incentives in cash and/or UniCredit free ordinary shares, to a selected beneficiaries of Group employees, over a multi-year period according to the modalities described below 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 and reference is made to detailed description of the incentive systems described in this report.

This proposal is in line with Group Compensation Policy and considering the indications issued by Bank of Italy on remuneration policies and practices, and the direction set by the European Directive 2013/36/UE (CRD IV) and by EBA (European Banking Authority) guidelines. With this regards, it should be highlighted that UniCredit, in compliance with applicable regulations, confirms - for the personnel belonging to the business functions - the adoption of a maximum ratio between variable and fixed remuneration of 2:1. For the rest of the staff it is usually adopted a maximum ratio between the components of remuneration equal to 1:1, except for the staff of the Company Control Functions¹, for which it is expected that the fixed remuneration is predominant component of total remuneration and incentive mechanisms are consistent with the assigned tasks as well as independent of results from areas under their control. For these functions, in particular, the maximum weight of the variable component will take into account the differences between national rules and regulations in application of Directives 2013/36 / EU in the various countries in which the Group operates, in order to ensure equal operating conditions in the market and the ability to attract and retain individuals with professionalism and capacity adapted to needs of the Group.

¹ Internal Audit, Risk Management, Compliance and Human Resources. Human Resources is considered a Control Function for what concern remuneration and compensation policies, upon Bank of Italy Circular 285-VII update

Therefore, the following compensation systems are submitted for the approval of this Shareholders' meeting:

1. "2017 Group Incentive System" which provides for the allocation of an incentive - to a selected beneficiaries of Group employees that cover key positions - in cash and/or UniCredit free ordinary shares, over a multi-year period and subject to the achievement of specific performance conditions;
2. "2017-2019 LTI Plan" -2019" which provides for the allocation of an incentive - to a selected beneficiaries of Group employees that cover key positions - in UniCredit free ordinary shares, over a multi-year period and subject to the achievement of specific performance conditions linked to the 2017-2019 Multi-Year Plan.

1. 2017 GROUP INCENTIVE SYSTEM

GOALS

The 2017 Group Incentive System (the "2017 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

The potential beneficiaries of the 2017 System, as provided by the criteria issued by Commission Delegated Regulation (EU) No 604/2014 of March 4th, 2014 - are:

- UniCredit Chief Executive Officer (CEO) and General Manager (GM), Senior Executive Vice Presidents (SEVP), Executive Vice Presidents (EVP), Senior Vice Presidents (SVP), Board members of relevant and identified Group Legal Entities;
- Employees of the Group with total remuneration greater than 500,000 in 2016;
- Employees included within 0.3% of staff with the highest remuneration at Group level;
- Employees whose remuneration is within the remuneration bracket of senior management and other risk takers at Group level;
- Other selected roles of the Group (defined also during possible future hiring processes).

The total estimated number of beneficiaries is ca. 1,100 based on population identified in the last years.

ELEMENTS OF 2017 SYSTEM

- (a) 2017 System provides for the same approach adopted in 2016 (based on the “bonus pool approach”) for determining variable remuneration to be paid in 2018. The link between profitability, risk and reward is assured by linking directly bonus pools with company results - at Group and local level - cost of capital and risk profiles relevant for the Group as stated in the Group Risk Appetite Framework.
- (b) Bonus pools will be defined based on Country/Division and Group performance and assigned to employees according to individual performance.
- (c) The 2017 System aims to attract, retain and motivate beneficiaries in alignment with the national and international regulatory requirements providing for:
 - allocation of a variable incentive defined based on available bonus pool, individual performance evaluation, internal benchmark for specific roles/markets and bonus cap as set by the Ordinary Shareholder’s meeting;
 - definition of a balanced structure of upfront (done at the moment of performance evaluation) and deferred payments, in cash and in shares;
 - distributions of share payments with share retention periods (a retention period on upfront shares of 2 years and of 1 year for deferred shares);
 - risk adjusted metrics in order to guarantee long-term sustainability with respect to company’s financial position and to ensure compliance with regulatory expectations.
- (d) Malus condition (“Zero Factor”) applies in case specific thresholds (profitability, capital & liquidity) are not met at both local and Group levels. In particular, the Bonus Pool of 2017 will be zeroed, while previous systems deferrals could be reduced from 50% to 100% of their value, based on final effective results and dashboard assessments done by the Chief Risk Officer function. Individual performance appraisal is based on specific goals, linked to the UniCredit 5 Fundamentals of Competency Model: “*Customers First*”; “*People Development*”, “*Cooperation and Synergies*”, “*Risk Management*” and “*Execution and Discipline*”.
- (e) Incentive payouts shall be made over a multi-year period subject to continuous employment at each date of payment and as follows:
 - in 2018 the first installment of the overall incentive will be paid in cash and/or shares 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 remainder of the overall incentive will be paid in several installments in cash and/or UniCredit free ordinary shares during the period

- 2019-2023 for Executive Vice President and above and other identified staff with bonus equal or higher than € 500,000,
- 2019-2022 for Senior Vice President and other identified staff with bonus lower than € 500,000.

Each further tranche will be subject to the application of the Zero Factor for the year of allocation 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).

- (f) The 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 of UniCredit.
- (g) The percentages of payments in cash and shares² are defined considering beneficiary categories, as described in the following table:

	2018	2019	2020	2021	2022	2023
EVP & above & other identified staff with bonus $\geq 500k^3$	20% cash	10% cash	20% shares	10% shares	10% shares	20% cash + 10% shares
SVP & other identified staff with bonus <500k	30% cash	10% cash	30% shares	10% cash + 10% shares	10% shares	-

- (h) In coherence with 2016, it is provided the introduction of a specific minimum threshold below which deferral mechanism would not apply (75K Euro or a lower threshold could be defined at local level).
- (i) The 2017 System can also be offered during the hiring process of outside employees, in the event that new hires are already beneficiaries of deferral incentive plans (Bonus “buy-out”). In this circumstances, the scheme of payment that would be offered will reflect the scheme defined by previous Employers, in accordance to local Regulators. The free capital increase that will be carried out for the 2017 System could be also used for severance payments to Group employees, for whom the regulatory foresee deferred payments in financial instruments.

² The table shows the share payments distribution after the shares retention periods (a retention period on upfront shares of 2 years and of 1 year for deferred shares)

³ Including direct reports to strategic supervisory, management and control bodies and other Identified staff as required by local regulation

- (j) The number of shares to be allocated in the respective installments shall be defined in 2018, on the basis of the arithmetic mean of the official market price of UniCredit ordinary shares during the month preceding the Board resolution that evaluates 2017 performance achievements. The allocation of a maximum number of 16,000,000 UniCredit ordinary shares is proposed, representing about 0,72% of UniCredit share capital, of which maximum n° of 3,700,000 UniCredit ordinary shares devoted to the payment of so called “bonus buy-out” and to the severance payments.
- (k) The Board of Directors could establish to assign free UniCredit ordinary shares that will be freely transferable at the end of the shares retention period, or in the year of the assignment, but subject to restrictions on the transfer for the foreseen shares retention period (a retention period on upfront shares of 2 years and of 1 year for deferred shares).

CHANGES TO THE 2017 SYSTEM

Considering regulatory and legal dispositions (also in fiscal area) in the countries where the Group is present, in line with the practice of previous years, it is considered to provide for the employees of Zagrebačka Banka (Croatia), UniCredit Bank Czech Republic & Slovakia and UniCredit Bank Srbija, several adaptations for the implementation of 2017 System, providing, for example, for the use of local company shares instead of UniCredit shares.

Moreover, as done also in the previous years, for Executives in Finecobank (Italy) share-based incentive plan 2017 based on Finecobank shares will be offered.

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 the implementation of 2017 system will not have any adverse effects (legal, tax or other) on Group Companies and/or beneficiaries residing in countries where the Group operates, the Chairman and the Chief Executive Officer will be granted every opportune power to implement, also separately, some adaptations to the 2017 System that do not change substantially the content of resolutions of Board today and General Shareholders' Meeting, also via alternative solutions that fully comply with the principles of 2017 System and allow achievement of the same results (for example: 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 ordinary shares; application of Entry condition that may incorporate profitability, solidity and liquidity results of local Group companies; extension of 2017 System application to other beneficiaries considered as equivalent to identified staff; using a trust company or the allocation of shares or other instruments of the UniCredit Group local companies where the beneficiary is employed; 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).

It is understood that these amendments will be adopted in any case in accordance with the applicable provisions and in particular as provided by the "Regulations on remuneration and incentive policies and practices of banks and banking groups".

2. 2017-2019 LTI PLAN

GOALS

The 2017-2019 LTI Plan (the "LTI Plan" or the "Plan") is aimed at aligning Top and Senior Management interests to the long term value creation for the shareholder, to share price and Group performance appreciation and sustaining a sound and prudent risk management orienting the performance management measurement on a multi-year horizon.

The Plan has also the characteristic to be qualified as a "retention" tool in order to retain key Group resources for the achievement of the mid-long term Group Strategy.

BENEFICIARIES

The potential beneficiaries of the LTI Plan are:

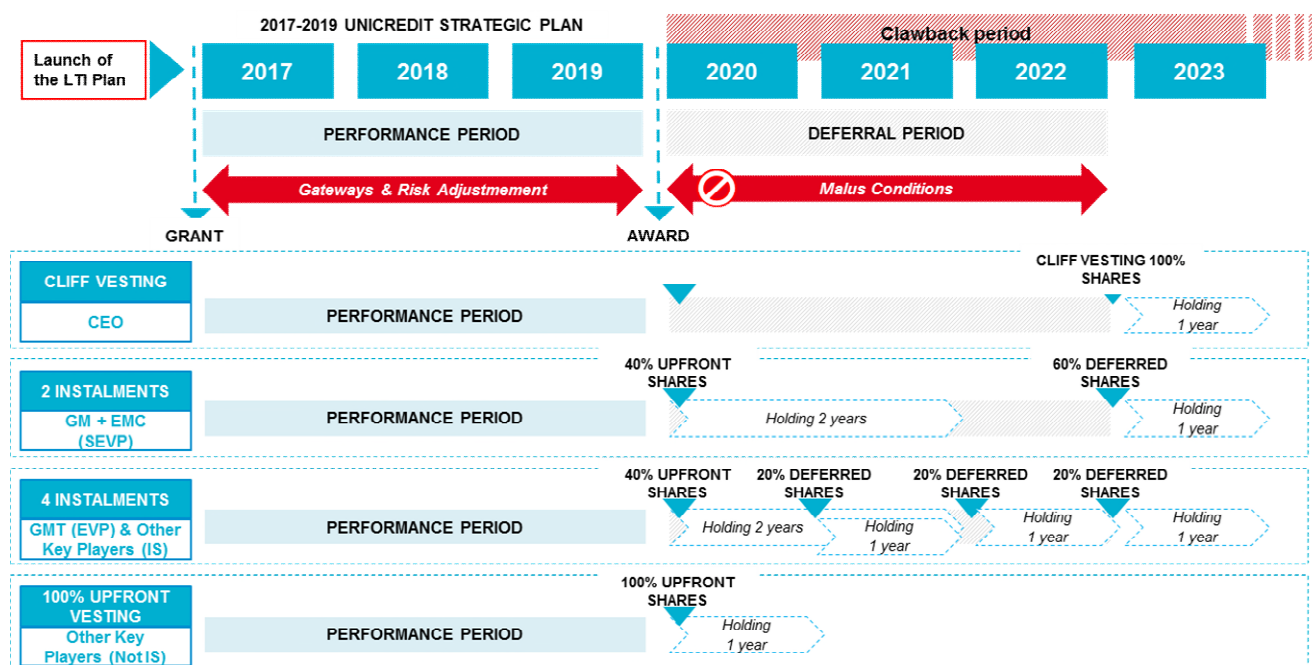
- UniCredit Chief Executive Officer (CEO);
- UniCredit General Manager (GM);
- Members of Executive Management Committee (EMC), that are the Senior Executive Vice Presidents (SEVP) of UniCredit;
- Members of Group Management Team (GMT), that are the Executive Vice Presidents (EVP) of UniCredit including also employees of the Legal Entities of the Group;
- Other Key roles up to 200 beneficiaries, including selected Talents not belonging to the aforementioned clusters.

Personnel of Company Control Functions is not included in the Plan.

ELEMENTS OF LTI PLAN

- (a) The Plan provides for the allocation of UniCredit free ordinary shares, in several installments and over a multi-year period, subject to the achievement of specific performance conditions linked to the 2017-2019 Multi-Year Plan.
- (b) The overall number of shares to be allocated has been defined on the basis of the arithmetic mean of the official market price of UniCredit ordinary shares during the 30 days preceding the Board resolution that has approved the proposal submitted today to the General Shareholders' Meeting.

- (c) The different percentages of payments in shares, starting from 2020, are defined considering beneficiary categories, as described in the following table:



- (d) The assigned shares will be subject to a three-year deferral period from the date of approval of the LTI Plan, as required by law. The overall final amount will be defined on the basis of the achievement of specific performance conditions linked to the 2017-2019 Multi-Year Plan, subject to continuous employment at each date of payment. Moreover, the shares will be assigned only on the basis of the respect of the minimum conditions of Company assets, capital and liquidity (“malus condition”), as well as in terms of the conduct of compliance with respect to the law, Company and Group compliance rules, Company Policy and to the integrity values mentioned in the Code of Conduct (including claw-back clauses).
- (e) It is foreseen also a qualitative assessment made by Remuneration Committee and Board of Directors on the basis of non-purely formulistic elements, to keep into consideration the value creation for shareholders (i.e. Total Shareholder Return), the achievement of further managerial KPIs included in the 2017-2019 Multi-Year Plan (i.e. cross selling, funding gap, etc.), the market context, the remuneration trends, etc., that could decrease up to 0 or increase up to maximum 20% the payments of the Plan. However the overall final value of the assignments of the LTI Plan could not exceed the 100% of the original assignment.
- (f) Once the Board verifies the achievement of the performance indicators, it will be granted the assignments of the shares on the basis of the percentages of payments in shares and the installments foreseen for the different beneficiary categories.

- (g) Performance indicators of the LTI Plan to be evaluated for the definition of the numbers of shares are the following:
- **Return On Allocated Capital** (weight - 50%⁴): this KPI will be measured on the basis of its value at the end of the 2017-2019 Multi-Year Plan, coherently with Plan targets (i.e. 100% of the achievement for its value equal or higher than 9%);
 - **Cost/Income Ratio** (weight - 25%): this KPI will be measured on the basis of its value at the end of the 2017-2019 Multi-Year Plan, coherently with Plan targets (i.e. 100% of the achievement for its value equal or higher than 52%);
 - **NET Non Performing Exposure** (weight - 25%): this KPI will be measured on the basis of its value at the end of the 2017-2019 Multi-Year Plan, coherently with Plan targets (i.e. 100% of the achievement for its value equal or higher than 20,2 Euro billion).
- (h) As required by law, distribution of share payments foresees share retention periods (a retention period on upfront shares⁵ of 2 years and of 1 year for deferred shares).
- (i) LTI Plan could also be offered during the hiring process of outside employees that would cover key roles in the Group, until December, 31 2017, with a pro-quota participation.
- (j) The allocation of a maximum number of 7,000,000 UniCredit⁶ ordinary shares is proposed, representing about 0,31% of UniCredit share capital, of which maximum n° of 1,200,000 UniCredit ordinary shares shall be devoted to the potential new hirings.
- (k) The Board of Directors could establish to assign free UniCredit ordinary shares that will be freely transferable at the end of the shares retention period, or in the year of the assignment, but subject to restrictions on the transfer for the foreseen shares retention period (a retention period on upfront shares of 2 years and of 1 year for deferred shares).

CHANGES TO THE LTI PLAN

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 the implementation of the LTI Plan will not have any adverse effects (legal, tax or other) on Group Companies and/or beneficiaries residing in countries where the Group operates, the Chairman and the Chief Executive Officer will be granted every opportune power to implement, also separately, some adaptations to the LTI Plan that do not change substantially the content of resolutions of Board today and General Shareholders' Meeting, also via alternative solutions that fully comply with the principles of the LTI Plan and allow achievement of the same results (for example: a different percentage distribution of the various installments of payments; a different period of deferral; a retention period on granted shares; application of Entry condition that may

⁴ The percentage of single KPI impact on the overall final payment

⁵ For Not Identified Staff, the retention period on upfront shares is equal to 1 year

⁶ In case of a paid increase in share capital carried out after the calculation of the maximum number of shares, in order to ensure the continuity in the historic series of prices and to maintain a neutral situation for holders of the securities concerned the paid increase in share capital, is foreseen the application of an adjustment factor (so called K-factor) recommended by AIAF (Italian Society of Financial Analysts) and communicated by Borsa Italiana S.p.A.

incorporate profitability, solidity and liquidity results of local Group companies; 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).

It is understood that these amendments will be adopted in any case in accordance with the applicable provisions and in particular as provided by the "Regulations on remuneration and incentive policies and practices of banks and banking groups".

3. SHARES REQUESTED FOR THE 2017 COMPENSATION SYSTEMS

The issue of UniCredit free ordinary shares necessary for the execution of the 2017 System and of the LTI Plan, as in the past, will be object of a delegation of power of attorney to the Board of Directors, in compliance with sect. 2443 of the 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 aforementioned 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 amount of € 187,539,740.00 corresponding to up to 20,000,000 UniCredit ordinary shares, to be granted to employees of the Holding Company and of Group banks and companies for the 2017 System and the LTI Plan.

Related to section 2443 of Civil Code that provides that the Directors can exercise the right to carry out a free capital increase for a maximum period of five years starting from the date when the Shareholders' meeting resolution providing the delegation of power has been registered and therefore - regarding the date of the AGM resolution - until 2022, in order to assign last share installment provided for 2023 for both plans, it will be necessary to submit to a future AGM approval a proposal aimed at integrating the delegation of power already provided to the Board of Directors so that the implementation of 2017 System and LTI Plan can be completed.

The allocation of free ordinary shares needed 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 2017 System and the LTI Plan, 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 2017.

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Dear Shareholders,

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

“UniCredit’s Ordinary Shareholders’ Meeting, having heard the Board of Directors proposal,

RESOLVES

1. *to adopt the 2017 Group Incentive System which provides for the allocation of an incentive in cash and/or UniCredit free ordinary shares, over a multi-year period, to selected UniCredit Group employees, in the manner and terms described above;*
2. *to adopt the 2017-2019 LTI Plan which provides for the allocation of an incentive in UniCredit free ordinary shares, over a multi-year period, to selected UniCredit Group employees, in the manner and terms described above;*
3. *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) or 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 the implementation of 2017 system will not have any adverse effects (legal, tax or other) on Group Companies and / or beneficiaries residing in countries where the Group operates.”*

ORDINARY PART

Item 5 on the Agenda

DIRECTORS' REPORT

GROUP TERMINATION PAYMENTS POLICY

Dear Shareholders,

We have called this Ordinary Meeting to request your approval of an update of the Group Termination Payments Policy (hereinafter also “the Severance Policy”), set out in the attached document - which forms an integral part of the present Report - in compliance with the regulatory provisions at Title IV, Chapter 2, “Remuneration and Incentive Policies and Practices” of Bank of Italy’s Circular 285 (“Regulatory Provisions for Banks”), which prescribe that the Shareholders’ Meeting approves, inter alia, the criteria for the determination of the compensation to be awarded in case of early termination of the employment or office, thereby including the limits of such remuneration in terms of years of fixed compensation and the maximum amount stemming from their application.

We recall that on May 13th, 2015, the Shareholders’ Meeting in Ordinary Session approved the Severance Policy currently into force which - inter alia - foresees that severance payments additional to notice do not exceed 24 months of total compensation and that their absolute maximum limit is set at € 12 million.

The topic of severance payments has been in the last two years at the center of growing interest by Regulatory Authorities and the main Stakeholders.

To ensure the alignment to market practices, during the Capital Markets Day held in London on December 13th, 2016, the Chief Executive Officer had already announced that the Severance Policy would have been reviewed, providing for a maximum limit of 24 months of total compensation, inclusive of notice, and at the same time stating that he will not receive any severance should his relationship be resolved for any reason.

It is therefore proposed to update the Severance Policy, foreseeing that:

- severance payments, inclusive of notice, do not exceed 24 months of total compensation and that the part of *severance* additional to notice cannot anyhow exceed 18 months of compensation;
- the maximum absolute limit for severance payments is reduced to € 7.2 million, without possibility of exceptions;
- the general limit set by the Severance Policy does not create any entitlement to receiving severance payments higher than those foreseen by laws / contracts / local practices;
- having confirmed that severance payments for Identified Staff are subject to payout mechanisms, also deferred, similar to those of bonuses within the Group Incentive

System, deferrals are foreseen when required by rules and are consistent with the legal framework, regulatory provisions and local practices;

- severance payments are subject to *malus* clauses which foresee their reduction / revocation not only when i) cases of fraud or negligence, unknown at the time of the termination agreement's sign-off, to the damage of the Bank / Group and which during the employment would have represented valid ground for a dismissal for cause are discovered, or ii) serious negative economic consequences - equally unknown at the time of the termination agreement's sign-off and directly linked to the activities of the beneficiary in the period preceding the termination - should manifest themselves, but also if iii) UniCredit's minimum capital and liquidity requirements as foreseen by the regulations time by time applicable should not be met;
- the possible amendments or adaptations of the Severance Policy, necessary with regards to the peculiarities of the legal / regulatory context and local market practices, are approved by the Chief Executive Officer, and disclosed to the Remuneration Committee and the Board of Directors as well as within the Annual Compensation Report;
- the main amendments or adaptations of the Severance Policy related to the specific contexts of Germany, Austria, United Kingdom, United States and Asia are directly highlighted in the Policy itself;
- operational guidelines at global and local level have to be issued to ensure a consistent application of the Severance Policy.

It is instead proposed to confirm all other essential elements of the Severance Policy currently into force, inclusive of the criteria for the calculation of the remuneration of reference, the criteria for the determination of severance payments and the maximum limit in terms of number of years of fixed compensation.

* * *

Dear Shareholders,

If you agree with the above proposal, you are invited to adopt the following resolution:

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

RESOLVES

to approve the Group Termination Payments Policy as outlined in the attached document, which forms an integral part of the present Report, in order to define the general principles, the limits, the criteria and the modalities for the payment of the compensation to be awarded in case of early termination of the employment or office."

ORDINARY PART

Item 6 on the Agenda

DIRECTORS' REPORT

2016 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 “*Disposizioni di vigilanza per le Banche*” issued by Bank of Italy which prescribe that the Shareholders’ Meeting approves, amongst other items, the remuneration policy for Member of Administrative and Auditing bodies and employees. The approval of remuneration policy and incentive systems shall evidence their conformity with prudent risk management and the company’s long-term objectives, as well as ensuring an appropriate balance between the fixed and variable components as required by regulators, 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 April 14, 2016 (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 considering the contribution of Group Human Capital, Group Compliance, Group Risk Management 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 April 14, 2016.

The document is prepared to fulfil the obligation prescribed by art. 123-ter of Legislative Decree nr. 58/98 (TUF).

The general principles foreseen at Group level by the Compensation Policy may be the object of calibration, consistently with the rules and regulatory provisions locally applicable.

Group Compensation Policy & Annual Compensation Report

The key principles of the Group Compensation Policy, which are confirmed with respect to those approved by the Ordinary Shareholders’ Meeting on April 14, 2016, are fully described in the Group Compensation Policy that has been made available to shareholders and the market - in the ways and in accordance with law - 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 and effectiveness as well as internal and external equity and 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 and principles of conduct
 - continuous monitoring of market trends and practices
 - sustainable pay for sustainable performance
 - motivation and 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.

In compliance with applicable regulations, it is not changed the approach presented to the Annual General Meeting held on May 13, 2014 which approved - for the personnel belonging to the business functions - the adoption of a maximum ratio between variable and fixed remuneration of 2:1.

For the rest of the staff it is usually adopted a maximum ratio between the components of remuneration equal to 1:1, except for the staff of the Company Control Functions, for which it is expected that the fixed remuneration is predominant component of total remuneration and incentive mechanisms are consistent with the assigned tasks as well as independent of results from areas under their control.

For these functions, in particular, the maximum weight of the variable component will take into account the differences between national rules and regulations in application of Directives 2013/36/EU in the various countries in which the Group operates, in order to ensure equal operating conditions in the market and the ability to attract and retain individuals with professionalism and capacity adapted to needs of the Group.

The main rationales for supporting the proposal approved in 2014 to set a ratio higher than 1:1 aim to safeguard the Group presence in specific markets and, in particular: to ensure a stronger link between compensation and performance, maintain competitiveness in the market, being also the direction in which the main peers moved, limit the "un-level playing field" in the markets where the cap is not present, avoid the rigidity of the cost structure, guarantee the alignment with multi-year performance through deferring a relevant component of the variable compensation.

Maintaining of a ratio of 2:1 between variable and fixed compensation will not have implications on bank's capacity to continue to respect all prudential rules, in particular capital requirements.

In line with national and international disclosure standards, the key implementation features and outcomes of Group Compensation Policy and Incentive Systems in 2016, 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 that has been 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 the 7th update of Bank of Italy circular no. 285 of December 17, 2013.

In addition, in compliance with the latest regulatory requirements provided by European Banking Authority (EBA), UniCredit performed the yearly assessment of categories of staff whose professional activities have a material impact on an institution's risk profile. The self-assessment was performed at local and Group level, as requested by Bank of Italy, and is documented in the 2017 Group Compensation Policy. The number of Identified Staff in 2017 is ca. 900 resources.

Furthermore, in line with the indications of national and international regulators, it is deemed appropriate within the annual review of policy and remuneration systems to make some updates including in particular:

- I. full documentation of the new 2017 Group Incentive System, based on bonus pool approach
- II. full documentation of the new Long Term Incentive Plan 2017-2019, linked to the Strategic Plan Transform 2019
- III. description of the structured process for the definition of Identified Staff population
- IV. adequate information about Remuneration Committee role and the its respective activities performed in 2016, as well as the role of Compliance, Internal Audit and Risk Management functions
- V. illustration of the international and national regulatory framework as well as disclosure on the peer group for compensation and performance benchmarking
- VI. disclosure of all information requested by national and international regulations (e.g. Bank of Italy, Consob, Institutions of the European Union).

Finally, the Report and the respective annexes provide:

- the disclosure as per sect. 84-quarter of the Italian National Commission for Listed Companies (Consob) Issuers Regulation no. 11971, referring to Directors, Statutory Auditors, General Managers and other Executive with Strategic Responsibilities,
- specific disclosure on equity plans approval and execution, as requested by art 114-bis of TUF.

* * *

Dear Shareholders,

If you agree with the above proposal, you are invited to adopt the following resolution:

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

RESOLVES

to approve the Group Compensation Policy, also pursuant to art. 123-ter of TUF as contained in the 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 policy and practices across the entire organization."

EXTRAORDINARY PART

Items 1 and 2 on the Agenda

DIRECTORS' REPORT

1. Delegation to the Board of Directors, under the provisions of section 2443 of the Italian Civil Code, of the authority to resolve in 2022 to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of € 3,181,011.56 corresponding to up to 339,236 UniCredit ordinary shares to be granted to the Personnel of the Holding Company and of Group banks and companies, in order to complete the execution of the 2016 Group Incentive System; consequent amendments to the Articles of Association.
2. 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 € 187,539,740.00 corresponding to up to 20,000,000 UniCredit ordinary shares to be granted to the Personnel of the Holding Company and of Group banks and companies in execution of the 2017 Group Incentive System and of the 2017-2019 LTI Plan; 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 Civil Code, to increase the share capital under section 2349 of the Civil Code (granting of free ordinary shares to employees of UniCredit Group):

1. in order to complete the execution of "2016 Group Incentive System" (the "2016 System") approved by the ordinary session of the shareholders' meeting of April 2016, as well as
2. in order to implement the "2017 Group Incentive System" (the "2017 System") and the "2017-2019 LTI Plan" (the "LTI Plan") 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.

1) DELEGATION FOR CAPITAL INCREASE TO SUPPORT THE 2016 GROUP INCENTIVE SYSTEM AND CONSEQUENT AMENDMENTS TO THE ARTICLES OF ASSOCIATION

As known, the ordinary session of the shareholders' meeting of April 14, 2016 approved the 2016 System aimed at the allocation of an incentive, in cash and/or in free ordinary shares, to be granted to the Personnel of UniCredit and of Group's companies, in the timeframe 2017-2022, through a balanced structure of "upfront" (i.e. done at the moment of performance evaluation) and "deferred" payments.

In the same meeting the shareholders resolved, in the extraordinary session, the assignment of the power of attorney to the Board of Directors in order to issue the free ordinary shares needed for the execution of 2016 System.

Considering that, under the provision of section 2443 of the Italian Civil Code, the power of attorney to the Board of Directors to increase the share capital can't be assigned for more than five years from the date of the registration of the related shareholders' resolution, during the aforementioned resolution it had been prospected to shareholders the need to present, in a following session, the proposal to assign a further power of attorney for the allocation of the last tranche of shares to be done in 2022, as provided by 2016 System.

In consideration of the above, it is proposed to today shareholders' meeting to assign a power of attorney to the Board of Directors, to be exercised in 2022, in order to increase the share capital of up to 339,236 ordinary shares, corresponding to a maximum amount of Euro 3,181,011.56, calculated based on the implicit value of UniCredit share, determined at the moment of the assignment of the power of attorney to the Board in April 2016.

The aforementioned capital increase will 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 a portion of profits or 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.

Under the provisions of section 2349 of the Italian Civil Code, the consequent amendments to the Articles of Association are submitted to the Shareholders' meeting for approval, inserting a new paragraph in clause 6 with the following text:

"The Board of Directors has the power, according to the provisions of sec. 2443 of the Italian Civil Code, to resolve to carry out a free capital increase in 2022, exercising the delegation granted by the Shareholders' resolution dated April 20, 2017, for a maximum amount of Euro 3,181,011.56, corresponding to a maximum number of 339,236 ordinary shares, to be granted to the personnel of UniCredit S.p.A. and of the Group banks and companies who hold positions of particular importance for the purpose of achieving the overall Group targets in completing the 2016 Group Incentive System."

2) DELEGATION FOR CAPITAL INCREASE TO SUPPORT THE 2017 GROUP INCENTIVE SYSTEM AND THE 2017-2019 LTI PLAN; CONSEQUENT AMENDMENTS TO THE ARTICLES OF ASSOCIATION

It has been submitted to the approval of today's Ordinary meeting the 2017 System and the LTI Plan based on financial instruments, in order to align shareholders' and management interests, reward long term value creation, share price appreciation and motivate and retain key Group resources.

The 2017 System aims to incentive in a multi-year period the following Group employees: UniCredit Chief Executive Officer (CEO), UniCredit General Manager (GM), Senior Executive Vice Presidents (SEVP), Executive Vice Presidents (EVP), Senior Vice Presidents (SVP), Board members of relevant and identified Group Legal Entities, employees of the Group with total remuneration greater than € 500,000 in 2016, employees included within 0.3% of staff with the highest remuneration at Group level, employees whose remuneration is within the remuneration bracket of senior management or other risk takers at Group level, and other selected roles of the Group (including new hires). The total estimated number of beneficiaries is ca. 1,100 based on population identified in the last years.

Individual bonuses will be allocated to the Beneficiaries of 2017 System based on available bonus pool, individual performance evaluation, bonus reference for specific roles/markets and bonus cap as defined by the Ordinary Shareholder's meeting.

Overall incentive payout shall be done over a multi-year period in a balanced structure of "upfront" (following the moment of performance evaluation) and deferred payments, in cash and in shares¹, subject to continuous employment at each date of payment, as shown by the following table:

	2018	2019	2020	2021	2022	2023
EVP & above & other identified staff with bonus ≥500k ²	20% cash	10% cash	20% shares	10% shares	10% shares	20% cash + 10% shares
SVP & other identified staff with bonus <500k	30% cash	10% cash	30% shares	10% cash + 10% shares	10% shares	-

The number of shares to be allocated in the respective installments shall be defined in 2018, on the basis of the arithmetic mean of the official market prices of UniCredit ordinary shares during the month preceding the Board resolution that evaluates 2017 performance achievements (the maximum number of shares to service the 2017 System is estimated at 16,000,000).

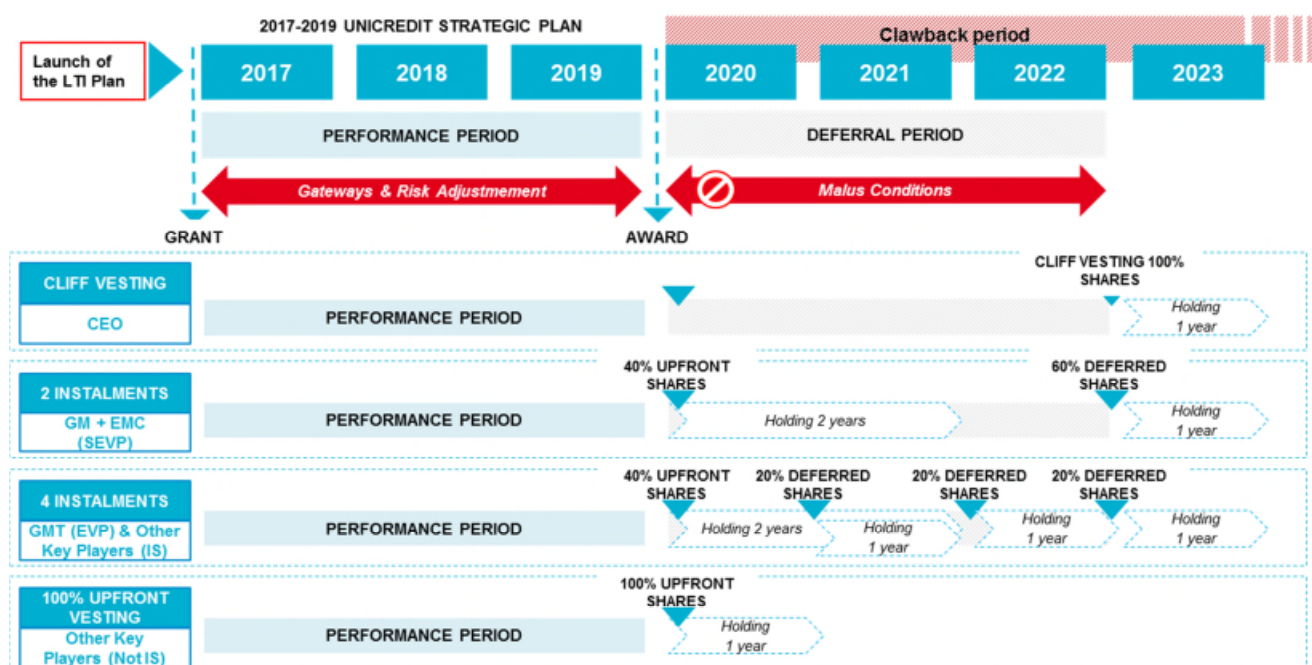
¹ The table shows the share payments distribution after the shares retention periods (a retention period on upfront shares of 2 years and of 1 year for deferred shares)

² Including direct reports to strategic supervisory, management and control bodies and other Identified staff as required by local regulation

The LTI Plan aims to incentive in a multi-year period the following Group employees: UniCredit Chief Executive Officer (CEO), UniCredit General Manager (GM), Members of Executive Management Committee (EMC), that are the Senior Executive Vice Presidents (SEVP) of UniCredit, Members of Group Management Team (GMT), that are the Executive Vice Presidents (EVP) of UniCredit including also employees of other Legal Entities of the Group, other Key roles up to 200 beneficiaries, including selected Talents not belonging to the aforementioned clusters.

The Plan provides for the allocation of UniCredit free ordinary shares over a multi-year period, subject to the achievement of specific performance conditions linked to the 2017-2019 Multi-Year Plan.

The different percentages of payments in shares, starting from 2020, are defined considering beneficiary categories, as described in the following table:



The assigned shares will be subject to a three-year deferral period from the date of approval of the LTI Plan, as required by law. The overall final amount will be defined on the basis of the achievement of specific performance conditions linked to the 2017-2019 Multi-Year Plan, subject to continuous employment at each date of payment. As required by law, distribution of share payments foresees share retention periods (a retention period on upfront shares³ of 2 years and of 1 year for deferred shares).

The overall number of shares to be allocated has been defined on the basis of the arithmetic mean of the official market price of UniCredit ordinary shares during the 30 days preceding the Board resolution that has approved the proposal submitted today to the General Shareholders' Meeting. The allocation of a maximum number of 7,000,000 UniCredit ordinary

³ For Not Identified Staff, the retention period on upfront shares is equal to 1 year

shares is proposed, representing about 0,31% of UniCredit share capital, of which maximum number of 1,200,000 UniCredit ordinary shares shall be devoted to the potential new hirings.

Considering the number of beneficiaries and the total number of financial instruments to be allocated, the optimal method identified to service the 2017 System and the LTI Plan 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 € 187,539,740.00 corresponding to up to 20,000,000 UniCredit ordinary shares, to be granted to the aforementioned employees of the Holding Company and of Group banks and companies.

Being understood that, under the provision of section 2443 of the Italian Civil Code, the power of attorney to the Board of Directors for capital increase can't have a duration higher than five years from the date of the registration of relevant shareholders' resolution, in order to complete the execution of 2017 System and LTI Plan - having a 6-years duration - it will be submitted to one of the future Shareholders' meetings approval the proposed assignment of a further power of attorney to the Board of Directors for capital increase to service the aforementioned 2017 System and LTI Plan through the allocation of a maximum overall number of 3,000,000 of UniCredit ordinary shares, corresponding to a capital increase of a maximum € 28,130,961.00.

It is highlighted that a maximum number of UniCredit ordinary shares of the 2017 System equal to 3,700,000 will be destined to so called "bonus buy-out" to be paid to possible new hires who are entitled to receive previous Incentive Plans assigned by previous Employer. The payout scheme offered in such cases will mirror the one as defined by the previous Employer and in any case in compliance with actual regulations. The free capital increase that will be carried out for the 2017 System could be also used for severance payments to Group employees, for whom the regulatory foresee deferred payments in financial instruments.

The capital increases 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 it would not be possible to proceed with the issuance (full or partial) of the UniCredit ordinary shares to service the 2017 System or the LTI Plan (including the case in which the amount of the "Provisions Linked to the Medium Term Incentive System for Group Personnel" would not be sufficient), an equivalent amount in cash will be allocated to the beneficiaries, determined on base of arithmetic mean of the official market prices of UniCredit ordinary shares during the month preceding the Board resolution that evaluates results achieved in 2017.

Should the aforementioned delegation of power of attorney be exercised to its maximum amount, the newly issued shares would represent an overall 0,90% of existing share capital (1,03% considering the maximum number of shares equal to 23,000,000 which include also the 3,000,000 shares for the allocation of the last installments in shares in 2023).

Under the provisions of section 2349 of the Italian Civil Code, the consequent amendments to the Articles of Association are submitted to the Shareholders' meeting for approval, inserting a new paragraph in clause 6 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 April 20, 2017, to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of Euro 187,539,740.00 corresponding to up to 20,000,000 ordinary shares, to be granted to employees of UniCredit and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives in execution of 2017 Group Incentive System and of 2017-2019 LTI Plan".

It should be noted that the amendments to the Articles of Association of UniCredit submitted to the approval of today shareholders' meeting - which do not give rise to the ordinary and savings shareholders' right of withdrawal pursuant to art. 2437 of the Italian Civil Code - are subject to the measure of examination by the Bank of Italy pursuant to the provisions of art. 56 of Legislative Decree no. 385/93.

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Dear Shareholders,

in relation to the above, considering as approved by today's ordinary shareholders' meeting the adoption of the 2017 Group Incentive System and of the 2017-2019 LTI Plan, you are invited to approve the following resolution:

"Having heard the directors' report, the Extraordinary Shareholders' Meeting of UniCredit S.p.A.

RESOLVES

- 1.a) *to grant the Board of Directors, under the provisions of section 2443 of the Italian Civil Code, the authority to resolve in 2022 to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of € 3,181,011.56 corresponding to up to 339,236 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 order to complete the execution of the 2016 System for UniCredit Group employees approved by Ordinary Meeting on April, 14 2016. 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;*

- 1.b) further to the resolution passed in point 1.a), to insert a new paragraph in clause 6 of the Articles of Association with the following text:

"The Board of Directors has the power, according to the provisions of section 2443 of the Italian Civil Code, to resolve to carry out a free capital increase in 2022, exercising the delegation granted by the Shareholders' resolution dated April 20, 2017, for a maximum amount of Euro 3,181,011.56, corresponding to a maximum number of 339,236 ordinary shares, to be granted to the personnel of UniCredit S.p.A. and of the Group banks and companies who hold positions of particular importance for the purpose of achieving the overall Group targets in completing the 2016 Group Incentive System";

- 2.a) 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 € 187,539,740.00 corresponding to up to 20,000,000 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 2017 System and of LTI Plan 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 a portion of profits or 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.b) further to the resolution passed in point 2.a), to insert a new paragraph in clause 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 April 20, 2017, to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of Euro 187,539,740.00 corresponding to up to 20,000,000 ordinary shares, to be granted to employees of UniCredit and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives in execution of 2017 Group Incentive System and of 2017-2019 LTI Plan".

- 3) to delegate to the Board of Directors all the necessary powers for issuing the new shares as well as consequently amend the Articles of Association;
- 4) give to the Chairman and to the Chief Executive Officer, also separately, 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, of the adopted resolution and of the text of the Article of Association updated as aforementioned (as well as to count the new paragraphs of clause 6 of the Articles of Association passed in points 1.b and 2.b above)."*