15. Authorisation to purchase and dispose of treasury shares for the purpose of delisting the UniCredit shares from the Warsaw Stock Exchange

Director’s Report

April 15, 2021
Ordinary and Extraordinary Shareholders’ Meeting

Banking that matters. | UniCredit
Authorisation to purchase and dispose of treasury shares for the purpose of delisting UniCredit shares from the Warsaw Stock Exchange. Consequent and inherent resolutions

Directors’ Report to the shareholders drafted pursuant to Article 125-ter of D.Lgs. 58 dated 24 February 1998 (the “Italian Consolidated Financial Act”) and Article 73 of the Regulation adopted by CONSOB with Resolution No. 11971 dated 14 May 1999 (the “Issuers’ Regulation”)

Messrs Shareholders,

the Board of Directors has called you to an ordinary shareholders’ meeting to resolve, among others, on a proposal to authorise (i) the purchase of a maximum of 20,000,000 ordinary shares of UniCredit S.p.A. (“UniCredit” or the “Company”) (equal to 0.89% of the share capital of UniCredit at the drafting date of this report) to be carried out, in one or more transactions, within 18 (eighteen) months from the date of approval by the Shareholders’ Meeting and (ii) disposal, in one or more transactions, of the shares thus purchased, respectively pursuant to Article 2357 of the Italian Civil Code and Article 132 of Legislative Decree 58/1998 (“Italian Consolidated Financial Act”), and the relative implementing regulations, and Article 2357-ter of the Italian Civil Code.

We submit to your attention this report, prepared in compliance with and according to the structure of Appendix 3A, table n. 4, of CONSOB Regulation 11971 of 14 May 1999, as subsequently amended (the “Issuers’ Regulation”).

1 Reasons for the proposed authorisation for purchase and disposal

The request for authorisation to purchase of issued ordinary shares of the Company is aimed at granting the Board of Directors of UniCredit with the power to initiate – if so decided by the Board of Directors of UniCredit taking into account also the markets trends and the strategy that the Company intends to pursue – the procedure aimed at obtaining the delisting of UniCredit shares from trading on the Warsaw Stock Exchange (the “WSE”).

In this regard, it should be noted that an analogous request for authorisation have already been submitted to – and have been approved by – the Ordinary Shareholders’ Meeting of the Company held on 11 April 2019 (the “2019 Shareholders’ Meeting”).
As communicated to the market on 21 September 2017 and explained in the Board of Directors’ report published in connection with the analogous item on the agenda of the 2019 Shareholders’ Meeting, following the dispose of the controlling interest held by UniCredit in Bank Pekao S.A. completed in June 2017, UniCredit initiated the discussions with the Polish Financial Supervision Authority (the “PFSA”, Komisja Nadzoru Finansowego) in order to finalise the analysis on the delisting procedure from the WSE, considering that Polish regulations do not regulate all aspects relating to the delisting of foreign issuers with multiple listings and that few delisting procedures regarding foreign issuers listed on more than one regulated market (including on the WSE) have been carried out in Poland.

Following the aforementioned discussions, the PFSA has confirmed that, in order to obtain the delisting from the WSE, UniCredit is required to launch a tender offer covering all the UniCredit’s shares acquired on the WSE and registered with the Polish National Depository of Securities (the “NDS”, Krajowy Depozyt Papierów Wartościowych S.A.) as of a certain date in accordance with applicable Polish law provisions (the “Polish Tender Offer”), it being understood that, according to Polish regulations, the Polish Tender Offer does not require a minimum number of UniCredit shares to be purchased in the Polish Tender Offer and that UniCredit will be authorized to apply to the PFSA requesting the consent for the delisting following the Polish Tender Offer regardless of the number of the acceptances received.

As already communicated to the market, on 11 October 2020 the authorisation granted by the 2019 Shareholders’ Meeting for the purposes of the shares buy-back aimed at the delisting from the Warsaw Stock Exchange lapsed. At the time of publication of UniCredit Group’s consolidated results as at 30 September 2020 for the third quarter of 2020 and the first nine months of 2020, the Company has also confirmed its intention to delist from WSE.

The authorisation to purchase issued ordinary shares of the Company is therefore requested for the abovementioned purposes.

Instead, the request for authorisation to dispose the UniCredit’s shares eventually acquired under the Polish Tender Offer – if effectively launched by the Board of Directors of UniCredit – is aimed at granting the Board of Directors of UniCredit with the regular and ordinary power to dispose the UniCredit’s shares so acquired (if any) in line with the strategy that the Company intends to pursue or in any case with the needs that may arise in the future (including by way of sales on the Mercato Telematico Azionario and/or the Frankfurt Stock Exchange).

Without prejudice to the above, any purchase and/or disposal made under this request for authorisation will be made in compliance with applicable laws and regulations and with the indications given by the relevant Supervisory Authorities.

2 Maximum number, category and nominal value of the shares covered by the authorisation

At the drafting date of this report, the share capital of UniCredit is made up of Euro 21,059,536,950.48 and is comprised of 2,237,261,803 ordinary shares without nominal value and, at the date of 26 February 2021, approximately no. 13,341,379 ordinary shares were registered with the NDS, equal to approximately 0.60% of the share capital of UniCredit.

In compliance with the purposes described under Paragraph 1 above and taking into account the number of UniCredit’s ordinary shares registered with the NDS at the drafting date of this report, the authorisation is requested for the purchase, in one or more transactions, of issued ordinary shares of UniCredit, up to a maximum amount which, taking into account also the ordinary shares of UniCredit held from time to time in the portfolio of the Company, cannot exceed a total of 20,000,000 ordinary shares of UniCredit (equal to 0.89% the share capital of UniCredit at the date of this report).

It is also requested the power to carry out subsequent disposals of the shares from time to time purchased and held in the portfolio, including before the maximum quantity of purchasable shares is reached pursuant to this request of authorisation.
Pursuant to Article 2357, paragraph 1, of the Italian Civil Code the purchase transactions will be carried out within the limits of duly confirmed profits available for distribution and available reserves reported in the latest duly approved financial statements, provided that any purchase shall be carried out within the limits of and in accordance with the authorisations issued by the European Central Bank.

3 Useful information for assessing compliance with Article 2357, paragraph 3 of the Italian Civil Code

At the date of this report, UniCredit holds 4,760 treasury shares in the portfolio, equal to 0.00021% of the share capital of UniCredit at the same date whose book value is already deducted from the net equity and regulatory capital of the Company. At the date of 26 February 2021, moreover, the subsidiaries of UniCredit held 1,381,779 shares in the Company.

It should also be noted that under item 6 on the agenda of the ordinary shareholders’ meeting, the Shareholders’ Meeting is convened to resolve on two different, but related, proposals to authorise the purchase of UniCredit ordinary shares as part of the activities aimed at increasing shareholders remuneration in accordance with the 2020-2023 strategic plan. The authorisations referred to in item 6 on the agenda of the ordinary shareholders’ meeting are requested for a total expenditure up to a maximum of EUR 830,261,645.90 and, in any case, not higher than no. 140,000,000 UniCredit ordinary shares (equal to approximately 6.26% of UniCredit’s share capital as at the date of this report).

Moreover, the purchase subject to your authorisation complies with the limit set out in Article 2357, paragraph 3, of the Italian Civil Code since it concerns a number of shares that cannot exceed the limits set out in the said article (i.e., one fifth of the share capital).

4 Term of authorisation

The authorisation to purchase, which may be carried out in part and/or in one or more transactions, is requested for a period of 18 (eighteen) months from the date of approval of the Shareholders’ Meeting and the possible purchase transactions – if authorised by you – may be carried out only after the issuance of the required authorisation from the European Central Bank.

It is worth noting that at the date of this report, no formal decision on the launch of the Polish Tender Offer has been taken by the Board of Directors of UniCredit. The launch of the Polish Tender Offer, if any, could be approved by the Board of Directors of UniCredit only after your approval – if granted – of the request for authorisation to purchase and dispose contemplated by this explanatory report and the receipt of any such required authorisation by any relevant Supervisory Authority.

Disposal of the shares thus purchased may be carried out, in one or more transactions, with no time limits.

5 Minimum and maximum price

The share purchases described in this report must be carried out at a price no lower than the minimum consideration of the Polish Tender Offer to be determined in accordance with Polish law in force at the time of the possible launch of the Polish Tender Offer and no higher than 10% more than the closing price on the WSE at the day prior the announcement of the Polish Tender Offer.

1 In this regard, it should be noted that the maximum number of UniCredit ordinary shares that could be subject to buy-back (including, therefore, the shares that are the subject of the authorisation referred to in this report and the shares that are the subject of the authorisation in the context of the buy-back aimed at remunerating shareholders referred to in point 6 of the agenda of the ordinary shareholders’ meeting) is equal to 160,000,000, which corresponds to approximately 7.15% of UniCredit’s share capital at the drafting date of this report.
Within the above range, the offer price under the Polish Tender Offer will be determined in proximity to the launch of the offer in accordance with the laws and regulations applicable from time to time and taking into account the indications given by the competent Supervisory Authorities (if any).

The sales or disposals of treasury shares of the Company will be carried out at the conditions from time to time selected by the Board of Director (including by way of sales on the Mercato Telematico Azionario and/or the Frankfurt Stock Exchange, provided that in case of sales or disposals on a regulated market the sale price of shares shall be determined based on market trends and, in any case, such sale price cannot diverge by more than 10% from the closing price on the Mercato Telematico Azionario or the Frankfurt Stock Exchange, as the case may be, at the day prior the execution of each individual transaction), without prejudice to any conditions and limits set out by applicable laws and regulations.

6 Procedures for the purchase and disposal of issued ordinary shares of the Company

As provided in Article 144-bis, paragraph 1, letter a) of the Issuers’ Regulation, purchase transactions subject to your authorisation shall be carried out (in one or more transactions) via tender or exchange offer, in compliance with applicable Polish laws and regulations.

Additional details on the Polish Tender Offer will be communicated to market in case the Board of Directors of UniCredit will effectively decide to launch the Polish Tender Offer.

Disposal transactions may be also carried out, in one or more transactions, before the maximum quantity of purchasable shares is reached. Disposals may be carried out according to the procedures that are most advantageous to the Company and, in any case, in compliance with applicable laws and regulations.

The Company will communicate the purchase and/or disposal transactions of treasury shares (if any), in accordance with applicable laws and regulations.

7 Reduction of share capital

The Board of Directors specifies that the purchase of issued ordinary shares of the Company subject to this authorisation request is not instrumental in reducing the share capital, and therefore the shares purchased will not be cancelled.

Based on the above, the Board of Directors asks you to adopt the following:

“Having acknowledged the proposal made by the Board of Directors, the ordinary Shareholders’ Meeting of UniCredit S.p.A., having evaluated the Explanatory Report of the Board of Directors drafted pursuant to Article 125-ter of Legislative Decree 58 dated 24 February 1998 (the “Italian Consolidated Financial Act”) and Article 73 of the Regulation adopted by CONSOB with Resolution No. 11971 dated 14 May 1999 CONSOB (the “Issuers’ Regulation”) and in compliance with and according to the structure of Appendix 3A, table n. 4, of the Issuers’ Regulation and the proposal contained therein;

hereby resolves

1. to authorise the Board of Directors, pursuant to Articles 2357 et seq. of the Italian Civil Code and Article 132 of the TUF, to carry out the purchases, in part and/or in one or more transactions of issued ordinary shares of the Company, subject to authorisation of the European Central Bank, for the purposes illustrated in the abovementioned explanatory report of the Board of the Directors and, in particular, in order to initiate – if so decided by the Board of Directors of UniCredit at a later stage – the procedure aimed at obtaining the delisting of the UniCredit shares from the trading on the Warsaw Stock Exchange (“WSE”); the authorisation is granted for a number of shares that ensures
that the total number of ordinary shares of UniCredit held from time to time in the portfolio by the Company cannot exceed no. 20,000,000, provided that the purchases may be carried out, in one or more transactions, within 18 (eighteen) months from the date of this resolution of the Shareholder’s Meeting and in accordance with the procedures specified thereafter:

(i) purchases must be carried out at a price no lower than the minimum consideration of the Polish Tender Offer to be determined in accordance with Polish law in force at the time of the possible launch of the Polish Tender Offer and no higher than 10% more than the closing price on the WSE at the day prior the announcement of the tender offer aimed at obtaining the delisting of the UniCredit’s shares from the WSE;

(ii) purchase transactions shall be carried out in accordance with Article 132 of the TUF, Article 144-bis, paragraph 1, letter a) of the Issuers’ Regulation, in accordance with Polish laws and regulations regulating the tender offer aimed at obtaining the delisting of the UniCredit’s shares from the WSE and/or in accordance with any other laws and regulations, from time to time applicable;

2. to authorise, pursuant to Article 2357-ter of the Italian Civil Code, disposals, in one or more transactions and with no time limits, of the ordinary shares of UniCredit to be acquired under the preceding resolution, to be carried out according to the procedures that the Board of Directors considers the most advantageous to the Company (including by way of sales on the Mercato Telematico Azionario and/or the Frankfurt Stock Exchange, provided that in case of sales or disposals on a regulated market the sale price of shares shall be determined based on market trends and, in any case, such sale price cannot diverge by more than 10% from the closing price on the Mercato Telematico Azionario or the Frankfurt Stock Exchange, as the case may be, at the day prior the execution of each individual transaction) and, in any case, in compliance with applicable laws and regulations;

3. to vest the Board of Directors and, on its behalf, the Chairman of the Board of Directors and the Chief Executive Officer, with all powers, either jointly or severally with the power of sub-delegation to the Company Executive Personnel, and using full discretion necessary to carry out the purchase and/or disposal transactions of issued ordinary shares of UniCredit, in full compliance with current regulations and within the limits set out in the authorisation given at this meeting as mentioned in the item above, including, by way of example but not limited to: (i) to carry out sales of all or part of the treasury shares purchased and (ii) to carry out any other formality in order to obtain the necessary authorisations for the above-mentioned resolutions and, in general, any other authorisation for the full execution of the resolutions, together with any necessary power, none excluded or excepted, including the power to make changes or additions to the resolutions (not substantially modifying the content of the resolutions) deemed necessary and/or appropriate for filing with the Companies Register or for the implementation of laws and regulations or which may be required by the relevant Supervisory Authorities (including, inter alia, the Polish Financial Supervision Authority (“Komisja Nadzoru Finansowego”), the Polish National Depository of Securities (“Krajowy Depozyt Papierów Wartościowych S.A.”), the Warsaw Stock Exchange (“Giełda Papierów Wartościowych w Warszawie S.A.”) and the European Central Bank.