Milan, 04 April 2024

Dear Shareholders,

As you will have seen, Proxy Advisors have recently published their recommendation reports on the next AGM proposals.

While we appreciate the full support demonstrated by ISS on all the remuneration items, we regret to see that Glass Lewis has again recommended to vote "AGAINST" on two items (point 8. 2024 *Group Remuneration Policy* and point 9. *Remuneration Report*).

Since publication, we have engaged with many of our shareholders who have expressed their understanding for the remuneration adjustment, appreciating our approach for a simple, consistent, and transparent solution. Unfortunately, we feel Glass Lewis has overlooked some key points in arriving at their recommendation and some of their arguments appear inconsistent.

Furthermore, the final voting recommendation of Glass Lewis seems at odds with their appreciation for the overall policy in several points of their report. For example, they state that "*the Company implemented positive changes to the remuneration policy*"; they openly "*welcome the Company's ex-post disclosure*" and "*the strong response to shareholders' dissent*", recognizing "*the positive financial and operational performance of the Company in the last fiscal year*" to then conclude that the remuneration strategy is not "*sufficiently aligned with Shareholders' best interest"* without any further detail.

With this letter, we take the opportunity to present our view and hopefully address these inconsistencies.

Glass Lewis recommends an AGAINST vote on the Remuneration policy and Report on two arguments:

a. Excessive Remuneration for the CEO
b. 2024 Net Revenues Target in 2024 Group Incentive System

a) Excessive Remuneration for the CEO

As stated in the remuneration report, we believe that remuneration levels cannot be looked at in isolation from performance data, and particularly the shareholder returns.

On the one hand, Glass Lewis shows in their analysis that UniCredit stands out as a positive example of relative pay-for-performance, yet this is not considered in their concluding remarks.
Instead, Glass Lewis reiterate their opposition that started with the 2023 policy changes, stating that the remuneration is excessive in comparison to other players in the market, disregarding the fundamental difference in realised performance over the last three years.

UniCredit's 2023 financial results were remarkable, setting a number of records and demonstrating that our ability to deliver extremely strong profitability, capital efficiency and best in class distribution is sustainable over the cycle. UniCredit is #1 for TSR with returns >4.2x versus the peer average and >2x vs the peer #2 in ranking. 2023 EPS and DPS are up 3.1x and 9x respectively versus the average of 2017-2019, which is a testament to UniCredit's outstanding value generation, with the overall ordinary distributions in the last three years equal to EUR 17.6 billion.

With this in mind, we strongly believe that the CEO's remuneration should be linked to overall performance. The relative positioning of UniCredit vs Peers is clearly superior, more so on TSR (as well as on EPS and DPS) than on remuneration.

UniCredit S.p.A.

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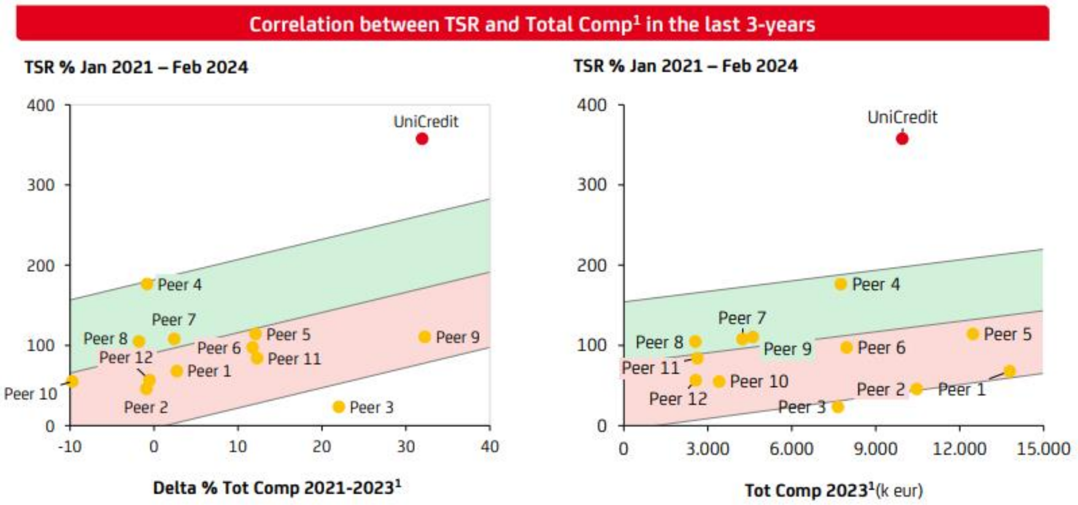

1. Total nominal compensation as sum of fixed remuneration, other fixed remuneration (e.g. benefits, pension funds), STI bonus award and LTI target (if any). Data referred to 2023 for UniCredit and other players which already disclosed their remuneration report.

Glass Lewis also disapproves of the Board's choice to compensate for the difference that resulted from the change in total remuneration stemming from the EBA ruling through an equity pricing method.

Remuneration is a fundamental tool to deliver the right signals to all the GMRTs and across the whole organization. As a Board, we strongly believe that in UniCredit's best year of performance ever, a decrease in compensation, in real terms, would have been unjust and unsuitable for the company. The risk of discouraging this trajectory of results we believe is inconsistent with our philosophy and contradictory to the best interest of shareholders.

We fully understand that CEO pay is a delicate issue, and following the structural review of 2023, it was not in our plans to make any further adjustments. However, given the clarifications from the EBA, the need to restore compliance and the unprecedented results, we felt that it was our fiduciary duty to act in the best interests of the company.

As outlined in our remuneration report, we evaluated different alternatives to address for the compression of the remuneration plan. Among these, we assessed the use of share-linked instruments, capable of restoring the incentive power of the plan, but we decided against this so as not to introduce further complexity.

We would have honestly preferred the ability to act only on variable remuneration, however, given the limits deriving from the 2:1 cap on variable remuneration in force in Europe, we were forced to address the fixed remuneration as well. Whilst this is clearly a rule for all the Banks in the region, we still feel it is hindering the Pay-for-performance principle that guides us. Indeed, in each one of the last three years, CEO pay has been capped by the 2:1 regulatory limit, despite exceeding the maximum target of the scorecard respectively by +37% and +54% in 2022 and 2023. And both those targets were significantly above the market consensus (i.e. what professional analysts believe could be achievable) at the time of their definition.

To mitigate the issues from raising fixed pay we have opted to pay the increase entirely in shares, maintaining the level of alignment with investors on this component of the remuneration also. Furthermore, we have maintained variable payments 100% in equity, over 7 years and subject to both short- and long-term performance conditions; all of these features are above market standards as observed amongst our European peers.

b) Net Revenues Target in 2024 Group Incentive System

We are honestly unsure how to read this point from Glass Lewis, as on the one hand they mention this as a potential issue and reason for opposing the remuneration policy, but then on the other, they recommend to “support” the 2024 Group Incentive System (point 10), which contains this metric.

The UniCredit Incentive system is aimed at supporting the implementation of our strategic plan, with the utmost clarity and advance disclosure on KPIs, objectives and evaluation method. This is widely acknowledged as a best practice by the market, including both ISS and Glass Lewis.

As in previous years, the 2024 incentive system also relies on transparent financial goals, based on the most recent market communications. Financial targets, such as net revenue, are set annually and updated, as necessary, depending on macroeconomic and other developments. Not only is this standard industry practice, but also the most transparent. On February 4th, we updated the market on 2024 net revenue guidance, together with our FY 2023 results. Our guidance reflects the expected changes in the macroeconomic environment, which may vary significantly from the previous year (e.g. interest rates).

The max targets for the incentive system 2024 are set well above both the pre Q4 results consensus (in which the new 2024 guidance was given), as well as the current one, post Q4 results. They also sit well above 2023 max targets for all financial KPIs. Specifically, for Net Revenues, the 2024 target is above consensus both pre- and after Q4 results, +13% higher than what UniCredit was supposed to achieve in 2023 for the CEO to be paid the maximum (i.e. the upper range of the 2023 scorecard), +32% vs the original Unlocked ambition, +42% vs avg 2017-19.

Nonetheless, we want to emphasize that, thanks to the outstanding execution of the CEO and the management team in the past few years, all the financial results were significantly higher than all the set goals, even at the highest level. This is testament of UniCredit’s ambition to exceed expectations and beat targets for the Bank’s long-term value creation.

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We hope that this letter clarifies the points raised by Glass Lewis and provides you with more information as you reflect on your final voting decision. We have attentively listened to the concerns raised in the 2023 AGM season and believe we have addressed them appropriately.

This policy is the framework to support the execution of a significant improvement of the UniCredit Unlocked plan that all investors received extremely well upon its presentation. It ensures we can look with confidence to 2024 as the start of the second phase of UniCredit Unlocked. We are convinced that we will continue to release the potential of this Bank, deliver value for all stakeholders, navigate challenging times, retain key people, and always remain fully aligned to you as our shareholders.

We remain at your disposal should you wish to discuss the matter further in a dedicated call or please email us with any of your questions.

Sincerely,

Jeffrey Alan Hedberg
Chairman Remuneration Committee