# One Bank One Team One UniCredit

Capital Markets Day 2019

Team 23

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# Dedicated long term incentive plan supports Team 23 execution

Key pillars for the UniCredit compensation strategy confirmed

- Align Top Management and stakeholders' interest through long-term share-based compensation
- Reward long-term sustainable performance
- Ensure fair remuneration

Focus on long-term sustainable results and value creation for all stakeholders



# Long term incentive plan framework and KPIs aligned to Team 23 targets



Note: Goals within the section are equally weighted.

<sup>1.</sup> A portion of which is also linked to annual targets achievement, no fixed compensation review foreseen for the CFO.

<sup>2.</sup> Four performance years (plan horizon); four years deferral, one additional year of holding of the shares.

<sup>3.</sup> Based on underlying net profit.

<sup>4.</sup> Bonus gate for CET1 at least 200 bps above minimum regulatory target.

<sup>5.</sup> Without model impact.

# Team 23: a clear commitment to deliver

Proven ability to execute as confirmed by Transform 2019 success

16bn value creation, 8bn capital distribution and 8bn tangible equity increase<sup>1</sup>

"Do the right thing!"



# Annex



# Long term incentive plan framework

#### Structure

- 100% equity plan
- Single grant, covering the whole duration of the Plan

#### **Participants**

- c. 300 executives, comprising:
  - CEO and Executive Management Committee members
  - Executive Vice Presidents

#### **Amount**

- 100% of variable remuneration for the CEO
- Substantial weight of variable remuneration for other executives
- 20% of CEO's yearly opportunity further subject to yearly goals achievement<sup>1</sup>

#### **Duration**

- 9 years in total<sup>2</sup>
- Ratable vesting of the award for CEO, Top and Senior Management<sup>3</sup>

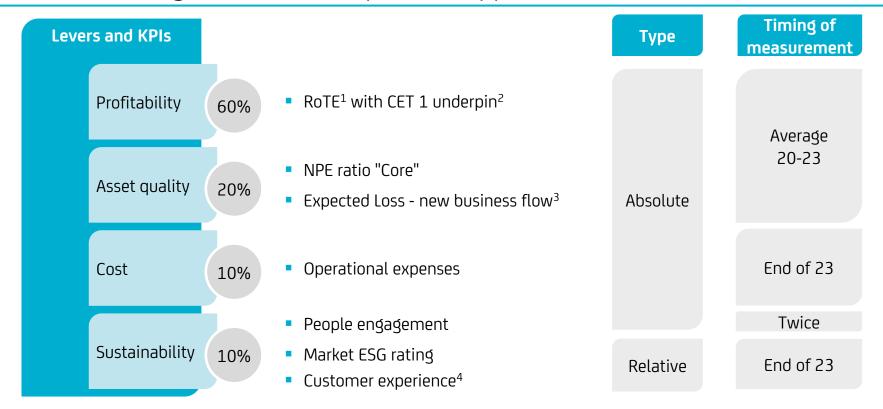


<sup>1.</sup> Based on yearly achievement of LTIP KPIs and specific key priorities (which could change every year). For 2020, key focus on Governance, Sustainability and Operational Risks (AML and Cyber Security).

<sup>2.</sup> Four performance years (plan horizon); four years deferral , one additional year of compulsory holding.

More front-loaded for Senior Management and progressively more diluted for Top Management and CEO.

# Dedicated long term incentive plan to support Team 23 execution



Note: Goals within the section are equally weighted.



<sup>1.</sup> Based on underlying net profit.

<sup>2.</sup> Bonus gate for CET1 at least 200 bps above minimum regulatory target.

<sup>3.</sup> Without model impact.

<sup>4.</sup> Based on Strategic Net Promoter Score (NPS). Definition in glossary.

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