

# Governance

UniCredit's system of corporate governance promotes clarity, accountability and the creation of sustainable long-term value.

## Governance model

UniCredit is an Italian listed company, with a traditional management and control system, which assigns specific responsibilities to the Shareholders' Meeting and allows for a clear exchange of views between shareholders and management on fundamental decisions relating to governance. These include appointing and removing Directors, appointing members to the Board of Statutory Auditors, granting a mandate for external auditing to an audit firm and approving all associated fees. Such decisions also include the approval of financial statements, the allocation of profits, resolutions on remuneration and incentive policies and practices in accordance with current provisions, as well as setting criteria to determine compensation to be granted in the event of early termination of employment or early retirement from office.<sup>1</sup>

## Internal Control System

An effective and efficient internal controls system is a prerequisite for the creation of value in the medium-long term, for safeguarding the quality of the activities, for a correct risk perception and for an appropriate allocation of capital.

It establishes the rules, procedures and organisational structures, as well as information flows, that ensure effective management of risks and keep UniCredit's activities in line with its corporate strategies and policies, which are founded on sound, prudent management principles.

UniCredit's Internal Control System relies on control bodies and functions, involving, each one within its respective competence, the Board of Directors, the Internal Controls & Risks Committee, the Chief Executive Officer as officer in charge of the internal controls and risks management system, the Board of Statutory Auditors, as well as the corporate control functions, each with specific associated tasks.

## Organisational and governance structures (as of the approval of this Report)



A. Set up according to the Legislative Decree No. 231 dated 8 June 2001. In its 6 February 2019 meeting, the UniCredit Board of Directors resolved on the assignment to the Board of Statutory Auditors of the Supervisory Body functions pursuant to the Legislative Decree no. 231/2001, starting from the renewal of the control body for the 2019-2021 financial years.

B. Position covered by two Co-Heads.

1. Refer to the annual Report on Corporate Governance and Ownership Structure and the Group Compensation Policy, available on the Governance section of our website ([www.unicreditgroup.eu](http://www.unicreditgroup.eu)), for more information.

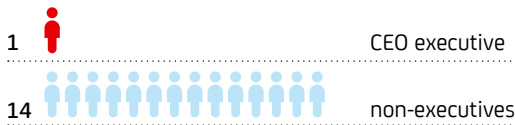


# Board composition

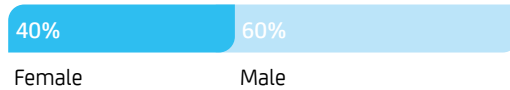
In compliance with the relevant Italian and European provisions, the UniCredit SpA Board of Directors - both at individual and collective level - meets the established requirements as well as qualitatively and quantitatively matches the theoretical profile approved by the Board itself.<sup>2</sup>

## Board in numbers (as of the approval of this Report)

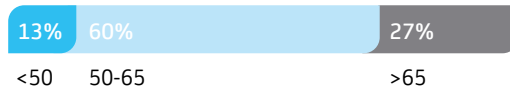
### Balance of executive and non-executive directors



### Board gender balance



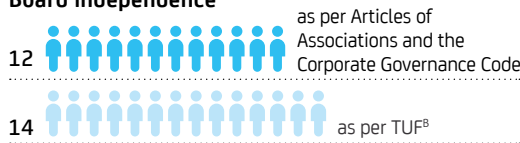
### Age group



### Geographical mix

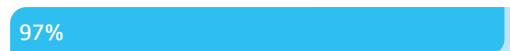


### Board independence



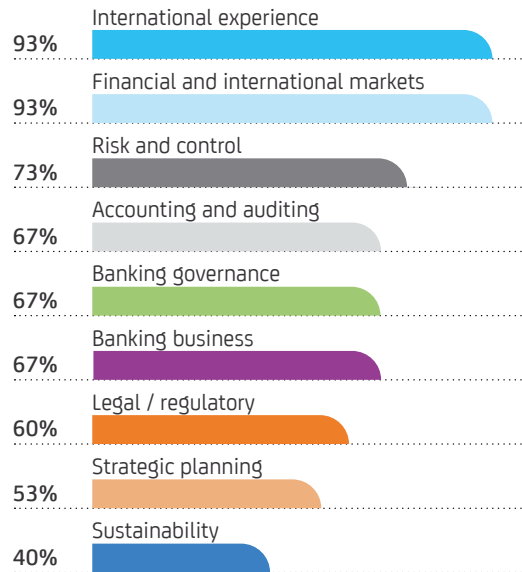
### Average tenure length - 2018: 2 years

### Board attendance rate - 2018<sup>C</sup>



A. Includes Austria, France, Germany, United Arab Emirates.  
B. Legislative Decree No. 58 dated 24 February 1998.  
C. Refers to Board members in office as at 31 December 2018.

## Directors' competencies



In order to foster an efficient information and advisory system to enable the Board of Directors to better assess the issues it is responsible for, the Board has established four committees vested with advisory and proposal-making powers: the Internal Controls & Risks Committee, the Corporate Governance, Nomination and Sustainability Committee, the Remuneration Committee and the Related-Parties Committee.

## FOCUS Sustainability governance and strategy

The Corporate Governance, Nomination and Sustainability Committee (CGN&SC) is assigned, inter alia, with the responsibility of overseeing sustainability issues within our organisation. It makes proposals regarding the Group's environmental and social strategy, annual objectives and targets, monitoring their implementation and examining related reporting. The CGN&SC also supervises the Group's sustainability evolution in light of international guidelines and principles on the subject, and monitors the Group's performance. Furthermore, it keeps abreast of stakeholder concerns. It is supported by the Group Sustainability & Foundation unit in performing its activities.

In 2018, the CGN&SC met various times to focus on sustainability issues, in particular to:

- discuss and evaluate UniCredit's latest materiality matrix, with the objective of increasing the integration of sustainability issues in our business strategy<sup>3</sup>
- examine the developments of the Integrated Report
- review progress in the field of business ethics
- participate in specific training.

2. Refer to the annual Report on Corporate Governance and Ownership Structure available on the Governance section of our website ([www.unicreditgroup.eu](http://www.unicreditgroup.eu)) for more information.  
3. Refer to the Stakeholder Engagement chapter for more information.