

One Bank, One Team, One UniCredit.

11. Authorisation to purchase treasury shares. Consequent and inherent resolutions

Directors' Report

April 9, 2020

Ordinary and Extraordinary Shareholders' Meeting

Authorisation to purchase treasury shares. 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 the purchase of a maximum ordinary shares of UniCredit S.p.A. ("**UniCredit**" or the "**Company**") equal to a total expenditure up to Euro 467,453,000 and, in any case, not exceeding no. 67,000,000 UniCredit ordinary shares (equal to 3% of the share capital of UniCredit at the date of this report), to be carried out, in one or more transactions, within the earliest of: (i) the date which will fall after 18 (eighteen) months from the date of the authorisation of the shareholder's meeting; and (ii) the date of the shareholders' meeting which will be called to approve the financial statements for the year ending on 31 December 2020, 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 no. 4, of CONSOB Regulation 11971 of 14 May 1999 (the "**Issuers' Regulation**").

1 Reasons for the proposed authorisation to purchase ordinary shares of UniCredit

The request for authorisation to purchase ordinary shares is part of the activities envisaged in the 2020-2023 strategic plan ("**Team 23**") presented to the market on 3 December 2019. As part of Team 23, the Company aims to increase the remuneration in favour of the shareholders, also thanks to the significantly strengthened capital position as a result of the measures implemented in execution of the previous strategic plan "Transform 2019" and the continuing focus on de-risking and balance sheet strengthening.

With reference to the year ended on 31 December 2019, Team 23 envisages, in particular, to allocate to the measures aimed at obtaining the aforementioned purpose an amount equal to 40% of the so-called "underlying consolidated net profit"¹ generated in the period. In particular, approximately 30% of this amount will be allocated to cash dividends and approximately 10% to the purchase of ordinary shares of UniCredit in accordance with the authorisation required under this report. The ordinary shares thus purchased, together with the additional treasury shares held in the portfolio as of the date of this report, will be subsequently subject to cancellation as illustrated below.

With reference to the cancellation, *inter alia*, of the shares that may be purchased as a result of the request for authorisation which is the subject of this report, it is hereby specified that the Board of Directors simultaneously submits to the shareholders' meeting, held in extraordinary session, the proposal to cancel such shares, as well as the additional 4,760 UniCredit ordinary shares already held in the Company's portfolio as of the date of this report. For further information on the proposal to cancel the UniCredit ordinary shares, please refer to the report of the Board of Directors referred to in item 4 on the extraordinary session agenda.

¹ The underlying consolidated net profit is based on adjusted net profit to exclude non-recurring items related to the sale of non-strategic assets, other non-recurring charges and extraordinary reserves for credit risks.

Without prejudice to the above, it is hereby specified that any purchase made under this request for authorisation will be made in compliance with the purposes set out in the laws and regulations in force and applicable from time to time 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 date of this report, the share capital of UniCredit is made up of Euro 20,994,799,961.81 and is comprised of 2,233,376,842 ordinary shares without nominal value.

In compliance with the purposes described under Paragraph 1 above and taking into account the underlying consolidated net profit resulting from the UniCredit Group's consolidated financial statements for the year ended on 31 December 2019 and the available reserves as resulting from UniCredit's financial statements as of the same date, the authorisation is requested for the purchase, in one or more transactions, of maximum ordinary shares of UniCredit equal to a total expenditure up to Euro 467,453,000 and, in any case, not exceeding 67,000,000 UniCredit ordinary shares (equal to 3% of the share capital of UniCredit at the date of this report).

Pursuant to Article 2357, paragraph 1, of the Italian Civil Code the purchase transactions will be carried out within the limits of distributable profits and available reserves reported in the latest duly approved financial statements, provided that any purchase shall be carried out within the limits and in accordance with the authorisation issued by the European Central Bank. In particular, following the authorisation of the shareholder's meeting and the authorisation that will be issued by the European Central Bank, for the maximum total expenditure envisaged and authorised by the European Central Bank, part of the available reserves identified in the "Share Premium Reserve" will be restricted, through the allocation to specific unavailable reserve named "Unavailable Reserve for the Purchase of Treasury Shares". In addition, in relation to the purchases carried out pursuant to the authorisation of the shareholder's meeting, an amount equal to the value of the purchases effectively made will be allocated to a negative component of net equity (item "Treasury shares"), as long as the treasury shares will be in the portfolio.

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

At the date of this report, UniCredit holds no. 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. Also, as of 29 February, 2020, the subsidiaries of UniCredit hold no. 829,220 shares of the Company.

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 may not 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 until the earliest of: (i) the term of the 18th (eighteenth) month from the date of the authorisation resolution of the shareholder's meeting; and (ii) the date of the shareholders' meeting which will be called to approve the financial statements for the year ending on 31 December 2020. It is understood that any purchase transactions – if authorised by you – will be evaluated by the Board of Directors (with the power to further delegate the execution of purchase transactions) and may be carried out only after the issuance of the required authorisation from the European Central Bank.

5 Minimum and maximum price

The share purchases referred to in this report must be carried out at a price that will be determined on a case-by-case basis, in compliance with the applicable regulatory requirements, including those of the European Union, in

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force from time to time, it being understood that the purchase price may not diverge downwards or upwards by more than 10% from the official price registered by the UniCredit share in the trading session of the *Mercato Telematico Azionario*, organised and managed by Borsa Italiana S.p.A., on the day prior to the execution of each individual purchase transaction.

Without prejudice to the above, the Company will operate, in any case, in compliance with further operational limits required by laws and regulations in force and applicable from time to time (including the European law and regulations) and with the indications given by the competent Supervisory Authorities (if any).

6 Procedures for the purchase of issued ordinary shares

The purchase transactions which are the subject of your authorisation will be carried out (in one or more transactions) in accordance with the procedures regulated pursuant to Article 132 of the Italian Consolidated Financial Act, Article 144-*bis* of the Issuers' Regulation, Article 5 of Regulation (EU) no. 596/2014 of the European Parliament and the Council of 16 April 2014 (the "**MAR**") and the related implementing provisions.

In particular, it is currently envisaged that purchases will be carried out, in accordance with the provisions of article 144-*bis*, paragraph 1, letter b) of the Issuers' Regulations, on regulated markets or multilateral trading facilities on which UniCredit ordinary shares are traded according to the operating procedures set out in the regulations governing the organisation and management of the relevant market, which do not allow direct matching of buy orders with predetermined sell orders.

The Company will communicate the purchase transactions of UniCredit ordinary shares (if any), in accordance with laws and regulations in force and applicable from time to time.

7 Cancellation with no reduction of share capital

The Board of Directors simultaneously submits to the shareholders' meeting, held in extraordinary session, the proposal to cancel, *inter alia*, any treasury shares purchased in execution of the authorisation which is the subject of this report, specifying that the cancellation will be carried out with no reduction in nominal value of the share capital, taking into consideration the absence of nominal value of UniCredit shares.

For further information on (i) the reserves that it is proposed to use for the possible purchase transactions of UniCredit ordinary shares and the possible cancellation of the same and (ii) the accounting impacts of such transactions, please refer to paragraph 2 above and the report of the Board of Directors referred to in item 4 on the extraordinary session agenda.

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 (the "**Issuers' Regulation**") and in compliance with and according to the structure of Appendix 3A, table no. 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 Italian Consolidated Financial Act, to carry out the purchases, in one or more transactions, of 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 Directors; the authorisation is granted for maximum ordinary shares of UniCredit equal to a total expenditure up to Euro 467,453,000 and, in any case, not exceeding no. 67,000,000 UniCredit ordinary shares, within the earliest of: (i) the term of the 18th (eighteenth) month from the date of this shareholder's meeting resolution; and (ii) the date of the shareholders' meeting which will be called to approve the financial statements for the year ending on 31 December 2020, in accordance with the procedures specified thereafter:

(i) purchases must be carried out at a price that will be determined on a case-by-case basis, in compliance with the applicable regulatory requirements, including those of the European Union, in force from time to time, it being understood that the purchase price may not diverge downwards or upwards by more than 10% from the official price registered by the UniCredit shares in the trading session of the Mercato Telematico Azionario, organised and managed by Borsa Italiana S.p.A., on the day prior to the execution of each purchase transaction;

(ii) purchase transactions shall be carried out in accordance with Article 132 of the Italian Consolidated Financial Act, Article 144-bis, paragraph 1, letters b), of the Issuers' Regulation, as well as in accordance with any other laws and regulations (including the European law and regulations), in force and applicable from time to time;

2. to authorise, for the execution of the purchase plan referred to in point 1 of this resolution, the allocation of an amount equal to the envisaged maximum total expenditure of Euro 467,453,000 to the newly created "Unavailable Reserve for the Purchase of Treasury Shares" through withdrawal from the "Share Premium Reserve";

3. to grant the Chairman of the Board of Directors and the Chief Executive Officer, with all powers, either jointly or severally, in order to carry out the procedures of purchase of ordinary shares of UniCredit and any necessary or merely appropriate accounting entries resulting from the resolutions referred to in points 1) and 2) above, as well as any purchases carried out in execution of this authorisation, in any case in full compliance with current regulations and within the limits set out in this authorisation as resolved above, with the power of sub-delegation to Executive Personnel, together with any necessary power, none excluded or excepted, 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, 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."