Milan, 7 March 2025

Dear Shareholders,

As you may have noticed, Proxy Advisors are currently publishing their reports, with ISS specifically recommending a vote "AGAINST" on the Remuneration items.

We are disappointed by this outcome, particularly as certain elements do not appear to be fully considered in reaching this recommendation. Moreover, some of the points cited in support of the opposition are not entirely accurate.

Since November 2024, we have conducted two rounds of engagement, reaching out to more than one-third of our shareholder base. Those we engaged with have expressed their understanding of the remuneration adjustments and have appreciated the transparency of our approach, which is firmly rooted in the principles of meritocracy and pay-for-performance.

Unfortunately, we feel ISS has overlooked some key points in reaching their recommendation and some of their arguments appear inconsistent. A clear example is their final "AGAINST" recommendation on the 2025 Group Incentive Plan, which remains entirely unchanged from the 2024 system one, they supported last year. This recommendation seems inconsistent with their appreciation of the system, the quality of disclosure and the enhancements made in terms of more challenging target setting and the pay-curve. Notably, in their own analysis, they state: "*In line with previous years, disclosure on the linkage between company performance and corresponding payouts remains overall good, with clear quantitative performance conditions and targets both under the short-term as well as long-term components of the group incentive plan*".

Given these discrepancies, we would like to take this opportunity to share our perspective and clarify these inconsistencies.

1. ISS AGAINST vote recommendation on the Remuneration policy (item n.6) is warranted due to:

a) the excessive increase in the CEO pay opportunity, compared to peers and market practices

b) the exclusion of the CEO fixed pay in the Section I of the remuneration report.

a) the excessive increase in the CEO pay opportunity, compared to peers and market practices

As outlined in our Remuneration Policy, we reaffirm our belief that executive pay should be assessed based on its alignment with company performance, both in absolute and relative to our Peers.

More specifically, when proposing the peer group for remuneration benchmarking, UniCredit's has followed a clear, step-by-step and structured process to ensure that the chosen banks are relevant, comparable, and reflective of UniCredit's position in the European banking landscape. The goal is to create a sample that balances representativeness and significance, that is not only aligned with UniCredit's scale and operational complexity but also reflective of shared values in terms of people management, remuneration philosophy, and sustainability commitments.

We recognize the interest surrounding the review of the CEO's remuneration. However, the Board firmly believes that this adjustment is necessary to foster long-term commitment of a top tier CEO in a competitive market and to ensure alignment with peer benchmarks, including UK banks where the 2:1 cap is no longer in effect.

Moreover, UniCredit's approach to remuneration structure is aligned with the principles of performance-based pay. By benchmarking against both pay and performance metrics, the analysis validates the company's commitment to rewarding excellence in alignment with shareholder value creation. This also

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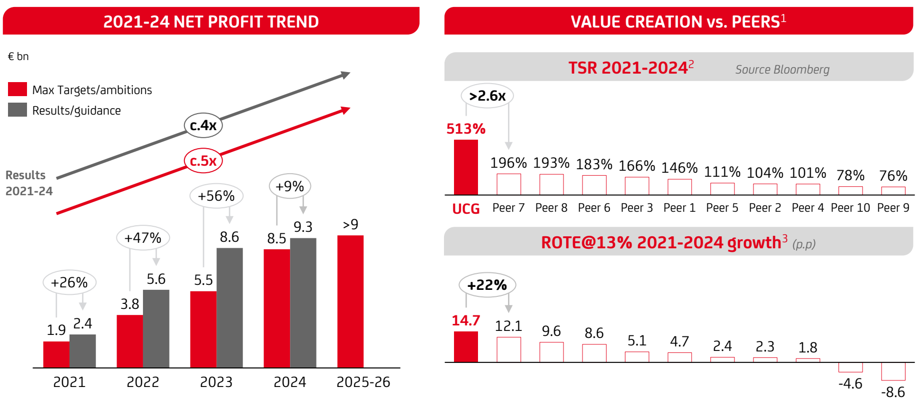
Share capital Euro €21,453,835,025.48 fully paid in - Registered in the Register of Banking Groups and Parent Company of the UniCredit Banking Group, with cod. 02008.1 - Cod. ABI 02008.1 - Fiscal Code, VAT number and Registration number with the Company Register of Milan-Monza-Brianza-Lodi: 00348170101 - Member of the National Interbank Deposit Guarantee Fund and of the National Compensation Fund - Stamp duty paid virtually, if due - Auth. Agenzia delle Entrate, Ufficio di Roma 1 no. 143106/07 of 21.12.2007.

enhances our ability to strengthen our pay-for-performance philosophy, following a period of exceptional growth and significant shareholder value creation.

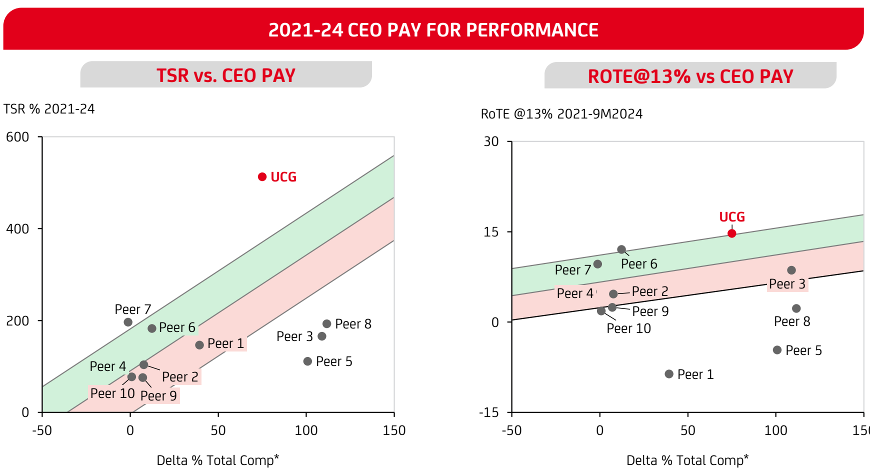
It is worth recalling that over the past four years, UniCredit has delivered:

- exceptional profit growth, with net profit rising from less than € 2 bn in 2021 to € 9.3 bn in 2024, and guidance set to reach € 10 bn by 2027, achieved alongside strong risk management and best-in-class operational efficiency and cost reductions despite inflationary pressures;
- the highest TSR growth within our peer group, reaching 513% over 2021-2024, more than 3.5 times the peers' median and more than 2.6 times the second;
- the strongest RoTE growth among peers, increasing 14.7 percentage points, which is +215% vs. the peer average and +22% vs. the second-ranked peer;
- a remarkable increase in market capitalization, from approximately € 17 bn in 2021 to c. € 60 bn in 2024 (c. € 83 bn as of March 05, 2025) +235% vs. peers' average and +91% vs. the second-ranked peer;
- an outstanding track-record of shareholder distributions, exceeding € 26 bn, while maintaining a leading CET1 ratio of 15.9% at 24YE and accumulating over € 6.5 bn in excess capital.



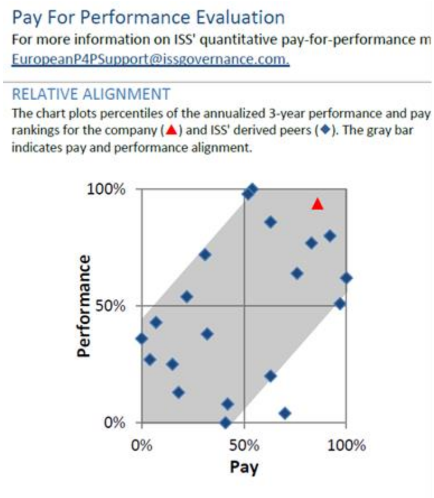
1 UniCredit 2025 remuneration peer group, defined by RemCo with the support an external independent advisor, comprises Intesa Sanpaolo, Banco Santander, BBVA, Crédit Agricole, BNP Paribas, Deutsche Bank, HSBC, Barclays, NatWest Group and UBS 2. From Jan21 to EoY24 3. 9M2024 / FY2021

The evolution of the CEO's pay over this period is fully aligned with UniCredit's exceptional performance track record, as reflected in the bank's pay-for-performance positioning relative to EU peers.



** ACT Total Comp (TC) provided by RemCo's external independent advisor, according to public available disclosure. For UCG, Peer 2, Peer 3, Peer 5, Peer 7 and Peer 8 is made reference to ACT 2024 TC. For others to ACT 2023 TC.*

This alignment is also recognized by ISS in its report, which highlights the consistency of UniCredit's pay-for-performance positioning relative to peers based on ISS methodology, as well as the “low concern” raised on this specific point.



PAY-FOR-PERFORMANCE QUANTITATIVE SCREEN

Measure	Concern
Relative degree of alignment	Low
Multiple of peer group median	Low
Absolute Alignment	Low

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Initial Quantitative Screen: Low Concern

As outlined in the Remuneration Policy, the CEO's total actual pay for 2024 will amount to € 13 m, including € 2.2 m of one-off share award. This award partially offsets the compression in pay value resulting from the shift to ex-post performance share pricing which, following the EBA clarification received in March 2024, no longer includes adjustments for missed dividends.

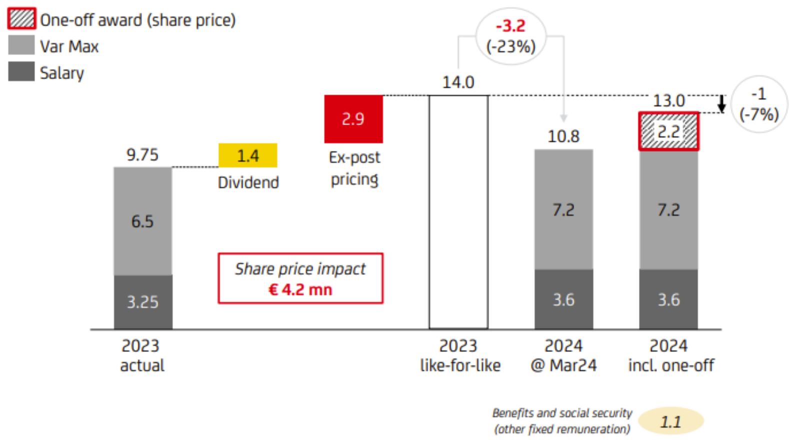
More specifically, the change in the share pricing methodology had a total impact of € 4.2 m on CEO pay. After deducting the preliminary compensation review already disclosed in April 2024 (€ 350 k salary increase, translating to € 1,05 m increase in total maximum pay), the remaining impact amounts to € 3.2 m. Of this:

- € 2.2 m is granted as a “one-off share-award” utilizing the headroom created by the correct classification of all fixed remuneration components under regulatory requirements (including benefits and mandatory social security contributions);
- € 1 m not payable as part of the 2024 variable remuneration, due to the constraints of the 2:1 cap.

This ensures that:

i. there is no “double counting” in determining the impact of the share price adjustment, as the 2024 salary review has already been factored in.

ii. despite the April 2024 comp review and the one-off share award, the CEO's total 2024 pay on a like-for-like basis, using a comparable share pricing methodology will be lower than in 2023.



Despite the one-off share award, the CEO and the majority of the Group Executive Committee (GEC) members were not able to fully recover the like-for-like 2023 pay value. More importantly, this also limited the capacity to effectively reward performance and recognize outperformance against our long-term strategic objectives.

Considering these factors, the Board has decided to undertake a comprehensive review of the 2025 remuneration framework for the CEO and GEC members. This review has been carefully structured using a balanced mix of different levers, including:

- a complementary pension fund
- a salary increase
- a more challenging approach to the variable pay curve and target setting.

This combination of measures enhances the capacity for performance-based variable remuneration while minimizing fixed cost increases. For instance, the pension fund plays a critical role in reinforcing the long-term commitment of top management, in line with prevailing European market practices, while also expanding the headroom for variable pay.

Another key point we want to emphasize is that, beyond the theoretical maximum total pay - where, notably, UniCredit does not rank among the top positions across EU peers - the true effectiveness of a pay-for-performance strategy is driven by the structure of the compensation package. This includes:

- the linkage to challenging KPIs and targets
- the balance between long-term vs. short-term incentive
- the proportion of share-based payments vs. cash compensation.

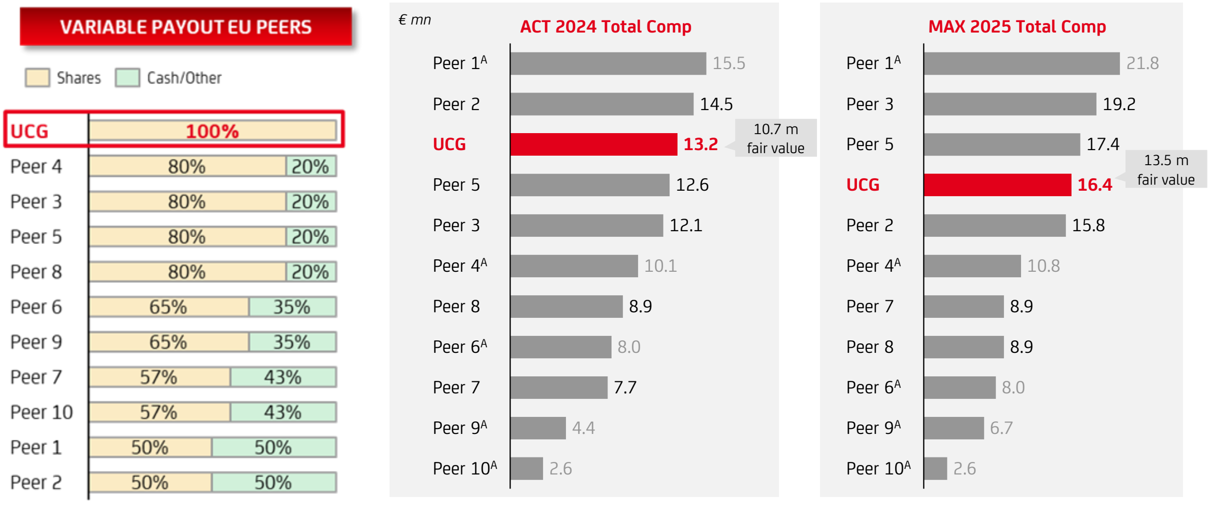
In this regard, it is important to highlight that UniCredit is the only Bank in its peer group that pays 100% of the CEO and GEC's variable remuneration in shares, compared to an average of 65% among peers.

Additionally, UniCredit applies:

- longer deferral periods, due to the mandatory holding period on share award;
- 60% of the award subject to additional long-term performance conditions, which is higher than most peers.

This is absolutely not reflected in ISS report where the assessment of the level of alignment with "long-term shareholder interests and [...] shareholder value" is considered "partially in line".

Moreover, due to regulatory restrictions prohibiting dividends on unvested shares, the fair value of UniCredit's variable remuneration - fully paid in shares - is significantly lower (approx. 75%) than its nominal value typically shown in proxy reports. This also means it is materially lower than compensation structures that include a mix of cash and shares, which remains the prevailing market practice among peers.



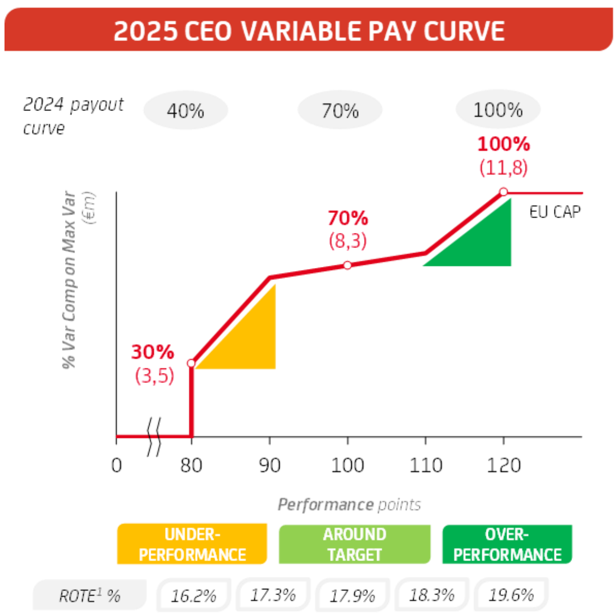
A. Data referred to previous year disclosure

Furthermore, the maximum 2025 total compensation is fully linked to ambitious performance targets, as outlined in the 2025 CEO scorecard, where:

i) financial targets are more ambitious than last year despite the significant headwinds expected in 2025 due to the normalization of short -term interest rates. For example, the maximum Net profit target for 2025 is set above the latest market consensus and guidance at € 9.9 bn vs € 8.5 bn of 2024;

ii) the incentive payout curve has been adjusted to further align with our pay for performance philosophy, reducing the payout at threshold performance from 40% to 30% of the maximum, reinforcing the principle of rewarding only strong performance.

iii) the ROTE equivalent value tied to financial targets establishes a gateway threshold of 16.2% for variable remuneration eligibility, with the maximum payout achievable only if ROTE approaches 20%, ensuring a strong alignment with shareholder value creation.



1. Estimate of ROTE corresponding to the combination of financial targets

Once again, the objective of this pay review is to secure the long-term commitment of our CEO and top management while enhancing our ability to continuously raise the bar on performance expectations and align compensation with achievements in a true pay-for-performance framework.

b) the exclusion of the CEO fixed pay in the Section I of the remuneration report

Upon reviewing the Proxy Advisor's report, we would like to respectfully express our concern regarding the clarity of the content that is to be voted on, especially in the context of the Italian regulatory environment, which may not always be widely understood.

In principle, the review of the CEO remuneration package, provided it aligns with the Remuneration Policy principles, could have been disclosed only in the 2026 remuneration report, which is subject to a consultative vote. However, in keeping with past practices, and to maintain a constructive and transparent relationship with shareholders, the Board chose to disclose its actions fully and the reasons behind them, including a comprehensive ex-ante disclosure in the letter from the RemCo Chairman and in the Highlights of the 2025 Remuneration Policy.

Investors should take into consideration the structure of the overall total compensation package focusing on the 100% payout in shares and the new components of the remuneration framework that reflect the management's ongoing commitment to achieving sustainable strong results, such as the 2025 target setting and the more challenging pay curve.

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2. ISS recommend AGAINST vote on the Remuneration report (item 7 ordinary) because of:

- **a) the sizeable one-off awards without a sufficiently compelling rationale**
- **b) the retrospective reclassification of pay components**

Furthermore, ISS is recommending an AGAINST vote on:

- **c) the capital increase to serve 2024 group incentive system (item 7 extraordinary)**

a) the sizeable one-off awards without a sufficiently compelling rationale

The Board has implemented what was previously outlined in the last Remuneration Policy and Report, effectively managing the transition following the EBA clarifications received in March 2024 on share pricing, which we immediately applied moving to an ex-post-performance pricing mechanism without any adjustment for missed dividends ahead of vesting.

As part of this transition, the decision was made to allocate a one-off share award to all GMRTs receiving variable remuneration in shares, including the CEO and Executives with Strategic Responsibilities. This measure is crucial to ensure that the team is fairly compensated for their outstanding performance and to preserve the incentivizing power of our variable remuneration framework, which is 100% paid in shares for the CEO and GEC. This approach remains fully aligned with our shareholders' interests.

More specifically, the 2024 Remuneration Policy outlines key guiding principles aimed at aligning employee and shareholder interests, fostering a pay-for-performance philosophy, and ensuring fair treatment of staff. A notable feature of this policy is its dedication to mitigating unintended consequences arising from the change in the share price methodology, ensuring that the remuneration framework remains fair, transparent, and aligned with both company performance and market conditions. At the time of approval of the 2024 Remuneration Policy, the Bank could not reliably calculate the impact of the new share price methodology, since several external variables – inter alia, market conditions and dividend trajectory – had yet to crystallize.

The quantification of the overall impact of the shift in the share price methodology has been based on factual elements, with no discretion or judgment involved. Specifically, we calculated this impact by considering:

- expected dividends, based on public analyst consensus data, discounted through a cashflow discount model weighted for the deferral payout schedule.
- the UniCredit share price performance over the 2024 performance year comparing ex-ante vs ex-post share prices.

While we acknowledge the payment is material, it reflects the strength of the share price over the last 12 months and therefore shareholder value created. So, we feel that this is appropriate and aligned with shareholder interests.

The overall impact is further reinforced by the increase in our cash dividend policy, which was raised from 40% to 50% of net profit. Additionally, it is important to note that UniCredit's variable remuneration is 100% paid in shares for both the CEO and GEC members, while our competitors typically pay 65% in shares and continue to apply ex-ante share pricing in the execution of their Long-Term Incentive Plans.

Lastly, the one-off is limited to the 2024 transition year, it is paid fully in shares, deferred and subject to malus and claw back, as variable remuneration complying with the EU cap and funded within the overall bonus pool generated by 2024 risk-adjusted business results.

b) the retrospective reclassification of pay components

Firstly, it is important to clarify that the terms "reclassification" and "retrospective" are factually inaccurate. What is being done here is just applying the law and aligning with the provisions that are already in force. Therefore, it is more appropriate to refer to this as the of correct or proper classification of all the fixed remuneration items.

In fact, according to the EBA guidelines on sound remuneration policies "*remuneration is either fixed or variable remuneration; there is no third category of remuneration*" (EBA GL 129). Furthermore, EBA guidelines foresee that "*Remuneration components that are either part of a general institution-wide policy where they meet the conditions listed in paragraph 131 or payments mandatory under national law are considered as fixed remuneration. This includes payments which form part of routine employment packages*[1] *as defined in these guidelines"* (EBA GL 132).

Therefore, we have assessed that classifying benefits in policy and mandatory social security contributions as fixed remuneration is consistent with the laws and widespread practice. Indeed, these remuneration items "*are based on pre-determined criteria, are non-discretionary reflecting the level of professional experience and seniority of staff, do not provide incentives for risk assumption; and do not depend on performance*" (EBA GL para. 131).

An accurate due diligence supported by external legal opinions has confirmed our full compliance with EBA guidelines and Bank of Italy Circular 285 provisions, as well the alignment with our 2024 remuneration policy, which references these regulations. Therefore, it is inaccurate for ISS to say that it is "atypical" for firms to include pension fund contribution and benefits in fixed pay for cap purposes.

The immediate adoption of this classification, starting from the current 2024 remuneration cycle (i.e. payout 2025), is the correct and prudent measure to properly apply the regulation and structurally improve the remuneration framework. Importantly, it does so without increasing the fixed costs of the bank, as this remuneration is already paid or recognized for the executives.

[1] According to EBA GL definition, Routine Employment Packages means ancillary components of remuneration that are obtainable for a wide population of staff or staff in specified functions based on predetermined selection criteria, including, for example, healthcare, child care facilities or proportionate regular pension contributions on top of the mandatory regime and travel allowance.

c) the capital increase to serve 2024 group incentive system (item 7 extraordinary)

ISS is recommending a "AGAINST" vote on the capital increase (item 7 in the extraordinary session) to support the payout in shares related to the 2024 incentive system, which was approved in the April 2024 AGM and was recommended FOR by ISS itself last year.

The risk in the event that the qualified majority is not achieved, is that a cash-equivalent payment will be made to beneficiaries according to the plan rules. This would effectively reduce the alignment of interests with shareholders and increase the overall cost of funding.

It important to note that the overall dilution on share capital for the 2024 incentive system is 0.65% and the total dilution for all the outstanding incentive plans is 1.63%, which is fully in line with proxy advisors' policies.

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3. ISS recommend AGAINST vote on the 2025 Group Incentive System for "the high risk of pay-for-performance misalignments deriving from the combination of the sizeable variable pay opportunity of the CEO and the problematic plan features"

- **a) the financial objectives not sufficiently challenging**
- **b) the qualitative board assessment**
- **c) the compensatory effects between short-term objectives**

First of all, the 2025 Group Incentive system is completely unchanged vs. 2024 system for which ISS recommended FOR last year.

The against recommendation is inconsistent with their praise of the system, its disclosure quality, and the enhancements made in terms of more challenging target setting and the pay-curve.

Key points of clarification:

a) the financial objectives not sufficiently challenging

- all the financial targets of 2025 CEO scorecard are more ambitious compared to 2024 targets despite the material headwinds expected in 2025 e.g. on interest rates: for instance, the Net profit 2025 max target is set above the latest market consensus and guidance at € 9.9 bn vis-à-vis 8.5 of 2024.
- the incentive payout curve has been adjusted to reduce the payout at threshold performance from 40% of maximum to 30 %, making it more aligned with the pay-for-performance philosophy.
- the equivalent RoTE value of the financial targets highlights a gateway threshold of 16.2%, with the maximum payout achievable with a RoTE close to 20%. Only UniCredit and three other European banks have a RoTE above 16% in 2024.

b) the qualitative board assessment

- it remains unchanged and it is a well-stablished part of the incentive framework to address elements not directly reflected in the scorecard.
- This element has been part of the system for years and has never been flagged as contentious in the meeting with ISS.
- The Board discretion is unlimited downward and limited upward till maximum +20%. By the way, positive discretion was never applied in the last years given the performance achievements always above and beyond the maximum targets.

c) **the compensatory effects between short-term objectives**

In the uncertain and volatile markets in which the bank needs to operate, the achievement of certain ambitions may depend on heterogenous factors that are not attributable to a proper performance review of the bank or any of its executives.

While the structure of the Incentive System effectively allows for the over-performance of certain KPIs to offset underperformance of other KPIs, the flexibility that the provision gives is clearly constrained and the following should be considered:

- the "compensation" mechanism is only permitted in favor of KPIs whose achievement level is above the minimum threshold (e.g. for net profit only if the result is above € 8.1 bn)
- any overachievement is weighted according to the single KPI's relevance in the scorecard and capped at 140 pts (e.g. for net profit, weighting 20% in the scorecard, the max "compensation impact" is +4 points i.e. 20%*[140-120] pts)
- the maximum 120 pts of the overall scorecard cannot be overcome in any case

We must also remember that the RemCo and the Board still retain unlimited downward discretion, so they are equipped with any lever to properly manage the outcome of the scorecard. Furthermore, the variable payments, which are fully granted in equity provide an additional layer of connection between remuneration and actual company performance.

In conclusion, the "AGAINST" recommendation from ISS appears misaligned with their own praise for the structure, target-setting, and the improvements made to the incentive framework. The financial targets are more ambitious, the pay curve is more challenging, the compensation mechanism is well-structured and capped, and the Board retains discretion to adjust as needed. Moreover, the share-based remuneration reinforces the alignment with shareholders' interests.

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We genuinely hope that this letter provides clarity on the points raised by the proxy advisor and offers you with additional information to support your final voting decision.

UniCredit is committed to upholding best remuneration practices and is always open to feedback on how to enhance its approach. The bank remains dedicated to transparency, clear communication, and actively listening to shareholders. We are focused on creating best-in-class remuneration practices, rooted in pay-for-performance, aligned with best international market standards and fully reflective of our stakeholders' interests.

This policy serves as a framework to drive performance and growth, ensuring that we can navigate challenging times, retain key talent, and remain fully aligned with you, our valued shareholders.

We remain at your disposal should you wish to discuss this matter further in a dedicated call or if you have any questions via email.

Sincerely,

António Domingues

Chairman Remuneration Committee