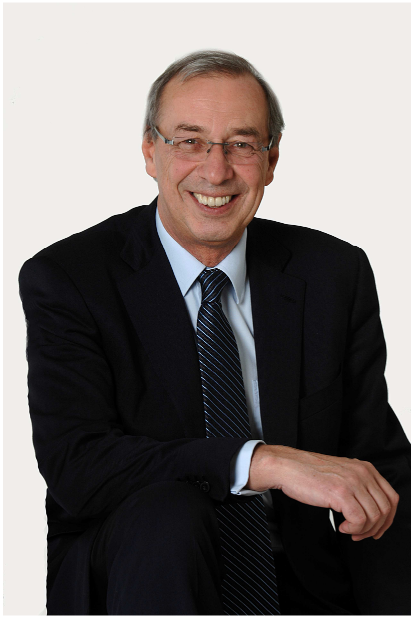
UniCredit

2012 GROUP COMPENSATION POLICY

Letter From the Chairman



Dear Fellow Shareholders,

We work hard to serve our customers and deliver the security and stability they expect. This provides sustainable value: it is our guiding principle and privilege. It is the only way by which we can maintain the trust and support of our vital stakeholders – the shareholders, customers, communities and employees.

In the course of the past several years, we have refined our approach to compensation and sought to continuously improve its implementation. Our strategy is straightforward and its concepts are well tested, meeting not only regulatory requirements but also the expectations of our stakeholders.

We confirm again this year the key pillars of our Group Compensation Policy, which form the cornerstone of our approach to responsible, performance-driven compensation and sound risk management.

Leveraging on our positive experience last year, we have paid particular attention to developing a proactive and constructive dialogue on remuneration with our main investors and proxy advisors. The feedback we received on these key topics is analyzed in the Annual Compensation Report, which was expanded this year to gather, in a single document, all compensation-related information. This serves to enhance stakeholder awareness of our compensation policies, practices and outcomes.

Change is needed and it is occurring. As a large, diversified bank, UniCredit is both constructively engaged in and affected by this important topic. In implementing our strategic plan, we have placed great emphasis on actions that are fully within management's control and which are designed to further strengthen UniCredit. Our clear objective is to assure our leading position in the challenging global environment, and we are confident that our compensation approach will support us in achieving our goals.

Dieter Rampl
Chairman

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SECTION I: EXECUTIVE SUMMARY

Our Compensation Policy

The implementation of the principles set in our **Group Compensation Policy provides the framework for the design of reward programs across the Group**. Policy standards ensure that compensation is aligned to business objectives, to market reality and also with shareholders' long term interests.

UniCredit compensation approach has been consolidated over time under our Group governance, to be compliant with all national and international regulatory requirements and connected with performance, market-awareness and alignment with business strategy and shareholder interests.

The key pillars of our **Group Compensation Policy (Section II)** are confirmed from last year, with further developments in the guidelines set in particular on executive contracts and compliance drivers applicable to our compensation systems.

Our Compensation Disclosure

The **Annual Compensation Report (Section III)** provides the description of our compensation practices and the implementation outcomes of Group incentive systems, as well as remuneration tables with a focus on non-executive directors and the 'identified staff', defined in line with regulatory requirements.

Increased disclosure is provided this year in line with latest national and international requirements, in particular on: the evolution of our **Group incentive system for 2012** (chapter 5.3); specific compensation and pay-mix policy for **Control Functions** (chapter 5.5); updated information on **share ownership guidelines** (chapter 6.2); further details on performance conditions and metrics in a **dedicated chapter on performance measurement** (chapter 5.4); information regarding compensation **target positioning** against peers (chapter 3); **business & local coordination** of Group system implementation (chapter 5.2).

Starting this year, the Report includes also the **disclosure requested by the Italian National Commission for Listed Companies (Consob)** in sect. 84-quarter of Issuers Regulation Nr. 11971, as amended by act no. 18049 / December 23, 2011, referring to members of administrative and auditing bodies, general managers and other key management personnel, information provided in the previous years in UniCredit Group Consolidated Reports and Accounts.

Moreover, in the Annex of the document it is disclosed **specific information on equity plans approval and execution**, as requested by section 114-bis of legislative decree 58/1998 ("Testo Unico della Finanza" - TUF).

Our Results in 2011

In 2011, Company results were affected by goodwill and other impairments represented by extraordinary balance sheet adjustments that do not reflect operational performance, regulatory capital or liquidity, consequence of unforeseeable circumstances in the external environment, such as new regulatory capital requirements imposing higher constraints and the fact that the assumptions driving previous business decisions are no longer applicable to current strategy.

Board's decision regarding Executives bonuses for 2011 took into account all different circumstances in the external environment, regulator expectations and business perspective, considering also the fact that annual operational results of 2011 were entirely unaffected by goodwill and other impairments and that the company solidity, liquidity and sustainability has been reinforced by decisions made in 2011.

As a result, bonuses of the entire Executive population have been impacted, including businesses and countries where operational profitability has been maintained in a context of increased capital absorption and macro-economic downturn:

- For the **Executive Management Committee members** (top 8 managers of the Bank), both the Management and the Board have acknowledged that **not to pay bonuses for 2011 is the most appropriate decision**, considering their overall accountability for Company results, regardless of their specific individual achievements;

- **For Senior Executives** (top 120 managers of the Group) **overall 60% payout reduction** versus the variable opportunity, including several cases of "no bonus";

- **More than 80% of those reduced 2011 bonuses will be deferred** in future years and subject to additional performance achievements;

- **No increases in total compensation** (fixed and variable) with only few exceptions especially in those countries sustaining the Group with positive performance.

Full disclosure on compensation payout amounts, deferrals and target pay-mix for the identified staff is provided in the Annual Compensation Report (chapter 7), including data regarding Directors, General Managers and other key management personnel categories (chapter 8).

With reference to the **overall Group population**, we maintained as well a restricted approach resulting in an overall variable compensation level in line with last year. Details of our variable compensation costs and pay-mix at Group level can be found in the Report (chapter 7).

Our Strategic Roadmap

In 2011 we developed and began to implement our **strategic plan, looking forward to 2015**. During that time we aim to strengthen our core client franchises and our comprehensive product portfolio & added value services, to increase our operational efficiency and to gain a sound capital base and sustainable returns.

The aspirations of the Group are supported by our compensation approach and we are committed to continuously improve what we do in this matter.

SECTION II: GROUP COMPENSATION POLICY

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1. Introduction

1.1 Reflecting Our Mission and Values

We UniCredit people are committed to generating sustainable value for our customers. As a leading European bank, we are dedicated to the development of the communities in which we live, and to being a great place to work. We aim for excellence and we consistently strive to be easy to deal with.

These commitments will allow us to create sustainable value for our shareholders.

Our set of values is based on integrity as a condition to transform profit into value for our stakeholders: our leadership team and all our employees are fully committed to the Values embedded within the Group Integrity Charter. We aim to attract, retain and motivate a highly qualified, diverse, global workforce capable of creating a competitive advantage and to reward those who reflect our standards of consistently ethical behavior in conducting sustainable business.

By upholding the standards of sustainability behaviors and values which drive our Group mission, our compensation strategy represents a key enabler to enhance and protect our reputation and to create long-term value for all Group stakeholders.

These standards define the principles of a Group compensation policy which, relying on our governance model, sets the framework for a consistent and coherent design, implementation and monitoring of compensation practices across our entire organization. Within this common policy framework, guidelines are defined to implement compensation programs and plans that reinforce sound risk management policies and our long-term strategy. In so doing, we most effectively meet the specific and evolving needs of our different businesses, market contexts and employee populations, and ensure that business and people strategies are always appropriately aligned with our remuneration approach.

1.2 The Pillars of Our Compensation Policy

The UniCredit compensation approach is performance-oriented, market-aware and aligned with business strategy and stakeholder interests. To ensure the competitiveness and effectiveness of remuneration as well as transparency and internal equity, the principles of sustainable conduct and performance define the key pillars of our Group Compensation Policy.

The Pillars of Our Compensation Policy
Clear and transparent governance
Compliance with regulatory requirements & principles of good business conduct
Continuous monitoring of market trends & practices
Sustainable pay for sustainable performance
Motivation and retention of all employees, with particular focus on talents and mission-critical resources.

2. Governance

Efficient corporate and organizational governance structures are an essential prerequisite for the pursuit of our company's objectives. UniCredit has defined clear and rigorous governance and rules in order to establish coherence and transparency also with specific reference to compensation.

2.1 Corporate Governance

Our Compensation Governance Model aims to assure control of Group-wide remuneration practices by ensuring that decisions are made in an independent, informed and timely manner at appropriate levels, avoiding conflicts of interest and guaranteeing appropriate disclosure in full respect of the general principles defined by regulators.

The Board of Directors has established a *Delegation of Authority* system to appropriately regulate effective decision-making processes throughout the organisation.

The Remuneration Committee, instituted in 2000, is vested with the role of advising the Board of Directors on Group Remuneration Strategy. Availing itself also of the support of an independent external advisor, the Committee analyzes and monitors international market compensation trends, practices and pay levels to provide advice to the Board of Directors with particular reference to Senior Executives. The Group Compensation Policy, as drawn up by the Group HR function with the involvement of the Group Risk function, is validated by the Group Compliance function for all compliance-related aspects. On an annual basis, the Group Compensation Policy, as proposed by the Remuneration Committee, is submitted to the Board of Directors for approval. The policy is then presented to the shareholders' Annual General Meeting for approval, in line with regulatory requirements.

2.2 Organisational Governance

On the basis of our *Group Managerial Golden Rules*, our model of organizational governance aims to ensure coherent management across the entire Group within a common framework while allowing for sufficient flexibility in decision-making capability to meet business-specific needs and guarantee the respect of local laws, regulatory and governance requirements and processes.

Our governance model is based on the *Global Job Model,* a system that describes and evaluates all jobs within UniCredit Group and supports the management of people and processes in a global, simple and consistent way. By clustering comparable roles across our different businesses and markets, the Global Job Model allows the homogeneous identification across the entire Group of delegation levels and the coherent design, implementation and monitoring of programs and policies.

The principles of the Group Compensation Policy apply across the entire organization and shall be reflected in all remuneration practices applying to all employee categories across all businesses. Once approved by UniCredit Annual General Meeting, the Policy is formally adopted by competent bodies in the relevant legal entities across the Group, in accordance with applicable local legal and regulatory requirements.

With specific reference to the Group Executive population as defined by the *Global Job Model*, the Group HR function establishes guidelines and coordinates a centralized and consistent management at Group level of compensation and incentive systems. Below Group Executive level, as relevant and appropriate for each employee category, each Division, Competence Line and Country is accountable for the respect of Group policy with reference to the remuneration systems and plans that are designed and implemented within the Legal Entities of their perimeter.

3. Compliance

Compliance with laws, rules and regulations and integrity in conduct and behaviors are essential elements of our way of doing business, which by its very nature is based on trust. By fully complying not just with the letter but also with the spirit of relevant legal and regulatory requirements, we protect and enhance our company reputation in the short and long term. Compliant compensation guarantees that all our remuneration policies, practices and programs avoid conflicts of interest between roles within the Group or vis-à-vis customers and are consistent with ethical codes of conduct, our company values and long-term business strategy.

At Group level, the Group Compliance function is vested with the role to "verify whether the company compensation system is consistent with the objective of complying with regulations, Statute and any other code of ethics or other standards of conduct applicable to the bank" (Bank of Italy, March 30th 2011). To comply with this requirement, the Group Compliance function defines, in conjunction with the Group HR function, a set of "compliance drivers" to support the design of incentive systems and has, moreover, the responsibility to validate, for all aspects that fall within its perimeter, the Policy on Group compensation and incentive systems as drawn up by the Group HR function. In accordance with our governance model, local Compliance functions are accountable for verifying, for the aspects that fall within its perimeter of competence, that local compensation systems are compliant with local requirements in addition to the applicable Group-wide compensation polices and procedures.

In compliance with regulatory requirements and in the spirit of transparency and accountability which forms the basis of the trust placed in us by our stakeholders, UniCredit undertakes to guarantee proper disclosure of information with regard to the strategic approach and process by which our compensation policy is defined and by which compensation practices are designed. We support any law or regulatory initiative which implies an enhancement of transparency requirements and, subject to the limits set by privacy and data protection laws and by the opportunity of not eroding our competitive advantage, we wish to make clear to all our stakeholders what we do, how and why. Information about our compensation policy and remuneration approach is published in the Financial Statement, Annual Compensation Report, Corporate Governance Report and in other publications as required, which may be available for consultation also via our company website.

4. Continuous Monitoring of Market Trends and Practices

We aim to adopt remuneration practices capable of guaranteeing distinctive and effective compensation solutions that best drive our overall business and people strategies. Our continuous monitoring of market trends and awareness of international practices contributes to sound formulation of competitive compensation as well as transparency and internal equity.

At Group level, we analyze the overall compensation trends of the market in order to make informed decisions about our compensation approach. With specific reference to the Group Executive population, an independent external advisor supports the definition of a list of selected competitors that represent our Group-level peers with regards to whom compensation benchmarking analysis is performed. This Peer Group is defined by the Remuneration Committee considering our main European and international competitors in terms of market capitalization, total assets, business scope and dimension. On the basis of constant benchmarking, we aim to adopt competitive ranges in compensation levels, pay-mix and total reward structures for effective retention and motivation of our critical resources.

At Division level and as appropriate throughout the organization and businesses, benchmarking and trends analysis may be conducted considering relevant peer groups to assure competitive alignment with the market of reference. Salary and compensation structures defined on the basis of business or market-specific benchmarking must in any case be fully aligned with the general principles of the Group Compensation Policy, with particular reference to the pillars of compliance and sustainability.

5. Sustainability

Our Group's greatest strength is our solid and rigorous commitment to our customers, to our people, to our investors, to the communities we serve, to our core values and to sustainability in everything we do.

Our approach of *sustainable pay for sustainable performance* drives us to set coherent standards for the mechanisms by which we establish compensation levels and payouts *(sustainable pay)*, as well as the results and behaviors we aim to incentivate *(sustainable performance)*. All incentive systems at all organizational levels are required to contribute to the sustainability of the Group by aligning individual goals and behaviors to our common long term mission.

5.1 Sustainable pay

Pay is considered sustainable to the extent that a direct link is maintained between pay and performance and that rewards are consistent with long-term stakeholder value creation. The mechanisms by which we set compensation levels and payout should:

- **Formulate a balanced total compensation structure**
  - balance of fixed and variable compensation elements, avoiding disequilibrium towards variable compensation which may induce behaviours not aligned with the company's sustainable business results and risk appetite
  - appropriate pay mix between short and long-term variable compensation as applicable and relevant on the basis of market and business specifics and line of sight

- **Assure a direct link between pay and performance**
  - align incentive payout levels with overall company risk and cost-of-capital adjusted profitability
  - guarantee financial sustainability and affordability of bonus opportunity and program effectiveness, setting also caps on performance-related payouts as appropriate and consistent with market practice in the context of our specific businesses
  - maintain adequate flexibility and managerial discretion in incentive system design and performance/pay ranges, such as to manage payout levels in consideration of overall performance results and individual achievements
  - aim for appropriate differentiation of payout, adopting a meritocratic approach to selective performance-based reward

- design incentive systems to set minimum performance thresholds below which zero bonus will be paid
- take into consideration the long-term performance in terms of shareholder added-value for the calculation of any severance payouts prescribed or suggested by the specific market of reference, as well as any local legal requirements, collective / individual contractual provisions, and any individual circumstances, including the reason for termination
- avoid any severance provision exceeding the ones provided by Law / National Labor agreement locally applicable. In case of lack of such regulations, any severance beyond the notice period shall not exceed 24 months of total compensation and should be scaled proportionally to the length of service
- adopt a clear stance against so-called "Golden Parachutes" and "Change of Control" clauses. Such elements, as well as exposing the company to considerable reputation risk, are not in any way consistent with the effective pursuit of our strategic business objectives

- **Adopt a multi-year view of performance**
- ensure that pay moves over time in the same direction as sustainable profitability
- evaluate the opportunity to phase, as appropriate, performance-based incentive payout to coincide with the risk timeframe of such performance by subjecting where possible the payout of any deferred component of performance-based compensation to the actual sustainable performance demonstrated and maintained over the deferral timeframe
- consider claw back actions as legally enforceable on any performance-based incentive paid out on the basis of a pretext subsequently proven to be erroneous

- **Ensure incentive systems uphold compliance in their mechanisms, in organizational processes and in the behaviors and conduct rewarded**
- include clauses for zero bonus in circumstances of non-compliant behavior or qualified disciplinary action, subjecting payout to the absence of any proceeding undertaken by the company for irregular activities or misconduct of the employee with particular reference to risk underwriting, sales processes of banking and financial products and services, internal code of conduct or values breach
- incentive systems, plans and programs must be formalised in legally solid and technically precise terms such as to uphold their validity in all circumstances
- assure independence between front and back office functions in order to guarantee the effectiveness of cross-checks and avoid conflict of interest, with a particular focus on trading activities, as well as ensuring the independence and autonomy of Audit, Compliance and Risk functions in undertaking their control duties
- evaluations and appraisals linked to compensation must be, as far as possible, available for the scrutiny of independent checks and controls
- evaluate all incentive systems, programs and plans against the degree to which they enhance our overall company reputation which is one of the foundations of our sustainable competitiveness. Any potential reputation risk posed by any feature, consequence or implication of a remuneration practice must necessarily lead to its modification or elimination.

- **Prove alignment to our Group guidelines regarding non standard compensation**
- non standard compensation are those compensation elements not usually provided under our Group Compensation Policy and are considered exceptions (i.e welcome bonus, guaranteed bonus, special award, retention bonus)
- awards are limited only to specific situations related to hiring phases, launch of special projects, achievement of extraordinary results, high risk of leaving for Group Executives and mission critical roles
- awards should in any case be subject to malus conditions (also taking into account compliance with regulations) and claw back actions, as legally enforceable
- awards are subject to UniCredit governance processes and are periodically monitored and disclosed as for regulatory requirements.

5.2 Sustainable performance

Performance is considered sustainable to the extent that it contributes to the achievement of our company mission over time, to the creation of long-term value for all stakeholders and to the enhancement of our reputation, in adherence to our Integrity Charter values. Sustainable performance refers to *actual results achieved* (the "what" of performance) and the *means by which they are achieved* (the "how" of performance"):

- **Align performance measures with shareholder interests and firm-wide risk-adjusted profitability**
  - consider performance not on the sole basis of annual achievements but also on their impact over time
  - establish coherence between annual objectives and sustainable, risk-adjusted value creation
  - include reflection of the impact of individual's/business units' returns on the overall value of related business groups and organization as a whole
  - base performance evaluation upon profitability and other drivers of sustainable business with particular reference to risk, cost of capital and efficiency
  - consider the customer as the central focus of our Mission, placing customer satisfaction in the forefront of all incentive systems, at all levels, both internally and externally
  - design forward-looking incentive plans which balance internal key value driver achievement with external measures of value creation relative to the market
  - establish reward not on the sole basis of financially-based objectives and mechanisms but also on other performance measures as appropriate, for example risk management, adherence to Group values or other behaviours

- **Encourage sound risk-management practices**
  - incentive systems must not in any way induce risk-taking behaviors in excess of the Group's strategic risk appetite
  - evaluate performance in terms of risk-adjusted profitability and provide for risk-weighted systems and mechanisms
  - measure value-added capital allocation to base payout on cost-of-capital adjusted profit

- **Adopt a multi-perspective view of sustainable performance results and quality**
  - maintain an adequate mix of financial quantitative goals with non-financial (quantitative and qualitative) performance objectives
  - use both absolute and relative performance achievement metrics as appropriate and relevant, where relative performance-based measures are based on comparison of achieved results to those of market peers
  - reinforce sustainability of quality performance over time.

6. Motivation and Retention

We aim to attract, motivate and retain the best resources capable of achieving our company mission in adherence to our Group values. Effective compensation strategies represent a key driver to positively reinforce employee commitment, engagement and alignment with organisational goals. Our total compensation approach provides for a balanced package of fixed & variable, monetary and non-monetary elements, each designed to impact in a specific manner the motivation and retention of employees.

6.1 Base Salary and Pay-Mix

The fixed component of compensation remunerates the role covered and the scope of responsibilities, reflecting the experience and skills required for each position, as well as the level of excellence demonstrated and the overall quality of the contribution to business results. The relevance of fixed compensation weight within the overall package is such as to reduce the risk of excessively risk-oriented behaviors, to discourage initiatives focused on short-term results which might jeopardize mid and long-term business sustainability and value creation, and to allow a flexible bonus approach.

Specific pay-mix guidelines for the weight of fixed versus variable compensation are defined with respect to each target employee population and, with particular reference to the Group Executive population, the Remuneration Committee establishes at Group level:

- the criteria and guidelines to perform market benchmarking analysis for each position in terms of compensation levels and pay-mix structure, including the definition of specific peer groups at Group, Divisional and Regional level and the list of preferred external "executive compensation providers"
- the target policy positioning in terms of compensation value in line with relevant market's competitive levels, defining operational

guidelines to perform single compensation reviews as necessary
- the pay-mix structure for top positions, defining the mix of fixed and variable compensation elements, consistently with market trends and internal analyses performed
- the pay-mix policy for Control Functions, providing for total compensation weighted in favor of the fixed part.

Moreover, the Board of Directors annually approves the criteria and features of the Group Executive incentive plans, ensuring the appropriate balance of variable reward opportunities within the pay-mix structure.

6.2 Variable Compensation

Variable compensation aims to remunerate achievements by directly linking pay to performance outcomes in the short and long term. To strengthen the alignment of shareholders' interest and the interests of management and employees, performance measurement reflects the actual results of the Company overall, the business unit of reference and, of course, the individual. As such, variable compensation constitutes a mechanism of meritocratic differentiation and selectivity. Adequate range and managerial flexibility in performance-based payouts are an inherent characteristic of well managed, accountable and sustainable variable compensation, which may be awarded via mechanisms differing by time horizon and typology of reward.

Incentives remunerate the achievement of performance objectives, both quantitative and qualitative, by providing for a variable bonus payment. An appropriately balanced performance-based compensation element is encouraged for all employee categories as a key driver of motivation and alignment with organisational goals, and is set as a policy requirement for all business roles. The design features, including performance measures and pay mechanisms, must avoid an excessive short-term focus by reflecting the principles of this policy, focusing on parameters linked to profitability and sound risk management, in order to guarantee sustainable performance in the medium and long term. In alignment with specific strategies that contribute to our overall mission, the characteristics of incentive systems also reflect the requirements of specialized businesses.

With particular reference to trading roles and activities, organizational governance and processes as well as risk-management practices provide the structure for a compliant and sound approach, whereby levels of risk assumed are defined (using specific indicators, for example Value at Risk) and monitored centrally by the relevant Group functions. This structure reinforces our consistent remuneration approach which adopts performance measures based on profitability rather than revenues, and risk-adjusted rather than absolute indicators.

Group common guidelines on the key elements of Executive contracts ensure alignment with regulatory requirements and also with Audit recommendations, in particular regarding contract elements with specific regulatory provisions, such as variable compensation and severance provisions. Group guidelines provide for the eligibility to variable compensation to be mentioned in the Executive contracts, as well as the reference to separate communication providing details of variable compensation plans. Amounts related to variable pay and any technical details of payments (vehicles used, payment structure, time schedule) are included in separate communication and are managed in strict adherence to governance and delegation of authority rules

To support the design of employee remuneration and incentive systems, and with particular reference to network roles and governance functions, the following "compliance drivers" have been defined in conjunction with the Group Compliance function:
- maintenance of an adequate ratio between financial and non financial goals
- promotion of a customer-centric approach which places customer needs and satisfaction at the forefront and which will not constitute an incentive to sell unsuitable products to clients
- avoidance of incentives on a single product / financial instrument, as well as single banking product
- avoidance of incentives with excessively short timeframes (e.g. less than three months)
- transparency in all rewarding system communications and reporting phases that the final evaluation of employee's achievements will also be based on their compliant behavior in respect of external and internal rules, regulations and Code of Conduct (to also be

evaluated on the basis of Compliance, Risk Management and Audit findings)

- maintenance of adequate balance of fixed and variable compensation elements also with due regard to the role and the nature of the business performed. The fixed portion is maintained sufficiently high in order to allow the variable part to decrease, and in some extreme cases to drop down to zero
- among the non-financial goals (quantitative and qualitative), goals related to Risk as well as to Compliance, where relevant, should be included (e.g. credit quality, operational risks, claims application of MIFID principles, products sale quality, respect of the customer, Anti Money Laundering requirements fulfillment)
- qualitative measures must be accompanied by an ex ante indication of objective parameters to be considered in the evaluation, the descriptions of expected performance and the person in charge for the evaluation
- definition of individual goals for employees in control functions, where applicable, should reflect primarily the performance of their own function (to minimise potential conflicts of interest)
- avoiding financial goals for fully independent control functions (i.e. Compliance and Audit) or limiting financial goals for Risk and Finance functions in order to guarantee the appropriate levels of independence from the businesses they cover
- non-financial quantitative measures should be related to an area for which the employee perceives a direct link between her/his behaviors/actions towards the customers and the trend of the indicator
- defining quantitative (financial and non-financial) goals which include drivers on quality/riskiness/sustainability of the product sold (focus for Commercial Network roles)
- where discretional evaluations of the employee are made, clear and pre-defined parameters should be set as drivers of said appraisals. All the evaluation process must be conveniently put in writing and documented.

Commercial Campaigns may be organized, after the evaluation and authorization of the competent Product Committee. Commercial campaigns represent business actions aimed at providing guidance to the sales network towards the achievement of the period's commercial targets (also intermediate, for instance on a half-year basis) and with a direct impact on the budget and related incentive systems. The grant of awards related to a Campaign will be subordinated to behaviors compliant with the external and internal regulations. Under no circumstances may the system of remuneration and evaluation of the sales network employees constitute an incentive to sell products unsuitable to the financial needs of the clients. In particular the following "compliance drivers" have been defined:

- setting-up of the incentive mechanisms using criteria which are consistent with the best interest of the client
- ensuring consistency between a Campaign's objectives with the objectives set when defining the budget and when assigning targets to the sales network
- requiring that sales staff verify, when selling products, the suitability of the products for the client; the suitability must be assessed with respect to the client profile, considering:
  - time horizon
  - investment targets, and
  - portfolio concentration
- avoidance of "commercial campaigns" on a single financial or banking product / financial instrument
- inclusion of clauses for zero bonus payment in case of relevant non-compliant behaviour or qualified disciplinary actions
- avoidance of campaigns which – not being grounded an objective and customer interests related basis – may directly or indirectly lead to breaching the rules of conduct regarding clients
- avoidance of campaigns lacking a clear indication of the targets and of the maximum level of incentive to be granted for achieving those targets
- avoidance – in general – of campaigns that link incentives not only to the targets assigned to specific roles/structures (e.g. advisors, agencies) but also to the budget of the higher territorial structure.

6.3 Group Incentive Systems

Incentive systems are considered critical components of the sustainable pay for sustainable performance approach that supports our business mission over time. Group incentive systems aim to attract, motivate and retain strategic resources - Group Executives, talents, mission critical players and other identified staff - and maintain full alignment with the latest national and international regulatory requirements.

With particular reference to the Executive population, common and homogeneous compensation guidelines are defined at Group level. Recognizing the accountability of our leaders for Group business performance, incentives take into account overall risk and value-added capital allocation, do not induce risk-taking in excess of the Group risk appetite, and reflect the impact of business units' returns on the overall value of related business groups, the organization as a whole and the achievement of risk management and other sustainability goals.

Payout is based on comprehensive performance measurement and phased to coincide with an appropriate risk time horizon. The design features of Executive incentive plans are aligned with shareholder interests and long-term, firm-wide profitability, providing for an appropriate allocation of a performance related incentive in cash and in shares, upfront and deferred.

Reward is directly linked to performance, which is evaluated on the basis of results achieved and on the alignment with our leadership model and values. The Executive Development Plan (EDP) as the Group-wide framework for Executive performance management is a cornerstone of fair and coherent appraisal across the organization.

Each year, detailed information about our compensation governance, key figures and the features of Group incentive systems is fully disclosed in the Annual Compensation Report.

6.4 Benefits

A range of various benefits completes the offer to employees as part of a total compensation package which aims to reflect internal equity and overall coherence of our remuneration systems, catering to the needs of different categories as appropriate and relevant. Our employees may enjoy welfare benefits that are supplementary to social security plans and are intended to provide substantial guarantees for the well-being of staff and their family members during their active career as well as their retirement. In addition, special terms and conditions of access to various banking products and other services may be offered to employees in order to support them during different stages of their lives. With reference to our governance framework and Global Job Model, benefits are aligned against common criteria for our Group Executive population and for each employee category, while guidelines to define benefits features are established in line with local market practice and regulatory environments.

UniCredit affirms the value of share ownership as a valuable tool for enabling the engagement, affiliation and alignment of interests between shareholders, management and the general employee population. The Employee Share Ownership Plan rewards the continued support and commitment of our people throughout the organization who can make a difference by contributing to our success with day by day decisions, actions, efforts and behaviors. The possibility is therefore considered, from time to time and as appropriate in light of local legal and fiscal requirements, to offer employees the opportunity to invest and participate in the future achievements of the Group through share-based Plans whereby employees can purchase UniCredit shares at favorable conditions.

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   - Information pursuant section 114-bis TUF and specified by Consob regulations ("2012 Compensation Systems Based on Financial Instruments for UniCredit Group Employees")

1. Introduction

This Annual Compensation Report provides a comprehensive disclosure to increase stakeholders' awareness of our compensation policies, practices and outcomes, demonstrating their coherence with business strategy and performance, responsible remuneration and sound risk management. The report provides ex-post information on 2011 as well as ex-ante disclosure for 2012, covering both our 'identified staff' population and corporate bodies' members.

In 2011, our remuneration solutions provided for:

- compliance of incentive structures with all relevant regulations, including deferred and equity incentives
- comprehensive performance measurement to foster sound behaviors aligned with different types of risk
- satisfactory rating of the annual audit review of compensation policies and practices conducted by Internal Audit function, in line with Bank of Italy requirements.

Over the year we constantly remained abreast of ongoing changes in national and international regulations, both in our home country and in the countries where new regulations were issued, notably Poland and also other nations across Central Eastern Europe, based on recent local implementation of EU requirements.

The Italian National Commission for Listed Companies (Consob) issued in December 2011 an updated binding regulation on compensation disclosure referring to members of administrative and auditing bodies, general managers and other key management personnel. Respective documentation, previously disclosed in part H of the Notes to the Annual Report, is now covered in this report, which becomes a unique document providing complete and comprehensive information on compensation.

In 2011 we continued our annual structured dialogue with international investors and proxy advisors, obtaining valuable feedback on our compensation approach and specific inputs for an effective compensation disclosure, considering Italian specifics and international standards.

2. Governance & Compliance

UniCredit's corporate governance framework assures clarity and accountability in decision-making.

2.1 Remuneration Committee

The Remuneration Committee performs an integral role in supporting Board oversight of Group Compensation Policy and plans design.

The Remuneration Committee was established by the Board of Directors in June 2000. As also described in the Board's Charter and Group website, the Remuneration Committee consists of 6 non-executive members, the majority of whom are independent. The Chairman of the Board and Stand-in Chairman are members by right. Other members are chosen based upon their expertise and willingness to accept the office. The Chairman of the Committee is the Chairman of the Board of Directors. Both the Chairman and the Stand-in Chairman also serve on the Internal Control and Risks Committee.

All Committee's members meet the professionalism criteria set forth by the current Laws and Regulatory requirements. Each one of the members has a specific technical know-how on the matters overseen by the Committee; some of them in particular have developed also experiences in the accounting and finance areas.

The independence of sitting members has been verified by the Board on the basis of criteria set forth in the Corporate Governance Code ("Code") issued by Borsa Italiana and pursuant to Section 148, paragraph 3 of Legislative Decree No. 58/98 (Testo Unico della Finanza – "TUF").

The role of the Remuneration Committee is to provide advice and make proposals to the Board, availing itself with the support of an external consultant, as relevant, regarding:

- the remuneration of UniCredit Directors who hold specific duties, and especially the remuneration of the Chief Executive Officer (CEO)
- the remuneration of UniCredit Managing Director, in the event that the Managing Director is also the CEO
- the remuneration structure of the CEO, General Manager (GM) and Deputy General Managers (DGM)
- the remuneration policy for the Senior Executive Vice Presidents (SEVP), Group Management

Team (Executive Vice Presidents - EVP), Leadership Team (Senior Vice Presidents - SVP) and Heads of Department reporting directly to the CEO
- approval of Group incentive plans based on financial instruments
- the remuneration policy for corporate officers (members of the Board of Directors, Board of Statutory Auditors, and Supervisory Board of Group Companies).

In cases specified under first two points, the proposals that the Committee will be called upon to express its opinion on, will be formulated by the Chairman.

Within the scope of its responsibilities, the Remuneration Committee:
- presents to the Board of Directors proposals related to the definition of the Group Compensation Policy, to be then submitted for approval to the Shareholders' Meeting
- periodically assesses the adequacy of the Compensation Policy, monitoring international practices, industry trends and compensation levels expresses by the Bank's main competitors (peers)
- makes proposal for the definition of the performance goals linked to the variable part of the remuneration of the CEO, GM and DGM, as well as the Heads of the Control Functions
- verifies the actual achievement of the same goals and monitors the application of the Compensation Policy approved by the Shareholders' Meeting as well as the enactment of the decisions made by the Board of Directors.

The Committee members whose remuneration is subject to discussion and/or object of the provision of an opinion by the same Committee, in respect of their specific positions, do not attend the relevant scheduled meetings. The CEO is generally not present during Remuneration Committee meetings and did not participate in any of the 2011 sittings.

Members of the Group's top management team may be called upon to attend Committee meetings with regard to specific issues. In 2011 the Group Head of HR always attended the meeting as guest.

As per Bank of Italy recommendations, the Heads of the Risk (Chief Risk Officer) and Internal Audit Functions may be invited in specific occasions to attend as guests. The Chairman invited both the Chief Risk Officer and the Head of Internal Audit to attend meetings of the Remuneration Committee in 2011, reflecting the increased involvement of the Risk function in compensation topics and governance.

The Remuneration Committee, through its Chairman, has access to all the information and corporate functions as required for performing its duties, and for this purpose relies on the support of the corporate head office structures.

The Committee avails itself with the services of Mercer, an external independent advisor, providing advice on compensation practices and trends, as well as up-to-date remuneration benchmarking studies. Mercer has been preemptively considered not to be in any position which might impair its independence. Mercer collaborates with the Committee since 2007 and was confirmed as independent advisor also for 2012. The representatives of Mercer were regularly invited to attend meetings to discuss specific items on the Committee's agenda.

During the year, the spending requirements of the Committee are met by its own specific budget, which may be supplemented to meet specific needs. In particular, in 2011, by means of its budget, the Remuneration Committee was able to get the advice of Mercer to get the updated information needed for the decisional processes.

In 2011 the Remuneration Committee met 8 times. The meetings had an average duration of one hour. As a rule, the Committee meetings are scheduled on a monthly basis. As at April 2012, 3 meetings of the Committee have been held this year. Minutes are taken of each meeting of the Remuneration Committee and placed on record by the Secretary designated by Committee itself.

During 2011 the key activities of the Remuneration Committee included:
- final evaluation of Group sustainable performance parameters and risk-reward alignment, as required by law under Bank of Italy provisions
- monitoring and analyzing the remuneration system evolution in relation to the change of the reference scenario and to the recommendations and provisions as set out by Supervisory Authorities and main international institutions
- drawing up the Group Compensation Policy 2011, supported by the Human Resources and Compliance and Risk functions, for submission to the Board and subsequent approval of the Annual Shareholders' Meeting

- designing the Group Executive Incentive System in line with regulatory requirements which emerged and evolved over the year
- monitoring the coherent implementation of the policies and systems as well as the execution of the delegated powers
- monitoring external market trends, including benchmarking analysis provided by Mercer against the peer group, to formulate informed proposals to the Board

The main topics discussed by the Committee are also taken to the attention of the Board of Statutory Auditors, in advance over their submission to the Board of Directors.

Within November 2011 – January 2012, three members of the Committee resigned from their positions. Two new members have joined, following the Board decision in January 2012.

Position	Components	Independence by *		**	***
		Code	TUF		
President	Rampl Dieter		X	P	100%
Vice President Vicario	Castelletti Luigi	X	X	M	100%
Vice President	Calandra Buonaura Vincenzo		X	M (1)	--
Administrator	Kadrnoska Friedrich	X	X	M	87,50%
Administrator	Schinzler Hans Jürgen	X	X	M	87,50%
Administrator	Wyand Anthony	X	X	M (1)	--
Administrators who terminated during the reference year and after the year end:					
Administrator	Cucchiani Enrico Tommaso (2)			M (3)	50%
Administrator	Gnudi Piero (4)	X	X	M (5)	71,43%
Administrator	Pesenti Carlo (6)	X	X	M (7)	87.5%
Note: * In this column it is indicated with an "X" the independence of the Administrator. ** In this column it is indicated the position covered (P = President; M = Member) *** In this column it is indicated the percentage of Administrators' participation to the Committee meetings (no. of meetings attended / no. of meetings held during the effective period in which the subject covered the position during the year)					

(1) position covered from January 31, 2012
(2) demissioned from December 16, 2011
(3) position covered until December 16, 2011
(4) terminated on November 16, 2011 to take over governmental tasks
(5) position covered until November 16, 2011
(6) dimissioned from January 31, 2012
(7) position covered until January 31, 2012

2.2 The Role of Control Functions: Compliance, Risk and Audit

The Compliance function plays a primary role not only in the validation but also in the design and definition of compensation policies and processes, in conjunction with the Human Resources function.

Key contributions in 2011 included:

- validation of the Group Compensation Policy 2011 submitted to the Board for subsequent approval of the Annual General Meeting on April 29, 2011
- validation of the 2011 Group Executive Incentive System, including individual goals for the CEO, GM, DGM and Heads of Control functions
- validation of the 2012 - 2015 Performance Stock Option Plan for Group Senior Executives and of the Share Plan for Talents & other Mission Critical Players;
- input and preliminary compliance evaluation of the 2011 "Guidelines for Compliance review of Incentive Systems Below Executives", ensuring through the design of a specific compliance review process, the monitoring of the compliance verification on incentive systems below Executives, in place in the main foreign Banks of the Group;
- preliminary evaluation of incentive systems (and other related initiatives) of below Executive population, in place in UniCredit S.p.A. Italy networks and centralized Italian legal entities
- review of Divisional incentive frameworks for the design of incentive systems below Executive level
- participation and contribution, for the relevant matters, to the regulatory/associative initiatives regarding compensation issues (European Banking Authority "Remuneration benchmarking exercise" and "Remuneration data collection exercise regarding high earners", Financial Stability Board "Second thematic peer review of compensation practices", presentation to Associazione Bancaria Italiana ABI - Compliance in Banks of "Le politiche retributive e il sistema incentivante della rete commerciale: i compiti della Funzione e la coerenza con gli obiettivi di compliance")
- participation to specific HR Compensation initiatives (for instance: definition of the "Guidelines on Executive contracts"; definition of the "Guidelines on non-standard compensation"; "KPI Bluebook" review.)

In 2012, the Compliance function will continue to operate in close co-ordination with the Human Resources function to support not only in the validation but also in the design and definition of compensation policy and processes.

The link between compensation and risk is maintained also in 2011 with the involvement of the Risk function in compensation design and the definition of an explicit framework to base remuneration within an overarching Group Risk Appetite Framework so that incentives to take risk are appropriately constrained by incentives to manage risk. In particular, the Board of Directors and Remuneration Committee draw upon the input of involved functions to define the link between profitability, risk and reward within Group incentive systems.

- ***Internal Audit of the 2011 Remuneration Policies and Practices***

The Group Audit Department performed the third annual audit on the Group variable compensation systems as requested by Bank of Italy in October 2009. The objective was to perform a follow up of the 2011 recommendations on the process and practices applied for the 2010 variable compensation of Group executives as well as the new category of *other material risk takers* and to verify the 2011 design, implementation and effects of the remuneration process and its compliance with the relevant internal rules approved by the Group and communicated to Bank of Italy.

To be noted that the Board, supported by the positive recommendation of Remuneration Committee, decided to neutralize the effect of goodwill and other impairments on the Group Gate due to their extraordinary nature. This decision eliminates the effect of the Zero Factor on management's compensation.

On 27 March 2012 the Board delegated to the Remuneration Committee to review the audit report on 2011 Remuneration policies and practices. The results of the audit were presented to the Remuneration Committee on 5 April 2012.

The population audited included:

1. *material risk takers* (so called 'identified staff' in the regulatory provisions)
   - executives – CEO, GM, Deputy GM, SEVP, EVP and
   - employees materially impacting on Group risk exposure in terms of market, credit and liquidity risks with bonuses above €500,000 – some SVP and some FVP in CIB division
2. *other risk takers* – remaining SVP and employees in selected roles with bonuses above €100,000.

The audit evaluation resulted overall satisfactory considering the appropriate compensation policy aligned with regulations is in place, the policy was correctly applied to majority of the 'identified staff' and the Group's economic results were reflected in the 2011 bonus level reduction.

The overall rating provided is a result of the combination of two different components affecting the application in practice of the 2011 Group Incentive System to 'identified staff' and "other risk takers" as follows.

1. About Executives and SVPs managed by Group HR Compensation, Internal Audit analyses produced a generally positive outcome, as an effect of the recognition of the functionality of the expected governance as well as considering the independence of Remuneration Committee, applicable policies and procedures found in place, appropriate goal selection, strict performance evaluation and prudence of data used for key performance indicators' calculation applied to the Executive population and outside - Corporate & Investment Banking SVP.

2. About other material risk takers and other risk takers under responsibility of HR Corporate & Investment Banking several weaknesses requiring prompt and proper remediation were identified by Internal Audit.

The audit recommended in particular:

- to strengthen Group HR Compensation's role in its quality of supervisor of the Group incentive system application throughout the whole Group, as regards significant bonuses and non-standard compensation payments;
- to apply the so called Group Gate consistently, to the entire other material risk takers population to ensure alignment with sustainability features of the Group incentive system;
- to implement a fully transparent and traceable performance evaluation process in Corporate & Investment Banking Division, aiming to avoid rewarding performances not in line with the bank's strategy.

The Internal Audit's recommendations were shared with the relevant process owners to improve the remuneration process and practices.

3. Continuous Monitoring of Market Trends and Practices

Remuneration Committee and Board of Directors make informed decisions on compensation, in line with business strategy and based on appropriate market awareness.

Key highlights of total compensation policy defined this year with the support of continuing external benchmarking and trends analysis provided by the independent external advisor to the Remuneration Committee include:

- definition of executive compensation policy with particular reference the design of the Group incentive systems defined for 2012
- pay recommendations based on specific benchmarking analysis against our defined peer group to inform any decision.

Compensation levels and pay-mix for executives and management are planned, managed and reviewed based on our strategic framework and also aligned with UniCredit relative performance over time. As policy target, total compensation is set between market median and upper quartile, with individual positioning defined considering specific performance, potential and people strategy decisions. Base salaries are appropriate in the specific market for the business in which an individual works and for the talents, skills and competencies that the individual brings to the Group. The level of fixed pay should be sufficient so that inappropriate risk-taking is not encouraged.

The peer group used at Group level to benchmark compensation policy and practice with particular reference to the senior executive population is defined by the Remuneration Committee upon proposal of the independent external advisor on the basis of criteria including: comparability of size, complexity and business model, presence in customer, talent and capital markets, risk and legal-socio-economic environment.

The peer group is subject to annual review to assure its continuing relevance. For 2011, the peer group was confirmed from previous year:

2011 UniCredit Group peers
As approved by the Remuneration Committee, the peer group was comprised of the financial institutions shown below: *Banco Santander* *Barclays* *Banco Bilbao Vizcaya Argentaria* *BNP Paribas* *Citigroup* *Credit Agricole* *Credit Suisse* *Deutsche Bank* *HSBC* *Intesa Sanpaolo* *JP Morgan Chase* *Royal Bank of Scotland* *Société Générale* *UBS*

4. Compensation of Directors and Executives with Strategic Responsibilities

The remuneration for members of the administrative and auditing bodies of UniCredit's is represented only by a fixed component, determined on the basis of the importance of the position and the time required for the performance of the tasks assigned. This policy applies to Non-Executive Directors as well as Statutory Auditors and the Supervisory Body members (pursuant to legislative decree 231/2001).

4.1 Non-Executive Directors Compensation

The compensation paid to non-executive directors is not linked to the economic results achieved by UniCredit. In fact the remuneration for UniCredit's non-executive directors is represented only by a fixed component, determined on the basis of the importance of the position and the time required for the performance of the tasks assigned.

In light of the above, the Ordinary Shareholders' Meeting held on April 29, 2009 resolved on giving UniCredit's Board of Directors an overall annual total compensation of €3,200,000, including €1,315,000 for members of the Board Committees and an attendance fee of €400 for every meeting of the Board of Directors and of the other Committees, even if these meetings were held on the same day. The aforesaid Shareholders' Meeting set also the remuneration for the Chairman of the Supervisory Body pursuant to Legislative Decree 231/2001 at €25,000; this amount was increased at €40,000 by the Shareholders' Meeting held on April 22, 2010, taking into account the increased responsibilities and commitments required of this Supervisory Body due to the growing complexity of UniCredit. Pursuant to Sect. 2389, paragraph 3 of the Italian Civil Code, the Board of Directors held on April 29, 2009 established, after consultation with the Board of Statutory Auditors, to give UniCredit's Directors vested with particular offices an additional remuneration consisting of a fixed annual amount for each year of their term of office, whose amounts are reported in the Table 1 published in chapter 8, as per Sect. 84-quarter (Annex 3A, Schedule 7-bis) of Consob Issuers' Regulation.

Taking into account the changes occurred in the composition of the Internal Controls & Risks Committee and of the Supervisory Body pursuant to Legislative Decree 231/2001 last year, it was deemed opportune to propose to the Ordinary Shareholders' Meeting called for the approval of the 2010 financial statement to give UniCredit's Directors, who hold an office in the Board Committees or in other Company's bodies, a total overall maximum amount of €1,600,000, with no change for the attendance fee of €400 due for every meeting of the Committees and the Company's Bodies at issue, as from the relevant date of appointment. This allows, in line with the past, to consider any needs that are expected during the mandate, in relation to future changes in the composition, role and activities of the aforesaid Committees and bodies.

Non-executive directors do not take part of any incentive plans based on stock options or, generally, based on financial instruments.

- ***Indemnities to directors in the event of resignations, dismissal or termination of employment following a public purchase offer (as per Sect. 123/bis, paragraph 1, letter i), of TUF):***

None of the Directors have contracts containing clauses envisaging the payment of indemnities, or the right to keep post-retirement benefits, in the event of resignations or dismissal / revocation without just cause or if the employment relationship is terminated following a public purchase offer. In case of early termination of the mandate, the ordinary law provisions would therefore apply.

The individual employment, as Executive, of the Chief Executive Officer, Mr. Federico Ghizzoni, is today governed - also with regards to the event of resignations, dismissal / revocation or termination - by the ordinary provisions of the law and National Labor Agreement for Banking Industry Executives dated 10 January 2008. In such context, the annual remuneration used to define the possible indemnity due in the above mentioned instances would include the fixed remuneration, any other continuative compensation and the average of the variable pay (inclusive of the components paid in equity - such as for example free shares, restricted shares, performance shares - with the only exclusion of the valorization of the stock options potentially assigned within long term incentive plans) received in the last three years prior to the termination. The actual amount of such indemnity – in terms of months of compensation considered – is then bound to vary depending on the events which led to the termination and on the relationship's duration.

Non-executive Directors do not receive, within incentive plans, UniCredit subscription rights. For the Chief Executive Officer no specific provisions are provided with reference to the right to keep, in case of termination, the options received and the plans' provisions apply.

For none of the Directors currently in office, provisions exist regarding the establishment of advisory contracts for a term following the termination of the directorship, nor the right to keep post retirement perks. No agreements exist either providing compensation for non-competition undertakings.

The compensation paid to the Board of Statutory Auditors is in no way linked to the economic results achieved by UniCredit. In fact the remuneration for UniCredit's Statutory Auditors is represented only by a fixed component, determined on the basis of the importance of the position and the time required for the performance of the tasks assigned.

In light of the above, the Ordinary Shareholders' Meeting held on April 22, 2010, while appointing the Board Statutory Auditors, resolved on giving to such Board an overall annual compensation of € 130.000 for the Chairman of the Board of Statutory Auditors and of € 95.000 for each Statutory Auditors plus an attendance fee of €400 for every meeting of the Board of Statutory Auditors they attend.
Alternate Auditors do not receive any compensation unless they are actually asked to join the Board of Statutory Auditors in substitution of a standing member.

No Statutory Auditor is beneficiary of any incentive plan, including those based on stock options or, generally, on financial instruments.

4.2 Compensation of Executives with Strategic Responsibilities

According to our Group Compensation Policy and to the recommendations of the national and international authorities, the fixed and variable components of the compensation of the CEO (the sole executive director sitting on the Board of Directors and employee of the Company) – consistently with the other executives with strategic responsibilities – are balanced through the ex-ante definition of the relative weight of different components of the remuneration (target pay-mix), considering also the company's strategic goals, risk management policies and other elements influencing firm's business.

The fixed component is defined based on appropriate market awareness and in such a way to be sufficient to reward the activity rendered even if the variable part of the remuneration package were not paid due to not achievement of performance goals.

The CEO, as well as the other executives with strategic responsibilities – in line with the most recent laws, provisions and recommendations issued by regulators and international bodies (such as for example UE – CRD III, Bank of Italy, Financial Stability Board, European Banking Authority) – have a significant part of their remuneration linked to the economic results of UniCredit, taking also into consideration the overall profitability, weighted by risk and cost of capital, as well as sustainability goals (based on capital and liquidity ratios). Such variable compensation is linked to the achievement of specific goals which, in compliance with the Board of Directors' Regulation, are previously approved by the Board upon proposal of the Remuneration Committee and heard the opinion of the Board of Statutory Auditors.

Ex-ante defined specific metrics that reflect categories of our Group risk appetite align Executives' remuneration to sustainable performance and value creation for the shareholders in a medium/long term perspective. Specific individual goals are set out taking into consideration the market practices and the role assigned within the Group, through the systematic use of specific indicators aimed at strengthening the sustainability of business, such as, for example, the satisfaction both of internal and external costumer, risk and financial sustainability indicators and profitability measures also related to the industry peers. Further information regarding our approach on performance management and performance metrics is provided in chapter 5.4.

Variable incentive systems provide for a cap to the variable pay, whose target values are established considering the defined pay mix and whose maximum payout cannot exceed 150% of the target value.

It is also foreseen the deferral in cash and shares of 80% of the incentive, with payout conditional to the achievement of further Group performance conditions over the following financial years. The measure and duration of the deferral are aligned with the provisions set by regulators and are consistent with the characteristics of the business and with the company's risk profiles.

For the Heads of the Internal Control functions the targets, pursuant to the provisions of Bank of Italy, are established by the Board of Directors in line with the tasks assigned to them and avoiding, unless good reasons exist, goals connected to the Bank's performance. In the decision making process related to Internal Control functions are also involved the Board of Statutory Auditors (for the Manager in charge of preparing company's financial reports), the Internal Controls and Risks Committee (with regards to the Heads of Internal Audit and Legal & Compliance functions) and the Sub-Committee for Internal Controls (for the definition of the variable part of the remuneration for the Head of Legal & Compliance function).

In particular, the individual goals of the Heads of the Internal Audit and Legal & Compliance functions are not connected – according to the provisions set forth by the Board of Directors Regulation – to the Company's performance. For the Heads of the Risk Management function and the Manager in charge of preparing company's financial reports, the Board of Directors has verified the existence of valid reasons to insert goals linked to the performance results of UniCredit only in a very limited measure. More information regarding our compensation approach for Control Functions is provided further in chapter 5.5.

The target pay-mix for the executives in Control Functions is defined in advance setting a minimum 51% weight of fixed compensation in the overall package, thus guaranteeing a well-balanced total compensation. Detailed pay mix information is included in the tables in chapter 7.2.

Since 2000, UniCredit has launched equity based incentive plans for the Top Management (therefore including also the CEO and the executives with strategic responsibilities).

In 2011 the Shareholders' Meeting approved new equity based incentive plans, based on performance stock options and shares, whose beneficiaries include the executives with strategic responsibilities. The Performance Stock Options plan provides for a four year vesting period, conditional to the achievement of specific performance goals set in advance and measurable. As required by regulatory provisions, such plan is not offered to Executives in Internal Audit and Legal & Compliance functions, who instead participate in the Group Executive Incentive system, having assigned individual goals primarily related goals of the functions. More information regarding 2011 incentive plans implementation and outcomes is provided in chapter 5.2.

For the CEO, sole member of the Board of Directors to benefit from equity based incentive systems, as well as for the GM and the DGM, are in place share ownership guidelines, detailed further in chapter 6.2.

5. Group Compensation Systems

5.1 Target population

In compliance with specific regulatory guidelines and as approved by the Board upon Remuneration Committee proposal, the 'identified staff' assessment resulted in the following categories: Group CEO, Group Executives responsible for day-to-day management (GM, DGM, SEVP and EVP), executive positions in Control Functions (Audit, Compliance, Risk and Finance) and other material risk takers (employees having a material impact on Group risk exposure in terms of credit, market and liquidity risk, with annual variable remuneration above €500,000). Target population represents approximately 0.1% of the Group employee population, in line with market practice of large universal banks.

In addition, several features of Group incentive systems applied to the target population – such as deferrals and equity incentives – are also extended to a broader population in order to further foster sound compensation practices beyond mere compliance with regulatory requirements. Consistently with previous years practice, the Group programs are also offered to SVP and further extended to other selected roles, including employees in Corporate & Investment Banking division with annual variable remuneration above €100,000.

For 2012 we have confirmed and further documented our current approach to define our 'identified staff' population by:

- additional mapping of collective risk by the analysis of Risk committees membership across the Group
- ex-ante analysis of potential risk-takers in Corporate & Investment Banking division, based on organizational level, job role and risk responsibilities
- validation of the consistency of remuneration thresholds for "high earners".

The analyses largely confirmed the approach already in place for 2011, providing for ex-ante definition of Group executives (EVP and above) in the 'identified staff' categories, as well as 'ex-post' identification of the other risk takers in Corporate & Investment Banking division, based on remuneration threshold.

Compensation pay mix and vehicles used for the target population in 2011 are disclosed in chapter 7 of this Report.

5.2 2011 Systems Implementation & Outcomes

In 2011 Group incentive systems were implemented within the framework of our policy and governance. The following plans were offered last year to our target population on a differentiated basis:

- Bonus Opportunity Plan, representing 80% of the overall target bonus amount for EVP & above (100% for SVP, executives in Audit and Legal & Compliance functions and other selected roles)
- Performance Stock Option Plan, representing 20% of the overall target bonus amount for EVP & above (not offered to SVP, executives in Audit and Legal & Compliance functions and other selected roles)
- Share plan for talents and other Group mission critical players

o *Bonus Opportunity Plan*

The Bonus Opportunity Plan provides for the allocation of a performance related bonus in cash and free ordinary shares over 4 years, based on a multi-perspective assessment of operational & sustainability drivers (as set in the individual Performance Screen) and on the application of an overall risk / sustainability factor, related to annual Group profitability, solidity and liquidity results (Group Gate / Zero Factor).

In 2011 Company results were affected by goodwill and other impairments, represented by extraordinary balance sheet adjustments that do not reflect operational performance, regulatory capital or liquidity.

As established under Group incentive plans rules in place since 2009 and in line with common legal practice and sound compensation governance, the Board is attributed the right to make decisions in connection with any extraordinary and/or unforeseeable circumstances that may affect the Group, the Company or the market in which it operates.

In formulating its decision on March 27, 2012, the Board considered the nature of 2011 impairments and different implications and perspectives of all stakeholders, and in particular the fact that goodwill and other impairments were a consequence of:

- unforeseeable circumstances in the external environment: new regulatory capital requirements imposing higher constraints and assumptions driving previous business decisions no longer applicable to current strategy
- extraordinary items not impacting underlying company balance sheet profitability and solidity: annual operational results entirely unaffected by impairments whereas company solidity, liquidity and sustainability has been reinforced by decisions made in 2011.

On these bases, the Board decided to neutralize the impact of goodwill and other impairments on Group Gate & Zero Factor, together with the application of a rigorous evaluation of individual performance screens, aligned with annual operational and sustainability results.

For Executive Management Committee members (EMC – top 8 managers of the Bank: CEO, GM, Chief Operating Officer, Head of Corporate & Investment Banking division, Chief Financial Officer, Chief Risk Officer, General Counsel & Group Compliance Officer, Group Head of HR), both Management and the Board have acknowledged that not to pay bonuses for 2011 is the most appropriate decision, considering their overall accountability for Company results, regardless of their specific individual achievements.

For Senior Executives (top 120 managers of the Group), the decision entailed an overall 60% payout reduction versus the variable opportunity, including several cases of “no bonus”. More than 80% of those reduced 2011 bonuses will be deferred in future years and subject to additional performance achievements. No increases will be performed in total compensation (fixed and variable), with only few exceptions especially in those countries sustaining the Group with positive performance.

In line with Group governance, 2011 evaluations and payouts for CEO, GM, DGM and Heads of Internal Control Functions are reviewed by the Remuneration Committee and approved by the Board, heard the Statutory Auditors and Internal Control & Risk Committee as relevant.

The total amount of variable compensation for the identified staff, detailed in chapter 7.1, is sustainable given the bank's financial position and does not limit bank’s ability to hold an adequate level of capital.

Upon the assessment of achievement level for goals defined for 2011, and subsequent Board approval on March 27, 2012 it was promised the allocation of ca. 14 mln. UniCredit ordinary shares to 768 Group Executives and other selected roles, to be done in 2014 and 2015, conditional to the application of Zero Factor for 2013 and 2014, respectively. Therefore, 2011 Bonus Opportunity Plan would entail an expected impact on UniCredit share capital of approximately 0.242%, assuming the achievement of Group performance thresholds provided by Zero Factor.

- *Performance Stock Options Plan*

The Plan offered in 2011 provides for the actual grant of performance stock options in 2012 to Group Executives (CEO, GM, DGM, SEVP and EVP), with the exclusion of Executives in Audit and Legal & Compliance.

The vesting of the performance stock options is conditional and proportional to performance achieved over the reference period (2012 - 2015) in terms of Relative Total Shareholder Return and Group Economic Profit. These metrics provide for an appropriate balance between internal risk-adjusted and external relative performance indicators:

Performance Stock Options Plan – performance conditions
• *Relative Total Shareholder Return (rTSR), measuring the full reward on shareholder investment relative to peers* • *Group Economic Profit (EP or EVA), expressing the value creation measured as the difference between the Net Operating Profit After Tax (NOPAT) and the cost of the invested capital, calculated on the RWA for credit, market and operational risk*

Upon the assessment of performance conditions there will be determined the actual allocations, which may range from zero to a maximum grant capped at 150%

of target grants, as illustrated in the following assessment matrix.

rTSR	∑ EP 2012–2015 vs. BUDGET				
		< 90%	≥ 90% < 100%	≥ 100% < 110%	≥ 110%
	≥ Q3	50%	75%	125%	150%
	≥ med	25%	50%	100%	125%
	< med	0%	25%	75%	100%
	≤ Q1	0%	0%	50%	75%

rTSR is measured relative to the “Peer Group”, which consists of those companies in the European Stoxx Banking Sector Index (as at the last business day of the performance period) with a market capitalization higher than the median level of the companies included in the index. The individual companies are thus determined ex-post at the time of actual performance measurement in order to ensure the relevance and appropriateness of the peer group, while clear ex-ante definition of the criteria and calculation methodology allow a fully transparent approach.

Peer Group for rTSR calculation
On the basis of defined criteria, the relevant peers would include as at December 31st, 2011:
Banco Bilbao Vizcaya Argentaria SA
Banco de Sabadell SA
Banco Popular Espanol SA
Banco Santander SA
Barclays PLC
BNP Paribas SA
Commerzbank AG
Credit Agricole SA
Credit Suisse Group AG
Danske Bank A/S
Deutsche Bank AG
DNB ASA
Erste Group Bank AG
HSBC Holdings PLC
Intesa Sanpaolo SpA
Lloyds Banking Group PLC
Nordea Bank AB
Royal Bank of Scotland Group PLC
Skandinaviska Enskilda Banken AB
Societe Generale SA
Standard Chartered PLC
Svenska Handelsbanken AB
Swedbank AB
UBS AG

On March 27, 2012, the Board of Directors approved the allocation of a maximum number of ca. 9.2 mln performance stock options to 99 Group Senior Executives, with vesting in 2016 and expiring in 2022, upon achieving of performance conditions set by the Board of Directors and subsequently verified at the end of the 4-year period of reference.

- *Share Plan for Talents and Other Group Mission Critical Players*

The plan was offered in 2011 with the aim to motivate and retain strategic resources and to align beneficiaries and shareholder interests, rewarding long term value creation through the share price appreciation.

981 beneficiaries of the Plan were selected by their fit with corporate values and consistent behaviors, the strategic relevance and impact of the position covered and performance achievements, as well as the retention imperative to focus on Group high potential talents. Upon Board decision on March 27, 2012, a number of ca. 3.6 mln. ordinary shares will be allocated in 3 equal installments over a 3-year period (2013 - 2015), subject each year to the application of a Zero Factor related to Group profitability, solidity and liquidity results in the previous year and in absence of any individual / values compliance breach as well as the continuous employment condition.

o *Local coordination and specific programs*

Group incentive system elements are fully applied across the Executive population, with local adaptations on the basis of regulatory and/or business specificities, consistent with our overall Group approach. Being fully compliant with the principles of the plans, local adaptations allow the achievement of the same results if the implementation of the plans should have some adverse effects (legal, tax or other) for the Group companies and/or beneficiaries residing in countries where the Group is present.

Implementation approach of Group incentive plans for the Executive population fully complies with Bank of Italy requirements and European guidelines, and at the same time considers:

- continuing need to demonstrate compliance to each national regulator
- local pressure to adopt alternative solutions as necessary according to host regulators
- implementation subject to annual Audit separately in each jurisdiction

- further progression required to reconcile local differences and home/host regulatory roles.

The Board of Directors was authorized by the Shareholders' meeting to make appropriate changes for the implementation of the plans in compliance with legal and/or tax regulations in countries where the Group is present, and provided for the use of different solutions, as for example the use of local company shares instead of UniCredit shares for the implementation of Group incentive plans in Zagrebačka Banka in Croatia.

With due consideration of binding Resolution no. 258 issued by the Polish Financial Supervision Authority (KNF) in October 2011 for implementation of EU requirements, it is deemed opportune for Pekao Bank that company performance parameters and shares (local Gate and Pekao shares) to be used instead of UniCredit parameters and shares.

UniCredit Board of Directors approved last year the implementation of a share-based incentive plan by Pioneer Global Asset Management SpA, based on Pioneer shares. For Group executives in Pioneer, the plan is offered in addition to the standard Group system, ensuring full compliance with regulator recommendations for increased autonomy of Asset Management businesses in banking groups.

For the general employee population, specific systems are implemented, considering market local practices. Coherent principles and design features applied also to employees in our Investment Banking business at all organizational levels with particular focus on a strong overall alignment with risk-adjusted business profitability, a comprehensive view of performance and deferral of incentive payouts over certain amounts.

In accordance with regulatory framework and with our governance, HR function in strict collaboration with Compliance function manage on an annual basis the process of compliance review of incentive systems for below Executives population, with the main goals to ensure conformity of incentive systems below Executives with the Group Compensation Policy and compliance guidelines, and also to be line with the relevant regulations on the matter of incentive systems.

5.3 2012 Group Incentive System

The 2012 System aims to attract, retain and motivate Group beneficiaries and to align UniCredit incentive system to the most recent national and international regulatory requirements and provides for:

- allocation of a variable incentive related to 2012 defined on the basis of individual performance assessed in the Performance Screen, as well as results at business level and, as relevant, at country and/or Group level
- definition of a balanced structure of upfront (following the moment of performance evaluation) and deferred payments, in cash and in shares
- distributions of share payments which take into account the applicable regulatory requirements regarding the application of share retention periods. In particular, the payment structure has been defined in line with Bank of Italy provisions requiring a share retention period of 2 years for upfront shares and of 1 year for deferred shares
- application of an overall risk / sustainability factor, related to annual Group profitability, solidity and liquidity results (Group Gate) as well as a Zero Factor related to future Group profitability, solidity and liquidity results
- the maximum bonus is capped at 150% of the established target amount.

Based on individual Performance Screens, bonuses are paid to beneficiaries on the basis of a multi-perspective assessment of operational & sustainability drivers. Individual performance is formally assessed each year by measuring achievement against personal objectives, balancing factual hard number evidence and managerial discretion. Performance is evaluated on both internal absolute goals and relative external goals and considering also risk-adjusted indicators[1]. As appropriate for each role, goals are selected from our KPI Bluebook catalogue. Further details are provided in chapter 5.4.

The alignment of remuneration to solidity, cost of capital & liquidity risk as required by regulators is assured via the inclusion of risk metrics selected to reflect categories of our Group Risk Appetite (Capital Adequacy, Profitability & Risk, Funding & Liquidity). Moreover, specific targets, triggers and limits are set by the Board of Directors in order to mirror risk

[1] Detailed definitions & calculation methodology of the financial indicators are provided in "2011 Consolidated Reports and Accounts" – Annex 4 Definition of Terms and Acronyms

appetite concepts, in line with regulatory requirements.

In particular, the risk metrics defined for 2012 Group Incentive System confirm our approach in 2011 and include:

- Core Tier 1 Ratio to measure the bank's solidity in terms of highest quality common equity, consistent with regulatory limits and conservation buffers
- Return on Tangible Equity to measure the return on investment for shareholders with reference to Cost of Capital & Risk Free Rate
- Net Profit to measure underlying Group profitability
- Cash Horizon to measure the bank's capacity to face up to its liquidity obligations consistent with Basel 3 Horizon Liquidity Coverage

In any case as required by law under Bank of Italy provisions, final evaluation of Group sustainable performance parameters and risk-reward alignment will be reviewed by the Remuneration Committee and defined under the responsibility and governance of the Board of Directors.

The System is designed in line with company strategies and goals and provides for the allocation of a performance related bonus in cash and free ordinary shares paid out over 5 years for EVP and above level and over 4 years for SVP.

Through a balanced deferral structure, the resulting bonus is paid out in annual installments of upfront and deferred payouts, in cash and shares. In 2013 the first installment will be paid in cash, subject to the application of an overall risk/sustainability factor ('Group Gate') related to 2012 Group profitability, solidity and liquidity results and in absence of any individual / values compliance breach. From 2014 to 2017[2] the rest of installments will be paid in deferred cash and shares. Deferred payouts are subject to the application of a Zero Factor related to Group profitability, solidity and liquidity results and in the absence of any individual / values compliance breach.

2012 Group Incentive System structure – EVP & above
• in 2013: a bonus installment of 20% will be paid in "upfront cash"
• in 2014: a bonus installment of 20% will be paid in "deferred cash"
• in 2015: a bonus installment of 20% will be allocated in company "upfront shares", following a 2 year retention period
• in 2016: a bonus installment of 30% will be allocated in company "deferred shares" after a 3 year vesting period (20%) and "deferred cash" (10%), respectively
• in 2017: a bonus installment of 10% will be allocated in company "deferred shares"

2012 Group Incentive System structure – SVP
• in 2013: a bonus installment of 40% will be paid in "upfront cash"
• in 2014: a bonus installment of 20% will be paid in "deferred cash"
• in 2015: a bonus installment of 20% will be allocated in company "upfront shares", following a 2 year retention period
• in 2016: a bonus installment of 20% will be allocated in company "deferred shares"

The number of shares to be allocated in the respective installments shall be defined in 2013, on the basis of the arithmetic mean of the official market price of UniCredit ordinary shares during the month preceding the Board resolution that evaluates 2012 performance achievements.

The payment structure has been defined in line with Bank of Italy provisions requiring a share retention period of 2 years for upfront shares and of 1 year for deferred shares. The implementation of the share retention periods may be carried out in line with the fiscal framework, as applicable at the relevant time in countries where the Group in present, either via the allocation of restricted shares or the promise of shares that shall subsequently be allocated at the end of the intended retention period.

2012 Group incentive system provide for an expected impact on UniCredit share capital of approximately 0.69%, assuming performance achieved at target level. In case of extraordinary performance exceeding targets, the maximum annual dilution shall be 1.03% (lower than 2011 systems entailing a maximum dilution of 1.41%). The overall dilution for all other current outstanding Group equity-based plans equals 2.03%.

[2] For SVP the deferral period goes from 2014 to 2016.

5.4 Comprehensive Performance Management

The Group Incentive System is supported by an annual performance measurement framework assuring coherence, consistency & clarity of performance objectives with business strategy, and encouraging and rewarding desired behaviors and risk orientation. Our performance management process ensures all Executives know what is expected from them and includes a rigorous review of their goals achievements.

Starting in 2010, a specific process is performed annually with the involvement of key relevant functions (Human Resources, Finance, Risk, Compliance, Sustainability, Audit, Group Stakeholder and Service Intelligence) to define and review each year the so-called KPI Bluebook: a set of goals (KPI - key performance indicators) and guidelines for performance measurement and evaluation in order to support managers and HR in defining Performance Screens.

The KPI Bluebook maps 8 categories of performance drivers covering financial dimensions (such as Value Creation, Commercial, Profitability, Risk Management, Efficiency, External Relative) and non-financial dimensions (such as Stakeholder Value, Compliance & Function Effectiveness) into 5 clusters of similar businesses (Group / Subgroup, Commercial Banking, Wealth Management, Investment / Markets, Non-Commercial) to help identify the most relevant standardized KPIs (all certified by relevant functions) for any given role, with specific focus on risk-adjusted and sustainability-driven metrics.

In addition to the KPI dashboard, providing a full list of goals to be used for the definition of operational & sustainability matrix of the Performance Screen, the KPI Bluebook provides as well guidelines for:

- goal-setting: to help in selecting, combining & weighing goals;
- target-setting: to help in defining a target reference for expected performance.
- Control Functions: updated guidelines following specific goal-setting requirements (further details provided in chapter 5.5)
- alignment to Group Strategic Plan, by identification of most relevant KPI, in line with business needs.

2013-2015 Strategic Plan Objectives	Link with Group Incentive System
• Basel 3 Common Equity Tier 1 (CET1) full impact above 9% already in 2012 and 10% by 2015 – proposed 7.5 bn Rights issue secures a solid foundation	Captured in Group Gate & Zero Factor
• Return on Tangible Equity about 12% by end of plan based on sustainable recurring returns	
• Focused Risk Weighted Assets (RWA) management , run-off portfolio of 48 bn of performing assets	Captured in all relevant KPIs and in particular by Economic Profit & (Revenues-Expected Loss)/RWA
• Basel 3 compliance for balance sheet and liquidity risk indicators by 2015	Captured in Group Gate & Zero Factor and in all relevant KPIs and in particular by Loans – Deposits, Cost of Risk and Net Operating Profit/RWA
• Well matched structure with net inter-bank position positive by 2015 lowering dependence on wholesale markets	
• Cost of risk to drop by 48bps to 75bps by 2015	
• Cost base reduction by almost 10%, targeting Cost/Income at ~50%	Captured by Efficiency goals based on delta year on year

5.5 Compensation of Control Functions

Incentive Plans for Executives in Control Functions are implemented in line with specific policies which assure independence and pay particular attention to the use of financial goals in order to avoid conflict of interest.

Performance Screen is designed to measure individual performance related primarily to the activities of the specific control function:

- further limitation of operational goals weight for Risk and Finance, reducing to 1 the profitability-related goal included in the Performance Screen. This limitation, in addition to the exclusion of performance stock options in the 2012 bonus structure, reduce from 44% to 15% the overall portion of bonus subject to financial goals;
- confirmed the exclusion of financial goals for Audit and Legal & Compliance, in line with regulator indications;
- guidelines limiting operational goals to 30% for HR[3] as also a support function are considered appropriate to avoid conflict of interest;
- in particular for Risk function, uphold direct correlation and integration among the goals for Risk Management and Credit positions, in order to balance their responsibilities within the Company.

[3] HR is assimilated by Bank of Italy to a Control Function for remuneration purposes only. Within UniCredit organization governance model, HR is subject to guidelines aimed to avoid conflict of interests for remuneration purposes.

The application of an alternative “Group Gate & Zero Factor” with 50% maximum reduction has been confirmed also in 2012 for Audit and Legal & Compliance functions.

Pay-mix policy for control functions aims to avoid conflict of interest by defining limits on pay-mix in line with regulatory indications. Target pay-mix policy defined ex-ante for all control functions provides for a proportion of minimum 51% fixed pay in total compensation, target to be reached via a phased approach depending on the current pay-mix.

The pay-mix for executives in control functions is already well-balanced and consistent with regulatory indications, with only few exceptions that we will capture in our governance processes. Proposed shift towards fixed compensation, as appropriate, will be made via various solutions considering benchmarks, people and cost strategies.

6. Employee Share Ownership

UniCredit affirms the value of share ownership as a valuable tool for enabling the engagement, affiliation and alignment of interests between shareholders, management and the general employee population.

6.1 Employee Share Ownership Plan

In 2008 the UniCredit Group Employee Share Ownership Plan “Let’s Share” was launched for the first time, offering to employees the possibility to invest in UniCredit ordinary shares at favorable conditions
So far, more than 10,000 individuals have participated in “Let’s Share” from 13 countries: Austria, Bulgaria, Germany, Hungary, Italy, Czech Republic, Poland, Romania, Serbia, Slovakia, United Kingdom, Luxembourg and, last year for the fist time, Hong Kong.

The Plan offers the participants the opportunity to purchase UniCredit shares, receiving 1 free share for every 3 shares bought, subject to a 3-year holding period. The Plan provides for the use of shares to be purchased on the market with no diluting impact on share capital.

Subject to Annual General Meeting approval, we continue to seek possibilities for increasing the number of participating countries, taking into account any local legal, fiscal and operational constraints.

6.2 Share Ownership Guidelines

Share ownership guidelines articulate minimum levels for company share ownership by covered Executives, aiming to align managerial interests to those of shareholders by assuring appropriate levels of personal investment in UniCredit shares over time. As part of our total compensation approach, we offer equity incentives that provide for opportunities of share ownership. The ownership of UniCredit shares by our Group leaders is a meaningful and visible way to show our investors, the public and our people that we believe in our company.

On December 16, 2011 the Board approved the currently applicable share ownership guidelines which, in light of new share retention requirements issued by Bank of Italy in April 2011, have been updated to apply to the CEO, GM and DGM as shown in the following table:

Share ownership levels:
2012 guidelines set the following minimum levels: • 2 x annual base salary for Group CEO • 1 x annual base salary for GM and DGM

The established levels should be reached within 5 years from first actual share grant. Covered Executives are also expected to refrain from entering into schemes or arrangements that specifically protect the unvested value of equity granted under incentive plans. Such clauses are contained in all relevant incentive plan rules and apply to all beneficiaries, since involvement in such schemes undermines the purpose of the incentive at risk. Any form of hedging transaction shall be considered in breach of Group compliance policies with such consequences as provided for under enforceable rules, provisions and procedures.

Detailed disclosure about the number of shares held by, as well as the number of UniCredit stock options and performance shares granted to, Directors, General Managers and other key management personnel is provided in the tables contained in chapter 8.

7. Compensation data

7.1 2011 Remuneration outcomes

(€ thousand)	Aggregate Compensation Amounts [4]			
	Number of incumbents[5]	Fixed & other non-performance related pay	Variable pay related to 2011 performance	
			Cash	Equity
CEO[6]	1	1,587	0	0
Other Executive Directors[7]	0	0	0	0
Non-Executive Directors[8]	22	5,382	0	0
GM[9]	1	1,301	0	0
DGM & SEVP[10]	16	11,887	505	0
Executives in Control Functions[11]	29	11,680	885	0
EVP[12]	84	38,749	3,654	0
Other material risk takers[13]	27	6,859	4,153	0

Fixed & other non-performance related pay to the identified staff includes also severance and sign-on payments totaling €14,602,010 made during the financial year to 12 beneficiaries (the highest severance paid to a single person was equal to €2,228,000). The payments were determined in line with Group Policy guidelines and relevant legal and contractual framework.

[4] Considering pro-rata amounts for incumbents in office for part of the year
[5] Counting as 1 each incumbent over the year
[6] As per Bank of Italy staff category recommendation: category A. Chief Executive Officer
[7] As per Bank of Italy staff category recommendation: category B. Other Executive Directors
[8] As per Bank of Italy staff category recommendation: category C. Non-Executive Directors
[9] As per Bank of Italy staff category recommendation: category D. General Manager
[10] SEVP positions, excluding SEVPs in Control functions (reported separately). As per Bank of Italy staff category recommendation: category E. Heads and managers responsible for the main lines of business, company functions, geographic area and those reporting directly to supervisory bodies
[11] SEVP and EVP positions in Audit, Legal&Compliance, Risk and Finance. As per Bank of Italy staff category recommendation: category F. Heads and managers responsible for Internal Control Functions
[12] EVP positions, excluding EVPs in Control functions (reported separately). As per Bank of Italy staff category recommendation: category G. Other employees who, individually or collectively, materially impact firm risk profile
[13] Employees having a material impact on Group risk exposure in terms of credit, market and liquidity risk, with annual variable remuneration above €500,000. As per Bank of Italy staff category recommendation: category H. Employees and collaborators with high remuneration not included in the previous categories

(€ thousand)	Deferred Compensation				
	Paid out in 2011 *Based on multi-year performance achieved*		Outstanding *Based on future performance*		
			Vested	Unvested	
	Cash[14]	Equity[15]	Equity[16]	Cash	Equity[17]
CEO	338	71	0	1,430	1,011
Other Executive Directors	0	0	0	0	0
Non-Executive Directors	0	0	0	0	0
GM	533	0	0	2,332	303
DGM & SEVP	2,713	57	0	14,252	3,634
Executives in Control Functions	1,790	23	0	9,483	4,174
EVP	8,057	921	0	26,044	17,655
Other material risk takers	9,331	0	0	4,662	19,840

Deferred amounts paid out in 2011 include payouts based on demonstrated multi-year performance achievements. Amounts shown as outstanding deferred compensation represent the potential gain on deferred awards that remain subject to future performance. These amounts are not related to nor indicative of the benefit (if any) that may ultimately be realized on the cash award or the underlying stock options / performance shares that may become exercisable or be actually allocated.

Equity payments made in 2011 include performance shares allocated under 2008 - 2010 Group Long Term Incentive Plan and reflect the value of the shares at the date of grant. Under this plan, actual allocations of Performance Shares have been determined on the basis of performance achievements verified at the end of the 3-year performance period. The plan, approved by the Board in June 2007, offered the promise of

[14] CEO and GM do not receive any variable pay related to 2011 performance as well as other EMC members. The amounts are referred only to the payment of previous year deferrals under the 2009 and 2010 Group incentive Systems granted in connection with previous responsibilities of the incumbents. Such amounts had been already reduced by 50% due to the application of the Group Gate for the performance of the year of reference
[15] Amounts shown as equity compensation reflect the market value of the shares at the date of actual grant or the difference between the market value of the shares and the strike price of the stock options at the date of exercise
[16] Based on the "Hull&White" option pricing model, the fair value estimates of the equity instruments as at 01/01/2012 would be (€ thousand): 104; 0; 0; 726; 1,018; 491; 1,469 and 80 respectively, for each of the categories for which data is disclosed in the table
[17] Based on the "Hull&White" option pricing model, the fair value estimates of the equity instruments as at 01/01/2012 would be (€ thousand): 2,111; 0; 0; 3,271; 15,106; 10,287; 32,209 and 19,840 respectively, for each of the categories for which data is disclosed in the table

performance shares to 860 Executives, talents and other mission critical players.

Performance Shares vested in relation to results for the year 2010 at both Group and Division level, considering measures of value creation, risk-adjusted profitability and efficiency including Economic Profit (EP or EVA), Cost of Risk and Cost/Income Ratio. Group performance was below target while Division performance targets were achieved by Asset Management, Global Banking Services, Poland's Markets and Private Banking divisions. Beneficiaries in these divisions have therefore received 50% of the performance shares promised, leading to the actual allocation to 187 beneficiaries out of 860 (21.7% of total) of 908,770 shares distributed out of the maximum 9,685,478 set under the Plan (9.4% of total).

The vested component refers to the performance shares under 2009 - 2011 UniCredit Group Long Term Incentive Plan, which were not allocated, provided that the performance conditions specified in the Rules have not been achieved. There is no vested cash component of the deferred compensation.

The unvested component refers to cash and equity awards to which the right has not yet matured and for which any potential future gain has not been yet realized and remains subject to future performance.

The value of shares shown as unvested equity is calculated considering the arithmetic mean of the official market price of UniCredit shares during the month preceding the Board's resolution on share based plans execution on March 27, 2012.

All stock options granted under existing Group LTI plans are currently 'under water' and represent zero gain for the beneficiaries as long as the exercise price of the stock options remains above the market price of the underlying shares.

The total compensation costs at Group level totaled €9,209 mln. in 2011, similar with the previous year, out of which the variable compensation pool amounted €904 mln, less than 10% of total staff costs, in line with the previous year amount.

7.2 2012 Remuneration Policy

	Target Total Compensation	
	Fixed & other non-performance related pay	**Target variable performance-related pay**
NON-EXECUTIVE DIRECTORS		
Chairman and Vice Chairmen	100%	0%
Directors	100%	0%
Statutory Auditors	100%	0%
GROUP EXECUTIVES		
CEO	22%	78%
GM	21%	79%
DGM & SEVP	33%	67%
Executives in Control Functions	49%	51%
EVP	47%	53%
GROUP EMPLOYEE POPULATION		
Business Areas[18]	86%	14%
Corporate Centers/ Support functions[19]	85%	15%
Overall Group Total	86%	14%

Total compensation policy for Non-Executive Directors, Group Executives and for the overall Group employee population demonstrates in particular how:

- remuneration of the Non-Executive Directors, as approved by the AGM, does not include variable performance-related pay
- Group Executives are offered significant opportunities for variable compensation in line with their strategic role, regulatory requirements and our pay for performance culture
- the general employee population is offered a balanced pay-mix in line with the role, scope and business or market context of reference.

In a second scenario considering the maximum amounts of variable incentives set for 2012 (150% of target bonus) in case of outstanding results and performance exceeding expectations, the proportion of variable compensation for Group Executives would be respectively:

[18] Family & SME Division, Corporate & Investment Banking Division, Private Banking Division, Asset Management, Central Eastern Europe and Poland's Markets divisions
[19] Corporate Centers Italy, Germany & Austria and Global Banking Services

	Maximum Total Compensation	
	Fixed & other non-performance related pay	**Maximum variable performance-related pay**
CEO	16%	84%
GM	15%	85%
DGM and SEVP	25%	75%
Executives in Control Functions	39%	61%
EVP	38%	62%

Variable performance-related pay composition follows the structure of 2012 Group Incentive System offered to the identified staff. As in the previous years, several features of the plan – such as deferrals and equity incentives – are also extended to SVP and other selected roles.

	Variable Performance-Related Pay			
	Upfront pay		**Deferred pay**	
	Cash	Equity	Cash	Equity
CEO / GM / SEVP / EVP	20%	20%	30%	30%
Other material risk takers	25%	25%	25%	25%
SVP and other selected roles[20]	40%	20%	20%	20%

Variable compensation policy for Group Executives demonstrates alignment with regulatory recommendations, and in particular:

- a significant proportion of compensation is variable and performance-related
- up to 60% of variable performance-related compensation is paid under deferral arrangements over a period of up to 4 years
- equity based compensation represents 50% of variable compensation for the identified staff categories.

7.3 Benefits Data

Our employees enjoy welfare, healthcare and life balance benefits that supplement social security plans and minimum contractual requirements. These benefits are intended to provide substantial guarantees for the well-being of staff and their family members during their active careers as well as in retirement.

o *Structure of retirement plans offered to employees*

In Italy, most of the complementary pension plans concern defined contribution funds. There are also defined benefit funds (but they cannot be entered by new employees) with or without separate funds, most of them without. As regards to 2011, their liabilities, estimated on actuarial basis pursuant to the international accounting standards, appear to be adequately covered due to the increase of the discounting back rate deriving from estimation of economic variables (for further details, please see the 2011 Consolidated Reports).

Since 2009, in order to pursue the best balance between yields, costs and risks connected with complementary pension plans (that is, to profit from greater assets and economies of scale), UniCredit has been signing collective labor agreements which provide that the employees who are members of some Group pension funds transfer to the "Fondo pensione per il personale delle aziende del Gruppo UniCredit".

In Germany, defined benefit plans and defined contribution plans are in place. There exists a variety of different defined benefit plans because of the history of the company. The main distinguishing feature is that some plans are final pay plans (a certain percentage of the last monthly gross salary is the pension), and some are career average plans (a percentage of the gross salary of a year is converted into a fix pension amount). All these plans are closed for new hiring.

There exist two defined contribution plans (career average plans), one is closed for new entries, and the other one is the only open plan for new entries. A certain percentage of monthly gross salary is converted into a fix pension amount. The defined benefit plans are nearly fully funded via Contractual Trust Arrangement (Germany) or via Pensions Funds (overseas) as at December 31, 2011.

[20] Including employees in Corporate & Investment Banking division with annual variable remuneration above €100,000

Other retirement plans offered to employees:

Country	Principal types of retirement plans offered to employees
Austria	Defined contribution plans
Bulgaria	No plans
Croatia	Defined Contribution plans
Czech Rep.	Pension plan contribution as part of the bank's benefit cafeteria system The funds are held and maintained separately from the resources of the organization.
Hungary	No plans
Romania	No plans
Russia	Defined contribution plans

Welfare System in 2011:

Country	National mandatory welfare system	Voluntary company welfare system	Percentage of employees who can access the voluntary company system
Italy	Yes	Yes	100%
Germany	Yes	Yes	100%
Austria	Yes	Yes	100%
Poland	Yes	No	not applicable
Bulgaria	Yes	Yes	100%
Croatia	Yes	Yes	100%
Czech Rep.	Yes	Yes	100%
Hungary	Yes	Yes	100%
Romania	Yes	No	not applicable
Russia	Yes	Yes	100%

- *Highlights of initiatives in healthcare & life balance*

In managing their healthcare expenses, most UniCredit employees are supported by a variety of insurance policies, health funds and other benefits (e.g. prevention initiatives, special arrangements for medical costs, benefits platform enabling employees to select plans best suited to their needs).

Additional benefits are offered to support colleagues and their families during different stages of their lives, ranging from childcare services, sport and leisure activities, lunch plans and company canteens to special terms and conditions in respect of access to various banking products. Such benefits may vary substantially from country to country and are tailored to local market practices as well as to the applicable social and regulatory framework.

7.4 Information Pursuant Sect. 84-quarter Consob Issuers Regulation Nr. 11971

A set of tables presents in the following pages the information that the Company is required to provide as per Section 84-quarter of Consob's Issuer Regulation nr. 11971 as lastly amended with deliberation nr. 18049 of 23/12/2011.

For a more detailed understanding of the methodological criteria underlying the information reported in the various tables, reference is made to Annex 3A of the said Consob Regulation.

In particular:

- *TABLE 1: Compensation paid to members of the administrative and auditing bodies, to general managers and to other executives with strategic responsibilities.*

Provides, at an individual level and on an accrual basis, the details of the compensation paid to the members of the Board of Directors, Board of Statutory Auditors and General Managers. For the other 7 Executives with Strategic Responsibilities – who, according to a resolution of the Board of Directors, are represented by the remaining members of the EMC plus the Head of Internal Audit – the information is provided on an aggregate basis.

The overall compensation paid by UniCredit S.p.A. to the Board of Directors amounts to € 7,574,736.

The overall compensation paid by UniCredit S.p.A.to the Board of Statutory Auditors amounts to € 587,600.

The "Fair value of equity compensation" (column 7) does not represent a value actually paid to / gained by the beneficiaries of equity plans, being instead the cost that the Company is booking - on an accrual basis and during the vesting period - in consideration of the provision of the incentives based on financial instruments. More details on such plans are provided at the following Table 2 and Table 3A.

- *TABLE 2: Stock Options Assigned to the Members of the Administrative Body, to General Managers and Other Executives with Strategic Responsibilities*

Nor the non-executive members of the Board of Directors, nor the members of the Board of Statutory

Auditors benefit from any incentive plan, be it based on financial instruments or cash.

The number of the stock options held at the start of the year does not match the values shown as end of period value on the 2010 Annual Report since the values have been adjusted in consideration of the UniCredit shares Grouping Operation (in the ratio of 1 new share for every 10 old shares) enacted on 27th December 2011 and of the Capital Increase Operation of January 2012. Following the grouping and application of the corrective factor advised by AIAF (Associazione Italiana Analisti Finanziari) with regards to the capital increase operation, the Number of Options do actually represent the number of shares, at target level, which would result from the options exercise and the Exercise Price is the actual price to be paid for the subscription of one share.

At current prices, all stock options are largely underwater.

- *TABLE 3A: Incentive plans based on financial instruments other than stock options, in favor of members of the administrative body, general managers and other executives with strategic responsibilities*

The number of performance shares which expired during the year [column (9)] or were granted during 2011 in consideration of the achievement of the underlying performance conditions are shown as before the UniCredit shares grouping operation.

The number of the performance shares outstanding at 31st December 2011, either coming from previous years or promised during 2011, are post-grouping and AIAF adjusted values and represent the actual number of UniCredit shares which might be granted in case of achievement of the relevant performance conditions at the end of the vesting period

- *TABLE 3B: Monetary Incentive Plans in Favor of Members of the Administrative Body, General Managers and Other Executives*

Provides the details of all the cash incentives accrued during the year in favor of the Chief Executive Officer, General Manager and other Executives with strategic responsibilities. Neither the non-executive members of the Board of Directors, nor the Statutory Auditors receive any variable compensation.

In consideration of the Zero Bonus decision for the Executive Management Committee (EMC), no incentives related to 2011 performance have been paid to the CEO, GM and the other 6 Executives with Strategic Responsibilities belonging to the EMC.

The amounts paid as deferrals from the 2009 and 2010 Group Incentive Systems are unrelated to the 2011 performance, and were already cut by 50% due the application of the Group Gate related to the relevant year performance. Such performance was, by the way, unrelated to the circumstances which led to the impairments that affected 2011 Group net income.

The amount reported as annual bonus under the LTI Cash Plans for Control Functions represents the promise of an incentive, subject to verification of performance conditions measured at 31st December 2013 for the Heads of the Internal Audit and Legal & Compliance functions, who - according to regulatory provisions - may not benefit from equity based incentive plans. The promise replaces the provision of the 2010 Performance Stock Options and Performance Shares reported for the other Executives at Table 2 and 3A.

- *Information on the investments held by the members of the administrative and auditing bodies, by general managers and by other executives with strategic responsibilities*

Table 1 and Table 2, drafted in compliance with schedule 7-ter, provide the shareholding in UniCredit or its controlled / associated companies held by the members of the administrative and auditing bodies and general managers and by other executives with strategic responsibilities, respectively. The standard Consob template has been implemented to allow a more transparent representation of the situation in relation to the grouping operation which took place on 27th December 2011.

8. Compensation Tables

Consob Issuers Regulation nr. 11971 - Annex 3A / Schedule 7-bis

TABLE 1: Compensation paid to members of the administrative and auditing bodies, to general managers and to other executives with strategic responsibilities.

Amounts in Euro

(A)	(B)	(C)		(D)	(1)						(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and surname	Office	Period for which office was held		Office expiry	Fixed compensation						Compensation for committee participation	Variable non-equity compensation		Non-monetary benefits	Other remuneration	Total	Fair value of equity compensation	Severance indemnity for end of office or termination of employment
					Emoluments resolved by the Shareholders' Meeting	Attendance tokens	Lump sum expense reimbursements	Compensation for specific offices ex sec. 2389 Italian Civil Code	Employment fixed salary	Total		Bonuses and other incentives	Profit sharing					
Dieter Rampl	Chairman of the Board of Directors	01/01/2011	31/12/2011	approv. bil. 2011	*125.000*	*6.000*		*1.375.000*		1.506.000				24.486	10.494	1.540.980		
	Chairman of the Permanent Strategic Committee	01/01/2011	31/12/2011	approv. bil. 2011		*5.200*				5.200						5.200		
	Chairman of Corporate Governance, HR and Nomination	01/01/2011	31/12/2011	approv. bil. 2011		*4.800*				4.800						4.800		
	Chairman of Remuneration Committee	01/01/2011	31/12/2011	approv. bil. 2011		*2.800*				2.800						2.800		
	Member of Internal Control & Risks Committee	01/01/2011	31/12/2011	approv. bil. 2011	*40.000*	*2.800*				42.800						42.800		
	Member of Internal Control Sub-Committee	01/01/2011	31/12/2011	approv. bil. 2011		*1.200*				1.200						1.200		
	Member of Risks Sub-Committee	01/01/2011	31/12/2011	approv. bil. 2011		*800*				800						800		
	(I) Compensation in the company preparing the financial statements				*165.000*	*23.600*		*1.375.000*		**1.563.600**				**24.486**	**10.494**	**1.598.580**		
	(II) Compensation from subsidiaries and associates				*188.603*					**188.603**	**20.616**					**209.219**		
	(III) Total				*353.603*	*23.600*		*1.375.000*		**1.752.203**	**20.616**			**24.486**	**10.494**	**1.807.799**		
Luigi Castelletti	Deputy Vice Chairman of the Board of Directors	01/01/2011	31/12/2011	approv. bil. 2011	*80.000*	*6.000*		*155.000*		241.000				5.231		246.231		
	Member of the Permanent Strategic Committee	01/01/2011	31/12/2011	approv. bil. 2011	*40.000*	*5.200*				45.200						45.200		
	Member of Corporate Governance, HR and Nomination	01/01/2011	31/12/2011	approv. bil. 2011	*40.000*	*4.800*				44.800						44.800		
	Member of Remuneration Committee	01/01/2011	31/12/2011	approv. bil. 2011	*40.000*	*2.800*				42.800						42.800		
	Member of Internal Control & Risks Committee	01/01/2011	31/12/2011	approv. bil. 2011	*40.000*	*2.800*				42.800						42.800		
	Member of Internal Control Sub-Committee	01/01/2011	31/12/2011	approv. bil. 2011		*1.200*				1.200						1.200		
	Member of Risks Sub-Committee	01/01/2011	31/12/2011	approv. bil. 2011		*800*				800						800		
	Chairman of Related Parties Operations Sub-Committee	01/01/2011	31/12/2011	approv. bil. 2011		*2.800*				2.800						2.800		
	(I) Compensation in the company preparing the financial statements				*240.000*	*26.400*		*155.000*		**421.400**				**5.231**		**426.631**		
	(II) Compensation from subsidiaries and associates																	
	(III) Total				*240.000*	*26.400*		*155.000*		**421.400**				**5.231**		**426.631**		

(A)	(B)	(C)		(D)	(1)						(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and surname	Office	Period for which office was held		Office expiry	Fixed compensation						Compensation for committee participation	Variable non-equity compensation		Non-monetary benefits	Other remuneration	Total	Fair value of equity compensation	Severance indemnity for end of office or termination of employment
					Emoluments resolved by the Shareholders' Meeting	Attendance tokens	Lump sum expense reimbursements	Compensation for specific offices ex sec. 2389 Italian Civil Code	Employment fixed salary	Total		Bonuses and other incentives	Profit sharing					
Farhat Omar Bengdara	Vice Chairman of the Board of Directors	01/01/2011	31/12/2011	approv. bil. 2011	*80.000*	*4.000*		*155.000*		239.000						239.000		
	Member of the Permanent Strategic Committee	01/01/2011	31/12/2011	approv. bil. 2011	*40.000*	*2.000*				42.000						42.000		
	(I) Compensation in the company preparing the financial statements				*120.000*	*6.000*		*155.000*		**281.000**						**281.000**		
	(II) Compensation from subsidiaries and associates																	
	(III) Total				*120.000*	*6.000*		*155.000*		**281.000**						**281.000**		
Vincenzo Calandra Buonaura	Vice Chairman of the Board of Directors	01/01/2011	31/12/2011	approv. bil. 2011	*80.000*	*6.000*		*155.000*		241.000				5.231		246.231		
	Member of the Permanent Strategic Committee	01/01/2011	31/12/2011	approv. bil. 2011	*40.000*	*5.200*				45.200						45.200		
	Member of Corporate Governance, HR and Nomination	01/01/2011	31/12/2011	approv. bil. 2011	*40.000*	*4.800*				44.800						44.800		
	(I) Compensation in the company preparing the financial statements				*160.000*	*16.000*		*155.000*		**331.000**				**5.231**		**336.231**		
	(II) Compensation from subsidiaries and associates																	
	(III) Total				*160.000*	*16.000*		*155.000*		**331.000**				**5.231**		**336.231**		
Fabrizio Palenzona	Vice Chairman of the Board of Directors	01/01/2011	31/12/2011	approv. bil. 2011	*80.000*	*6.000*		*155.000*		241.000						241.000		
	Member of the Permanent Strategic Committee	01/01/2011	31/12/2011	approv. bil. 2011	*40.000*	*5.200*				45.200						45.200		
	Member of Corporate Governance, HR and Nomination	01/01/2011	31/12/2011	approv. bil. 2011	*40.000*	*4.800*				44.800						44.800		
	(I) Compensation in the company preparing the financial statements				*160.000*	*16.000*		*155.000*		**331.000**						**331.000**		
	(II) Compensation from subsidiaries and associates				*141.233*					**141.233**						**141.233**		
	(III) Total				*301.233*	*16.000*		*155.000*		**472.233**						**472.233**		
Federico Ghizzoni	Chief Executive Officer	01/01/2011	31/12/2011	approv. bil. 2011	*80.000*	*6.000*		*340.000*	*1.071.030*	1.497.030		338.021	(a)	247.415	20.478	2.102.944	1.901.580	
	Member of the Permanent Strategic Committee	01/01/2011	31/12/2011	approv. bil. 2011	*40.000*	*5.200*				45.200						45.200		
	Member of Corporate Governance, HR and Nomination	01/01/2011	31/12/2011	approv. bil. 2011	*40.000*	*4.800*				44.800						44.800		
	(I) Compensation in the company preparing the financial statements				*160.000*	*16.000*		*340.000*	*1.071.030*	**1.587.030**		**338.021**		**247.415**	**20.478**	**2.192.944**	**1.901.580**	
	(II) Compensation from subsidiaries and associates																	
	(III) Total				*160.000*	*16.000*		*340.000*	*1.071.030*	**1.587.030**		**338.021**		**247.415**	**20.478**	**2.192.944**	**1.901.580**	

(a) CEO and GM do not receive any variable pay related to 2011 performance as well as other EMC members. The amounts are referred only to the payment of previous year deferrals under the 2009 and 2010 Group incentive Systems granted in connection with previous responsibilities of the incumbents. Such amounts had been already reduced by 50% due to the application of the Group Gate for the performance of the year of reference

(A)	(B)	(C)		(D)	(1)						(2)	(3)		(4)	(5)	(6)	(7)	(8)
					Fixed compensation							Variable non-equity compensation						
Name and surname	Office	Period for which office was held		Office expiry	Emoluments resolved by the Shareholders' Meeting	Attendance tokens	Lump sum expense reimbursements	Compensation for specific offices ex sec. 2389 Italian Civil Code	Employment fixed salary	Total	Compensation for committee participation	Bonuses and other incentives	Profit sharing	Non-monetary benefits	Other remuneration	Total	Fair value of equity compensation	Severance indemnity for end of office or termination of employment
Giovanni Belluzzi	Member of the Board of Directors	01/01/2011	31/12/2011	approv. bil. 2011	*80.000*	*6.000*				86.000	400			5.231		91.631		
	Member of Internal Control & Risks Committee	01/01/2011	31/12/2011	approv. bil. 2011	*40.000*	*2.400*				42.400						42.400		
	Member of Internal Control Sub-Committee	01/01/2011	31/12/2011	approv. bil. 2011		*1.200*				1.200						1.200		
	Member of Related Parties Operations Sub-Committee	01/01/2011	31/12/2011	approv. bil. 2011		*2.800*				2.800						2.800		
	(I) Compensation in the company preparing the financial statements				*120.000*	*12.400*				**132.400**	**400**			**5.231**		**138.031**		
	(II) Compensation from subsidiaries and associates																	
	(III) Total				*120.000*	*12.400*				**132.400**	**400**			**5.231**		**138.031**		
Manfred Bischoff	Member of the Board of Directors	01/01/2011	31/12/2011	approv. bil. 2011	*80.000*	*5.200*				85.200						85.200		
	Member of Permanent Strategic Committee	01/01/2011	31/12/2011	approv. bil. 2011	*40.000*	*4.400*				44.400						44.400		
	(I) Compensation in the company preparing the financial statements				*120.000*	*9.600*				**129.600**						**129.600**		
	(II) Compensation from subsidiaries and associates																	
	(III) Total				*120.000*	*9.600*				**129.600**						**129.600**		
Enrico Tommaso Cucchiani	Member of the Board of Directors	01/01/2011	15/12/2011		*76.493*	*4.400*				80.893						80.893		
	Member of Remuneration Committee	01/01/2011	15/12/2011		*38.247*	*1.600*				39.847						39.847		
	(I) Compensation in the company preparing the financial statements				*114.740*	*6.000*				**120.740**						**120.740**		
	(II) Compensation from subsidiaries and associates																	
	(III) Total				*114.740*	*6.000*				**120.740**						**120.740**		
Donato Fontanesi	Member of the Board of Directors	01/01/2011	31/12/2011	approv. bil. 2011	*80.000*	*4.800*				84.800						84.800		
	(I) Compensation in the company preparing the financial statements				*80.000*	*4.800*				84.800						84.800		
	(II) Compensation from subsidiaries and associates																	
	(III) Total				*80.000*	*4.800*				**84.800**						**84.800**		

(A)	(B)	(C)		(D)	(1)						(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and surname	Office	Period for which office was held		Office expiry	Fixed compensation						Compensation for committee participation	Variable non-equity compensation		Non-monetary benefits	Other remuneration	Total	Fair value of equity compensation	Severance indemnity for end of office or termination of employment
					Emoluments resolved by the Shareholders' Meeting	Attendance tokens	Lump sum expense reimbursements	Compensation for specific offices ex sec. 2389 Italian Civil Code	Employment fixed salary	Total		Bonuses and other incentives	Profit sharing					
Francesco Giacomin	Member of the Board of Directors	01/01/2011	31/12/2011	approv. bil. 2011	*80.000*	*6.000*				86.000	400					86.400		
	Member of Corporate Governance, HR and Nomination	01/01/2011	31/12/2011	approv. bil. 2011	*40.000*	*4.800*				44.800						44.800		
	Member of Internal Control & Risks Committee	01/01/2011	31/12/2011	approv. bil. 2011	*40.000*	*2.800*				42.800						42.800		
	Member of Risks Sub-Committee	01/01/2011	31/12/2011	approv. bil. 2011		*800*				800						800		
	(I) Compensation in the company preparing the financial statements				*160.000*	*14.400*				**174.400**	**400**					**174.800**		
	(II) Compensation from subsidiaries and associates																	
	(III) Total				*160.000*	*14.400*				**174.400**	**400**					**174.800**		
Piero Gnudi	Member of the Board of Directors	01/01/2011	16/11/2011		*70.000*	*6.000*				76.000				4.564		80.564		
	Member of Remuneration Committee	01/01/2011	16/11/2011		*35.000*	*2.000*				37.000						37.000		
	(I) Compensation in the company preparing the financial statements				*105.000*	*8.000*				**113.000**				**4.564**		**117.564**		
	(II) Compensation from subsidiaries and associates																	
	(III) Total				*105.000*	*8.000*				**113.000**				**4.564**		**117.564**		
Friederich Kadrnoska	Member of the Board of Directors	01/01/2011	31/12/2011	approv. bil. 2011	*80.000*	*6.000*				86.000						86.000		
	Member of Remuneration Committee	01/01/2011	31/12/2011	approv. bil. 2011	*40.000*	*2.400*				42.400						42.400		
	(I) Compensation in the company preparing the financial statements				*120.000*	*8.400*				**128.400**						**128.400**		
	(II) Compensation from subsidiaries and associates				*3.634*					**3.634**						**3.634**		
	(III) Total				*123.634*	*8.400*				**132.034**						**132.034**		
Marianna Li Calzi	Member of the Board of Directors	01/01/2011	31/12/2011	approv. bil. 2011	*80.000*	*5.600*				85.600	800			5.231		91.631		
	Member of Internal Control & Risks Committee	01/01/2011	31/12/2011	approv. bil. 2011	*40.000*	*2.400*				42.400						42.400		
	Member of Internal Control Sub-Committee	01/01/2011	31/12/2011	approv. bil. 2011		*1.200*				1.200						1.200		
	Member of Related Parties Operations Sub-Committee	01/01/2011	31/12/2011	approv. bil. 2011		*2.800*				2.800						2.800		
	(I) Compensation in the company preparing the financial statements				*120.000*	*12.000*				**132.000**	**800**			**5.231**		**138.031**		
	(II) Compensation from subsidiaries and associates																	
	(III) Total				*120.000*	*12.000*				**132.000**	**800**			**5.231**		**138.031**		

(A)	(B)	(C)		(D)	(1)						(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and surname	Office	Period for which office was held		Office expiry	Fixed compensation						Compensation for committee participation	Variable non-equity compensation		Non-monetary benefits	Other remuneration	Total	Fair value of equity compensation	Severance indemnity for end of office or termination of employment
					Emoluments resolved by the Shareholders' Meeting	Attendance tokens	Lump sum expense reimbursements	Compensation for specific offices ex sec. 2389 Italian Civil Code	Employment fixed salary	Total		Bonuses and other incentives	Profit sharing					
Salvatore Ligresti	Member of the Board of Directors	01/01/2011	22/03/2011		18.380	400				18.780						18.780		
	(I) Compensation in the company preparing the financial statements				18.380	400				**18.780**						**18.780**		
	(II) Compensation from subsidiaries and associates																	
	(III) Total				18.380	400				**18.780**						**18.780**		
Luigi Maramotti	Member of the Board of Directors	01/01/2011	31/12/2011	approv. bil. 2011	80.000	5.600				85.600	800					86.400		
	Member of Permanent Strategic Committee	01/01/2011	31/12/2011	approv. bil. 2011	40.000	4.800				44.800						44.800		
	Member of Corporate Governance, HR and Nomination	01/01/2011	31/12/2011	approv. bil. 2011	40.000	4.400				44.400						44.400		
	Member of Internal Control & Risks Committee	01/01/2011	31/12/2011	approv. bil. 2011	40.000	2.400				42.400						42.400		
	Member of Internal Control Sub-Committee	01/01/2011	31/12/2011	approv. bil. 2011		800				800						800		
	(I) Compensation in the company preparing the financial statements				200.000	18.000				**218.000**	**800**					**218.800**		
	(II) Compensation from subsidiaries and associates																	
	(III) Total				200.000	18.000				**218.000**	**800**					**218.800**		
Antonio Maria Marocco	Member of the Board of Directors	01/01/2011	31/12/2011	approv. bil. 2011	80.000	5.200				85.200				5.231		90.431		
	Chairman of Supervisory Body	01/01/2011	31/12/2011	approv. bil. 2011	40.000	4.800				44.800						44.800		
	(I) Compensation in the company preparing the financial statements				120.000	10.000				**130.000**				**5.231**		**135.231**		
	(II) Compensation from subsidiaries and associates																	
	(III) Total				120.000	10.000				**130.000**				**5.231**		**135.231**		
Carlo Pesenti	Member of the Board of Directors	01/01/2011	31/12/2011	approv. bil. 2011	80.000	4.800				84.800						84.800		
	Member of Remuneration Committee	01/01/2011	31/12/2011	approv. bil. 2011	40.000	2.400				42.400						42.400		
	(I) Compensation in the company preparing the financial statements				120.000	7.200				**127.200**						**127.200**		
	(II) Compensation from subsidiaries and associates				141.233					**141.233**	**24.123**					**165.356**		
	(III) Total				261.233	7.200				**268.433**	**24.123**					**292.556**		

(A)	(B)	(C)		(D)	(1)						(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and surname	Office	Period for which office was held		Office expiry	Fixed compensation						Compensation for committee participation	Variable non-equity compensation		Non-monetary benefits	Other remuneration	Total	Fair value of equity compensation	Severance indemnity for end of office or termination of employment
					Emoluments resolved by the Shareholders' Meeting	Attendance tokens	Lump sum expense reimbursements	Compensation for specific offices ex sec. 2389 Italian Civil Code	Employment fixed salary	Total		Bonuses and other incentives	Profit sharing					
Lucrezia Reichlin	Member of the Board of Directors	01/01/2011	31/12/2011	approv. bil. 2011	*80.000*	*5.200*				85.200	800					86.000		
	Member of Internal Control & Risks Committee	01/01/2011	31/12/2011	approv. bil. 2011	*40.000*	*2.800*				42.800						42.800		
	Member of Risks Sub-Committee	01/01/2011	31/12/2011	approv. bil. 2011		*800*				800						800		
	Member of Supervisory Body	01/01/2011	31/12/2011	approv. bil. 2011	*23.342*	*4.000*				27.342						27.342		
	(I) Compensation in the company preparing the financial statements				*143.342*	*12.800*				**156.142**	**800**					**156.942**		
	(II) Compensation from subsidiaries and associates																	
	(III) Total				*143.342*	*12.800*				**156.142**	**800**					**156.942**		
Hans-Jürgen Schinzler	Member of the Board of Directors	01/01/2011	31/12/2011	approv. bil. 2011	*80.000*	*4.400*				84.400						84.400		
	Member of Permanent Strategic Committee	01/01/2011	31/12/2011	approv. bil. 2011	*40.000*	*4.400*				44.400						44.400		
	Member of Remuneration Committee	01/01/2011	31/12/2011	approv. bil. 2011	*40.000*	*2.400*				42.400						42.400		
	(I) Compensation in the company preparing the financial statements				*160.000*	*11.200*				**171.200**						**171.200**		
	(II) Compensation from subsidiaries and associates																	
	(III) Total				*160.000*	*11.200*				**171.200**						**171.200**		
Theodor Waigel	Member of the Board of Directors	01/01/2011	31/12/2011	approv. bil. 2011	*80.000*	*3.200*				83.200				5.231		88.431		
	(I) Compensation in the company preparing the financial statements				*80.000*	*3.200*				**83.200**				**5.231**		**88.431**		
	(II) Compensation from subsidiaries and associates																	
	(III) Total				*80.000*	*3.200*				**83.200**				**5.231**		**88.431**		
Anthony Wyand	Member of the Board of Directors	01/01/2011	31/12/2011	approv. bil. 2011	*80.000*	*6.000*				86.000						86.000		
	Member of the Permanent Strategic Committee	01/01/2011	31/12/2011	approv. bil. 2011	*40.000*	*4.800*				44.800						44.800		
	Chairman of Internal Control & Risks Committee	01/01/2011	31/12/2011	approv. bil. 2011	*195.000*	*2.800*				197.800						197.800		
	Chairman of Internal Control Sub-Committee	01/01/2011	31/12/2011	approv. bil. 2011		*1.200*				1.200						1.200		
	Chairman of Risks Sub-Committee	01/01/2011	31/12/2011	approv. bil. 2011		*800*				800						800		
	(I) Compensation in the company preparing the financial statements				*315.000*	*15.600*				**330.600**						**330.600**		
	(II) Compensation from subsidiaries and associates																	
	(III) Total				*315.000*	*15.600*				**330.600**						**330.600**		

(A)	(B)	(C)		(D)	(1)						(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and surname	Office	Period for which office was held		Office expiry	Fixed compensation						Compensation for committee participation	Variable non-equity compensation		Non-monetary benefits	Other remuneration	Total	Fair value of equity compensation	Severance indemnity for end of office or termination of employment
					Emoluments resolved by the Shareholders' Meeting	Attendance tokens	Lump sum expense reimbursements	Compensation for specific offices ex sec. 2389 Italian Civil Code	Employment fixed salary	Total		Bonuses and other incentives	Profit sharing					
Franz Zwickl	Member of the Board of Directors	01/01/2011	31/12/2011	approv. bil. 2011	*80.000*	*6.000*				86.000						86.000		
	Member of Internal Control & Risks Committee	01/01/2011	31/12/2011	approv. bil. 2011	*40.000*	*2.400*				42.400						42.400		
	Member of Risks Sub-Committee	01/01/2011	31/12/2011	approv. bil. 2011		*800*				800						800		
	(I) Compensation in the company preparing the financial statements				*120.000*	*9.200*				**129.200**						**129.200**		
	(II) Compensation from subsidiaries and associates				*13.292*	*1.000*				**14.292**						**14.292**		
	(III) Total				*133.292*	*10.200*				**143.492**						**143.492**		

(A)	(B)	(C)		(D)	(1)						(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and surname	Office	Period for which office was held		Office expiry	Fixed compensation						Compensation for committee participation	Variable non-equity compensation		Non-monetary benefits	Other remuneration	Total	Fair value of equity compensation	Severance indemnity for end of office or termination of employment
					Emoluments resolved by the Shareholders' Meeting	Attendance tokens	Lump sum expense reimbursements	Compensation for specific offices ex sec. 2389 Italian Civil Code	Employment fixed salary	Total		Bonuses and other incentives	Profit sharing					
Maurizio Lauri	Chairman of the Board of Statutory Auditors	01/01/2011	31/12/2011	approv. bil. 2012	*130.000*	*16.400*				146.400						146.400		
	(I) Compensation in the company preparing the financial statements				*130.000*	*16.400*				**146.400**						**146.400**		
	(II) Compensation from subsidiaries and associates																	
	(III) Total				*130.000*	*16.400*				**146.400**						**146.400**		
Cesare Bisoni	Standing Auditor	01/01/2011	31/12/2011	approv. bil. 2012	*95.000*	*16.400*				111.400						111.400		
	(I) Compensation in the company preparing the financial statements				*95.000*	*16.400*				**111.400**						**111.400**		
	(II) Compensation from subsidiaries and associates																	
	(III) Total				*95.000*	*16.400*				**111.400**						**111.400**		
Vincenzo Nicastro	Standing Auditor	01/01/2011	31/12/2011	approv. bil. 2012	*95.000*	*16.000*				111.000						111.000		
	(I) Compensation in the company preparing the financial statements				*95.000*	*16.000*				**111.000**						**111.000**		
	(II) Compensation from subsidiaries and associates				*35.000*	*4.420*				**39.420**						**39.420**		
	(III) Total				*130.000*	*20.420*				**150.420**						**150.420**		
Michele Rutigliano	Standing Auditor	01/01/2011	31/12/2011	approv. bil. 2012	*95.000*	*16.000*				111.000						111.000		
	(I) Compensation in the company preparing the financial statements				*95.000*	*16.000*				**111.000**						**111.000**		
	(II) Compensation from subsidiaries and associates				*16.411*	*1.800*				**18.211**	**300**			**3.750**		**22.261**		
	(III) Total				*111.411*	*17.800*				**129.211**	**300**			**3.750**		**133.261**		
Marco Ventoruzzo	Standing Auditor	01/01/2011	31/12/2011	approv. bil. 2012	*95.000*	*12.800*				107.800						107.800		
	(I) Compensation in the company preparing the financial statements				*95.000*	*12.800*				**107.800**						**107.800**		
	(II) Compensation from subsidiaries and associates																	
	(III) Total				*95.000*	*12.800*				**107.800**						**107.800**		

(A)	(B)	(C)		(D)	(1)						(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and surname	Office	Period for which office was held		Office expiry	Fixed compensation						Compensation for committee participation	Variable non-equity compensation		Non-monetary benefits	Other remuneration	Total	Fair value of equity compensation	Severance indemnity for end of office or termination of employment
					Emoluments resolved by the Shareholders' Meeting	Attendance tokens	Lump sum expense reimbursements	Compensation for specific offices ex sec. 2389 Italian Civil Code	Employment fixed salary	Total		Bonuses and other incentives	Profit sharing					
Massimo Livatino	Alternate Auditor	01/01/2011	31/12/2011	approv. bil. 2012														
	(I) Compensation in the company preparing the financial statements																	
	(II) Compensation from subsidiaries and associates																	
	(III) Total																	
Paolo Domenico Sfameni	Alternate Auditor	01/01/2011	31/12/2011	approv. bil. 2012														
	(I) Compensation in the company preparing the financial statements																	
	(II) Compensation from subsidiaries and associates				*25.000*	*1.100*				**26.100**						**26.100**		
	(III) Total				*25.000*	*1.100*				**26.100**						**26.100**		

(A)	(B)	(C)		(D)	(1)						(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and surname	Office	Period for which office was held		Office expiry	Fixed compensation						Compensation for committee participation	Variable non-equity compensation		Non-monetary benefits	Other remuneration	Total	Fair value of equity compensation	Severance indemnity for end of office or termination of employment
					Emoluments resolved by the Shareholders' Meeting	Attendance tokens	Lump sum expense reimbursements	Compensation for specific offices ex sec. 2389 Italian Civil Code	Employment fixed salary	Total		Bonuses and other incentives	Profit sharing					
Roberto Nicastro	General Manager	01/01/2011	31/12/2011						*1.301.040*	1.301.040		533.345	(b)	296.051	6.667	2.137.103	1.321.907	
	(I) Compensation in the company preparing the financial statements								*1.301.040*	**1.301.040**		**533.345**		**296.051**	**6.667**	**2.137.103**	**1.321.907**	
	(II) Compensation from subsidiaries and associates																	
	(III) Total								*1.301.040*	**1.301.040**		**533.345**		**296.051**	**6.667**	**2.137.103**	**1.321.907**	

(b) CEO and GM do not receive any variable pay related to 2011 performance as well as other EMC members. The amounts are referred only to the payment of previous year deferrals under the 2009 and 2010 Group incentive Systems granted in connection with previous responsibilities of the incumbents. Such amounts had been already reduced by 50% due to the application of the Group Gate for the performance of the year of reference.

Name and surname	Office	Emoluments resolved by the Shareholders' Meeting	Attendance tokens	Lump sum expense reimbursements	Compensation for specific offices ex sec. 2389 Italian Civil Code	Employment fixed salary	Total	Compensation for committee participation	Bonuses and other incentives	Profit sharing	Non-monetary benefits	Other remuneration	Total	Fair value of equity compensation	Severance indemnity for end of office or termination of employment
Other Executives with strategic responsibilities	**(I) Compensation in the company preparing the financial statements**					*5.202.605*	**5.202.605**		**1.592.827**	(c)	**749.210**	**274.090**	**7.818.731**	**2.536.171**	
	(II) Compensation from subsidiaries and associates														
Total: 7 persons	**(III) Total**					*5.202.605*	**5.202.605**		**1.592.827**		**749.210**	**274.090**	**7.818.731**	**2.536.171**	

(c) EMC members do not receive any variable pay related to 2011 performance. The amounts are referred only to the payment of previous year deferrals under the 2009 and 2010 Group Incentive Systems granted in connection with previous responsibilities of the incumbents (such amounts had been already reduced by 50% due to the application of the Group Gate for the performance of the year of reference) and to other incentives for the heads of internal control functions.

Consob Issuers Regulation nr. 11971 - Annex 3A / Schedule 7-bis

TABLE 2: Stock Options Assigned to the Members of theAdministrative Body, to General Managers and Other Executives with Strategic Responsibilities

A	B	(1)	Options Held at Star of the Year			Options Assigned During the Year						Options Exercised During the Year			(14)	(15)	(16)
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)			
Name and Surname	Office	Plan	Number of Options	Exercise Price	Period of Possible Exercise (from..to)	Number of Options	Exercise Price	Period of Possible Exercise (from..to)	Fair Value at Assign. Date	Assignment Date	Market Price of Underlying Shares upon Assignement of Options	Number of Options	Exercise Price	Market Price of Underlying Shares on Exercise Date	Options Lapsed During the Year (Number)	Options Held at the End of the Year	Options Relevant to the Year (Fair Value)
Federico Ghizzoni	**Chief Executive Officer**																
(I) Compensation in company preparing financial statements		2002 Stock Options	2.360	36,115	01/06/2004 31/12/2011	-	-	-	-	-	-	-	-	-	2.360	-	-
		2004 Stock Options	26.882	22,419	03/09/2008 31/12/2017	-	-	-	-	-	-	-	-	-	-	26.882	-
		2005 Stock Options	35.843	26,878	18/11/2009 31/12/2018	-	-	-	-	-	-	-	-	-	-	35.843	-
		2006 Stock Options	32.349	33,205	13/06/2010 31/12/2019	-	-	-	-	-	-	-	-	-	-	32.349	-
		2007 Stock Options	56.137	39,583	15/07/2011 15/07/2017	-	-	-	-	-	-	-	-	-	-	56.137	58.904
		2008 Stock Options	141.270	23,351	09/07/2012 09/07/2018	-	-	-	-	-	-	-	-	-	-	141.270	138.498
(II) Compensation from Subsidiaries and Associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(III) Total			**294.841**	**-**	**-**	**0**	**-**	**-**	**0**	**-**	**-**	**0**	**-**	**-**	**2.360**	**292.481**	**197.402**
Roberto Nicastro	**General Manager**																
(I) Compensation in company preparing financial statements		2004 Stock Options	161.297	22,419	03/09/2008 31/12/2017	-	-	-	-	-	-	-	-	-	-	161.297	-
		2005 Stock Options	322.595	26,878	18/11/2009 31/12/2018	-	-	-	-	-	-	-	-	-	-	322.595	-
		2006 Stock Options	242.556	33,205	13/06/2010 31/12/2019	-	-	-	-	-	-	-	-	-	-	242.556	-
		2007 Stock Options	210.516	39,583	15/07/2011 15/07/2017	-	-	-	-	-	-	-	-	-	-	210.516	220.887
		2008 Stock Options	451.235	23,351	09/07/2012 09/07/2018	-	-	-	-	-	-	-	-	-	-	451.235	442.380
		2010 Performance Stock Options	-	-	-	322.679	11,901	31/03/2014 31/12/2020	194.220	22/03/2011	1,756					322.679	395.184
(II) Compensation from Subsidiaries and Associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(III) Total			**1.388.199**	**-**	**-**	**322.679**			**194.220**			**0**	**-**	**-**	**0**	**1.710.878**	**1.058.451**
Other Executives with Strategic Responsibilities																	
(I) Compensation in company preparing financial statements	n.1 Executives	2002 Stock Options	18.886	36,115	01/06/2004 31/12/2011	-	-	-	-	-	-	-	-	-	18.886	-	-
	n. 4 Executives	2004 Stock Options	145.345	22,419	03/09/2008 31/12/2017	-	-	-	-	-	-	-	-	-	-	145.345	-
	n. 4 Executives	2005 Stock Options	291.947	26,878	18/11/2009 31/12/2018	-	-	-	-	-	-	-	-	-	-	291.947	-
	n. 4 Executives	2006 Stock Options	246.229	33,205	13/06/2010 31/12/2019	-	-	-	-	-	-	-	-	-	-	246.229	-
	n. 4 Executives	2007 Stock Options	261.110	39,583	15/07/2011 15/07/2017	-	-	-	-	-	-	-	-	-	-	261.110	273.975
	n. 4 Executives	2008 Stock Options	738.207	23,351	09/07/2012 09/07/2018	-	-	-	-	-	-	-	-	-	-	738.207	723.722
	n. 4 Executives	2010 Performance Stock Options	-	-	-	545.668	11,901	31/03/2014 31/12/2020	328.438	22/03/2011	1,756	-	-	-	-	545.668	668.278
(II) Compensation from Subsidiaries and Associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(III) Total			**1.701.724**	**-**	**-**	**545.668**			**328.438**			**0**	**-**	**-**	**18.886**	**2.228.506**	**1.665.975**

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TABLE 3A: Incentive plans based on financial instruments other than stock options, in favour of members of the administrative body, general managers and other executives with strategic responsibilities

			Financial instruments assigned during previous years and not vested during the year		Financial instruments assigned during the year					Financial instruments vested during the year and not assigned	Financial instruments vested during the year and assignable		Financial instruments relevant to the year
A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Name and surname	Office	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair val. on assign. date	Vesting period	Assignment date	Market price upon assignment	Number and type of financial instruments	Number and type of financial instruments	Value on maturity date	Fair Value
Federico Ghizzoni	**Chief Executive Officer**	-	-	-	-	-	-	-	-	-	-	-	-
(I) Compensation in company preparing financial statements		2007 - Performance Share	-	-	-	-	-	-	-	39.392	39.392	71.063	0
		2008 - Performance Share	26.302	25.06.2008 31.12.2011	-	-	-	-	-	-	-	-	0
		UniCredit Shares Promised under UniCredit 2011 Bonus Opportunity Plan	-	-	-	-	-	-	-	-	-	-	-
		UniCredit Share Plan	-	-	252.070	3.000.000	01/01/2011 31/12/2013	29/04/2011	11,433	-	-	-	1.704.178
(II) Compensation from Subsidiaries and Associates		-	-	-	-	-	-	-	-	-	-	-	-
(III) Total			-	-	-	**3.000.000**	-	-	-	-	-	**71.063**	**1.704.178**
Roberto Nicastro	**General Manager**	-	-	-	-	-	-	-	-	-	-	-	-
(I) Compensation in company preparing financial statements		2007 - Performance Share	-	-	-	-	-	-	-	295.444	-	-	0
		2008 - Performance Share	56.009	25.06.2008 31.12.2011	-	-	-	-	-	-	-	-	0
		2010 - Performance share	-	-	75.631	1.279.203	22.03.2011 31.12.2013	22/03/2011	11,641	-	-	-	263.456
		UniCredit Shares Promised under UniCredit 2011 Bonus Opportunity Plan	-	-	-	-	-	-	-	-	-	-	-
(II) Compensation from Subsidiaries and Associates		-	-	-	-	-	-	-	-	-	-	-	-
(III) Total			-	-	-	**1.279.203**	-	-	-	-	-	**0**	**263.456**
Other Executives with Strategic Responsibilities		-	-	-	-	-	-	-	-	-	-	-	-
(I) Compensation in company preparing financial statements	n. 4 Executives	2007 - Performance Share	-	-	-	-	-	-	-	388.903	-	-	0
	n. 4 Executives	2008 - Performance Share	118.618	25.06.2008 31.12.2011	-	-	-	-	-	-	-	-	0
	n. 4 Executives	2010 - Performance share	-	-	164.403	2.780.704	22.03.2011 31.12.2013	22/03/2011	11,641	-	-	-	572.696
	n. 1 Executive	UniCredit Shares Promised under UniCredit 2011 Bonus Opportunity Plan	-	-	74.188	297.500	50% 31.12.2013 50% 31.12.2014	27/03/2012	4,010	-	-	-	297.500
(II) Compensation from Subsidiaries and Associates		-	-	-	-	-	-	-	-	-	-	-	-
(III) Total			-	-	-	**3.078.204**	-	-	-	-	-	**0**	**870.196**

The number of financial instruments reported at columns (2) e (4) is AFTER the grouping operation of 27/12/2011

The number of financial instruments reported at columns (9) e (10) are NOT GROUPED values since the titles have been assigned / have lapsed before the grouping occurred on 27/12/2011

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TABLE 3B: Monetary Incentive Plans in Favour of Members of the Administrative Body, General Managers and Other Executives

A	B	(1)	(2)			(3)			(4)
Name and Surname	Office	Plan	Annual Bonus			Previous Years Bonuses			Other Bonuses
			(A) Payable / Paid	(B) Deferred	(C) Deferral Period	(A) Non Longer Payable	(B) Payable / Paid	(C) Still Deferred	
Federico Ghizzoni	**Chief Executive Officer**								
(I) Compensation In The Company Preparing the Financial Statements		Bonus Opportunity Plan 2011	-	-	-				-
		Executive Incentive System 2010				-	129.688	129.688	-
		Executive Incentive System 2009				-	208.333	-	-
		2009 Long Term Incentive Cash Plan (2010 - 2012)				-	-	1.300.000	-
(II) Compensation from Subsidiaries and Associates		nn	-	-	-	-	-	-	-
(III) Total			**-**	**-**	**-**	**-**	**338.021**	**1.429.688**	**-**
Roberto Nicastro	**General Manager**								
(I) Compensation In The Company Preparing the Financial Statements		Bonus Opportunity Plan 2011	-	-	-				-
		Executive Incentive System 2010				-	200.004	200.004	-
		Executive Incentive System 2009				-	333.341	-	-
		2009 Long Term Incentive Cash Plan (2010 - 2012)				-	-	2.132.000	-
(II) Compensation from Subsidiaries and Associates		nn	-	-	-	-	-	-	-
(III) Total			**-**	**-**	**-**	**-**	**533.345**	**2.332.004**	**-**
Other Key Management Personnel									
(I) Compensation In The Company Preparing the Financial Statements		Bonus Opportunity Plan 2011	74.375	148.750	2013				-
		Executive Incentive System 2010				-	541.763	541.763	-
		Executive Incentive System 2009				-	655.022	-	-
		2009 Long Term Incentive Cash Plan (2010 - 2012)				-	-	4.017.000	-
		LTI Cash Plans for Control Functions	-	1.350.000	2011 / 2013	-	233.334	1.350.001	-
		Retention / Sign-in Bonus	-	-	-	-	88.333	1.000.000	-
(II) Compensation from Subsidiaries and Associates		nn	-	-	-	-	-	-	-
(III) Total			**74.375**	**1.498.750**	**-**	**-**	**1.518.452**	**6.908.764**	**-**

Amounts in Euro

Note: CEO and GM do not receive any variable pay related to 2011 performance as well as other EMC members. The amounts are referred only to the payment of previous year deferrals under the 2009 and 2010 Group incentive Systems, granted in connection with previous responsibilities of the incumbents (such amounts had been already reduced by 50% due to the application of the Group Gate for the performance of the year of reference) and to other incentives for the heads of internal control functions (of which € 74.375 are related to 2011 incentive of an executive not belonging to the Executive Management Committee)

Consob Issuers Regulation nr. 11971 - Annex 3A / Schedule 7-ter
TABLE 1: Investments of the Members of the Administrative and Auditing Bodies and General Managers

Name and Surname	Office	Investee Company	Type of Shares	Number of Shares: Held at the End of 2010 (1)	Acquired	Sold	Held at 27/12/2011 Before Grouping (2)	Shares Not Groupable Sold with Value Date 30/12/2011	Held at the End of 2011
DIRECTORS FROM 1st JANUARY 2011 TO 31st DECEMBER 2011									
Dieter Rampl	Chairman	UniCredit	ord.	309.746			309.746	6	30.974
Luigi Castelletti	Deputy Vice Chairman								
Farhat Omar Bengdara	Vice Chairman								
Vincenzo Calandra Buonaura	Vice Chairman	UniCredit	ord.	60.779			60.779	9	6.077
Fabrizio Palenzona	Vice Chairman								
Federico Ghizzoni	Chief Executive Officer	UniCredit	ord.	117.000	53.000 (3)		170.000		17.000
	indirect possess (spouse)	UniCredit	ord.	2.500	2.500		5.000		500
Giovanni Belluzzi	Director								
Manfred Bischoff	Director	UniCredit	ord.	50.000			50.000	1	4.999
Donato Fontanesi	Director								
Francesco Giacomin	Director								
Friederich Kadrnoska	Director								
Marianna Li Calzi	Director								
Luigi Maramotti	Director	UniCredit	ord.	7.628.949			7.628.949	9	762.894
Antonio Maria Marocco	Director	UniCredit	ord.	66.885			66.885	5	6.688
Carlo Pesenti	Director								
Lucrezia Reichlin	Director								
Hans-Jürgen Schinzler	Director								
Theodor Waigel	Director								
Anthony Wyand	Director	UniCredit	ord.	20.415			20.415	5	2.041
Franz Zwickl	Director	UniCredit	ord.	4.729			4.729	9	472
DIRECTORS FROM 1st JANUARY 2011 TO 22nd MARCH 2011									
Salvatore Ligresti	Director								
DIRECTORS FROM 1st JANUARY 2011 TO 16th NOVEMBER 2011									
Piero Gnudi	Director	UniCredit	ord.	207.912			*207.912*		
	indirect possess (spouse)	UniCredit	ord.	322.610			*322.610*	*shares owned at termination date*	
	indirect possess (other)	UniCredit	ord.	632.299			*632.299*		
DIRECTORS FROM 1st JANUARY 2011 TO 15th DECEMBER 2011									
Enrico Tommaso Cucchiani	Director								
STATUTORY AUDITORS FROM 1st JANUARY 2011 TO 31st DECEMBER 2011									
Maurizio Lauri	Chairman of the Board of Statutory Auditors								
Cesare Bisoni	Standing Auditor								
Vincenzo Nicastro	Standing Auditor	UniCredit	ord.	7.063	52.937		60.000		6.000
Michele Rutigliano	Standing Auditor								
Marco Ventoruzzo	Standing Auditor								
Massimo Livatino	Alternate Auditor								
Paolo Domenico Sfameni	Alternate Auditor								
GENERAL MANAGERS FROM 1st JANUARY 2011 TO 31st DECEMBER 2011									
Roberto Nicastro	General Manager			817.889			817.889	9	81.788

(1) Or start / end date of appointment if different from indicated period
(2) On 27/12/2011 (and value date 30/12/2011) it has been enacted the grouping of UniCredit shares, by their exchange in the ratio of one new shares every ten old shares owned, which had been resolved by the Extarordinary Shareholders' Meeting of 15/12/2011. The numebr of ensuing stocks has been rounded down, liquidating in cash the stocks which could not be grouped, based on the official

(3) Of which nr. 39.392 "free ordinary shares" granted in 2011 in execution of the "2008-2010 UniCredit Group Long Term Incentive Plan" approved by the Board of Directors on 12th June 2007

Consob Issuers Regulation nr. 11971 - Annex 3A / Schedule 7-ter
TABLE 2: Investments of Other Executives with Strategic Responsibilities

Number of Executives with Strategic Responsibilities	Investee Company	Type of Share	Number of Shares						
			Held at the End of 2010 (1)	Acquired	Sold	Held at 27/12/2011 Before Grouping (2)	Shares Not Groupable Sold with Value Date 30/12/2011	Held at the End of 2011	
7	UniCredit	ord.	820.235(3)	0	0	820.235 (3)	35	82.020	(4)
7	*UniCredit*	*ord. ESOP matching*	*761*	*0*	*0*	*761*	*0*	*761*	(5)

(1) Or start / end date of appointment if different from indicated period
(2) On 27/12/2011 (and value date 30/12/2011) it has been enacted the grouping of UniCredit shares, by their exchange in the ratio of one new shares every ten old shares owned, which had been resolved by the Extarordinary Shareholders' Meeting of 15/12/2011. The numebr of ensuing stocks has been rounded down, liquidating in cash the stocks which could not be grouped, based on the official price at 23/12/2011
(3) Of which 143 indirect possess
(4) Of which 14 indirect possess
(5) Due to the characteristics of this type of shares, received within the UniCredit Employee Share Ownership Plan (ESOP), the shares will be grouped only upon expiry of the restriction period

2012 COMPENSATION SYSTEMS BASED ON FINANCIAL INSTRUMENTS FOR UNICREDIT GROUP EMPLOYEES

UniCredit Shareholders' Meeting

May 2012

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1.INTRODUCTION

Pursuant to the provision set forth in Article 114-bis of legislative decree no.58 of February 24th 1998 as well as to the provisions of the issuer adopted by CONSOB with resolution no.11971 of May 14th 1999 (the issuer "regulations") regarding the information to be disclosed to the market in relation to the granting of awarding plans based on financial instruments, the Board of Directors of UniCredit (the board of directors) prepared this information memorandum which will be reported to the Ordinary General Shareholders Meeting of UniCredit on May, 11 2012 which is called to resolve, inter alia, upon the **approval** for 2012 of the following new incentives plans:

- "**2012 Group Incentive System**" providing for the grant of free shares to a selected group of Group employees, according to the modalities described below subject to the achievement of specific performance conditions;
- "**2012 Employee Share Ownership Plan of UniCredit Group**" aiming at offering to employees of the Group the possibility to invest in UniCredit shares at favorable conditions.

This Information Memorandum has also been prepared for the purpose of giving information concerning the **execution** of the following plans already approved by the General Shareholders Meeting of April, 29 2011:

- "**2011 Employee Share Ownership Plan of UniCredit Group**";
- "**2011 Group Compensation Systems**" providing for the grant of free shares and performance stock options to a selected group of Group employees, according to the modalities described below subject to the achievement of specific performance conditions;

  This Information Memorandum - prepared in compliance with Scheme 7 of Annex 3A to the Issuers Regulation – provides information to the public to the execution of the **2011 Group Compensation Systems** at the granting moment of the Performance Stock Options for the Group Senior Executives and at the promise moment of the shares to be granted under the Group Key Resources Plan (Share Plan). Furthermore it provides information to the public also to the execution of the same Group Key Resources Plan at the granting moment of the shares promised to the Chief Executive Officer under the Plan.
- With reference to the "**2009-2011 UniCredit Group Long Term Incentive Plan**", the performance conditions provided by the Rules of the 2009-2011 Plan have not been achieved. Therefore the ordinary shares promised by the Board of Directors of UniCredit on June, 25 2008 will not be granted and the delegation received from the Annual General Meeting on May, 8 2008 to increase the share capital as allowed by section 2349 of the Italian Civil Code will not be exercised.

Pursuant to the definition set forth in article 84-bis of the issuer regulations, the above mentioned incentive plans, in consideration of their beneficiaries, have the nature of "relevant plans".

2. 2012 GROUP INCENTIVE SYSTEM

Considering provisions of the Bank of Italy regarding compensation policies and practices and in line with the indications contained in the European Directive CRD III (Capital Requirements Directive) and with the guidelines issued by CEBS (Committee of European Banking Supervisors), UniCredit defined compensation systems based on financial instruments in order to align shareholder and management interests, reward long term value creation, share price appreciation and motivate and retain key Group resources. For this purpose it has been proposed the adoption of the Plan "**2012 Group Incentive System**", which provides for the allocation of an incentive – in cash or free ordinary shares – to be granted in a multi-year period, subject to the achievement of specific performance objectives;

2.1 BENEFICIARIES OF THE PLAN

The employees of UniCredit and of its parent companies or subsidiaries that benefit from the 2012 Group Incentive System are circa 1.000 Group Executives and other selected roles impacting market, credit, liquidity risks as specified in section 2.1.2.

On the basis of the criteria established by Shareholders Meeting, the Board of Directors will be delegated to identify the actual beneficiaries belonging to the categories described in this section 2.1.

2.1.1 Indication of the name of beneficiaries who are members of the board of Directors of UniCredit and of the companies directly or indirectly controlled by UniCredit

Mr. Federico Ghizzoni – CEO of UniCredit - is among the beneficiaries of the 2012 Group Incentive System.

It is worth mentioning that certain potential beneficiaries of the 2012 Group Incentive System, in addition to the exercise of their managing powers connected to their offices, held offices in Management Bodies of companies, directly or indirectly, controlled by UniCredit. In light of the fact that such individuals are amongst the beneficiaries of the 2012 Group Incentive System in their capacity as employees of UniCredit Group, no information as to their name is provided hereto and reference shall be made to the information provided below.

2.1.2 The categories of employees or collaborators of UniCredit and companies controlling or controlled by this issuer.

The employees of UniCredit and of its parent companies or subsidiaries that benefit from the 2012 Group Incentive System are:

- Chief Executive Officer (CEO), General Manager (GM), Deputy General Manager (DGM), Senior Executive Vice Presidents (SEVP) (currently 20 people), Executive Vice Presidents (EVP) and other risk takers[1] (currently circa 130 people);
- Senior Vice Presidents (SVP) (circa 450 people) and other selected roles impacting market, credit, liquidity risks with incentive exceeding € 100,000 (currently circa 480 people).

[1] Employees materially impacting market, credit, liquidity risk at Group level and with an incentive higher than € 500,000

2.1.3 Individuals who benefit from the Plan belonging to the following groups:

a) General Managers of UniCredit

Among the potential beneficiaries of the 2012 Group Incentive System, along with the CEO, already mentioned, there is the General Manager, Mr. Roberto Nicastro, who currently carries out management activities of UniCredit or anyway has regular access to privileged information and is authorized to take resolutions capable of influencing the development and prospects of UniCredit in any case.

b) other executives with strategic responsibilities of the financial instrument issuer not classed as "small", in accordance with Article 3, paragraph 1, letter *f*) of Regulation no. 17221 of 12 March 2010, if they have, during the course of the year, received total compensation (obtained by adding the monetary compensation to the financial instrument-based compensation) in excess of the highest total compensation assigned to the members of the board of directors or management board, and to the general managers of the financial instrument issuer;

None of UniCredit executives meets the description; therefore no information is provided in connection thereto.

c) natural persons controlling UniCredit, who are employee or collaborator of UniCredit.

No individual controls UniCredit and, therefore, no information is provided in connection thereto.

2.1.4 Description and numerical indication, broken down according to category :

a)Executives with strategic responsibilities other than those specified under lett. B) of paragraph 2.1.3

Amongst the beneficiaries of the 2012 Group Incentive System, along with the CEO, there are n. 7 executives of UniCredit who have regular access to privileged information and are authorized to take resolutions capable of influencing the development and prospects of UniCredit:

- the General Manager, Mr. Roberto Nicastro (already mentioned);
- the Deputy General Managers, Mr. Paolo Fiorentino and Mr. Jean-Pierre Mustier;
- the Head of Planning, Finance & Administration, Mrs. Marina Natale;
- the Group Chief Risk Officer, Mr. Karl Guha;
- the Group Head of Human Resources, Mr. Paolo Cornetta;
- the General Counsel & Group Compliance Officer, Mrs. Nadine Farida Faruque;

b) in the case of "small" companies, in accordance with Article 3, paragraph 1, letter *f*) of Regulation no. 17221 of 12 March 2010, the indication for the aggregate of all executives with strategic responsibilities of the financial instrument issuer;

This provision is not applicable and, therefore, no information is provided in connection thereto.

c) other categories of employees or collaborators for which different characteristics are envisaged for the plan (e.g. executives, middle management, employees etc.);

There are no classes of employees to which different characteristics of the 2012 Group Incentive Systems apply.

2.2 THE REASONS FOR THE ADOPTION OF THE PLAN

2.2.1 The targets which the parties intend to reach through the adoption of the plan.

The 2012 Group Incentive System aims to attract, motivate and retain Group Executives and to align UniCredit compensation systems with the latest national and international regulatory requirements with the aim to define – in the interest of all stakeholders – incentive systems in line with long term company strategies and goals, linked to Group results, adjusted in order to consider all risks, in coherence with capital and liquidity levels needed to cover the activities in place and, in any case, able to avoid misleading incentives that could drive to regulatory breaches or to assume excessive risks for the bank and the system in its whole.

The 2012 Group Incentive System is compliant with Group compensation policy and with the most recent national and international regulatory requirements.

2.2.2 Principal factors of variation and performance indexes taken into account for the assignment of plans based on financial instruments.

The 2012 Group Incentive System establishes that the achievement of the goals defined for 2012 shall be verified in 2013 using a multi-perspective performance evaluation approach based on operational & sustainability drivers set within an individual Performance Screen. According to goal achievements, incentive payouts so defined will be made over a multi-year period (2013-2017) with the following modalities:

1. in 2013 the first installment of the overall incentive will be payable in cash, subject to the application of an overall risk/sustainability factor ("Group Gate"), related to 2012 Group[2] profitability, solidity and liquidity results and in absence of any individual values / compliance breach, considering also the gravity of any internal/external findings i.e. Audit, Bank of Italy, Consob and /or analogous local authorities;
2. over the period 2014-2017 the remainder of the overall incentive will be payable in installments in cash and/or UniCredit shares, subject to the application of a Zero Factor in each year and in absence of any individual / values compliance breach, considering also the gravity of any internal/external findings i.e. Audit, Bank of Italy, Consob and /or analogous local authorities;

The distribution of share payments takes into account the applicable regulatory requirements regarding the application of share retention periods. In particular, the payment structure has been defined in line with Bank of Italy provisions requiring a share retention period of 2 years for upfront shares and of 1 year for deferred shares;

[2] And/or Group Companies in presence of any specific local applicable regulations

2.2.3 The factors assumed as basis for the determination of the compensation based upon financial instruments, or the criteria for the determination of the aforesaid compensation.

At this stage, the 2012 Group Incentive System does not contain an exact indication of the value of *free shares* to be actually allocated to the beneficiaries, rather it merely fixes the maximum number of the free shares to be issued with reference to the Plan. In any case, are already established the criteria that the Board of Directors should follow, in the resolutions that after the Annual Shareholders' Meeting approval will execute the Plans, to define the actual number of beneficiaries and the number of free shares to be granted.

The 2012 Group Incentive System provides that in 2013 will be formulated the promise to pay the incentive in cash and shares. The percentages of the payments in cash and shares are linked to the beneficiaries categories as described in the following points of this document.

2.2.4 The reasons justifying the decision to assign compensation plans based on financial instruments not issued by UniCredit, such as financial instruments issued by its subsidiaries, its parent companies or third parties; in the event the aforesaid financial instruments are not negotiated on regulated markets, the issuer shall provide information as to the criteria adopted for the calculation of the value attributable to such financial instruments.

The 2012 Group Incentive System does not contemplate the allocation of similar financial instruments.

2.2.5 The evaluations, with respect to the relevant tax and accounting implications, taken into account in the definition of the plans.

The 2012 Group Incentive System definition has not been influenced by significant tax or accounting consideration. In particular, the tax and social securities regime applied to the free shares allocated, will be consistent with legislation in place in the countries where the beneficiary is fiscally resident.

2.2.6 The indication as to whether the plan enjoys any support from the special fund for encouraging worker participation in the companies, as provided for under Article 4, paragraph 112, of Law December, 24 2003 n. 350.

The 2012 Group Incentive System is not currently supported by the special fund for encouraging worker participation in the companies, as provided for under sect. 4, paragraph 112, of Law December, 24 2003 n. 350.

2.3 PROCEDURE FOR THE ADOPTION OF THE PLAN AND TIMEFRAME FOR THE ASSIGNMENT OF THE FINANCIAL INSTRUMENTS

2.3.1 Powers delegated to the board of directors by the shareholders' meeting for the implementation of the plan.

The best solution identified to execute the 2012 Group Incentive System is to delegate the Board of Directors, pursuant to sect. 2443 of the Civil Code, the faculty to increase share capital as described in the Director's Report presented to the Extraordinary Shareholders' Meeting called for on May, 11 2012 (in single call).

In force of this delegation, the Board of Directors could resolve:

on one or more occasions for a maximum period of five years - to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum nominal amount of 59,700,000 UniCredit ordinary shares, to be granted to employees of the Holding Company and of Group banks and companies. Such an increase in capital shall be carried out using the special reserve known as "Provisions Linked to the Medium Term Incentive System for Group Personnel" set up for this purpose and reinstated or increased each year or in accordance with other methods dictated by applicable laws and regulations.

In particular, in the request to approve the 2011 balance sheet, it is proposed to allocate € 96,000,000 to the above mentioned reserve using a portion of statutory reserves made available from the distribution of company profits;

2.3.2 Indication of the individuals in charge of the management of the plan, their powers authority.

The Organizational Unit "Compensation" of the Holding is in charge for the management of the 2012 Group Incentive System, as well as of the definition of the Group's compensation policy.

2.3.3 Procedures for the amendment of the plans, if any, also in connection with potential variation of the original targets.

No specific procedures for the amendment of the 2012 Group Incentive System are provided for.

2.3.4 Description of the modalities for the determination of the availability and assignment of the financial instruments contemplated by the plan.

In order to execute the 2012 Group Incentive System it is provided to delegate the Board of Director to resolve by May, 2013 the promise to grant a maximum number of 59,700,000 UniCredit ordinary shares, subject to the achievement of specific performance objectives, considering in any case that the delegation to increase the share capital, in one or more occasions, not exceeding the above mentioned limit of 59,700,000, can be exercised by May, 2017.

2.3.5 The influence exercised by each director in the determination of the characteristics of the plans; the potential conflict of interest which may trigger the obligation for the relevant director to abstain from exercising his vote in the relevant resolution.

In the determination of the essential characteristics of the 2012 Group Incentive System proposed to the Shareholders' Meeting, the Board of Directors followed the guidelines and criteria elaborated by the Remuneration Committee of UniCredit.

Since the CEO of UniCredit is among the potential beneficiaries of the 2012 Group Incentive System, the latter has abstained from participating in the definition of the 2012 Group Incentive System.

2.3.6 The date on which the board of directors resolved upon the assignment of the financial instruments contemplated by the plan

The Board of Directors, on January, 31 2012 approved the proposal related to the 2012 Group Incentive System to be submitted to UniCredit Shareholders' Meeting.

Furthermore, in exercising the delegation received by the Shareholders' Meeting, as described in point 2.3.1, the Board of Directors will resolve in one or more occasions to allocate the financial instruments related to the 2012 Group Incentive System.

2.3.7 The date on which the remuneration committee resolved upon the Plan of UniCredit.

The Remuneration Committee, on January, 24 2012, positively resolved upon the criteria and the methodology elaborated for the definition of the 2012 Group Incentive System, sharing the reasons and motivations thereof.

2.3.8 The market price of UniCredit ordinary shares, on the dates mentioned in points 2.3.6 and 2.3.7.

The market price of UniCredit ordinary shares, registered on the date of Board of Directors approval of 2012 Group Incentive Systems proposal (January, 31 2012) and on the date of the decision made by the Remuneration Committee of UniCredit (January, 24 2012), resulted equal to € 3.6993 and to € 3.6767 respectively.

2.3.9 In which terms and modalities UniCredit takes into account, in the determination of the timeframe for the assignment of the plans, of the possible time-coincidence between:
i) such assignment or the decision, if any, adopted thereon by the Remuneration Committee, and
ii) the dissemination of relevant information, if any, pursuant to sect. 114, paragraph 1 of Legislative Decree 58/98; for instance, in cases in which such information is:

   a. **not already public and capable to positively affect the market quotation, or**
   b. **already published and capable to negatively affect the market quotation.**

In relation to the foregoing it is clarified that the resolution of the Board of Directors which approved the proposal to be submitted to the Shareholders' Meeting, has been communicated to the markets, in compliance with the current regulations. It is also clarified that analogous information to the market, if required, will be made available upon any other following resolution adopted by the Board of Directors of the 2012 Group Incentive System.

It is worthwhile clarifying that, although all the resolutions adopted by the Board of Directors are subject to the prior positive opinion of the Remuneration Committee of UniCredit, the information to the market is given only after the relevant resolution of the Board of Directors.

2.4. THE CHARACTERISTICS OF THE FINANCIAL INSTRUMENTS ASSIGNED

2.4.1 Description of the compensation plan.

The 2012 Group Incentive System provides that in 2013 the Board of Directors – once verified the achievement of the goals defined for 2012 - will define the percentage of the payments in cash and shares in relation to the beneficiaries categories as described in the following table:

	2013 (1st installment)	2014 (2nd installment)	2015 (3rd installment)	2016 (4th installment)		2017 (5th installment)
	Cash	Cash	Shares	Shares	Cash	Shares
CEO, GM, DGM, SEVP, EVP and other “material risk takers”	20%	20%	20%	20%	10%	10%
SVP and other selected roles	40%	20%	20%	20%	-	-

Regarding beneficiaries categories defined as “material risk takers” and “other selected roles”, it is highlighted that:

- the “material risk takers” and the other selected roles have been identified on the basis of an ex-ante definition of potential “risk-taker” including a functional mapping of job families under Markets & Investment Banking area, impacting credit, market and liquidity risks;
- the payment modalities provided for by the 2012 System shall be consistently applied also to bonuses defined for such categories in Corporate and Investment Banking Division (CIB), based on remuneration criteria. Complete alignment to regulatory requirements will be applied to the “material risk takers” with bonuses above €500,000 while deferral in cash and/or shares will apply to “other selected roles” with bonuses starting from €100,000 following a scaling approach;

The number of shares to be allocated in the respective installments is defined in 2013 and represents the free UniCredit ordinary shares issued with reference to the capital increase described in the section 2.3.1.

2.4.2 Indication of the time period for the implementation of the plan also indicating different cycles, if any, of its implementation.

The free shares related to the 2012 Group Incentive System will be allocated in multiple installments (in the period 2015-2017) subject to the Board assessment in 2013 of the goals achievement set for 2012.

2.4.3 The termination date of the plan

The 2012 Group Incentive System will lapse by May 2017.

2.4.4 The overall maximum number of financial instruments, also in the form of options, assigned over any fiscal years with respect to the beneficiaries namely identified or identified by categories, as the case may be

The maximum number of free shares that the Board of Directors is authorized to allocate within the power of the delegation received by UniCredit Shareholders' Meeting is equal to 59,700,000.

At this stage it is not possible to indicate the maximum number of free shares allocated in each fiscal year during the life of the 2012 Group Incentive System, since the actual definition will be done by the Board of Directors on the basis of the criteria approved by the Shareholders' Meeting.

2.4.5 The procedures and clauses for the implementation of the plan, specifying whether the assignment of the financial instruments is subject to the satisfaction of certain specific conditions and, in particular, to the achievement of specific results, including performance targets; a description of the aforesaid conditions and results

Considering the criteria described in the point 2.2.3, the allocation of the free shares is subject to the achievement of the performance targets set by the Board of Directors. The assessment of the goals achievement should be done by the Board of Directors in 2013.

2.4.6 Indication of the restrictions on the availability of the financial instruments allocated under the plan or of the financial instruments relating to the exercise of the options, with particular reference to the time limits within which the subsequent transfer of the stocks to the issuer or third parties is permitted or prohibited

The 2012 Group Incentive System provides that the free UniCredit ordinary shares that will be allocated will be freely transferable, considering the applicable regulatory requirements regarding the application of share retention periods, as described in section 2.2.2.

2.4.7 Description of any condition subsequent to the plan in connection with the execution, by the beneficiaries, of hedging transactions aimed at preventing the effects of potential limits to the transfer of the financial instruments assigned there under, also in the form of options, as well as to the transfer of the financial instruments relating to the exercise of the aforesaid options

In accordance with national and international regulatory guidelines and the 2012 Group Compensation Policy, beneficiaries are required to undertake not to use personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements. Involvement in any form of hedging transaction shall be considered in breach of Group compliance policies and therefore the relevant rights under the Plan shall automatically expire.

2.4.8 Description of the consequences deriving from the termination of the employment or working relationship

The 2012 Group Incentive System provides that the Board of Directors will have the faculty to identify, in the resolution that will execute the 2012 System, the termination of the beneficiary with the relevant Group employing Company, as cause for the expiring of the right to receive the free shares.

2.4.9 The indication of any other provisions which may trigger the cancellation of the plan

The 2012 Group Incentive System does not provide for any provision which may trigger its cancellation.

2.4.10 The reasons justifying the redemption, pursuant to sect. 2357 and followings of the Italian Civil Code, by UniCredit, of the financial instruments contemplated by the plan; the beneficiaries of such redemption, indicating whether the same is limited only to certain categories of employees; the consequences of the termination of the employment relationship with respect to such redemption rights

The 2012 Group Incentive System does not provide for the redemption by UniCredit or by another Group company with reference to the free shares.

2.4.11 The loans or other special terms that may be granted for the purchase of stocks pursuant to sect. 2358, paragraph 3, of the Italian Civil Code

The 2012 Group Incentive System does not provide for a loan or other special terms for the purchase of the shares.

2.4.12 The evaluation of the economic burden for UniCredit at date of the assignment of the plan, as determined on the basis of the terms and conditions already defined, with respect to the aggregate overall amount as well as with respect to each financial instrument contemplated by the plan

The estimation of the overall cost expected by UniCredit in relation to the 2012 Group Incentive System at the grant date of the free shares, has been made on the basis of the IAS principles, considering the accounting assumptions on the foreseeable beneficiaries exits before the allocation of the free shares and on the probability to achieve the performance targets related to the allocation of the free shares.

On the basis of these estimations, the overall expected cost for UniCredit at the grant date of the target number of free shares is equal to 222 mln to be split in 5 years:

Depending on actual performance achievements, actual IAS cost of the Plan will vary from € 0 to a maximum of € 333 mln.

At this stage it is not possible to define the exact cost in each year of life of the 2012 Group Incentive System, since the definition of the actual number of the free shares to be allocated is subject to the Board of Directors resolution.

2.4.13 The indication of any dilution on the corporate capital of the issuer resulting from the compensation plan, if any.

The maximum dilution impact of the 2012 Group Incentive System is equal to circa 1.03% allocating all the shares to the employees;

2.4.14 Any limitation to the voting and to the economic rights

At this stage, the 2012 Group Incentive System does not provide for any limitation to the voting or economic rights for the shares allocated.

2.4.15 In the event the stocks are not negotiated on a regulated market, any and all information necessary for a complete evaluation of the value attributable to them

The 2012 Group Incentive System provides only for the use of shares negotiated on regulated markets.

2.4.16 The number of financial instruments belonging to each option

The 2012 Group Incentive System does not provide for options.

2.4.17 The termination date of the options

The 2012 Group Incentive System does not provide for options.

2.4.18 The modalities, time limits and clauses for the exercise of the options

The 2012 Group Incentive System does not provide for options.

2.4.19 The strike price of the options or the criteria and modalities for its determination, with respect in particular to:
a) the formula for the calculation of the exercise price in connection with the fair market value; and to
b) the modalities for the calculation of the market price assumed as basis for the calculation of the exercise price

The 2012 Group Incentive System does not provide for options.

2.4.20 In case the strike price is different from the fair market value as determined pursuant to point 2.4.19.b, the indication of the reasons for such difference

The 2012 Group Incentive System does not provide for options.

2.4.21 The criteria justifying differences in the exercise prices between the relevant beneficiaries or class of beneficiaries

The 2012 Group Incentive System does not provide for options.

2.4.22 In the event the financial instruments underlying granted options are not negotiated on a regulated market, the indication of the value attributable to the same or of the criteria for its determination

The 2012 Group Incentive System does not provide for options.

2.4.23 The criteria for the adjustments required in connection with any extraordinary transaction involving the corporate capital of the issuer as well as in connection with transaction triggering a variation in the number of the financial instruments underlying granted options

The 2012 Group Incentive System does not provide for adjustments applicable in connection with extraordinary transactions involving UniCredit corporate capital (saving the provisions that the Board of Directors may define in the resolution in which the Board will exercise the delegation received from the General Shareholders’ Meeting).

3. 2012 EMPLOYEE SHARE OWNERSHIP PLAN OF UNICREDIT GROUP

3.1. BENEFICIARIES OF THE PLAN

The 2012 Employee Share Ownership Plan (“2012 ESOP Plan”) is addressed to the employees of UniCredit Group equal to circa 160,000.

3.1.1 Indication of the name of beneficiaries who are members of the board of directors of UniCredit and of the companies directly or indirectly controlled by UniCredit.

Mr. Federico Ghizzoni, CEO of UniCredit, is amongst the potential beneficiaries of the 2012 ESOP Plan.

It is worth mentioning that certain beneficiaries of the ESOP Plan - employees of the UniCredit Group - in addition to the exercise of their managing powers connected to their offices, held offices in Management Bodies of companies, directly or indirectly, controlled by UniCredit. In light of the fact that such individuals are amongst the beneficiaries of the ESOP Plan in their capacity as employees of UniCredit Group, no information as to their names is provided hereto and reference shall be made to the information provided below.

3.1.2 The categories of employees or collaborators of UniCredit and companies controlling or controlled by this issuer.

The 2012 ESOP Plan also applies to the following classes of employees of UniCredit and of the main bank and companies of the Group:

- General Managers & Vice General Managers (or similar category in the different jurisdictions in which the Group operates) of UniCredit and of the main bank and companies of the Group.
- Executives (or similar category in the different jurisdictions in which the Group operates) of UniCredit and of the main bank and companies of the Group.
- Middle Managers (or similar category in the different jurisdictions in which the Group operates) of UniCredit and of the main bank and companies of the Group.
- Employees (or similar categories in the different jurisdictions in which the Group operates) of UniCredit and of the main bank and companies of the Group.

3.1.3 Individuals who benefit from the Plan belonging to the following groups:

a) General Managers of UniCredit

Among the potential beneficiaries of the 2012 ESOP Plan, along with the CEO, already mentioned, there is the General Manager, Mr. Roberto Nicastro, who currently carries out management activities of UniCredit or anyway has regular access to privileged information and is authorized to take resolutions capable of influencing the development and prospects of UniCredit in any case.

b) other executives with strategic responsibilities of the financial instrument issuer not classed as "small", in accordance with Article 3, paragraph 1, letter *f*) of Regulation no. 17221 of 12 March 2010, if they have, during the course of the year, received total compensation (obtained by adding the monetary compensation to the financial instrument-based compensation) in excess of the highest total compensation assigned to

the members of the board of directors or management board, and to the general managers of the financial instrument issuer;

None of UniCredit executives meets the description; therefore no information is provided in connection thereto.

c) natural persons controlling UniCredit, who are employee or collaborator of UniCredit.

No individual controls UniCredit and, therefore, no information is provided in connection thereto.

3.1.4 Description and numerical indication, broken down according to category :

a)Executives with strategic responsibilities other than those specified under lett. B) of paragraph 5.1.3

Amongst the beneficiaries of the 2012 ESOP Plan, along with the CEO, there are n. 7 executives of UniCredit who have regular access to privileged information and are authorized to take resolutions capable of influencing the development and prospects of UniCredit:

- the General Manager, Mr. Roberto Nicastro (already mentioned);
- the Deputy General Managers, Mr. Paolo Fiorentino and Mr. Jean-Pierre Mustier;
- the Head of Planning, Finance & Administration, Mrs. Marina Natale;
- the Group Chief Risk Officer, Mr. Karl Guha;
- the Group Head of Human Resources, Mr. Paolo Cornetta;
- the General Counsel & Group Compliance Officer, Mrs. Nadine Farida Faruque;

b) in the case of "small" companies, in accordance with Article 3, paragraph 1, letter *f*) of Regulation no. 17221 of 12 March 2010, the indication for the aggregate of all executives with strategic responsibilities of the financial instrument issuer;

This provision is not applicable and, therefore, no information is provided in connection thereto.

c) other categories of employees or collaborators for which different characteristics are envisaged for the plan (e.g. executives, middle management, employees etc.);

There are no classes of employees to which different characteristics of the 2012 ESOP Plan apply.

3.2 THE REASONS FOR THE ADOPTION OF THE PLAN

3.2.1 The targets which the parties intend to reach through the adoption of the plan.

With the 2012 ESOP Plan, UniCredit aims to reinforce employees' sense of belonging and commitment to achieve corporate goals.

In particular, the 2012 ESOP Plan aims at offering to employees of the Group the possibility to invest in UniCredit shares at favourable conditions.

At this stage, the 2012 ESOP Plan does not provide for alternative allocation criteria amongst the beneficiaries of the 2012 ESOP Plan, since the criteria specified in section

3.2.3 will regularly apply to all the beneficiaries described in section 3.1. except for the “alternative structure” to be presented in the next paragraphs.

3.2.2 Principal factors of variation and performance indexes taken into account for the assignment of plans based on financial instruments.

Considering the goal of the 2012 ESOP Plan, no key variables & performance indicators have been considered.

3.2.3 The factors assumed as basis for the determination of the compensation based upon financial instruments, or the criteria for the determination of the aforesaid compensation.

At this stage, the 2012 ESOP Plan does not contain an exact indication of the compensation based on *Free Shares* to be allocated to the beneficiaries, rather it merely fixes the maximum and minimum amount they can invest.

The purpose of UniCredit to adopt the 2012 ESOP Plan is in line with the strategy adopted in recent years by the Group for maximizing the corporate value and for fostering the sense of belonging and the commitment to achieve the corporate goals of employees.

3.2.4 The reasons justifying the decision to assign compensation plans based on financial instruments not issued by UniCredit, such as financial instruments issued by its subsidiaries, its parent companies or third parties; in the event the aforesaid financial instruments are not negotiated on regulated markets, the issuer shall provide information as to the criteria adopted for the calculation of the value attributable to such financial instruments.

The 2012 ESOP Plan does not contemplate the allocation of similar financial instruments.

3.2.5 The evaluations, with respect to the relevant tax and accounting implications, taken into account in the definition of the plans.

The 2012 ESOP Plan definition has not been influenced by significant tax or accounting consideration. In particular, it is specified that it will be taken into account the tax regime of employment incomes applicable from time to time in the country where each beneficiary has his/her residency .

3.2.6 The indication as to whether the plan enjoys any support from the special fund for encouraging worker participation in the companies, as provided for under Article 4, paragraph 112, of Law December, 24 2003 n. 350.

The 2012 ESOP Plan is not currently supported by the special fund for encouraging worker participation in the companies, as provided for under sect. 4, paragraph 112, of Law December, 24 2003 n. 350.

3.3 PROCEDURE FOR THE ADOPTION OF THE PLAN AND TIMEFRAME FOR THE ASSIGNMENT OF THE FINANCIAL INSTRUMENTS

3.3.1 Powers delegated to the board of directors by the shareholders' meeting for the implementation of the plan.

The Board of Directors, on February, 28 2012, has approved the 2012 ESOP proposal to be submitted to the Shareholders' Meeting – Ordinary session of UniCredit called on 11th May 2012.

3.3.2 Indication of the individuals in charge of the management of the plan, their powers authority.

The Organizational Unit "Compensation" of the Holding is in charge for the management of the incentive plans, including the 2012 ESOP Plan, as well as of the definition of the Group's compensation policy.

3.3.3 Procedures for the amendment of the plans, if any, also in connection with potential variation of the original targets.

No specific procedures for the amendment of the 2012 ESOP Plan are provided for.

3.3.4 Description of the modalities for the determination of the availability and assignment of the financial instruments contemplated by the plan.

The 2012 ESOP Plan provides for the following phases:

(a) Election Period: there are two election windows:

1st election window: from 1st December 2012 to 15 th January 2013;

2nd election window: from 1st June 2013 to 15th July 2013;

during these windows, employees participating to the 2012 ESOP Plan ("Participants"), will choose the overall amount that they want to invest, up to a maximum contribution of € 6,000 per annum. The minimum annual contribution amount is defined considering the peculiarities of each participating country;

(b) Enrolment Period: from January 2013 to December 2013 the Participants will have the opportunity to buy shares by means of monthly debits on their current account ("monthly" modality) or by payments in one or two instalments made in the months of January or July ("one-off" modality). In case during the Holding Period a Participant leaves the 2012 Plan, he/she will lose the Free Shares allocated in accordance with the below point c);

(c) "Free Share": at the beginning of the Enrolment Period (January or July 2013), the Participant will receive an immediate discount equal to 25% on the purchase price in the form of Free Shares; the Free Shares will be subject to lock-up during one year and the Participant will lose the entitlement to the Free Shares if, during the 1-year Holding Period, he/she will no longer be an employee of a UniCredit Group Company, unless the employment has been terminated for one of the specific reasons stated in the Rules of the Plan. In some countries, for fiscal reasons, it will not be possible to grant the Free

Shares at the beginning of the Enrolment Period: in that case an alternative structure is offered that provides (at the beginning of the Enrolment period) to the Participants of those countries the right to receive the Free Shares at the end of the Holding Period ("Alternative" Structure);

(d) Holding Period: during the 1-year Holding Period (from January/July 2013 to January/July 2014), the Participants can sell the purchased shares at any moment, but by doing so they will lose the Free Shares in respect of the number of shares sold.

The 2012 ESOP Plan provides for the use of shares to be purchased on the market, therefore it will not have any diluting impact on Holding Company share capital. To that end, Group employees who decide to accept to join the 2012 ESOP Plan will give a mandate to a broker, internal or external to UniCredit Group, to purchase the shares and to deposit them in an account opened in their name. In case of substantial changes in the scenario of reference or if the actual participation rate would be higher than expected, it may be required to change this implementation modality by asking, in the case, for the relevant authorizations needed.

3.3.5 The influence exercised by each director in the determination of the characteristics of the plans; the potential conflict of interest which may trigger the obligation for the relevant director to abstain from exercising his vote in the relevant resolution.

In the determination of the essential characteristics of the 2012 ESOP Plan, the Board of Directors followed the guidelines and criteria elaborated by the Remuneration Committee of UniCredit.

Since the CEO of UniCredit is among the potential beneficiaries of the Plan, the latter has abstained from participating in the definition of the 2012 ESOP Plan.

3.3.6 The date on which the board of directors resolved upon the assignment of the financial instruments contemplated by the plan.

The Board of Directors on February, 28 2012 resolved upon the 2012 ESOP Plan proposal to be submitted to the Shareholders' Meeting – Ordinary session of UniCredit called for May, 11 2012.

3.3.7 The date on which the remuneration committee resolved upon the Plan of UniCredit.

The Remuneration Committee, on February, 28 2012, positively resolved upon the criteria and the methodology elaborated for the definition of the 2012 ESOP Plan, sharing the reasons and motivations thereof

3.3.8 The market price of UniCredit ordinary shares, on the dates mentioned in points 3.3.6 and 3.3.7.

The market price of UniCredit ordinary shares, registered on the date of Board of Directors approval of 2012 ESOP Plan proposal and on the date of the decision made by the Remuneration Committee of UniCredit (February, 28 2012), resulted equal to € 3.8252.

3.3.9 In which terms and modalities UniCredit takes into account, in the determination of the timeframe for the assignment of the plans, of the possible time-coincidence between:
i) such assignment or the decision, if any, adopted thereon by the Remuneration Committee, and
ii) the dissemination of relevant information, if any, pursuant to sect. 114, paragraph 1 of Legislative Decree 58/98; for instance, in cases in which such information is:

a. **not already public and capable to positively affect the market quotation, or**
b. **already published and capable to negatively affect the market quotation.**

In relation to the foregoing it is clarified that the resolution of the Board of Directors of February, 28 2012 which approved the proposal to be submitted to the Shareholders' Meeting, has been communicated to the markets, in compliance with the current regulations. It is also clarified that analogous information to the market, if required, will be made available upon any other following resolution adopted by the Board of Directors of the 2012 ESOP Plan.

It is worthwhile clarifying that, although all the resolutions adopted by the Board of Directors are subject to the prior positive opinion of the Remuneration Committee of UniCredit, the information to the market is given after the relevant resolution of the Board of Directors.

Finally, it is clarified that, with reference to the execution of the 2012 ESOP Plan, information will be given to the market in compliance with the current regulations.

3.4. THE CHARACTERISTICS OF THE FINANCIAL INSTRUMENTS ASSIGNED

3.4.1 Description of the compensation plan.

The 2012 ESOP Plan provides for offering to Group employees the possibility to buy on the market UniCredit shares with the following advantages: an immediate discount equal to 25% on the purchase price in the form of Free Shares, whose ownership by Participants will be conditional upon the employment status of the employee with a UniCredit Group company until the expiry of a 1-year restriction period, with the exception of termination for reasons specifically provided for by the Rules of the 2012 Plan.

3.4.2 Indication of the time period for the implementation of the plan also indicating different cycles, if any, of its implementation.

The 2012 ESOP Plan will last from January 2013 to July 2014 according to the criteria specified in section 3.3.4.

3.4.3 The termination date of the plan

The 2012 ESOP Plan will lapse at July 2014.

3.4.4 The overall maximum number of financial instruments, also in the form of options, assigned over any fiscal years with respect to the beneficiaries namely identified or identified by categories, as the case may be

At this stage it is not possible to determine the overall number of shares that will be purchased or assigned with reference to the 2012 ESOP Plan, since their exact determination is conditioned to the employees' participation & contribution rates and share price at the purchasing date.

3.4.5 The procedures and clauses for the implementation of the plan, specifying whether the assignment of the financial instruments is subject to the satisfaction of certain specific conditions and, in particular, to the achievement of specific results, including performance targets; a description of the aforesaid conditions and results

The 2012 ESOP Plan features & implementation clauses are described in the section 3.3.4 above. The execution of the 2012 ESOP Plan is not conditioned to the achievement of any result/performance.

3.4.6 Indication of the restrictions on the availability of the financial instruments allocated under the plan or of the financial instruments relating to the exercise of the options, with particular reference to the time limits within which the subsequent transfer of the stocks to the issuer or third parties is permitted or prohibited

The free shares subjected to the 2012 ESOP Plan ("Free Share") will be affected by a one year restriction period in which the dividends in favor of the beneficiaries, in particular those referring to the "Free Share", will be set aside for the one year period of restriction and paid by cash and/or nature to the participants of the plan. The beneficiaries leaving during the one year period of restriction – with the exception of the clauses provided by the Plan - will loose the ownership of the "Free Share".

3.4.7 Description of any condition subsequent to the plan in connection with the execution, by the beneficiaries, of hedging transactions aimed at preventing the effects of potential limits to the transfer of the financial instruments assigned there under, also in the form of options, as well as to the transfer of the financial instruments relating to the exercise of the aforesaid options

The 2012 ESOP Plan does not provide for conditions subsequent of the type described above.

3.4.8 Description of the consequences deriving from the termination of the employment or working relationship

Before the communication of the 2012 ESOP Plan to the employees, the expiry reasons will be defined of the participants' rights to keep the "Free Shares" as allocated, at the end of the 1-year restriction period.

3.4.9 The indication of any other provisions which may trigger the cancellation of the plan

The 2012 ESOP Plan does not provide for any provision which may trigger its cancellation.

3.4.10 The reasons justifying the redemption, pursuant to sect. 2357 and followings of the Italian Civil Code, by UniCredit, of the financial instruments contemplated by the plan; the beneficiaries of such redemption, indicating whether the same is limited only to certain categories of employees; the consequences of the termination of the employment relationship with respect to such redemption rights

The 2012 ESOP Plan does not provide for the redemption by UniCredit or by another Group company.

3.4.11 The loans or other special terms that may be granted for the purchase of stocks pursuant to sect. 2358, paragraph 3, of the Italian Civil Code

At this stage, the 2012 ESOP Plan does not provide for a loan or other special terms for the purchase of the shares.

An evaluation process is ongoing on the possibility, subject to an agreement with the Unions, that the Italian participants could contribute to the 2012 ESOP Plan investing a portion of the company bonus (VAP). The modalities and the timing to make this contribution will be defined in the Regulations of the 2012 ESOP Plan that will be submitted to the Board of Directors for information at the moment of the launch of the 2012 Plan.

3.4.12 The evaluation of the economic burden for UniCredit at date of the assignment of the plan, as determined on the basis of the terms and conditions already defined, with respect to the aggregate overall amount as well as with respect to each financial instrument contemplated by the plan

At this stage, it is not possible to evaluate the exact economic burden for UniCredit deriving from the adoption of the 2012 ESOP Plan, since this burden is affected by the overall participation & contribution rates of UniCredit Group employees.

The estimate of the overall accounting cost for the offer of the free shares received by Participants is about € 9 million, under the hypothesis of an expected participation rate of Group employees equal to 5%, with an employees' contribution at maximum of € 6,000. That cost, to be spread over the year in which the Plan extends (from January/July 2013 to January/July 2014), would increase in case of a higher participation rate.

3.4.13 The indication of any dilution on the corporate capital of the issuer resulting from the compensation plan, if any.

Considering the use of shares to be purchased in the market, the adoption of the 2012 ESOP Plan will not have any diluting impact on UniCredit share capital.

3.4.14 Any limitation to the voting and to the economic rights

The 2012 ESOP Plan does not provide for any limitation to the voting or economic rights for the "Investment Shares". For the "Free Shares" those rights will be subjected to limitations, in particular the beneficiaries will receive the dividends after the 1-year period of restriction. The beneficiaries leaving during the 1-year period of restriction – with the exception of the clauses provided by the 2012 ESOP Plan - will loose the ownership of the "Free Share".

3.4.15 In the event the stocks are not negotiated on a regulated market, any and all information necessary for a complete evaluation of the value attributable to them

The 2012 ESOP Plan provides only for the use of shares negotiated on regulated markets.

4. EXECUTION OF THE 2011 EMPLOYEE SHARE OWNERSHIP PLAN OF UNICREDIT GROUP

4.1 BENEFICIARIES OF THE PLAN

Considering that the Plan ESOP 2011 is addressed to the employees of the companies of UniCredit Group in 13 countries (Italy, Germany, Austria, Bulgaria , Poland, Czech Republic, Slovak Republic, Romania, Serbia, Hungary, United Kingdom, Luxembourg and Hong Kong), the Plan is covering in total about 75% of the overall Group population.

The Plan ESOP 2011 does not provide for the participation of employees of the companies operating in the other countries in which the Group is operating, since for legal, fiscal, operational or organizational reasons it is not possible to implement the Plan ESOP 2011 in the terms approved and defined by UniCredit S.p.A.

4.1.1 Indication of the name of beneficiaries who are members of the board of directors of UniCredit and of the companies directly or indirectly controlled by UniCredit

The CEO of UniCredit is amongst the potential beneficiaries of Plan ESOP 2011.

It is worth mentioning that certain beneficiaries of the Plan ESOP 2011 - employees of the UniCredit Group - in addition to the exercise of their managing powers connected to their offices, held offices in Management Bodies of companies, directly or indirectly, controlled by UniCredit. In light of the fact that such individuals are amongst the beneficiaries of the Plan ESOP 2011 in their capacity as employees of UniCredit Group, no information as to their names is provided hereto and reference shall be made to the information provided below.

4.1.2 The categories of employees or collaborators of UniCredit and companies controlling or controlled by this issuer.

The Plan ESOP 2011 also applies to the following classes of employees of UniCredit and of the companies of the Group in Italy, Germany, Austria, Bulgaria, Poland, Czech Republic, Slovak Republic, Romania, Serbia, Hungary, United Kingdom, Luxembourg and Hong Kong:

- General Managers & Vice General Managers (or similar categories in the different jurisdictions in which the Group operates) of UniCredit and of the companies of the Group in the above mentioned countries.
- Executives (or similar categories in the different jurisdictions in which the Group operates) of UniCredit and of the companies of the Group in the above mentioned countries.
- Middle Managers (or similar categories in the different jurisdictions in which the Group operates) of UniCredit and of the companies of the Group in the above mentioned countries.
- Employees (or similar categories in the different jurisdictions in which the Group operates) of UniCredit and of the companies of the Group in the above mentioned countries.

4.1.3 Individuals who benefit from the Plan belonging to the following groups:

a) General Managers of UniCredit

Among the potential beneficiaries of the Plan ESOP 2011, along with the CEO, already mentioned, there is the General Manager, Mr. Roberto Nicastro, who currently carries out management activities of UniCredit or anyway has regular access to privileged information and is authorized to take resolutions capable of influencing the development and prospects of UniCredit in any case.

b) other executives with strategic responsibilities of the financial instrument issuer not classed as "small", in accordance with Article 3, paragraph 1, letter *f*) of Regulation no. 17221 of 12 March 2010, if they have, during the course of the year, received total compensation (obtained by adding the monetary compensation to the financial instrument-based compensation) in excess of the highest total compensation assigned to the members of the board of directors or management board, and to the general managers of the financial instrument issuer;

None of UniCredit executives meets the description; therefore no information is provided in connection thereto.

c) natural persons controlling UniCredit, who are employee or collaborator of UniCredit.

No individual controls UniCredit and, therefore, no information is provided in connection thereto.

4.1.4 Description and numerical indication, broken down according to category :

a) Executives with strategic responsibilities other than those specified under lett. B) of paragraph 4.1.3;

Amongst the beneficiaries of the Plan ESOP 2011, along with the CEO, there are n. 7 executives of UniCredit who have regular access to privileged information and are authorized to take resolutions capable of influencing the development and prospects of UniCredit:

- the General Manager, Mr. Roberto Nicastro (already mentioned);
- the Deputy General Managers, Mr. Paolo Fiorentino and Mr. Jean-Pierre Mustier;
- the Head of Planning, Finance & Administration, Mrs. Marina Natale;
- the Group Chief Risk Officer, Mr. Karl Guha;
- the Group Head of Human Resources, Mr. Paolo Cornetta;
- the General Counsel & Group Compliance Officer, Mrs. Nadine Farida Faruque;

b) in the case of "small" companies, in accordance with Article 3, paragraph 1, letter *f*) of Regulation no. 17221 of 12 March 2010, the indication for the aggregate of all executives with strategic responsibilities of the financial instrument issuer;

This provision is not applicable and, therefore, no information is provided in connection thereto.

c) other categories of employees or collaborators for which different characteristics are envisaged for the plan (e.g. executives, middle management, employees etc.);

There are no classes of employees to which different characteristics of the Plan ESOP 2011 apply.

4.2 THE REASONS FOR THE ADOPTION OF THE PLAN

4.2.1 The targets which the parties intend to reach through the adoption of the plan.

Through the Plan ESOP 2011, UniCredit aims at reinforcing the sense of belonging to the Group and the commitment of the employees to achieve the corporate goals.

In particular, the Plan ESOP 2011 aims at offering to the employees of the companies of the Group, joining the Plan, the possibility to buy UniCredit ordinary shares at favourable conditions.

The decision to propose the adoption of the Plan ESOP 2011 has been taken on the basis of the consideration that, from a financial point of view, plans based on financial instruments reserved to employees, like such Plan ESOP 2011, are currently an advantage both for the company that adopts the Plan and for the beneficiaries.

The Plan ESOP 2011 does not provide for alternative allocation criteria amongst the beneficiaries of the Plan, since the criteria specified in section 4.2.3 will regularly apply to all the beneficiaries described in section 4.1. except for the "alternative structure" to be presented in the next paragraphs. For fiscal reasons, in some countries the "alternative structure" is providing to the beneficiaries a different timetable for the allocation activities.

4.2.2 Principal factors of variation and performance indices taken into account for the assignment of plans based on financial instruments.

Considering the goals of the Plan ESOP 2011, no key variables & performance indicators have been considered to grant the *free shares* as detailed below.

4.2.3 The factors assumed as basis for the determination of the compensation based upon financial instruments, or the criteria for the determination of the aforesaid compensation.

The Plan ESOP 2011 does not contain an exact indication of the compensation based on *free shares* to be allocated to the beneficiaries, rather it merely fixes the maximum and minimum amount they can invest.

The purpose of UniCredit to adopt the Plan ESOP 2011 is in line with the strategy adopted in recent years by the Group for maximizing the corporate value and for fostering employees' sense of belonging and the commitment to achieve the corporate goals.

4.2.4 The reasons justifying the decision to assign compensation plans based on financial instruments not issued by UniCredit, such as financial instruments issued by its subsidiaries, its parent companies or third parties; in the event the aforesaid financial instruments are not negotiated on regulated markets, the issuer shall provide information as to the criteria adopted for the calculation of the value attributable to such financial instruments.

The Plan ESOP 2011 does not contemplate the allocation of similar financial instruments.

4.2.5 The evaluations, with respect to the relevant tax and accounting implications, taken into account in the definition of the plans.

The Plan ESOP 2011 has not been influenced by significant tax or accounting consideration. In particular, it is specified that the income tax regime will be taken into account applicable from time to time in the country where each participant has his/her residency: in Italy, the Plan ESOP 2011 structure is qualified for the current favourable tax treatment provided for all employees share ownership plans (Section 51 TUIR).

4.2.6 The indication as to whether the plan enjoys any support from the special fund for encouraging worker participation in the companies, as provided for under Article 4, paragraph 112, of Law December, 24 2003 n. 350.

The Plan ESOP 2011 is not supported by the special fund for encouraging worker participation in the companies, as provided for under sect. 4, paragraph 112, of Law December, 24 2003 n. 350.

4.3 PROCEDURE FOR THE ADOPTION OF THE PLAN AND TIMEFRAME FOR THE ASSIGNMENT OF THE FINANCIAL INSTRUMENTS

4.3.1 Powers delegated to the board of directors by the shareholders' meeting for the implementation of the plan.

In occasion of the approval of the Plan ESOP 2011, the Shareholders' Meeting – Ordinary session of UniCredit has not given any specific powers and functions to the Board of Directors for the execution of the Plan ESOP 2011, but has given to the Chairman and/or to the Chief Executive Officer, respectively, every opportune powers of attorney to enact the Shareholders resolution, making the appropriate modifications/integrations to the Plan ESOP 2011, also in order to be compliant with the laws and regulations in all the different countries in which the Group's companies operate.

4.3.2 Indication of the individuals in charge of the management of the plan, their powers authority.

The Organizational Unit "Compensation" of the Holding is in charge for the management of the incentive plans, including the Plan ESOP 2011, as well as of the definition of the Group's compensation policy.

The Plan ESOP 2011 will be managed and administered with the support of a specialized provider external to the Group.

4.3.3 Procedures for the amendment of the plans, if any, also in connection with potential variation of the original targets.

No specific procedures for the amendment of the Plan ESOP 2011 are provided for.

4.3.4 Description of the modalities for the determination of the availability and assignment of the financial instruments contemplated by the plan.

The employees of the Group companies who joined the Plan ESOP 2011 ("Participants"), have communicated, in the period from October 2011 to January 2012, the amount to invest for the purchasing of the UniCredit ordinary shares ("Investment Shares"). The Plan ESOP 2011's participants have submitted an order to the relevant Bank of the Group to buy - on a monthly or one-off (in March, May and/or October 2012) basis - UniCredit ordinary shares. The purchase is made during the period between January 2012 and December 2012

(“Enrolment Period”) on the market by FinecoBank – the Group company, with registered office in Italy, appointed as unique broker for the Plan ESOP 2011 – and all the purchased shares are sub-deposited in an account opened in the name of each participant in Société Générale Securities Services (SGSS) as Custodian Bank for the Plan ESOP 2011.

At the end of the Enrolment Period, conditionally to the fact that the participants maintain the ownership of the “Investment Shares”, each participant will receive one free share every three purchased (“Free Share”). The “Free Shares” are locked up for three years (from January 2013 to January 2016) starting at the end of the Enrolment Period. After this 3-year Holding Period, the participants can freely dispose of all the shares. “Free Shares” are subject to forfeiture if the participants sell their “Investment Shares”, or if they leave employment with the Group, before the end of the 3 year holding period, except in the case of termination of employment for special reasons provided for by the Plan ESOP 2011.

To Plan ESOP 2011’s participants resident in countries where, for fiscal reasons, it will not be possible to grant the “Free Shares” at the end of the enrolment period, the right will be offered to receive the “Free Shares” at the end of the Holding Period (“alternative” structure).

4.3.5 The influence exercised by each director in the determination of the characteristics of the plans; the potential conflict of interest which may trigger the obligation for the relevant director to abstain from exercising his vote in the relevant resolution.

In the determination of the essential characteristics of the Plan ESOP 2011, approved by the General Meeting on April, 29 2011, the Board of Directors followed the guidelines and criteria elaborated by the Remuneration Committee of UniCredit.

In the implementation of the Plan ESOP 2011 also the CEO of UniCredit followed the guidelines and criteria elaborated by the Board of Directors and Remuneration Committee of UniCredit.

4.3.6 The date on which the board of directors resolved upon the assignment of the financial instruments contemplated by the plan.

The Board of Directors on February, 22 2011 resolved upon the Plan ESOP 2011 approved by the Shareholders’ Meeting – Ordinary session of UniCredit on April, 29 2011.

On October, 27 2011 the Chief Executive Officer of UniCredit – exercising the powers of attorney assigned to him by the above mentioned Shareholders’ Meeting – has invited the employees of the Group companies operating in Italy, Germany, Austria, Bulgaria, Hungary, Poland, Czech Republic, Slovak Republic, Romania, Serbia, United Kingdom, Luxembourg and Hong Kong to participate to the Plan ESOP 2011.

4.3.7 The date on which the remuneration committee resolved upon the Plan of UniCredit.

In view of the definition of the proposal by the Board of Directors, the Remuneration Committee, on February, 17 2011, positively resolved upon the criteria and the methodology elaborated for the definition of the Plan, sharing the reasons and motivations thereof.

4.3.8 The market price of UniCredit ordinary shares, on the dates mentioned in points 4.3.6 and 4.3.7.

The market price of UniCredit ordinary shares, registered on the date of Board of Directors approval of Plan ESOP 2011 proposal (February, 22 2011) and on the date of positive opinion expressed by the Remuneration Committee of UniCredit (February, 17 2011), amounted to € 1.8398 and to € 1.9898 respectively.
On October, 27 2011 – date in which the employees of the Group have been invited to the Plan ESOP 2011 – the market price of UniCredit ordinary shares was equal to € 0.9368.

4.3.9 In which terms and modalities UniCredit takes into account, in the determination of the timeframe for the assignment of the plans, of the possible time-coincidence between:
i) such assignment or the decision, if any, adopted thereon by the Remuneration Committee, and
ii) the dissemination of relevant information, if any, pursuant to sect. 114, paragraph 1 of Legislative Decree 58/98; for instance, in cases in which such information is:

a. **not already public and capable of positively affecting the market quotation, or**
b. **already published and capable of negatively affecting the market quotation.**

It is worthwhile clarifying that, although all the resolutions concerning share-based incentive plans adopted by the Board of Directors are subject to the prior positive opinion of the Remuneration Committee of UniCredit, the information to the market is given only after the relevant resolution of the Board of Directors.

Therefore, with reference to the resolution of the Board of Directors of February, 22 2011 related to the Plan ESOP 2011, communication has been given to the markets, in compliance with the current regulations.

With reference to the execution of the Plan ESOP 2011, analogous information to the market, as required by the regulations, is made available.

4.4 THE CHARACTERISTICS OF THE FINANCIAL INSTRUMENTS ASSIGNED

4.4.1 Description of the compensation plan.

The Plan ESOP 2011 provides for offering to Group employees the possibility to buy on the market UniCredit ordinary shares with the following advantages: (i) granting of one free share every three purchased by Participants (“Free Shares”), whose ownership by the Participant will be conditioned to the employment status of the employee with a UniCredit Group company until the expiry of a 3-year restriction period, with the exception of termination for reasons specifically provided for by the Rules of the Plan ESOP 2011.

4.4.2 Indication of the time period for the implementation of the plan also indicating different cycles, if any, of its implementation.

The phases to implement the Plan ESOP 2011 are:

a) <u>Election Period</u>: from 27 October 2011 to January 2012 employees participating to the Plan (“Participants”) choose the overall amount that they want to invest, up to a maximum contribution of 6.5% of their annual gross base salary with a cap of € 20,000 per annum. The minimum annual contribution amount is defined considering the peculiarities of each participating country;

b) Enrolment Period: from 31 January 2012 to 31 December 2012 the Participants will have the opportunity of buying shares by means of monthly debits on their current account or with payments in one or more instalments made in the months of March, May and/or October ("one-off" modality). In case during this Enrolment Period a Participant leaves the Plan ESOP 2011, he will lose the right to receive any free shares as for the following point c) at the end of the Enrolment Period;

c) "Free Shares": at the end of the Enrolment Period the Participant will receive (between 01 January and 31 January 2013) one free share every 3 shares purchased; the "Free Shares" will be locked up for the next three years and the Participant will lose the entitlement to the "Free Shares" if, during the 3-year Holding Period, he/she will no longer be an employee of a UniCredit Group Company, unless the employment has been terminated for one of the specific reasons stated in the Rules of the Plan ESOP 2011. In some countries, for fiscal reasons, it will not be possible to grant the "Free Shares" at the end of the Enrolment Period: in that case an alternative structure is offered that provides to the Participants of those countries the right to receive the "Free Shares" at the end of the Holding Period ("Alternative" structure);

d) Holding Period: during the Holding Period (from January 2013 to January 2016), the Participants can sell the purchased shares at any moment, but they will lose the "Free Shares".

4.4.3 The termination date of the plan

The Plan ESOP 2011 will lapse by 31 January 2016.

4.4.4 The overall maximum number of financial instruments, also in the form of options, assigned over any fiscal years with respect to the beneficiaries namely identified or identified by categories, as the case may be

At this stage it is not possible to determine the overall number of UniCredit ordinary shares that will be purchased or assigned with reference to the Plan ESOP 2011, since their exact determination is conditioned to the Participants contribution rates and UniCredit ordinary share price at the purchasing date.

4.4.5 The procedures and clauses for the implementation of the plan, specifying whether the assignment of the financial instruments is subject to the satisfaction of certain specific conditions and, in particular, to the achievement of specific results, including performance targets; a description of the aforesaid conditions and results

The Plan ESOP 2011 features & implementation clauses are described in the sections 4.3.4 and 4.4.2 above. The execution of the Plan ESOP 2011 is not conditioned to the achievement of any result/performance.

4.4.6 Indication of the restrictions on the availability of the financial instruments allocated under the plan or of the financial instruments relating to the exercise of the options, with particular reference to the time limits within which the subsequent transfer of the stocks to the issuer or third parties is permitted or prohibited

All the free shares acquired trough the Plan ESOP 2011 (“Free Shares”) are locked up for three years, during which the dividends will be accrued in favour of the Participants: in particular any dividends and other distributions arising from the “Free Shares” will be locked during the Holding Period and will be released (in cash and/or in kind) only at the end of this period.
The participant will lose the ownership of the “Free Share” if, during the 3-year restriction period, he/she will no longer be an employee of a UniCredit Group Company, unless the employment has been terminated for one of the specific reasons stated by the Rules of the Plan ESOP 2011.

4.4.7 Description of any condition subsequent to the plan in connection with the execution, by the beneficiaries, of hedging transactions aimed at preventing the effects of potential limits to the transfer of the financial instruments assigned there under, also in the form of options, as well as to the transfer of the financial instruments relating to the exercise of the aforesaid options

The Plan ESOP 2011 does not provide for conditions subsequent of the type described above.

4.4.8 Description of the consequences deriving from the termination of the employment or working relationship

1. Leaving employment before the start of the Enrolment Period: if a Participant leaves employment with any company of UniCredit Group before the start of the Enrolment Period, he will not be entitled to participate in the Plan ESOP 2011.
2. Leaving employment during the Enrolment Period: if a Participant leaves employment with any company of UniCredit Group during the Enrolment Period, the Investment Shares already acquired shall not be affected but no more Investment Shares will be bought for him and he will not have any right to Free Shares under the Plan ESOP 2011. In particular, no Free Shares shall be allocated to him. The above mentioned provision will not apply if the Participant dies or leaves employment for any of the reasons set out in 3.a to 3.f below. In these circumstances no more Investment Shares will be bought for him but his right (or those of his heirs in the case of death) in relation to Investment Shares already acquired shall not be affected. In particular, he will still be entitled to the Free Shares.
3. Leaving employment after the Enrolment Period but before the Vesting Date: if a Participant leaves employment with any company of UniCredit Group after the end of the Enrolment Period but before the Vesting Date, his Free Shares will lapse but his rights in respect of Investment Shares shall not be affected. The above mentioned provision will not apply if the Participant dies or leaves employment for any of the following reasons provided by the Rules of the Plan ESOP 2011:
    a. redundancy, ill-health, injury or disability, as established to the satisfaction of the Company or the Participant’s employing company;
    b. the Participant’s employing company ceasing to be a Subsidiary;
    c. a transfer (total or partial) of the undertaking in which the Participant works to a legal entity which is not a company of UniCredit Group;
    d. retirement with the agreement of the Participant’s employing company;
    e. re-employment of the Participant in another country with a Member of UniCredit Group that is not participating in the Plan ESOP 2011;

f. any other reason agreed upon by the Company in the context of a mutual agreement on termination of the Participant's employment relationship.

In these circumstances, his rights (or those of his heirs in the case of death) in relation to both the Investment Shares and the Free Shares shall not be affected.

The Company must exercise any discretion provided for in this Rule within 90 calendar days after the termination date and the Free Shares will be deemed to have lapsed or not (as appropriate) on the termination date.

4.4.9 The indication of any other provisions which may trigger the cancellation of the plan

The Plan ESOP 2011 does not provide for any provision which may trigger its cancellation.

4.4.10 The reasons justifying the redemption, pursuant to sect. 2357 and followings of the Italian Civil Code, by UniCredit, of the financial instruments contemplated by the plan; the beneficiaries of such redemption, indicating whether the same is limited only to certain categories of employees; the consequences of the termination of the employment relationship with respect to such redemption rights

The Plan ESOP 2011 does not provide for the redemption by UniCredit or by another Group company.

4.4.11 The loans or other special terms that may be granted for the purchase of stocks pursuant to sect. 2358, paragraph 3, of the Italian Civil Code

The Plan ESOP 2011 does not provide for a loan or other special terms for the purchase of the shares.

4.4.12 The evaluation of the economic burden for UniCredit at date of the assignment of the plan, as determined on the basis of the terms and conditions already defined, with respect to the aggregate overall amount as well as with respect to each financial instrument contemplated by the plan

At this stage, it is not possible to evaluate the exact economic burden for UniCredit deriving from the adoption of the Plan ESOP 2011, as the calculation of this burden is affected by the overall participation & contribution rates of UniCredit Group employees.

The estimated IFRS2 cost for the offer of the free shares received by participants is about € 4 million, under the hypothesis of an expected participation rate of Group employees equal to 4%, with an employees' contribution at maximum rate of 6.5% of the gross salary. That cost, to be spread over the 4 years in which the Plan ESOP 2011 extends (from January 2012 to January 2016), would increase in case of a higher participation rate and it does not include the management and administration costs of the Plan ESOP 2011 expected to be around € 0.2 million.

4.4.13 The indication of any dilution on the corporate capital of the issuer resulting from the compensation plan, if any.

Considering the use of shares to be purchased on the market, the adoption of the Plan ESOP 2011 will not have any diluting impact on UniCredit share capital.

4.4.14 Any limitation to the voting and to the economic rights

The Plan ESOP 2011 does not provide for any limitation to the voting or economic rights for the "Investment Shares". The economic rights are suspended for the "Free Shares", because the participants will receive the dividends of those shares only at the end of the 3-year restriction period if, during this period, he/she will remain an employee of a UniCredit Group Company, unless the employment has been terminated for one of the specific reasons stated by the Plan ESOP 2011.

4.4.15 In the event the stocks are not negotiated on a regulated market, any and all information necessary for a complete evaluation of the value attributable to them

The Plan ESOP 2011 provides only for the use of shares negotiated on regulated markets.

5. EXECUTION OF THE 2011 GROUP COMPENSATION SYSTEMS

5.1 BENEFICIARIES OF THE PLAN

The UniCredit Board of Directors has resolved on March, 27 2012 to execute the **2011 Group Compensation Systems** (the "System") approved by the Ordinary Shareholders Meeting on April, 29 2011 for the following beneficiaries identified under the relevant plans:

- Under the **2011 Group Executive Incentive System** ("Group Executive Plan"), the allocation of an incentive – in cash or free ordinary shares – is provided to 768 Group Executives and other selected roles in a 4-year period, subject to the achievement of specific performance objectives;

- with reference to the **Performance Stock Option Plan for Group Senior Executives** ("2012-2015 Performance Stock Option Plan"), 99 selected Group Executives have been identified as beneficiaries for the allocation of performance stock options.

- with reference to the **Share Plan for Group Key Resources** ("Share Plan"), it was deemed appropriate to execute the plan with reference to nr. 981 selected beneficiaries among the selected resources for the achievement of company results.

5.1.1 Indication of the name of beneficiaries who are members of the board of Directors of UniCredit and of the companies directly or indirectly controlled by UniCredit

Mr. Federico Ghizzoni – CEO of UniCredit - is among the beneficiaries of the 2011 Group Compensation Systems.

It is worth mentioning that certain potential beneficiaries of the above plans, in addition to the exercise of their managing powers connected to their offices, held offices in Management Bodies of companies, directly or indirectly, controlled by UniCredit. In light of the fact that such individuals are amongst the beneficiaries of the plans in their capacity as employees of UniCredit Group, no information as to their names is provided hereto and reference shall be made to the information provided below.

5.1.2 The categories of employees or collaborators of UniCredit and companies controlling or controlled by this issuer.

The employees of UniCredit and of its parent companies or subsidiaries that benefit from the 2011 Group Compensation Systems (in addition to the Chief Executive Officer of UniCredit) are:

for the **Group Executive Plan**:

- General Manager (GM), Deputy General Managers (DGM), Senior Executive Vice Presidents (SEVP), Executive Vice Presidents (EVP) and other risk takers[3];
- Senior Vice Presidents (SVP) and other selected roles impacting market, credit, liquidity risks with incentive exceeding € 100,000.

for the **2012-2015 Performance Stock Option Plan**:

- General Manager and Deputy General Managers;
- Senior Executive Vice Presidents;
- Executive Vice Presidents;

Among those categories, are excluded from the Plans the employees working in Audit and Legal & Compliance functions, in line with regulatory requirements on compensation for Heads of control functions.

for the **Share Plan:**

- selected employees of UniCredit and of the main bank and companies of the Group, identified by the Board among the mission critical players for the achievement of company results.

5.1.3 Individuals who benefit from the Plan belonging to the following groups:

a) General Managers of UniCredit

Among the potential beneficiaries of the 2011 Group Compensation Systems, along with the CEO, already mentioned, there is the General Manager, Mr. Roberto Nicastro, who currently carries out management activities of UniCredit or anyway has regular access to privileged information and is authorized to take resolutions capable of influencing the development and prospects of UniCredit in any case.

b) other executives with strategic responsibilities of the financial instrument issuer not classed as "small", in accordance with Article 3, paragraph 1, letter *f*) of Regulation no. 17221 of 12 March 2010, if they have, during the course of the year, received total compensation (obtained by adding the monetary compensation to the financial instrument-based compensation) in excess of the highest total compensation assigned to the members of the board of directors or management board, and to the general managers of the financial instrument issuer;

None of UniCredit executives meets the description; therefore no information is provided in connection thereto.

[3] Employees materially impacting market, credit, liquidity risk at Group level and with an incentive higher than € 500,000

c) natural persons controlling UniCredit, who are employee or collaborator of UniCredit.

No individual controls UniCredit and, therefore, no information is provided in connection thereto.

5.1.4 Description and numerical indication, broken down according to category :

a) Executives with strategic responsibilities other than those specified under lett. B) of paragraph 5.1.3

Amongst the potential beneficiaries of the 2011 Group Compensation Systems, along with the CEO, there are 7 executives of UniCredit who have regular access to privileged information and are authorized to take resolutions capable of influencing the development and prospects of UniCredit:

- the General Manager, Mr. Roberto Nicastro (already mentioned);
- the Deputy General Managers, Mr. Paolo Fiorentino and Mr. Jean-Pierre Mustier;
- the Head of Planning, Finance & Administration, Mrs. Marina Natale;
- the Group Chief Risk Officer, Mr. Karl Guha;
- the Group Head of Human Resources, Mr. Paolo Cornetta;
- the General Counsel & Group Compliance Officer, Mrs. Nadine Farida Faruque;

b) in the case of "small" companies, in accordance with Article 3, paragraph 1, letter *f*) of Regulation no. 17221 of 12 March 2010, the indication for the aggregate of all executives with strategic responsibilities of the financial instrument issuer;

This provision is not applicable and therefore no information is provided in connection thereto.

c) other categories of employees or collaborators for which different characteristics are envisaged for the plan (e.g. executives, middle management, employees etc.);

There are no classes of employees to which different characteristics of the relevant plans apply.

5.2 THE REASONS FOR THE ADOPTION OF THE PLAN

5.2.1 The targets which the parties intend to reach through the adoption of the plan.

The **Group Executive Plan** aims to attract, motivate and retain Group Executives and to align UniCredit compensation systems with the latest national and international regulatory requirements with the aim to define – in the interest of all stakeholders – incentive systems in line with long term company strategies and goals, linked to Group results, adjusted in order to consider all risks, in coherence with capital and liquidity levels needed to cover the activities in place and, in any case, able to avoid misleading incentives that could drive to regulatory breaches or to assume excessive risks for the bank and the system in its whole.

The **2012-2015 Performance Stock Option Plan** aims to align Senior Executive and shareholders interests rewarding long term value creation, share price appreciation and absolute and relative Group performance.

The **Share Plan** aims to attract and / or retain selected resources and to align beneficiaries and shareholder interests, rewarding long term value creation and share price appreciation.

5.2.2 Principal factors of variation and performance indexes taken into account for the assignment of plans based on financial instruments.

The **Group Executive Plan** establishes that the achievement of the goals defined for 2011 are verified in 2012 using a multi-perspective performance evaluation approach based on operational & sustainability drivers set within an individual Performance Screen. According to goal achievements, incentive payouts so defined will be made in 4 installments over the 2012-2015 period with the following modalities:

1. in 2012 a cash amount, the first installment of the overall incentive, will be paid (1st installment), subject to the application of an overall risk/sustainability factor ("Group Gate"), related to 2011 Group[4] profitability, solidity and liquidity results and in absence of any individual values / compliance breach;
2. in 2013 a cash amount, the second installment of the overall incentive, will be paid (2nd installment), subject to the application of a Zero Factor related to 2012 Group profitability, solidity and liquidity results and in absence of any individual /values compliance breach;
3. in 2014 a number of UniCredit shares, as the third installment of the overall incentive, will be allocated (3rd installment), subject to the application of a Zero Factor related to 2013 and in the absence of any individual /values compliance breach;
4. in 2015 a number of UniCredit shares, as the fourth installment of the overall incentive, will be allocated (4th installment), subject to the application of a Zero Factor related to 2014 and the absence of any individual /values compliance breach.

The **2012-2015 Performance Stock Option Plan** provides for the following performance indicators calculated in the reference period 2012-2015:

- *Relative Total Shareholder Return* (rTSR) over the reference period, measuring the full reward on shareholder investment (considering capital gain & dividends) relative to peers. The "Peer Group" will consist of those companies in the European Stoxx Banking Sector Index (as at the last business day of the performance period with a market capitalization higher than the median level of the companies included in the index). Any company which at any time in the 30 days before the end of the reference period is the subject of a proposed transaction which could lead to a takeover, will be excluded from the Comparator Group;
- *Group Economic Profit* (EP) calculated as the difference between Net Operating Profit After Tax and the product between Allocated Capital and Cost of Equity;

The exercise of the maximum number of stock options granted is provided for in case the performance of Group 2012-2015 Economic Profit (EP) is higher than the cumulative planned target and positioning of the relative Total Shareholder Return (rTSR) 2012-2015 is higher or equal to third quartile of the reference peer group. No stock options

[4] And/or Group Companies in presence of any specific local applicable regulations

will be exercisable in case of rTSR positioning below the median and EP lower than the target set.

The **Share Plan** provides for UniCredit free ordinary share allocations in 3 equal installments over a 3 year period; each allocation shall be subject to continuous employment at time of actual grant and application of the Zero Factor – as defined annually by the Board of Directors – related to annual Group profitability, solidity and liquidity results and the absence of any individual values / compliance breach.

5.2.3 The factors assumed as basis for the determination of the compensation based upon financial instruments, or the criteria for the determination of the aforesaid compensation.

The following are the general criteria that the Board of Directors has followed, in the resolutions that after the Annual Shareholders' Meeting approval has executed the Plan, to define the actual number of beneficiaries and the number of free shares or performance stock options to be granted.

The **Group Executive Plan**, provides for the allocation of an incentive – in cash and free ordinary shares – to Group Executives (CEO, GM, DGM, SEVP, EVP, SVP) and other selected roles in a 4-year period, subject to the achievement of specific performance objectives;

The **2012-2015 Performance Stock Option Plan** provides for the allocation of *performance stock options* to Group Senior Executives, considering the position covered by each beneficiary (CEO, GM, DGM, SEVP and EVP, with the exclusion of the employees working in Audit and Legal & Compliance functions, as specified in point 5.1.2).

The **Share Plan** provides that the beneficiaries and the number of shares to be granted at individual level will be defined by the Board of Directors according to:

- Relevance for the Group & the need of retention;
- the *level of performance / potential* - delivery ability, performance and results achieved;
- *adherence to corporate values and compliance* - knowledge and ability to translate corporate values into behaviors and individual adherence to compliance rules, conduct and behavior.

5.2.4 The reasons justifying the decision to assign compensation plans based on financial instruments not issued by UniCredit, such as financial instruments issued by its subsidiaries, its parent companies or third parties; in the event the aforesaid financial instruments are not negotiated on regulated markets, the issuer shall provide information as to the criteria adopted for the calculation of the value attributable to such financial instruments.

The 2011 Group Compensation Systems do not contemplate the allocation of similar financial instruments.

5.2.5 The evaluations, with respect to the relevant tax and accounting implications, taken into account in the definition of the plans.

The 2011 Group Compensation Systems have not been influenced by significant tax or accounting considerations. In particular, it is specified that the price of the shares to be issued in relation to the capital increase at the service of the stock option exercise, as described in following point 5.3, will take into account the tax regime of employment incomes applicable from time to time in the country where each beneficiary has his/her residency.

Furthermore, the tax regime and social security contribution applied to the *performance stock options* and to the *free shares* allocated, will be compliant with the current regulations in the country where the beneficiary is fiscally resident.

5.2.6 The indication as to whether the plan enjoys any support from the special fund for encouraging worker participation in the companies, as provided for under Article 4, paragraph 112, of Law December, 24 2003 n. 350.

The 2011 Group Compensation Systems are not currently supported by the special fund for encouraging worker participation in the companies, as provided for under sect. 4, paragraph 112, of Law December, 24 2003 n. 350.

5.3 PROCEDURE FOR THE ADOPTION OF THE PLAN AND TIMEFRAME FOR THE ASSIGNMENT OF THE FINANCIAL INSTRUMENTS

5.3.1 Powers delegated to the board of directors by the shareholders' meeting for the implementation of the plan.

As already mentioned in the Information Memorandum published at the occasion of the General Shareholders' Meeting of April 29, 2011, the most efficient instrument identified to execute the 2011 Compensation Systems is to delegate the Board of Directors, pursuant to sect. 2443 of the Civil Code, of the power to resolve on one or more occasions to increase share capital in accordance with the following provisions:

With reference to the **Group Executive Plan** and the **Share Plan**, to resolve, within a maximum period of five years, in one or more instances, a free share capital under art. 2349 of the Civil Code, of maximum €103,000,000 corresponding to nr. 206,000,000 ordinary shares (this number has been modified to nr. 31,277,019 ordinary shares due to the grouping operation made on December, 27 2011 and the AIAF factor application related to the operations on share capital made by UniCredit);

With reference to the **2012-2015 Performance Stock Option Plan**, to resolve on one or more occasions to increase share capital, with exclusion of the option right, as allowed by section 2441.8 of the Italian Civil Code, within five years of the date of the shareholders' resolution, for a maximum nominal amount of €34,000,000 to service the exercise of performance stock options for subscription of up to 68,000,000 UniCredit ordinary shares to be reserved to Group Senior Executives (this number has been modified to nr. 10,324,453 ordinary shares due to the grouping operation made on December, 27 2011 and the AIAF factor application related to the operations on share capital made by UniCredit).

With reference to the timing for the allocation of the *performance stock options,* please refer to the following point 5.4.2.

5.3.2 Indication of the individuals in charge of the management of the plan, their powers authority.

The Organizational Unit "Compensation" of the Holding is in charge for the management of the incentive plans, including the 2011 Group Compensation Systems, as well as of the definition of the Group's compensation policy.

5.3.3 Procedures for the amendment of the plans, if any, also in connection with potential variation of the original targets.

No specific procedures for the amendment of the 2011 Group Compensation Systems are provided for.

5.3.4 Description of the modalities for the determination of the availability and assignment of the financial instruments contemplated by the plan.

In order to execute the plans in accordance with the delegation provided by the Shareholders' Meeting on April, 29 2011 the Board of Directors could resolve:

- for the **2012-2015 Performance Stock Option Plan**, in one or more occasions by April, 2016, the allocation of a maximum number of 10,324,453 *performance stock options* for the subscription of an equal number of UniCredit ordinary shares;

- for the **Group Executive Plan** and the **Share Plan**, within a maximum period of five years, in one or more instances, the allocation of a maximum number of 31,277,019 *free ordinary shares*, set by the Board of Directors.

5.3.5 The influence exercised by each director in the determination of the characteristics of the plans; the potential conflict of interest which may trigger the obligation for the relevant director to abstain from exercising his vote in the relevant resolution.

In the determination of the essential characteristics of the 2011 Group Compensation Systems and of the relevant criteria for the identification of the instruments under the Plan, the Board of Directors followed the guidelines and criteria elaborated by the Remuneration Committee of UniCredit.

Since the CEO of UniCredit is among the potential beneficiaries of the plans, the latter has abstained from participating in the definition of the plans.

5.3.6 The date on which the board of directors resolved upon the assignment of the financial instruments contemplated by the plan

In order to execute the **Group Executive Plan,** in accordance with the delegation received by the Shareholders' Meeting, as described in point 5.3.1, the Board of Directors on March 27, 2012 has resolved the promise to grant nr. 14,037,545 UniCredit ordinary shares to the Group Executives upon verification of the achievement of the performance conditions defined for the participants as described in the following section 5.4.5.

In order to execute the **2012-2015 Performance Stock Option Plan**, in exercising the delegation received by the Shareholders' Meeting, as described in point 5.3.1, the Board of Directors on March 27, 2012 has approved a capital increase to service nr. 9,222,891 performance stock options, subject to the achievement of performance conditions set by the Board of Directors as described in the following section 5.4.5.

In order to execute the **Share Plan** in accordance with the delegation received by the Shareholders' Meeting, as described in point 5.3.1, the Board of Directors on March 27, 2012 has resolved the promise to grant nr. 3,633,948 UniCredit ordinary shares to be allocated in 3 equal installments to selected Group beneficiaries upon achievement of specific performance conditions set by the Board of Directors and has approved a free increase in share capital to service nr. 84,023 *free ordinary shares* with reference to performance conditions achieved in 2011.

5.3.7 The date on which the remuneration committee resolved upon the Plan of UniCredit.

The Remuneration Committee, on March, 20 2012, positively resolved upon the conditions to be applied at the execution of the 2011 Group Compensation Systems.

5.3.8 The market price of UniCredit ordinary shares, on the dates mentioned in points 5.3.6 and 5.3.7.

The market price of UniCredit ordinary shares, registered on the date of Board of Directors approval of the 2011 Group Compensation Systems execution (March, 27 2012) and on the date of the positive opinion by the Remuneration Committee of UniCredit (March, 20 2012), resulted equal to € 4.0284 and to € 4.1476 respectively.

5.3.9 In which terms and modalities UniCredit takes into account, in the determination of the timeframe for the assignment of the plans, of the possible time-coincidence between:
i) such assignment or the decision, if any, adopted thereon by the Remuneration Committee, and
ii) the dissemination of relevant information, if any, pursuant to sect. 114, paragraph 1 of Legislative Decree 58/98; for instance, in cases in which such information is:

- **a. not already public and capable to positively affect the market quotation, or**
- **b. already published and capable to negatively affect the market quotation.**

In relation to the foregoing it is clarified that the resolution of the General Shareholders' Meeting has been communicated to the market in compliance with the current regulations. It is also clarified that analogous information to the market is made available upon the resolution adopted by the UniCredit Board of Directors in execution of the 2011 Group Compensation Systems.

It is worthwhile clarifying that, although all the resolutions adopted by the Board of Directors are subject to the prior positive opinion of the Remuneration Committee of UniCredit, the information to the market is given only after the relevant resolution of the Board of Directors.

5.4. THE CHARACTERISTICS OF THE FINANCIAL INSTRUMENTS ASSIGNED

5.4.1 Description of the compensation plan.

The **Group Executive Plan** provides for the allocation of an incentive – in cash or free ordinary shares – to Group Executives and other selected roles in a 4-year period, subject to the achievement of specific performance objectives; the percentage of the payments in cash and shares in relation to the beneficiaries categories are described in the following table:

	2012 Cash	2013 Cash	2014 Share	2015 Share
CEO, GM, DGM, SEVP, EVP and other “risk takers”	25%	25%	25%	25%
SVP and other selected roles	40%	20%	20%	20%

The **2012-2015 Performance Stock Option Plan** provides for the allocation to Group Senior Executives of *performance stock options* that will entitle the beneficiaries to subscribe UniCredit ordinary shares upon achieving the performance targets established by the Board.

The **Share Plan** provides for the promise to grant to selected Group beneficiaries *free UniCredit ordinary shares*, in 3 equal installments over a 3 year period, subject every year to the application of the Zero Factor - as defined annually by the Board.

5.4.2 Indication of the time period for the implementation of the plan also indicating different cycles, if any, of its implementation.

The *free shares* related to the **Group Executive Plan** will be allocated in 2 installments (in 2014 and 2015) following the Board assessment of the goals achievement defined for 2011.

The *performance stock options* related to the **2012-2015 Performance Stock Option Plan** are exercisable as of the year following the reference period (2012-2015) and until December 31st 2022 – unless otherwise established by the Board of Directors in case of a public offering providing for exchange of UniCredit shares - subject to the achievement of performance conditions set by the Board of Directors and subsequently verified following the end of the last year of the reference period.

The *free shares* related to the **Share Plan** are allocated by UniCredit in 3 equal installments over a 3 year period, subject every year to the application of the Zero Factor - as defined annually by the Board.

5.4.3 The termination date of the plan

The *free shares* should be allocated by 2016 and the *performance stock options* under the Plan will be exercisable until December 31st 2022.

5.4.4 The overall maximum number of financial instruments, also in the form of options, assigned over any fiscal years with respect to the beneficiaries namely identified or identified by categories, as the case may be

The maximum number of *free shares* that the Board of Directors is authorized to allocate within the power of the delegation received by UniCredit Shareholders' Meeting is equal to 31,277,019.

The maximum number of *performance stock options* that the Board of Directors is authorized to allocate within the power of the delegation received by UniCredit Shareholders' Meeting is equal to 10,324,453 that provides the right to subscribe an equal number of UniCredit ordinary shares.

At this stage it is not possible to indicate the maximum number *performance stock options* and of *free shares* allocated in each fiscal year during the life of the Plan, since the actual definition will be done by the Board of Directors on the basis of the criteria approved by the Shareholders' Meeting.

5.4.5 The procedures and clauses for the implementation of the plan, specifying whether the assignment of the financial instruments is subject to the satisfaction of certain specific conditions and, in particular, to the achievement of specific results, including performance targets; a description of the aforesaid conditions and results

Considering the criteria described in the point 5.2.2, the allocation and the exercise of the *performance stock options* and *free shares* is subject to the achievement of the performance targets set by the Board of Directors. The assessment of the goals achievement should be done by the Board of Directors at the end of the performance period described in point 5.4.2.

5.4.6 Indication of the restrictions on the availability of the financial instruments allocated under the plan or of the financial instruments relating to the exercise of the options, with particular reference to the time limits within which the subsequent transfer of the stocks to the issuer or third parties is permitted or prohibited

The 2011 Group Compensation Systems provide that the *free shares* that will be allocated are free from restrictions and, hence, freely transferable as from the date of their issue and carrying the same rights as the ones already in circulation, subject to the applicable regulatory requirements as described in section 5.4.14.

The *performance stock options* are nominative and not transferable. However, in the event of death of the beneficiary, the above mentioned rights may be transferred to his or her heirs, legal representatives or others entitled to his or her property under the applicable law of succession or intestacy of the relevant country.

The UniCredit ordinary shares received upon exercise of the *performance stock options* will be freely transferable.

5.4.7 Description of any condition subsequent to the plan in connection with the execution, by the beneficiaries, of hedging transactions aimed at preventing the effects of potential limits to the transfer of the financial instruments assigned there under, also in the form of options, as well as to the transfer of the financial instruments relating to the exercise of the aforesaid options

In accordance with national and international regulatory guidelines and the 2011 Group Compensation Policy, beneficiaries are required to undertake not to use personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements. Involvement in any form of hedging transaction shall be considered in breach of Group compliance policies and therefore the *performance stock options* and the rights to receive shares shall automatically expire.

5.4.8 Description of the consequences deriving from the termination of the employment or working relationship

With the exception of the “good leavers” cases as provided by the Rules, in case of exit of the beneficiary from the Group or in the event that the beneficiary is subject to disciplinary actions by the employer for irregular activities with reference to processes and rules related to i) risk underwriting ii) sales processes of banking and financial services iii) internal code of conduct, the beneficiary will lose the right to receive the free shares or to exercise the stock options; the above unless the Board of Directors, with reference to each single case, decides otherwise.

5.4.9 The indication of any other provisions which may trigger the cancellation of the plan

The 2011 Group Compensation Systems do not provide for any provision which may trigger its cancellation.

5.4.10 The reasons justifying the redemption, pursuant to sect. 2357 and followings of the Italian Civil Code, by UniCredit, of the financial instruments contemplated by the plan; the beneficiaries of such redemption, indicating whether the same is limited only to certain categories of employees; the consequences of the termination of the employment relationship with respect to such redemption rights

The 2011 Group Compensation Systems do not provide for the redemption by UniCredit or by another Group company with reference both to the *free shares* and the *performance stock options*.

5.4.11 The loans or other special terms that may be granted for the purchase of stocks pursuant to sect. 2358, paragraph 3, of the Italian Civil Code

The 2011 Group Compensation Systems do not provide for a loan or other special terms for the purchase of the shares.

5.4.12 The evaluation of the economic burden for UniCredit at date of the assignment of the plan, as determined on the basis of the terms and conditions already defined, with respect to the aggregate overall amount as well as with respect to each financial instrument contemplated by the plan

The estimation of the overall cost expected by UniCredit in relation to the 2011 Compensation Systems at the date of promise to grant the *free shares* and of the allocation of the *performance stock options*, has been made on the basis of the IAS principles, considering the accounting assumptions on the foreseeable beneficiaries exits during the exercise period of the *performance stock options* or before the allocation of the *free shares* and on the probability to achieve the performance targets related to the allocation of the *free shares* and of the *performance stock options*.

On the basis of these estimations, the overall expected cost for UniCredit at the date of promise to grant the target number of *free shares* and of the allocation of the target number of *performance stock options* is equal to €172.4 mln to be split in 5 years:

- circa euro 141.8 mln for the Group Executive Plan;
- circa euro 17.6 mln for the Share Plan;
- circa euro 13.0 mln for the 2012-2015 Performance Stock Option Plan.

5.4.13 The indication of any dilution on the corporate capital of the issuer resulting from the compensation plan, if any.

The maximum dilution impact of the 2011 Compensation Systems is equal to:

- circa 0.309% allocating all the *free shares* to the employees;
- circa 0.159% in case of exercise of all the *performance stock options*.

5.4.14 Any limitation to the voting and to the economic rights

With reference to the **Group Executive Plan**, in accordance with applicable regulatory requirements, any shares to be allocated in the Fourth Bonus installment will be subject to 1 year retention period, meaning that the beneficiary cannot sell for one additional calendar year the resulting shares.

Under the **2012-2015 Performance Stock Option Plan**, in accordance with applicable regulatory requirements, any shares resulting from the exercise of *performance stock options* during the 12 months period following the date they become exercisable, are subject to 1 year retention period (i.e. beneficiaries cannot sell the shares during this 1 year period).

At this stage, the **Share Plan** does not provide for any limitation to the voting or economic rights for the shares allocated.

5.4.15 In the event the stocks are not negotiated on a regulated market, any and all information necessary for a complete evaluation of the value attributable to them

The 2011 Compensation Systems provide only for the use of shares negotiated on regulated markets.

5.4.16 The number of financial instruments belonging to each option

The 2012-2015 Performance Stock Option Plan provides that each assigned *performance stock option* grants the right to subscribe one ordinary share of UniCredit.

5.4.17 The termination date of the options

The *performance stock options* shall be exercisable as of the year following the reference period (2012-2015) and until December 31st 2022 – unless otherwise established by the Board of Directors in case of a public bid involving the purchase and exchange of UniCredit shares - subject to the achievement of performance conditions set by the Board of Directors.

5.4.18 The modalities, time limits and clauses for the exercise of the options

The 2012-2015 Performance Stock Option Plan provides that the modalities, time limits and clauses for the exercise of the options would be set by the Board of Directors in the resolution to execute the resolution of the Shareholders' meeting of UniCredit.

In particular:

- the *performance stock options* vested at the end of Performance Period must be exercised by December 31st 2022, after which they shall expire and lose any effect and validity;
- Vested *performance stock options* may be exercised, in whole or in part, by giving notice of exercise to UniCredit through the dedicated section on the internet site communicated to the beneficiaries. The exercise of the *performance stock options* will become effective on a weekly basis, each Tuesday following the date on which the notice of exercise is received by UniCredit.
- If the effective date of exercise falls on a public holiday in Italy, the exercise of the *performance stock options* will be effective on the first business day thereafter;
- the exercise price of the *performance stock options* must be paid, in accordance with Italian market practices, on the date on which the exercise of *performance stock options* becomes effective, without any fees or charges for the beneficiary;
- UniCredit will issue the shares subscribed as a result of properly exercising the *performance stock options* and will release the shares on or before the third business day after the date on which the exercise of *performance stock options* becomes effective.
- UniCredit has the faculty to temporarily suspend the exercise of *performance stock options* in case of particular needs (e.g. Financial Report approval and/or First Half Report approval, dividends distribution, the execution of operations on the capital, significant variations on the UniCredit profit and loss report and balance sheet).

5.4.19 The strike price of the options or the criteria and modalities for its determination, with respect in particular to:
a) the formula for the calculation of the exercise price in connection with the fair market value; and to
b) the modalities for the calculation of the market price assumed as basis for the calculation of the exercise price

The Board of Directors has determined the exercise price of the *performance stock options* as the arithmetic mean of the official market price of UniCredit ordinary shares during the month preceding the Board of Directors' resolution to execute the grant.

With reference to the granting resolved by the Board of Directors on March 27, 2012 the exercise price is equal to € 4.010.

5.4.20 In case the strike price is different from the fair market value as determined pursuant to point 5.4.19.b, the indication of the reasons for such difference

On the basis of the criteria adopted by the Board of Directors pursuant to point 5.4.19 b) above, the strike price so determined represents the fair market value of UniCredit's ordinary shares as provided in sect. 9, paragraph 4 letter a) of D.P.R. December 22, 1986 No. 1917.

5.4.21 The criteria justifying differences in the exercise prices between the relevant beneficiaries or class of beneficiaries

The 2012-2015 Performance Stock Option Plan does not provide for criteria on the basis of which are provided different strike prices between the relevant beneficiaries or classes of beneficiaries of the Plan.

5.4.22 In the event the financial instruments underlying granted options are not negotiated on a regulated market, the indication of the value attributable to the same or of the criteria for its determination

The shares underlying the *performance stock options* are UniCredit's ordinary shares listed on the stock market of Milan, managed by Borsa Italiana S.p.A., and on the Frankfurt & Warsaw stock market.

5.4.23 The criteria for the adjustments required in connection with any extraordinary transaction involving the corporate capital of the issuer as well as in connection with transaction triggering a variation in the number of the financial instruments underlying granted options.

The 2011 Compensation Systems do not provide for adjustments applicable in connection with extraordinary transactions involving UniCredit corporate capital (saving the provisions that the Board of Directors may define in the resolution in which the Board will exercise the delegation received from the General Shareholders' Meeting).

INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS
Table no. 1 of scheme 7 of Annex 3A Regulation no. 11971/1999

Date: 27 March 2012

Name or Category (1)	Capacity	Box 1 Financial instruments other than Stock Options (8)						
		Section 1 Instruments related to outstanding plans, approved by previous shareholders meetings' resolutions						
		Date of shareholders meeting resolution	Type of financial instruments (12)	Number of financial instruments (a)	Assignment date (10)	Purchase price of financial instruments, if any	Market price at the assignment date	Vesting period (14)
Federico Ghizzoni	CEO	08/05/08	x	26.302	17/06/2008 cpr 25/06/2008 cda/oc	€ 0	22,893	25/06/2008 31/12/2011
Federico Ghizzoni	CEO	29/04/11	x	252.070	29/04/11	€ 0	11,433	01/01/2011 31/12/2013
Roberto Nicastro	GM	08/05/08	x	56.009	17/06/2008 cpr 25/06/2008 cda/oc	€ 0	22,893	25/06/2008 31/12/2011
Roberto Nicastro	GM	22/04/10	x	75.631	10/03/2011 cpr 22/03/2011 cda/oc	€ 0	11,641	22/03/2011 31/12/2013
4 Key Management Personnel		08/05/08	x	118.618	17/06/2008 cpr 25/06/2008 cda/oc	€ 0	22,893	25/06/2008 31/12/2011
4 Key Management Personnel		22/04/10	x	164.403	10/03/2011 cpr 22/03/2011 cda/oc	€ 0	11,641	22/03/2011 31/12/2013
Category of other employees: Managers		08/05/08	x	2.260.672	17/06/2008 cpr 25/06/2008 cda/oc	€ 0	22,893	25/06/2008 31/12/2011
Category of other employees: Managers		22/04/10	x	3.697.028	10/03/2011 cpr 22/03/2011 cda/oc	€ 0	11,641	22/03/2011 31/12/2013

(a) The numebr of Performance Shares corresponds to the number of not forfeited shares and it was adjusted because of capital operation resolved by UniCreedit General Meeting on April, 29 2009 (script dividend), on November, 16 2009 and on December, 15 2011.

Name or Category (1)	Capacity	Box 1 Financial instruments other than Stock Options						
		Section 2 Financial instruments to be assigned on the basis of the decision of: - BoD, as to be proposed to shareholders meeting - competent Body to implement shareholders meeting resolution (9)						
		Date of shareholders meeting resolution	Type of financial instruments (12)	Number of financial instruments	Assignment date (10)	Purchase price of financial instruments, if any	Market price at the assignment date	Vesting period (14)
Federico Ghizzoni	CEO	N.A.	X	N.A.	N.A.	N.A.	N.A.	N.A.
Roberto Nicastro	GM	N.A.	X	N.A.	N.A.	N.A.	N.A.	N.A.
5 Key Management Personnel		N.A.	X	N.A.	N.A.	N.A.	N.A.	N.A.
Category of other employees: Managers		N.A.	X	N.A.	N.A.	N.A.	N.A.	N.A.

Name or Category (1)	Capacity	Box 2 Stock Options — Section 1 Options relating to outstanding plans approved on the basis of previous shareholders meetings' resolutions (8)							
		Date of shareholders meeting resolution	Instrument description (12)	Financial instruments underlying the option held at the end of previous year (11) (b)	Financial instruments underlying the options exercised (13) (b)	Assignment date (10)	Exercise price	Market price of underlying shares at the assignment date (c)	Period of possible exercise (from..to)
Federico Ghizzoni	CEO	04/05/04	W	26.882	-	29/06/2004 cpr 22/07/2004 cda/oc	22,419	3,945	03/09/2008 31/12/2017
Federico Ghizzoni	CEO	04/05/04	W	35.843	-	10/11/2005 cpr 18/11/2005 cda/oc	26,878	5,266	18/11/2009 31/12/2018
Federico Ghizzoni	CEO	12/05/06	W	32.349	-	07/06/2006 cpr 13/06/2006 cda/oc	33,205	5,626	13/06/2010 31/12/2019
Federico Ghizzoni	CEO	10/05/07	W	56.137	-	07/06/2007 cpr 12/06/2007 cda/oc	39,583	37,127	15/07/2011 15/07/2017
Federico Ghizzoni	CEO	08/05/08	W	141.270	-	17/06/2008 cpr 25/06/2008 cda/oc	23,351	22,893	09/07/2012 09/07/2018
Roberto Nicastro	GM	04/05/04	W	161.297	-	29/06/2004 cpr 22/07/2004 cda/oc	22,419	3,945	03/09/2008 31/12/2017
Roberto Nicastro	GM	04/05/04	W	322.595	-	10/11/2005 cpr 18/11/2005 cda/oc	26,878	5,266	18/11/2009 31/12/2018
Roberto Nicastro	GM	12/05/06	W	242.556	-	07/06/2006 cpr 13/06/2006 cda/oc	33,205	5,626	13/06/2010 31/12/2019
Roberto Nicastro	GM	10/05/07	W	210.516	-	07/06/2007 cpr 12/06/2007 cda/oc	39,583	37,127	15/07/2011 15/07/2017
Roberto Nicastro	GM	08/05/08	W	451.235	-	17/06/2008 cpr 25/06/2008 cda/oc	23,351	22,893	09/07/2012 09/07/2018
Roberto Nicastro	GM	22/04/10	W	322.679	-	10/03/2011 cpr 22/03/2011 cda/oc	11,901	11,641	31/03/2014 31/12/2020
4 Key Management Personnel		04/05/04	W	145.345	-	29/06/2004 cpr 22/07/2004 cda/oc	22,419	3,945	03/09/2008 31/12/2017
4 Key Management Personnel		04/05/04	W	291.947	-	10/11/2005 cpr 18/11/2005 cda/oc	26,878	5,266	18/11/2009 31/12/2018
4 Key Management Personnel		12/05/06	W	246.229	-	07/06/2006 cpr 13/06/2006 cda/oc	33,205	5,626	13/06/2010 31/12/2019
4 Key Management Personnel		10/05/07	W	261.110	-	07/06/2007 cpr 12/06/2007 cda/oc	39,583	37,127	15/07/2011 15/07/2017
4 Key Management Personnel		08/05/08	W	738.207	-	17/06/2008 cpr 25/06/2008 cda/oc	23,351	22,893	09/07/2012 09/07/2018
4 Key Management Personnel		22/04/10	W	545.668	-	10/03/2011 cpr 22/03/2011 cda/oc	11,901	11,641	31/03/2014 31/12/2020
Category of other employees: Managers		04/05/04	W	1.627.573	-	29/06/2004 cpr 22/07/2004 cda/oc	22,419	3,945	03/09/2008 31/12/2017
Category of other employees: Managers		04/05/04	W	4.213.201	-	10/11/2005 cpr 18/11/2005 cda/oc	26,878	5,266	18/11/2009 31/12/2018
Category of other employees: Managers		12/05/06	W	3.256.463	-	07/06/2006 cpr 13/06/2006 cda/oc	33,205	5,626	13/06/2010 31/12/2019
Category of other employees: Managers		10/05/07	W	3.234.160	-	07/06/2007 cpr 12/06/2007 cda/oc	39,583	37,127	15/07/2011 15/07/2017
Category of other employees: Managers		08/05/08	W	9.487.097	-	17/06/2008 cpr 25/06/2008 cda/oc	23,351	22,893	09/07/2012 09/07/2018
Category of other employees: Managers		22/04/10	W	7.470.528	-	10/03/2011 cpr 22/03/2011 cda/oc	11,901	11,641	31/03/2014 31/12/2020

(b) The data is refered to the number of Financial instruments underlying the options assigned and not forfeited accordingly to the long term incentive plans and have been adjusted because of the capital operation resolved by UniCredit General Meeting on 29, April 2009 (script dividend), on 15, November 2009 and on 16, December 2011.
c) The market price of the financial instruments at the assignment date for plan 2004, 2005 and 2006 has not been adjusted because of the capital operation.

Name or Category (1)	Capacity	Box 2 Stock Options Section 2 Options to be assigned on the basis of the decision of: - BoD, as to be proposed to shareholders meeting X competent Body to implement shareholders meeting resolution (9)						
		Date of shareholders meeting resolution	Instrument description (12)	Number of options	Assignment date (10)	Exercise price	Market price of underlying shares at the assignment date	Period of possible exercise (from..to)
Federico Ghizzoni	CEO	29/04/11	W	672.125	20/03/2012 cpr 27/03/2012 cda/oc	4,010	4,1476	01/01/2016 31/12/2022
Roberto Nicastro	GM	29/04/11	W	611.022	20/03/2012 cpr 27/03/2012 cda/oc	4,010	4,1476	01/01/2016 31/12/2022
5 Key Management Personnel		29/04/11	W	1.778.074	20/03/2012 cpr 27/03/2012 cda/oc	4,010	4,1476	01/01/2016 31/12/2022
Category of other employees: Managers		29/04/11	W	6.161.670	20/03/2012 cpr 27/03/2012 cda/oc	4,010	4,1476	01/01/2016 31/12/2022

Footnotes to the table

(1) The issuer shall fill-in a line for each beneficiary namely identified as well as for each category contemplated by the plan; for each individual or category shall be indicated a specific line for: i) each type of financial instrument or option granted (e.g., different exercise prices and/or exercise dates imply different type of options); ii) each plan approved by different shareholders' meetings.

(2) Indicate the name of the members of the board of directors or management body of the issuer and of its subsidiaries or parent companies.

(3) Indicate the name of the General Manager of the shares issuer.

(4) Indicate the name of the individuals controlling the issuer of stocks, who are employee or who render their services to the issuer of stock without being employee of the same.

(5) Indicate the name of other executives with strategic responsibilities of the shares issuer not classed as "small", in accordance with Article 3, paragraph 1, letter *f*) of Regulation no. 17221 of 12 March 2010, if they have, during the course of the year, received total compensation (obtained by adding the monetary compensation to the financial instrument-based compensation) in excess of the highest total compensation assigned to the members of the board of directors or management board, and to the general managers of the financial instrument issuer

(6) Indicate the category of executives with strategic responsibilities for whom there is an indication by category is

(7) Indicate the category of other employees and the category of collaborators not employed by the issuer. The issuer shall fill-in different lines in connection with the categories of employees or collaborators for which the plan provides for different characteristics (e.g., managers, officers, employees).

(8) The relevant data shall refer to financial instruments relating to plans approved by means of:

i) shareholders' resolutions adopted prior to the date on which the competent corporate body approves the proposal to the shareholders' meeting and/or
ii) shareholders' resolutions adopted prior to the date on which the competent corporate body implements the shareholders' resolution;

therefore the table shall indicates:

- in the event under i) above, data adjourned as at the date of the competent body's proposal to the shareholders' meeting (in which case the table is attached to the information document prepared for the shareholders' meeting called to approve the plan);
- in the event under ii) above, data adjourned as at the date of the competent body's resolution implementing the plan, (in which case the table is attached to the information documents to be published following the competent body's resolution implementing the plan);
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(9) The data may refer to:

a. the resolution of the board of directors preceding the shareholders' meeting, as to the table attached to the information document submitted to the same; in such event the table shall indicate only the characteristics already defined by the board of directors;
b. the resolution of the corporate body which resolves upon the implementation of the plan following the approval by the shareholders' meeting, in the event the table is attached to the press release to be issued following such last resolution implementing the plan.

In both the aforesaid cases the issuer shall cross out the corresponding box relating to this footnote No. 9. For the data not available the issuer shall indicate in the corresponding box the code "N.A." (Not available).

(10) In case the date of the assignment is different from the date on which the remuneration body (*comitato per la remunerazione*), if any, makes the proposal relating to such assignment, the issuer shall indicate also the date of such proposal highlighting the date of the board of directors or the competent corporate body's resolution with the code "cda/oc" (for the board of directors/competent body) and the date of the proposal of the remuneration body (*comitato per la remunerazione*) with the code "cpr" (for the remuneration body).

(11) The number of options held at the end year, preceding the date in which the shareholder's meeting is called resolve the new allocation.

(12) Indicate for example, in box 1: i) stock of issuer X, ii) financial instrument indexed to issuer Y stock value, and in box 2: iii) option on issuer W stock with physical settlement; iv) option on issuer Z stock with cash settlement, etc..

(13) The number of option exercised from the beginning of the plan until the end year, preceding the date in which the shareholder's meeting is called to resolve a new stock option plan.

(14) Vesting period means the period between the moment in which the right to participate to the incentive system is granted and the moment in which the right may be exercised.