



# REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURES

pursuant to Sect. 123/bis of TUF

(administration and control system, so-called, traditional)

Name of the Issuer: **UniCredit S.p.A.**

Website: [www.unicreditgroup.eu](http://www.unicreditgroup.eu)

Reference Period: 1 January 2009/31 December 2009

Report approved on: 16 March 2010

## INDEX

<b>GLOSSARY</b> .....	4
<b>1. PROFILE OF THE ISSUER</b> .....	5
<b>2. INFORMATION CONCERNING OWNERSHIP STRUCTURE (as per Sect. 123/bis of the Consolidated Law on Finance- TUF)</b> .....	7
<i>a) Share capital structure</i> .....	7
<i>b) Restrictions on stock transfers</i> .....	8
<i>c) Relevant equity holdings</i> .....	8
<i>d) Stocks granting special rights</i> .....	8
<i>e) Employee equity holdings: mechanism for exercising voting rights</i> .....	8
<i>f) Restrictions on voting rights</i> .....	8
<i>g) Agreements among shareholders</i> .....	9
<i>h) Change of control clauses</i> .....	9
<i>i) Delegation of power to increase share capital and authorisations to purchase own shares</i> .....	10
<i>l) Direction and Coordination Activity</i> .....	10
<b>3. COMPLIANCE</b> .....	11
<b>4. BOARD OF DIRECTORS</b> .....	12
4.1. <i>APPOINTMENT AND REPLACEMENT</i> .....	12
4.2. <i>COMPOSITION</i> .....	13
4.3. <i>ROLE OF THE BOARD OF DIRECTORS</i> .....	16
4.4. <i>DELEGATED BODIES</i> .....	20
4.5. <i>OTHER EXECUTIVE DIRECTORS</i> .....	24
4.6. <i>INDEPENDENT DIRECTORS</i> .....	24
4.7. <i>LEAD INDEPENDENT DIRECTOR</i> .....	26
<b>5. TREATMENT OF CORPORATE INFORMATION</b> .....	27
<b>6. INTERNAL COMMITTEES OF THE BOARD OF DIRECTORS</b> .....	28
<b>7. NOMINATION COMMITTEE</b> .....	29
<b>8. REMUNERATION COMMITTEE</b> .....	32
<b>9. REMUNERATION OF DIRECTORS</b> .....	35
<b>10. INTERNAL CONTROL COMMITTEE</b> .....	38
<b>11. INTERNAL CONTROL SYSTEM</b> .....	43
11.1. <i>EXECUTIVE DIRECTOR IN CHARGE OF THE INTERNAL CONTROL SYSTEM</i> .....	48
11.2. <i>PERSON IN CHARGE OF INTERNAL CONTROL</i> .....	49
11.3. <i>ORGANISATION MODEL as per Leg. Decree nr. 231/2001</i> .....	51
11.4. <i>AUDITING FIRM</i> .....	52
11.5. <i>MANAGER CHARGED WITH PREPARING A COMPANY'S FINANCIAL REPORTS</i> .....	53
<b>12. INTERESTS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES</b> .....	54
<b>13. APPOINTMENT OF STATUTORY AUDITORS</b> .....	56
<b>14. STATUTORY AUDITORS</b> .....	57
<b>15. RELATIONS WITH SHAREHOLDERS</b> .....	60
<b>16. SHAREHOLDERS' MEETINGS</b> .....	62
<b>17. FURTHER CORPORATE GOVERNANCE PRACTICES</b> .....	65

<b>18. CHANGES SINCE THE CLOSING OF THE REFERENCE PERIOD .....</b>	<b>66</b>
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**Schedules:**

**Schedule nr. 1: Information on the ownership structures**

**Schedule nr. 2: Board of Directors and Committees structure**

**Schedule nr. 3: Board of Statutory Auditors structure**

*ATTACHMENT:*

<i>Positions held by the Directors of UniCredit in other companies listed on regulated markets (both in Italy and abroad), including financial services companies, banks, insurance companies or other large companies .....</i>	<i>75</i>
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## GLOSSARY

**Civil Code/c.c.:** the Italian Civil Code.

**Code/Corporate Governance Code:** The Corporate Governance Code for Listed Companies approved on March 2006 by the Committee for the Corporate Governance and issued by Borsa Italiana S.p.A..

**Board:** The UniCredit S.p.A. Board of Directors.

**Issuer:** UniCredit S.p.A. (also referred to in the Report as “UniCredit” or “the Company”).

**Period:** corporate year to which the Report refers.

**Consob Issuer Rules:** the Rules issued by Consob with resolution nr. 11971 dated 1999 concerning issuers and subsequent amendments.

**Consob Markets Rules:** the Rules issued by Consob with resolution nr. 16191 dated 2007 concerning markets and subsequent amendments.

**Report on Corporate Governance and ownership structures/Report:** the report on corporate governance and ownership structures that companies are required to draft in accordance with Section 123/*bis* of the Italian Consolidated Law on Finance and Sections 89/*bis* and 144/*decies* of the Consob Issuer Rules.

**TUF:** *Testo Unico della Finanza* (Consolidated Law on Finance) - Legislative decree nr. 58 dated 24 February 1998.

**TUB:** *Testo Unico Bancario* (Consolidated Law on Banking) - Legislative decree nr. 385 dated 1° September 1993.

## 1. PROFILE OF THE ISSUER

UniCredit is an issuer of stocks listed on the regulated markets of Milan, Frankfurt and Warsaw, and therefore fulfils the legal and regulatory obligations related to listings on these markets.

UniCredit acts being fully aware that the long-term sustainability of its business represents a competitive advantage that also contributes to the development of territories, markets and social cohesion.

UniCredit's administration system is of the so-called traditional kind, which is based on the existence of two governing bodies appointed by the shareholders' meeting: the administrative body (i.e. the board of directors) and the board of statutory auditors whose function is to supervise the administration. Accounting supervision is entrusted to an auditing firm, in accordance with the relevant current legislative provisions.

The Board of Directors of UniCredit may be comprised of between a minimum of 9 up to a maximum of 24 members. As at 16 March 2010, UniCredit has 23 directors. The duration of their mandate is three years, unless a shorter term is decided upon their appointment and the mandate expires on the date of the shareholders' meeting called to approve the financial statements for the last year of their term. The mandate of the current Board of Directors will expire on the date of the Shareholders' Meeting called to approve the 2011 financial statements.

The Board of Statutory Auditors, comprised of five standing members and two substitute members, was appointed by the Shareholders' Meeting on 10 May 2007 and expires on the date of the Shareholders' Meeting called to approve the 2009 financial statements.

UniCredit's overall corporate governance framework, i.e. the system of rules and procedures that its governing bodies refer to steer their principles of behaviour and fulfil the various responsibilities towards the group's stakeholders, has been defined in the light of current provisions and the recommendations contained in the Code. One of the Code's goals is that of increasing the clarity and concreteness of several people and roles, such as those of independent directors and the board's internal committees, the contents of which have been enriched over the years as a result of acquired experience. Moreover please note that UniCredit, as a bank, is subject to the provisions contained into the Supervisory Provisions issued by Banca d'Italia and, with regards to the corporate governance issues, into the specific rules prescribed by "Supervisory Provisions concerning bank's organization and corporate governance" issued on 2008.

Since 2001 UniCredit has annually drawn up and submitted a Corporate Governance Report to its shareholders, by drafting a special report (based on the 'comply or explain' principle) for distribution to its shareholders, institutional and non-institutional investors and Borsa Italiana. The report supplies suitable information on UniCredit's own Corporate Governance system.

Due to continuing changes to the regulatory scenario both at the European and Italian level, and to international best practices in general, in 2006 Borsa Italiana decided to revise the corporate governance principles; accordingly, on March 2006 it issued a new version of the Corporate Governance Code, with which UniCredit complied with its adoption of the relevant Board resolution on 19 December 2006.

On 5 February 2008 Borsa Italiana published an optional Corporate Governance Report form so as to help companies provide details on their governance structure, and to help the market compare the extent to which listed companies comply with the Code. Starting from the Report on Corporate Governance related to the 2007 financial year, UniCredit already took into account the guidelines included in such format. On 8 February 2010 Borsa Italiana has published an updated version of the form.

In light of the provisions contained in the Code and based on the last form supplied by Borsa Italiana, UniCredit drafted this Report on Corporate Governance and ownership structures in pursuance of Section 123/*bis* of TUF and Sections 89/*bis* and 144/*decies* of the Consob Issuer

Rules. Please be informed that the provisions of the form supplied by Borsa Italiana are included in the text and highlighted in yellow.

The Report on Corporate Governance and ownership structures approved by the Company's Board of Directors on 16 March 2010 is published at the same time with the Report on Operations on the website of the Issuer.

The information contained in the Report, unless otherwise specified, refers to the date of its approval by the Board of Directors.

**2. INFORMATION CONCERNING OWNERSHIP STRUCTURE (as per Sect. 123/bis,  
paragraph 1, of the Consolidated Law on Finance – TUF)  
dated 31/12/2009**

**a) Share capital structure (as per Sect. 123/bis, paragraph 1, letter a), of TUF)**

INDICATE THE SUBSCRIBED AND PAID-UP SHARE CAPITAL IN EURO.

INDICATE THE CATEGORIES OF SHARES MAKING UP THE SHARE CAPITAL FILLING IN THE SCHEDULE NR. 1 IN THE APPENDIX.

Subscribed and paid-up share capital in Euro (on 31 December 2009): 8,389,869,514.00 Euro.

Categories of shares making up the share capital: UniCredit's share capital is divided into ordinary and savings shares. No other types of shares, equity instruments or convertible or exchangeable bonds have been issued.

Detailed information on the share capital structure of UniCredit are contained in Schedule nr. 1, "Information on the ownership structures", of the Appendix to this Report.

The Extraordinary Shareholders' Meeting of UniCredit held on 16 November 2009 approved a capital increase by way of contribution in cash for a total maximum amount of Euro 4,000,000,000, including any share premium, in one or more tranches (*forma scindibile*), through the issuance of ordinary shares with par value of Euro 0.50 each and granting regular beneficial ownership (*godimento regolare*), to be offered preemptively to the holders of ordinary and saving shares of UniCredit S.p.A., pursuant to Article 2441, first, second and third paragraphs 1, 2 and 3 of the Italian Civil Code.

The Board of Directors of UniCredit of 7 January 2010 determined the conditions relating to the capital increase approved by the above mentioned Shareholders' Meeting setting the price of Euro 1.589 per share, of which Euro 1.089 as share premium, at the ratio of 3 newly issued ordinary shares for every 20 ordinary and/or savings shares held.

The aforesaid capital increase has been completed on 24 February 2010. Therefore as at 16 March 2010 the fully subscribed and paid up share capital of UniCredit amounted to 9,648,314,240.50 Euro, comprising 19,296,628,481 shares each worth nominal 0.50 Euro, of which 19,272,389,498 ordinary shares and 24,238,983 savings shares.

INDICATE ANY OTHER FINANCIAL INSTRUMENTS, IF ISSUED, GRANTING THE RIGHT TO SUBSCRIBE NEW SHARES, FILLING IN THE SCHEDULE NR. 1.

The information concerning the warrants issued to service UniCredit Group executive and employee incentive plans contained in the Schedule nr. 1 "Information on the ownership structures" of the Appendix to this Report. The exercise of these warrants granted the right to subscribe new ordinary shares. In this regard please refer to "Part I) – Share-based payments" of the notes to the consolidated financial statements<sup>1</sup> and information documents<sup>2</sup> prepared in compliance with Sect. 84/*bis* of the Consob Issue Rules.

Please also be informed that, with regard to the capital increase approved by the Extraordinary Meeting of the Shareholders of UniCredit S.p.A. of 14 November 2008, nr. 967.564.061 ordinary shares subscribed by Mediobanca pursuant to the agreement of guarantee stipulated with UniCredit S.p.A. have been used to service the issue, and are underlying, of financial instruments *Convertible*

<sup>1</sup> The address of the UniCredit web site where the Company financial statement is available is as follows: [http://www.unicreditgroup.eu/en/Investors/financial\\_reports.htm](http://www.unicreditgroup.eu/en/Investors/financial_reports.htm)

<sup>2</sup> The address of the UniCredit web site where the information documents are available is as follows: [http://www.unicreditgroup.eu/en/Governance/Equity\\_based\\_compensation.htm](http://www.unicreditgroup.eu/en/Governance/Equity_based_compensation.htm)

and Subordinated Hybrid Equity-linked Securities (“CASHES”) with maturity date mid December 2050. The CASHES have been subscribed in full by institutional investors. Mediobanca gave the right of *usufrutto* over such shares to UniCredit maintaining the *nuda proprietà* (ownership deprived of the rights belonging to the holder of the right of *usufrutto*) of the shares.

**b) Restrictions on stock transfers (as per Sect. 123/bis, paragraph 1, letter b), of TUF)**

INDICATE IF THERE ARE ANY RESTRICTIONS ON STOCK TRANSFERS, E.G., LIMITS ON HOLDING SHARES, OR THE OBLIGATION TO OBTAIN THE APPROVAL OF THE ISSUER OR OTHER HOLDERS.  
IF SO, DESCRIBE THEM AND THE INSTRUMENTS TO WHICH THEY REFER.

To the date of the approval of the Report there are not any restrictions on stock transfers, taking into account the n. 967,564,061 ordinary shares used to service the CASHES of which Mediobanca hold the *nuda proprietà* (cf. previous paragraph a).

**c) Relevant equity holdings (as per Sect. 123/bis, paragraph 1, letter c), of TUF)**

INDICATE THE MAIN DIRECTLY OR INDIRECTLY HELD EQUITY HOLDINGS, E.G. THROUGH A PYRAMIDAL STRUCTURE OR A CROSS-HOLDING ACCORDING TO THE PROVISIONS OF SECT. 120 TUF, FILLING IN THE SCHEDULE NR. 1:

The relevant equity holdings are contained in Schedule nr. 1 “Information on the ownership structures” of the Appendix to this Report.

**d) Stocks granting special rights (as per Sect. 123/bis, paragraph 1, letter d), of TUF)**

INDICATE IF ANY STOCKS HAVE BEEN ISSUED GRANTING SPECIAL CONTROLLING RIGHTS.  
INDICATE THE HOLDERS OF ANY SUCH STOCKS (IF KNOWN) AND DESCRIBE THE RELEVANT RIGHTS.  
ILLUSTRATE ANY SPECIAL POWERS (E.G. THOSE REFERRED TO BY LAW NR. 474/94).

No stocks have been issued granting special controlling rights or special powers.

**e) Employee equity holdings: mechanism for exercising voting rights (as per Sect. 123/bis, paragraph 1, letter e), of TUF)**

DESCRIBE THE MECHANISM FOR EXERCISING VOTING RIGHTS IN RESPECT OF ANY EMPLOYEE EQUITY HOLDING SYSTEM, IN THE EVENT THAT VOTING RIGHTS ARE NOT EXERCISED DIRECTLY BY EMPLOYEES.

There is no employee equity holding system in place whereby voting rights can be exercised by employee representatives.

**f) Restrictions on voting rights (as per Sect. 123/bis, paragraph 1, letter f), of TUF)**

INDICATE WHETHER THERE ARE ANY RESTRICTIONS ON VOTING RIGHTS, E.G. VOTING RIGHTS RESTRICTED TO A SPECIFIC PERCENTAGE OR A CERTAIN NUMBER OF VOTES, LIMITS ON VOTING RIGHTS OR ANY SYSTEM IN WHICH FINANCIAL RIGHTS LINKED TO STOCKS ARE SEPARATED FROM HOLDINGS.  
IF SO, DESCRIBE SUCH RESTRICTIONS AND SYSTEMS AS WELL AS THE STOCK TO WHICH THE RESTRICTIONS REFER.<sup>3</sup>

<sup>3</sup> With reference to the time limits for the exercise of voting rights, please see information requested by the Section 16 of this form.



Article 5, para.16, of the Articles of Association state that no holders of voting rights may exercise said rights under any title for a number of the company's shares in excess of five percent of the share capital with voting rights. To this end, consideration is given to the total equity holdings of the controlling company, individual, legal entity or corporation, all direct or indirect subsidiaries and sister companies; no consideration, conversely, is given to equity holdings included in mutual fund portfolios managed by subsidiaries or sister companies. For the purposes of calculating share ownership percentages, consideration is also given to shares held through trusteeships and/or third parties and/or those for which voting rights are vested under any title with subjects other than the holder. In the event of breaches of the foregoing provisions, any resolution taken by the shareholders' meeting may be challenged as per Article 2377 of the Italian Civil Code, if the required majority could not have been reached without the said breach. The shares for which voting rights cannot be exercised are in any case counted for the purposes of validly constituting the meeting.

The voting right of the nr. 967,564,061 UniCredit ordinary shares, subscribed by Mediobanca pursuant to the agreement of guarantee stipulated with UniCredit S.p.A. and used to service the CASHES, in relation to which the latter has created the usufruct right in favour of UniCredit, is suspended for the entire duration of the usufruct agreement (cf. previous paragraph a).

#### **g) Agreements among shareholders (as per Sect. 123/bis, paragraph 1, letter g), of TUF)**

DESCRIBE ANY AGREEMENTS AMONG SHAREHOLDERS KNOWN TO THE ISSUER PURSUANT TO SECT. 122 TUF.

The Company has no shareholders' agreements among relevant shareholder as defined by Sect. 122 of TUF.

#### **h) Change of control clauses (as per Sect. 123/bis, paragraph 1, letter h), of TUF)**

SPECIFY WHETHER THE ISSUER OR ANY OF ITS SUBSIDIARIES HAS ENTERED INTO IMPORTANT AGREEMENTS THAT COME INTO FORCE, OR ARE MODIFIED OR TERMINATED IN THE EVENT OF A CHANGE OF CONTROL OF THE CONTRACTING COMPANY.

IF SO, DESCRIBE THE EFFECTS OF THESE AGREEMENTS, UNLESS – GIVEN THEIR NATURE – DISCLOSURE OF THE INFORMATION MIGHT SERIOUSLY HARM THE ISSUER (THIS WAIVER DOES NOT APPLY WHEN THE ISSUER IS SPECIFICALLY OBLIGED TO DISCLOSE THE INFORMATION BASED ON OTHER LEGAL PROVISIONS).

Taking into account that UniCredit S.p.A. isn't a company controlled by any shareholder or subject to any shareholder agreement, UniCredit entered into the following agreement to be considered relevant pursuant to Sect. 123/bis TUF: agreement between shareholders of Mediobanca S.p.A., finally renewed from 31 December 2009. The agreement is a block shareholders' agreement aimed at preserving a stable shareholder base combined with a representative governing bodies to ensure consistent management objectives.

Art. 6 of the agreement provides that *"If the Chairman of the Steering Committee receives notification of major changes in the ownership structure of any one Party, he shall request information on such changes from the said Party. The Committee shall then examine such information, and decide whether or not to ask the Party concerned – who under the terms of the Agreement is bound to comply with such request – to sell its entire syndicated interest pro-rata to the other Parties to the same Group, without prejudice to the ownership restrictions as previously described, or to other parties who shall thereupon become Parties. For Shares not placed the procedure shall be as provided under the foregoing Article 5."*

No UniCredit' subsidiaries contracted agreements to be considered relevant pursuant to Sect. 123/bis of TUF.

**i) Delegation of power to increase share capital and authorisations to purchase own shares (as per Sect. 123/bis, paragraph 1, letter m), of TUF)**

INDICATE IF THE BOARD OF DIRECTORS IS EMPOWERED TO INCREASE THE SHARE CAPITAL ACCORDING TO ART. 2443 OF THE ITALIAN CIVIL CODE OR IF IT CAN ISSUE OTHER EQUITY INSTRUMENTS.  
IF SO, INDICATE BRIEFLY THE POWERS DELEGATED TO THE BOARD OF DIRECTORS (SPECIFYING IF SUCH POWERS EXCLUDE OR INCLUDE OPTION RIGHTS).

The Board of Directors has been empowered by the Shareholders' Meeting to execute share capital increases, with the exclusion of option rights, both free and by way of contribution in cash, in order to service Incentive Plans for UniCredit Group employees (cf. Art. 6 of the Articles of Association).

Moreover, the Board of Directors has been empowered by the Shareholders' Meeting to make share capital increases, without excluding option rights, pursuant to Art. 2441, paragraphs 1, 2 and 3 of the Italian Civil Code, totalling an overall maximum amount of nominal 525,000,000 Euro to be used to service any acquisitions decided by UniCredit (cf. Art. 6 of the Articles of Association).

INDICATE IF THE SHAREHOLDERS' MEETING AUTHORISED THE PURCHASE OF OWN SHARES PURSUANT TO ARTICLES 2357 AND FOLL. OF THE ITALIAN CIVIL CODE.  
IF SO, INDICATE THE MAIN CHARACTERISTICS OF THE AUTHORIZATION RESOLUTION AND THE NUMBER OF OWN SHARES HELD AT THE END OF THE REFERENCE PERIOD.

The Shareholders' Meeting held on 4 May 2004 authorised the purchase of own shares pursuant to Articles 2357 and foll. of the Italian Civil Code, up to a maximum of 190,000,000 ordinary shares. After this authorisation expired, the Shareholders' meeting on 16 December 2005 authorised the sale, without time limits, of the aforesaid shares.

Subsequently the Shareholders' Meeting on 14 November 2008 authorized again the sale, without any time limits, of all the treasury shares currently held equal to n. 170,833,899 shares, including the 83,833,899 treasury shares deriving from the exchange of Capitalia S.p.A. shares on which withdrawal rights were exercised at the merger of Capitalia into UniCredit.

On 11 December 2008 UniCredit announced that it has sold 170,357,899 treasury shares corresponding to ca. 1.3% of the ordinary share capital for a total value of 288 million Euro. As at 31 December 2009 there were 476,000 own shares in the portfolio.

**l) Direction and coordination Activity (as per Art. 2497 and foll. of the Italian Civil Code)**

INDICATE IF THE ISSUER IS SUBJECT TO GUIDANCE AND COORDINATION PURSUANT TO ART. 2497 AND FOLL. OF THE ITALIAN CIVIL CODE, SPECIFYING THE SUBJECT THAT EXERCISES SUCH ACTIVITY.  
IF THE ISSUER, ALTHOUGH IT IS CONTROLLED BY OTHER COMPANIES, DOES NOT CONSIDER TO BE SUBJECT TO GUIDANCE AND COORDINATION, INDICATE THE REASON FOR THIS ASSESSMENT (SECT. 37, PARAGRAPH 2, OF THE CONSOB MARKETS RULES).

UniCredit is not subject to guidance and coordination on the part of other legal entities.

The information required by Sect. 123/bis, paragraph 1, letters i) and l) of TUF are contained in the sections of this Report concerning the Board of Directors (Section 4.1.) and the remuneration of Directors (Section 9).

### **3. COMPLIANCE (as per Sect. 123/bis, paragraph 2, letter a), TUF)**

STATE IF THE ISSUER HAS ADOPTED THE CODE; OR OTHER CORPORATE GOVERNANCE CODES DIFFERENT FROM THE ONE ISSUED BY BORSA ITALIANA. IN SUCH CASE, INDICATE WHAT IT IS.  
IN THE EVENT OF ADOPTION OF THE CODE, INDICATE THAT IT IS AVAILABLE TO THE PUBLIC ON BORSA ITALIANA WEBSITE ([WWW.BORSAITALIANA.IT](http://WWW.BORSAITALIANA.IT)).

UniCredit adopted the Code issued by Borsa Italiana until 2001. In particular, on 19 December 2006 the Board of Directors of the Company resolved to adopt the latest version of the Code published in March 2006. The Code is available to the public on Borsa Italiana website ([www.borsaitaliana.it](http://www.borsaitaliana.it)).

INDICATE IF THE ISSUER OR ITS SUBSIDIARIES HAVING STRATEGIC RELEVANCE ARE SUBJECT TO NON-ITALIAN LEGAL PROVISIONS THAT MAY INFLUENCE THE CORPORATE GOVERNANCE STRUCTURE OF THE ISSUER.  
IF SO, INDICATE ANY SECTIONS OF THE REPORT THAT MAY BE INFLUENCED BY SUCH PROVISIONS.

UniCredit's corporate governance structure is not influenced by non-Italian legal provisions.

## 4. BOARD OF DIRECTORS

### 4.1. APPOINTMENT AND REPLACEMENT (as per Sect. 123/bis, paragraph 1, letter l), of TUF)

PROVIDE DETAILS CONCERNING ANY ADDITIONAL RULES FOR APPOINTING AND REPLACING DIRECTORS AND AMENDING THE ARTICLES OF ASSOCIATION, IF DIFFERENT FROM LAWS AND REGULATIONS APPLICABLE IN A SUPPLEMENTARY WAY.

In compliance with the provisions set out by Law nr. 262/05 concerning the appointment of members to governing bodies, the Shareholders' Meeting of the Company held on May 2007 determined that Directors would be appointed by means of a proportional representation mechanism (*voto di lista*) (cf. Article 20 of the Articles of Association, which are available on the UniCredit website<sup>4</sup>).

The mechanism works as follows: board vacancies are filled by candidates listed on the slate that has received the most shareholder votes, in the same order that they are listed; the number of directors appointed corresponds to the number of vacancies, less one, if the Board of Directors has fewer than 20 members, or less 2, if the Board of Directors has more than 20 members. The remaining vacancies are filled by candidates appearing on the slate that has received the most votes among the minority slates, in the order that they appear on the slate. If the minority list receiving the highest votes doesn't reach a sufficient number of candidates for the election of the number of directors to be appointed, the remaining directors shall be taken in succession from the further minorities lists receiving the highest votes, always in the order in which they are shown on the lists. If the above mentioned criterion is followed and the minimum number of independent directors established is not elected, the directors who have in each list the highest consecutive number and do not meet the requirements in question shall be replaced by the subsequent candidates, who meet the necessary requirements, taken from the same list. If the replacement of the directors who do not meet the requirements in question with the subsequent candidates taken from the same list is not possible, they shall be replaced by the candidates who meet the necessary requirements taken in succession from minorities lists receiving the highest votes, in the order in which they are shown on the lists.

In the event of a director dying or leaving office or where his term in office is lapse or losing for any other reason the experience or integrity requirements, the Board of Directors shall take steps to co-opt a director, taking into proper account the right of minority interests to be represented. In the event of a director lacking or subsequent losing of the independence requirements the Board of Directors shall replace such director according the provision of the above paragraph.

UniCredit has decided that slates of candidates to the position of director should be filed, as per the provisions of the Code, at least 15 days before the date of first call of the shareholders' meeting. With reference to the percentage of share capital needed to present the slate, Article 20, para. 7 of the Articles of Association specifies that the amount is 0.5% of the share capital, pursuant to the provisions of Sect. 144-*quater*, letter a), of the Consob Issuer Rules.

In addition to the provisions of Law nr. 262/05, UniCredit has also decided that at least three directors must possess the independence requirements established for statutory auditors as per Sect. 148, para. 3 of Legislative Decree nr. 58 dated 24 February 1998, and at least five directors must possess the additional independence requirements set out in the Code. The independence requirements set out by Sect. 148, para. 3 of Leg. Decree nr. 58 dated 24 February 1998 and those envisaged by the Code issued by Borsa Italiana S.p.A. may apply to the same person.

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<sup>4</sup> The address of the UniCredit web site where the Company Articles of Association is available is as follows [http://www.unicreditgroup.eu/en/Governance/Articles\\_of\\_Association.htm](http://www.unicreditgroup.eu/en/Governance/Articles_of_Association.htm)

Other than those set out by law, no particular rules apply to amendments to the Articles of Association.

#### **4.2. COMPOSITION (as per Sect. 123/bis, paragraph 2, letter d), of TUF)**

PROVIDE DETAILS CONCERNING THE COMPOSITION OF THE BOARD OF DIRECTORS.

IN PARTICULAR, INDICATE THE COMPOSITION OF THE BOARD AS AT THE END OF THE REFERENCE PERIOD, USING THE SCHEDULE NR. 2 IN THE APPENDIX AND SPECIFYING THE FOLLOWING INFORMATION:

- EXPIRY DATE OF THE BOARD;
- DATE OF THE SHAREHOLDERS' MEETING THAT APPOINTS THE DIRECTORS, SPECIFYING THE NUMBER OF THE SLATES PRESENTED, AS WELL AS, FOR EACH OF THEM, THE PERSONS WHO PRESENTED THEM, ANY RELATIONSHIP OF AFFILIATION WITH THE OTHER SLATES, THE LIST OF CANDIDATES, THE LIST OF APPOINTED AND THE PERCENTAGE OF VOTES OBTAINED IN RELATION TO THE VOTING CAPITAL;
- PERSONAL AND PROFESSIONAL CHARACTERISTICS OF EACH DIRECTOR (SECT. 144-DECIES OF THE CONSOB ISSUER RULES).

The Board of Directors in office was appointed by the Ordinary Shareholders' Meeting on 29 April 2009 for the financial year 2009, 2010 and 2011 and will expire on the date of the Meeting called to approve the 2011 financial statements. The composition of the Board is contained in Schedule nr. 2 "Board of Directors and Committees structure" of the Appendix to this Report.

According to Article 20 of the UniCredit's Articles of Association and in compliance with the current laws and regulations, the Board has proposed to the aforesaid Ordinary Shareholders' Meeting of 29 April 2009 the appointment of the Directors, after determining their number, on the basis of slates submitted by the shareholders who individually or collectively with other shareholders represented at least 0.5% of the share capital with voting rights at Ordinary Meetings.

The Shareholders had been invited to take note of the indication expressed by the Board, according to the Corporate Governance Code issued by Borsa Italiana and the supervisory provisions concerning banks' organization and corporate governance issued by Banca d'Italia, regarding the requirements that the UniCredit Directors should have, in addition to the requirements set forth by the current laws and regulations, assuring the good functioning of the Board of Directors, as well as the number of offices in supervisory, managerial and controlling bodies that UniCredit Directors can hold in companies not belonging to the UniCredit Group.

Such indications are published on the Company's website ([http://www.unicreditgroup.eu/it/Governance/board\\_charter.htm](http://www.unicreditgroup.eu/it/Governance/board_charter.htm)).

With regard to the proposal concerning the appointment of the Directors, two slates had been presented, filed and published according to the deadline and ways provided by the current provisions and the Articles of Association:

- Slate nr. 1 presented by the Shareholders: Fondazione Cassa di Risparmio di Verona, Vicenza, Belluno e Ancona, Fondazione Cassa di Risparmio di Torino e Carimonte Holding S.p.A., with a overall shareholding held equal to 12.568% of the share capital:
  1. Mr. Giovanni Belluzzi
  2. Mr. Farhat Omar Bengdara
  3. Mr. Manfred Bischoff
  4. Mr. Vincenzo Calandra Buonauro
  5. Mr. Luigi Castelletti

6. Mr. Enrico Tommaso Cucchiani
  7. Mr. Donato Fontanesi
  8. Mr. Francesco Giacomini
  9. Mr. Piero Gnudi
  10. Mr. Friedrich Kadrnoska
  11. Ms. Marianna li Calzi
  12. Mr. Salvatore Ligresti
  13. Mr. Luigi Maramotti
  14. Mr. Antonio Maria Marocco
  15. Mr. Fabrizio Palenzona
  16. Mr. Carlo Pesenti
  17. Mr. Alessandro Profumo
  18. Mr. Dieter Rampl
  19. Mr. Hans Jürgen Schinzler
  20. Mr. Anthony Wyand
  21. Mr. Franz Zwickl
  22. Mr. Max Dietrich Kley
  23. Mr. Nikolaus von Bomhard;
- Slate nr. 2 presented by the Shareholders: Aletti Gestielle S.G.R.; BNP PARIBAS Asset Management S.G.R. S.p.A.; Eurizon Capital S.G.R. S.p.A.; Eurizon Capital SA – Eurizon Easy Fund Equity Banks; Eurizon Easy Fund Equity Europe; Eurizon Easy Fund Equity Euro; Eurizon Easy Fund Equity Italy; Fidelity Funds Sicav; Fideuram Investimenti S.G.R. S.p.A.; Fideuram Gestions SA; Interfund Sicav; Monte Paschi Asset Management S.G.R.; Stichting Pensioenfond ABP; UBI Pramerica S.G.R. S.p.A., with a overall shareholding held equal to 0.507% of the share capital:
    1. Mr. Theodor Waigel
    2. Ms. Lucrezia Reichlin.

Together with each list, among other things, the Shareholders have presented and filed according to the deadline and ways provided by the following documentations:

1. a statement of the individual candidates irrevocably accepting the position (subject to their appointment) and attesting, under their responsibility, that there was no reason for their ineligibility or incompatibility, and that they met the experience and integrity requirements provided for by current regulatory and other provisions, with:
  - *curriculum vitae* of each candidate containing information on personal and professional characteristics;
  - list of the administrative, managerial and control offices held in other companies by each candidate;
2. a statement of the individual candidates that the independence requirements prescribed by the Code and by Sect. 148, paragraph 3, of the Legislative Decree nr. 58 dated 24 February 1998, had been met.

Moreover, the Shareholders who have presented the Slate nr. 1 have declared, in the notice published on 9 April 2009 according to the Articles of Association, that they had not been

informed of further slates presented by shareholders who held, also jointly, a control or relative majority participation. Therefore, they had declared that no declaration according to CONSOB Communication nr. DEM 9017893 dated 26 February 2009 had been deposited.

The Shareholders who have presented the Slate nr. 2 had contextually declared the absence of connection with other shareholders who held also jointly a control or relative majority participation.

Information on the personal and professional characteristics of individual candidates, showed in their *curricula*, the statements provided by the current laws and by the Articles of Association to hold the position of UniCredit's Directors, and, more specifically, the statements certifying that they met or not the independence requirements prescribed by law and by the Code were made available at UniCredit website ([http://www.unicreditgroup.eu/it/Governance/Shareholder\\_meetings.htm](http://www.unicreditgroup.eu/it/Governance/Shareholder_meetings.htm)).

The Shareholders' Meeting, after having determined in 23 the members of the Board, appointed the Directors for the financial years 2009-2011, with term in office expiring on the date of the Shareholders' Meeting called to approve the 2011 financial statements, as follows:

- by the Slate nr.1, that has obtained the relative majority of the Shareholders' votes, equal to 78.764% of the share capital present at the Meeting, corresponding to 29.813% of the ordinary share capital, are been taken the following 21 Directors:

Mr. Giovanni Belluzzi, Mr. Farhat Omar Bengdara, Mr. Manfred Bischoff, Mr. Vincenzo Calandra Buonauro, Mr. Luigi Castelletti, Mr. Enrico Tommaso Cucchiani, Mr. Donato Fontanesi, Mr. Francesco Giacomini, Mr. Piero Gnudi, Mr. Friedrich Kadrnoska, Ms. Marianna Li Calzi, Mr. Salvatore Ligresti, Mr. Luigi Maramotti, Mr. Antonio Maria Marocco, Mr. Fabrizio Palenzona, Mr. Carlo Pesenti, Mr. Alessandro Profumo, Mr. Dieter Rampl, Mr. Hans Jürgen Schinzler, Mr. Anthony Wyand and Mr. Franz Zwickl;

- by the Slate nr. 2, that has obtained the 20.891% of the share capital present at the Meeting, corresponding to 7.907% of the ordinary share capital, are been taken the following 2 Directors:

Mr. Theodor Waigel and Ms. Lucrezia Reichlin.

All the members of the Board of Directors possess the necessary personal traits and professional qualifications as required for eligibility by legal and regulatory provisions. As regards the personal and professional characteristics of the individual Board members, reference is made to the information published on the UniCredit website<sup>5</sup>.

INDICATE ANY CHANGE IN THE BOARD OF DIRECTORS' COMPOSITION AS AT THE END OF THE REFERENCE PERIOD.

No changes have arisen between the end of the Period and the date of approval of the Report.

### **Maximum number of offices held in other companies**

INDICATE IF THE BOARD OF DIRECTORS HAS DEFINED GENERAL CRITERIA FOR DETERMINING THE MAXIMUM NUMBER OF ADMINISTRATIVE AND CONTROL APPOINTMENTS WITH OTHER COMPANIES THAT CAN BE VIEWED AS COMPATIBLE WITH THE EFFECTIVE PERFORMANCE OF THE DIRECTOR'S DUTIES (CRITERIA 1.C.3.). IF SO, DESCRIBE SUCH GENERAL CRITERIA, SPECIFYING WHICH COMPANY DOCUMENT INCLUDES THEM

<sup>5</sup> The address of the UniCredit web site where the information concerning the Directors is available is as follows [http://www.unicreditgroup.eu/en/Governance/Board\\_of\\_Directors.htm](http://www.unicreditgroup.eu/en/Governance/Board_of_Directors.htm)

(ARTICLES OF ASSOCIATION, REGULATION, RESOLUTION, OTHER). MOREOVER, INDICATE IF THE CURRENT COMPOSITION OF THE BOARD OF DIRECTORS IS COMPLIANT WITH SUCH GENERAL CRITERIA.

The Board of Directors of the Company - according to the Code and the supervisory provisions concerning banks' organization and corporate governance issued by Banca d'Italia - determined general criteria for a threshold of the number of offices in supervisory, managerial and controlling bodies that UniCredit Directors can hold in companies not belonging to UniCredit Group - that may be considered compatible with an effective performance of a Director's duties - and the procedure to be followed in case of appointment and whenever the threshold is exceeded.

In particular, the Board deemed opportune to determine different thresholds in relation to the office held (Chief Executive Officer, Chairman, Non-executive Director), envisaging the extension of the aforesaid thresholds also to the directors of companies which are controlled by (or associated with) UniCredit. At the time of the appointment and before accepting the office of director or member of controlling bodies in other companies subject to limits on the maximum number of offices, the Corporate Officer must inform the Board of Directors which invite the Director to take the relevant decisions if the limit is exceeded.

The Board of Directors' resolutions regarding the maximum number of offices contained in the Board of Directors' rules and regulations are available on UniCredit website<sup>6</sup>.

#### **4.3. ROLE OF THE BOARD OF DIRECTORS (as per Sect. 123/bis, paragraph 2, letter d), of TUF)**

PROVIDE INFORMATION ON THE FUNCTIONING OF THE BOARD OF DIRECTORS.

IN PARTICULAR, PROVIDE THE FOLLOWING INFORMATION:

- NUMBER OF BOARD OF DIRECTORS' MEETINGS HELD DURING THE PERIOD;
- AVERAGE DURATION OF THE BOARD OF DIRECTORS' MEETINGS;
- NUMBER OF BOARD OF DIRECTORS' MEETINGS PLANNED DURING THE CURRENT YEAR, SPECIFYING THE NUMBER OF MEETINGS ALREADY HELD;
- PROCEDURES ACTUALLY APPLIED TO ENSURE TIMELINESS AND COMPLETENESS OF PRE-MEETINGS INFORMATION;
- ANY ATTENDANCE IN BOARD MEETINGS OF EXTERNAL PERSONS.

During the period, the Board of Directors met 12 times.

The Board meetings lasted for an average of 3 hours.

With reference to the current year, 13 Board of Directors meetings have been scheduled. As at 16 March 2010, 4 meetings have been held.

The Chairman handles the planning of the Board's workload, in relation to the items scheduled on the agenda, based on input from the Chief Executive Officer. As a rule, directors promptly receive any material regarding proposals and the necessary support information required to ensure each director is fully informed about the matter in hand so as to express his/her opinion knowingly.

Members of the Group's Management can be asked to attend Board meetings, without voting rights, when asked to report on specific issues. More specifically, the Head of the Internal Audit is generally required to report to the Board either directly or through the Internal Control and Risk Committee every six months or, in the event of important developments, at the earliest scheduled meeting.

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<sup>6</sup> The address of the UniCredit website where the Board of Directors' rules and regulations is available is as follow [http://www.unicreditgroup.eu/en/Governance/board\\_charter.htm](http://www.unicreditgroup.eu/en/Governance/board_charter.htm)



INDICATE IF THE BOARD EXAMINES AND APPROVES THE FOLLOWING, INCLUDING RELEVANT SOURCES (CRITERIA I.C.1., LETT. A):

- THE ISSUER'S STRATEGIC, OPERATIONAL AND FINANCIAL PLANS;
- THE STRATEGIC, OPERATIONAL AND FINANCIAL PLANS OF THE GROUP HEADED BY THE ISSUER;
- THE ISSUER'S CORPORATE STRUCTURE;
- THE CORPORATE STRUCTURE OF THE GROUP HEADED BY THE ISSUER.

In compliance with Art. 23 of the Articles of Association, the matters reserved to the competence of the Board of Directors include resolutions concerning general guidelines and the adoption and amendment of business, strategic and financial plans for the company.

The UniCredit S.p.A. Board of Director's Regulations specify that the Board shall have sole authority for defining general guidelines for the management of Group development policies with a view to drafting long term strategic, business and financial plans and yearly budgets for the Company and the Group, and for adopting and amending the plans and supervising their proper implementation.

The Board of Directors' Regulations also state that the Board is solely responsible for examining and approving the corporate governance system of UniCredit, the corporate structure and governance models/guidelines of the Group.

INDICATE IF THE BOARD EVALUATES THE ADEQUACY OF THE ORGANISATIONAL, ADMINISTRATIVE AND ACCOUNTING STRUCTURE OF THE ISSUER, AS ESTABLISHED BY THE MANAGING DIRECTORS, IN PARTICULAR WITH REGARD TO THE INTERNAL CONTROL SYSTEM AND THE MANAGEMENT OF CONFLICTS OF INTEREST (CRITERIA I.C.1., LETT. B).

IF SO, BRIEFLY ILLUSTRATE THE EVALUATION PROCESS FOLLOWED.

The Board continuously assesses the adequacy of the organisational, administrative and general accounting structure, in particular with reference to the internal control system and the management of conflicts of interest.

INDICATE IF THE BOARD EVALUATES THE ADEQUACY OF THE ORGANISATIONAL, ADMINISTRATIVE AND ACCOUNTING STRUCTURE OF THE SUBSIDIARIES HAVING STRATEGIC RELEVANCE, AS ESTABLISHED BY THE MANAGING DIRECTORS, IN PARTICULAR WITH REGARD TO THE INTERNAL CONTROL SYSTEM AND THE MANAGEMENT OF CONFLICTS OF INTEREST (CRITERIA I.C.1., LETT. B).

IF SO, AFTER BRIEFLY ILLUSTRATING THE CRITERIA FOR IDENTIFYING SUBSIDIARIES OF STRATEGIC RELEVANCE AND LISTING ALL SUCH COMPANIES, SPECIFY THE EVALUATION PROCESS FOLLOWED.

The Board of Directors of UniCredit S.p.A. at its meeting on 12 February 2009 identified the following companies as having strategic relevance ("Principal Companies"): UniCredit Banca, UniCredit Corporate Banking, UniCredit Private Banking, Pioneer Global Asset Management, UniCredit Leasing, UniCredit Bank A.G., UniCredit Bank Austria, UniCredit Banca di Roma, Banco di Sicilia, UniCredit Mediocredito Centrale, FinecoBank, UniCredit Family Financing Bank, Koc Financial Hizmetler AS, Bank Pekao, UniCredit Business Partner and UniCredit Global Information Services.

The Board assesses the adequacy of the organisational, administrative and general accounting structure of all strategically relevant subsidiaries, with particular reference to the internal control system and the management of conflicts of interest also by issuing policies and guidelines.

INDICATE IF THE BOARD, AFTER EXAMINING PROPOSALS FROM ITS SPECIFIC COMMITTEE AND CONSULTING THE BOARD OF AUDITORS, DETERMINES THE REMUNERATION OF THE MANAGING DIRECTORS AND OF THOSE DIRECTORS WHO ARE APPOINTED TO PARTICULAR POSITIONS WITHIN THE COMPANY AND, IF THE SHAREHOLDERS' MEETING HAS NOT ALREADY DONE SO, DETERMINES THE TOTAL AMOUNT TO WHICH THE

MEMBERS OF THE BOARD AND OF THE EXECUTIVE COMMITTEE ARE ENTITLED (CRITERIA I.C.1., LETT. D).

Following the appointment of its directors and the determination of the relative overall compensation by the Shareholders' Meeting on 29 April 2009, the Board of Directors of UniCredit, resolved to distribute the amount among the Board members. The Board of Directors also resolved to pay a special allowance to Directors holding particular positions pursuant to Art. 2389 of the Italian Civil Code, on proposal made by one of the Directors, pursuant to the tasks assigned to him, after both the favorable opinion given by the Remuneration Committee and the Board of Statutory Auditors' opinion.

INDICATE IF THE BOARD EVALUATES THE GENERAL PERFORMANCE OF THE COMPANY, PAYING PARTICULAR ATTENTION TO INFORMATION RECEIVED FROM THE DELEGATED BODIES, AND PERIODICALLY COMPARING THE RESULTS ACHIEVED WITH THOSE PLANNED (CRITERIA I.C.1., LETT. E).

The Board continuously monitored general management performance also by analysing information received from delegated bodies and periodically comparing results achieved versus targets.

INDICATE IF THE BOARD EXAMINES AND APPROVES IN ADVANCE TRANSACTIONS CARRIED OUT BY THE ISSUER AND ITS SUBSIDIARIES, WHEN SUCH TRANSACTIONS HAVE STRATEGIC, ECONOMIC, EQUITY-RELATED AND FINANCIAL RELEVANCE, SPECIFYING SOURCES (CRITERIA I.C.1., LETT. F).

The Board has sole responsibility, in compliance with paragraph 4 letter A.3) (Competences of the Board) of the Board of Directors' Regulations for: "examining and approving transactions performed by the Company and companies belonging to the Group that are of particular strategic, economic, equity-related and financial relevance".

INDICATE IF THE BOARD EXAMINES AND APPROVES IN ADVANCE TRANSACTIONS CARRIED OUT BY THE ISSUER AND ITS SUBSIDIARIES, PARTICULARLY REGARDING TRANSACTIONS IN WHICH ONE OR MORE DIRECTORS HOLD AN INTEREST ON THEIR OWN BEHALF OR ON BEHALF OF THIRD PARTIES, SPECIFYING SOURCES (CRITERIA I.C.1., LETT. F).

In compliance with Sect. 136 of Legislative Decree nr. 385 dated 1 September 1993, the UniCredit Board of Directors is required to approve transactions involving corporate officers directly or indirectly assuming obligations towards the bank. Moreover, the holding company is required to grant its consent to loan transactions as defined by the aforesaid Sect. 136, on the part of group member companies and their own corporate officers or those of the banking group.

INDICATE IF THE BOARD EXAMINES AND APPROVES IN ADVANCE TRANSACTIONS CARRIED OUT BY THE ISSUER AND ITS SUBSIDIARIES WITH RELATED PARTIES, WHEN SUCH TRANSACTIONS HAVE STRATEGIC, ECONOMIC, EQUITY-RELATED AND FINANCIAL RELEVANCE, SPECIFYING SOURCES (CRITERIA I.C.1., LETT. F).

In respect of the above, also pursuant to paragraph 4 letter A.3) (Competences of the Board) of the Board of Directors' Regulations, the Board defines general criteria for identifying transactions entered into with related parties.

INDICATE IF THE BOARD HAS ESTABLISHED GENERAL CRITERIA FOR IDENTIFYING TRANSACTIONS WHICH MIGHT HAVE STRATEGIC, ECONOMIC, EQUITY-RELATED AND FINANCIAL RELEVANCE. IF SO, BRIEFLY ILLUSTRATE SUCH CRITERIA.

As early as 2003, the Board of Directors defined a set of criteria for identifying transactions of strategic, economic, equity-related or financial relevance for UniCredit S.p.A., specifying that all transactions of a critical or relevant nature, and those concerning:

- entry/consolidation of the position in a strategic sector/market;
- definition/modification of shareholding structures with third party partners with whom governance-related agreements are signed;
- decisions impacting strategic equity holdings;
- decisions significantly impacting the organisational structure of the company or the group;
- situations in which economic, equity-related/financial thresholds (as defined by the Board) are exceeded in relation to the type of transactions involved;
- modifications to the company's share capital structure;
- new legal proceedings and developments in existing ones determining potential liabilities in excess of a certain threshold defined as per the decision of the Board of Directors, or potentially at risk of becoming relevant for the company's sector ("pilot proceedings"), are reported to the Board of Statutory Auditors.

INDICATE IF THE BOARD HAS ESTABLISHED GENERAL CRITERIA FOR IDENTIFYING TRANSACTIONS WITH RELATED PARTIES WHICH MIGHT HAVE STRATEGIC, ECONOMIC, EQUITY-RELATED AND FINANCIAL RELEVANCE. IF SO, BRIEFLY ILLUSTRATE SUCH CRITERIA.

Without prejudice to the requirements set out in Sect. 71/bis of Consob regulation nr. 11971/99 regarding information to be publicly disclosed in regards to transactions with related parties also through subsidiaries, which for their subject, consideration, method or timing could jeopardise the company's assets or the comprehensiveness and accuracy of accounting and other information relative to UniCredit, the criteria defined by the Board of Directors for identifying transactions of strategic, economic, equity-related or financial relevance to UniCredit S.p.A. also apply if the aforesaid are entered into with related parties.

Possible changes are being considered in the light of the rules which will be enacted on this matter by the Supervisory Authority.

INDICATE IF THE BOARD HAS EVALUATED THE SIZE, COMPOSITION AND PERFORMANCE OF THE BOARD OF DIRECTORS AND ITS COMMITTEES, POSSIBLY CHARACTERISING NEW PROFESSIONAL FIGURES WHOSE PRESENCE ON THE BOARD MIGHT BE CONSIDERED APPROPRIATE (CRITERIA I.C.1., LETT. G). IF SO, INDICATE WHEN THE EVALUATION WAS MADE, BRIEFLY DESCRIBE THE OUTCOME OF THE EVALUATION, ALSO WITH REFERENCE TO THE INDEPENDENT DIRECTORS. BRIEFLY ILLUSTRATE THE EVALUATION PROCESS, INDICATING THE PROCEDURES AND CRITERIA (DIMENSIONAL, QUALITATIVE, ETC.) USED.

Please note that in compliance with the Code and Supervisory Provisions issued by the Bank of Italy concerning the organization and governance of banks, the Board of Directors of the Company established - with due consideration to the size of the UniCredit Group, the complexity and specificity of the sector in which it operates and the international scope of its business activities – specific requirements that UniCredit Directors shall possess, in addition to the requirements as set forth by the current laws and regulations, assuring the good functioning of the Board of Directors. Such requirements are hereafter detailed:

- professional experience requirements:
  - adequate knowledge of (and experience in) preferably two or more areas of competency (familiarity with the banking business and with the management and risks associated with the banking sector; experience in managing and organising a large corporation; the ability to read

and interpret the financial statements of a financial institution; corporate skills; international exposure and familiarity with international markets; familiarity with the socio-political situations and stock markets of the countries in which UniCredit Group has a strategic presence);

- integrity requirements:

the Directors should not be in any situation that might determine a discontinuance of their functions as a director pursuant to section 6 of the Ministerial Decree 161/98 and should not displayed behaviour which, while not constituting a crime, does not appear to be compatible with the office of a bank director or could seriously jeopardise the reputation of the bank.

On 16 March 2010 the Board of Directors made its favourable assessment on the size, composition and performance of the Board of Directors and its Committees as required by the Code.

INDICATE IF THE SHAREHOLDERS' MEETING, WHEN DEALING WITH ORGANISATIONAL NEEDS, GIVES ITS PRIOR GENERAL APPROVAL TO WAIVERS FROM THE RULE PROHIBITING COMPETITION, AS PER ART. 2390 OF THE ITALIAN CIVIL CODE.

IF SO, SPECIFY WHETHER THE BOARD OF DIRECTORS EVALUATES SUCH ISSUES, REPORTING ANY CRITICAL CASES TO THE SHAREHOLDERS' MEETING, IF ANY (CRITERIA 1.C.4.), INDICATING THE NUMBER OF CASES EXAMINED BY THE BOARD AND SUBMITTED TO THE SHAREHOLDERS' MEETING DURING THE PERIOD.

Subject to Art. 2390 of the Italian Civil Code, the Shareholders' Meeting on 29 April 2009 allowed members of the Board of Directors to enter into competitive businesses.

While it is up to each Director to report any such situation arising pursuant to Art. 2390 of the Italian Civil Code, the Board of Directors is not required to assess the merits of any new situations during the Period.

#### 4.4. DELEGATED BODIES

##### Chief Executive Officers

INDICATE IF ONE OR MORE DIRECTORS HAVE BEEN GRANTED MANAGERIAL POWERS.

IF SO, ILLUSTRATE THE MAIN POWERS GRANTED TO EACH DIRECTOR, SPECIFYING THRESHOLDS AND SCOPE OF THE RELEVANT POWERS.

The only Board member who has management powers is the Chief Executive Officer.

The Board of Directors has granted the Chief Executive Officer powers within pre-defined limits and also the authority to sub-delegate powers across all sectors of the bank's businesses, specifically:

- lending, according to the methods and weightings established by the Board of Directors;
- granting Holding company consent as per Sect. 136 of Leg. Decree nr. 385/93 for financing transactions carried out by the banks/companies belonging to the Group with Group corporate officers or with companies where the corporate officers perform administrative, managerial or control functions as well as controlling and controlled companies up to max. 200 million Euro for individual counterparts and max. 600 million Euro for groups of subjects sharing a legal and/or economic relationship;
- managing subsidiaries, with respect to (i) the appointment and compensation of members of governing bodies in Group subsidiaries other than the Principal Companies identified by the Board of Directors which are within the scope of the Board's responsibility, to be exercised with the consent of the Chairman; (ii) exercising voting rights on behalf of UniCredit at

shareholders' meetings (both ordinary and extraordinary) of controlled and non-controlled companies directly held by UniCredit, though the Board of Directors maintains exclusive responsibility for exercising voting rights in relation to transactions other than those already approved or delegated by the Board itself; (iii) the power to approve the drawing up/amendment of shareholder agreements - as well as to grant the Holding Company's consent with regard to the drawing up/amendment of shareholder agreements by the Group Companies referring to shareholdings indirectly held - in the event of controlling and non-controlling shareholdings (directly and indirectly held) which book value is up to 300 million Euro; if the power is exercised with the consent of the Chairman such limit is increased up to 500 million Euro;

- carrying out transactions involving shareholdings (i) for transactions relative to companies belonging to the Banking Group (i.e. companies carrying out banking, financial or ancillary activities) and subsidiaries (including the joint controlled companies) with a value of less than 300 million Euro, if located in "low-risk" countries, and less than 200 million Euro if located in "high-risk" countries, to be exercised within the framework of the Group strategies approved by the Board of Directors (ii) for transactions relative to minority shareholdings (outside the Banking Group's perimeter) with a value of less than 300 million Euro, if located in "low-risk" countries, and less than 200 million Euro if located in "high-risk" countries. The aforesaid limits are increased to 500 million Euro and 300 million Euro respectively if exercised with the consent of the Chairman.
- performing trading, structural and strategic banking book activities;
- performing activities associated with setting conditions;
- powers and authorities referring to expenses and investments necessary for the management of the Bank, included expenses for building, purchasing and restructuring of real estates, up to 50 Millions Euro, provided that the annual expense budget approved by the Board of Directors is not affected and taking into account that the expenses for consultancy services and the authority for the concession of contributions and donations to social institutions and organizations of public interest may be authorized up to 5 Millions Euro;
- managing human resources except for positions falling expressly within the scope of the Board of Director's responsibilities (i.e. Management Committee and Heads of Department/Division reporting directly to the Chief Executive Officer and Deputy CEOs). Such power will be exercised on the basis of the results of preliminary investigations carried out by members of the company staff;
- defining and modifying organisational structures and internal regulations that may relate to the second line of the organisation (i.e. organisational structures in which Divisions and Departments – reporting directly to the CEO and to the Deputy CEOs – break into), including the detailed definition of responsibilities within these structures, in line with the mission and functions assigned by the Board of Directors to the aforesaid structures under the internal Regulations approved by the Board of Directors;
- decision-making concerning loan loss provisions, asset value adjustments, releases of capital and/or capitalized interests, with reference to "Restructuring" files or not in Restructuring;
- decision-making in relation to expected losses and write downs for capital and/or interest already capitalised, and planned transactions relative to claims and disputes;
- decision-making in relation to (i) selling of real-estate properties of the Bank; subscription of contracts for bailment, agreements with institutions, museums, exhibitions, etc., up to the limit of 5 Millions Euro for single item or transaction; (ii) selling of other assets of the Bank (movables) - art works included - up to the limit of 1 Millions Euro for single item or transaction;
- signing leases for over 9 years' duration, both as the lessor and the lessee.

## Chairman of the Board of Directors

IF MANAGERIAL POWERS HAVE BEEN GRANTED TO THE CHAIRMAN, ILLUSTRATE THE RATIONALE BEHIND THIS DECISION (PRINCIPLE 2.P.5.).

The Chairman has not been granted with managerial authorities. Notwithstanding, some powers granted to the Chief Executive Officer in respect of managing subsidiaries and equity-related transactions have to be exercised with the consent of the Chairman of the Board of Directors, beyond pre-determined thresholds.

IF MANAGERIAL POWERS HAVE NOT BEEN GRANTED TO THE CHAIRMAN, SPECIFY WHETHER THE CHAIRMAN CONTRIBUTES TOWARDS DRAFTING CORPORATE STRATEGIES (CRITERIA 2.C.1.).

The Chairman of the Board of Directors contributes towards drafting corporate strategies to be approved by the Board as member of the “Permanent Strategic Committee”.

INDICATE IF THE CHAIRMAN IS:

- A) THE MAIN PERSON RESPONSIBLE FOR COMPANY MANAGEMENT (CHIEF EXECUTIVE OFFICER) AND/OR
- B) THE ISSUER’S CONTROLLING SHAREHOLDER.

The Chairman of the Board of Directors is not the main person in responsible for managing UniCredit S.p.A.. Considering that the company does not have controlling shareholders, the Chairman does not hold a relevant share of the company equity.

## Reporting to the Board

INDICATE IF DELEGATED BODIES HAVE REPORTED TO THE BOARD OF DIRECTORS AS REGARDS HOW THEY HAVE EXERCISED THE POWERS GRANTED TO THEM :

- QUARTERLY/BIMONTHLY/MONTHLY/AT THE FIRST AVAILABLE BOARD MEETING.

IF REPORTING SCHEDULES VARY DEPENDING ON THE TYPE OF TRANSACTION, ILLUSTRATE THE DIFFERENT CATEGORIES OF TRANSACTIONS.

In compliance with the existing laws and regulatory provisions, delegated bodies report to the Board of Directors, with the timing indicated hereunder, on the activities carried out in the execution of the delegations assigned to them, and in particular:

A) at the first possible Board meeting

- report on operations having relevant impact on the economic-financial situation or which may entail critical circumstances, as well as on intra-group operations, transactions with correlated parties, or atypical and/or unusual operations with respect to the normal business management;
- report on stipulating and/or changing shareholders’ agreements regarding shareholdings with book value between 300 and 500 million Euro;
- report on transactions related to shareholdings included or to be included in the UniCredit Banking Group perimeter (i.e. banks, financial and instrumental companies and other controlled companies worth over 50 million Euro);
- report on minority equity interests (not belonging to the Banking Group) worth over 25 million Euro;

B) quarterly reporting on the exercise of the following powers granted, with particular reference to:

- 1) credit beneficiaries, whether individual names or economic groups, with respect to whom, at Banking Group level, there exist overall risks of any nature – identified in accordance with the principles set out by Banca d'Italia on the subject of "Concentration of Risk" – amounting to over 300 million Euro;
- 2) exercise of the power delegated, in accordance with Sect. 136 of Leg. Decree nr. 385 dated 1 September 1993, to express consent on behalf of UniCredit in its position as Holding Company,:
  - \* for financial transactions entered into with corporate officers and banks/ companies belonging to the UniCredit banking group approved by the relevant Administrative Bodies;
  - \* for requests put forward by individual Corporate Officers of UniCredit Banking Group Companies should they decide to resolve on the granting of loans to the said Corporate Officers, for the cash settlement of bank cheques drawn upon other banks;
  - \* for obligations of any kind contracted by group banks/companies of the Group with their officers and/or with companies controlled by the such persons and/or with companies where the same persons perform administrative, managerial or control functions as well as with companies which control or are controlled;
- 3) report on the exercise of the powers regarding the management of shareholdings, concerning:
  - the appointment and definition of compensation for representatives of Relevant Companies;
  - the establishment/amendment of shareholders' agreements in the event of majority and minority direct and indirect shareholdings already in the Group's portfolio relative to companies whose balance sheet value is less than 300 million Euro (in aggregate form if below 25 million Euro);
- 4) report on the transactions involving shareholding (approved by UniCredit or on which UniCredit expressed its consent):
  - valued less than 50 million Euro, in case of companies belonging to the Banking Group as well as other subsidiaries;
  - valued less than 25 million Euro, in the case of minority shareholdings;
- 5) report on expenses and investments necessary for the ordinary management of the bank, including those required to fit out the company premises and any other related purchase, as well as overall amount of real/non real-estate leasing;
- 6) report on overall amount of donations handed out to Entities whose purpose is of social or public interest;
- 7) report on the exercise of powers related to the members of the Group Management Team and of the Leadership Team;
- 8) report on the total number of people belonging to the various HR categories up to Associate Vice President including the overall amount of contributions for:
  - employee recreational, sporting and cultural activities;
  - prizes for organizational projects suggestions as well as benefits for employees in service and retired;
- 9) report on definition and/or amendment of the organizational structures and of internal regulations;

- 10) report on decisions concerning the real-estate properties, the other tangible and intangible assets as well as the artistic assets;
- C) on a half-yearly basis and in aggregate form, report on the appointments of and the definition of compensations for representatives of group companies other than Relevant Companies<sup>7</sup>;
- D) an annual report on actions taken, globally and per type of intervention, concerning the redundancy incentive plans of all employee in any position and place and the pension and welfare plans for all employee in the Italian perimeter.

#### 4.5. OTHER EXECUTIVE DIRECTORS

INDICATE IF ANY MEMBERS OF THE BOARD OF DIRECTORS MAY BE CONSIDERED EXECUTIVE BECAUSE: I) THEY ARE THE MANAGING DIRECTOR OR EXECUTIVE CHAIRMAN OF THE ISSUER OR A SUBSIDIARY OF STRATEGIC RELEVANCE AND/OR II) THEY ARE DIRECTORS VESTED WITH MANAGEMENT DUTIES AT THE ISSUER OR ONE OF ITS SUBSIDIARIES OF STRATEGIC RELEVANCE, OR IN A CONTROLLING COMPANY WHEN THE OFFICE ALSO CONCERNS THE ISSUER AND/OR III) THE DIRECTORS ARE MEMBERS OF THE EXECUTIVE COMMITTEE OF THE ISSUER IN CASES SPECIFIED BY THE CODE (CRITERIA 2.C.1.).  
IF SO, INDICATE THE DIRECTORS' NAME, SPECIFYING THE APPOINTMENTS BASED ON WHICH THEY MAY BE CONSIDERED AS EXECUTIVE.

None of the directors sitting on the UniCredit S.p.A. Board of Directors – besides the Chief Executive Officer – can be defined as executive.

BRIEFLY DESCRIBE INITIATIVES ADOPTED WITH A VIEW TO INCREASING THE DIRECTORS' KNOWLEDGE OF THE COMPANY AND ITS BUSINESS DYNAMICS (CRITERIA 2.C.2.).

During the Period a meeting has been called for explaining to the new Board of Director of UniCredit - appointed by the Shareholders' Meeting of 29 April 2009 - the following topics: "Preliminary remarks and Group Governance overview"; "Economic and market prospects and strategic implications for the banking system"; "Group profile and business model"; "Group business strategic positioning".

#### 4.6. INDEPENDENT DIRECTORS

INDICATE IF THE BOARD:

- EVALUATES THE EXISTENCE OF THE INDEPENDENCE REQUIREMENTS ESTABLISHED BY THE CODE FOR ALL NON-EXECUTIVE DIRECTORS, AT THE FIRST AVAILABLE OPPORTUNITY AFTER THEIR APPOINTMENT (CRITERIA 3.C.4.);
- DURING THE PERIOD, EVALUATES THE EXISTENCE OF THE INDEPENDENCE REQUIREMENTS ESTABLISHED BY THE CODE FOR ALL NON-EXECUTIVE DIRECTORS (CRITERIA 3.C.4.);
- APPLIES ALL THE CRITERIA ESTABLISHED BY THE CODE TO THE ABOVE MENTIONED EVALUATIONS (CRITERIA 3.C.1. AND 3.C.2.).

Following the appointment of directors, the Board of Directors finally on 16 March 2010 assessed the independence requirements based on the Criteria envisaged by the Code and the outcome, as notified to the market, was the following:

<sup>7</sup> Relevant Companies: (i) controlled companies, directly and indirectly held, (companies belonging to the UniCredit Banking Group and non-financial companies that are sub-holding); (ii) non-controlled companies, directly and indirectly held, in which the Group holds a minority interest and whose book value is equal or exceeds € 50 Million, as well as listed companies in which the Group holds a minority interest equal or larger than 2% of the share capital; iii) jointly controlled companies.



INDEPENDENT DIRECTORS PURSUANT TO THE CRITERIA FOR APPLICATION OF THE CODE:

Mr. Castelletti, Mr. Calandra Buonauro, Mr. Belluzzi, Mr. Bischoff, Mr. Fontanesi, Mr. Giacomini, Mr. Gnudi, Mr. Kadroska, Ms. Li Calzi, Mr. Ligresti, Mr. Maramotti, Mr. Marocco, Mr. Pesenti, Ms. Reichlin, Mr. Schinzler, Mr. Waigel, Mr. Wyand and Mr. Zwickl.

NON INDEPENDENT DIRECTORS PURSUANT TO THE CRITERIA FOR APPLICATION OF THE CODE:

Mr. Rampl, Mr. Bengdara, Mr. Palenzona, Mr. Profumo and Mr. Cucchiani.

With reference to the position of the Vice Chairman Wyand who has held a directorship in the Company for over 9 of the previous 12 years<sup>8</sup> the Board of Directors – in relation to the Mr. Wyand's role as Chairman of the Internal Control & Risks Committee who has managed the Committee's activities rigorously and independently since 2006 – considered that the Vice Chairman Wyand's tireless efforts in this respect should legitimately qualify as an indicator of his independence, despite the number of years he has held the office of Board member.

IF THE BOARD APPLIES ANY ADDITIONAL CRITERIA TO THOSE ESTABLISHED BY THE CODE, INDICATE SUCH CRITERIA.

The Board of Directors in the aforesaid meeting on 16 March 2010 assessed the independence requirements pursuant to Sect. 148 of Leg. Decree nr. 58/98 too. The outcome of the evaluation, also notified to the market, was the following:

INDEPENDENT DIRECTORS PURSUANT TO SECT. 148 OF LEG. DECREE NR. 58/98:

Mr. Rampl, Mr. Castelletti, Mr. Bengdara, Mr. Calandra Buonauro, Mr. Palenzona, Mr. Belluzzi, Mr. Bischoff, Mr. Fontanesi, Mr. Giacomini, Mr. Gnudi, Mr. Kadroska, Ms. Li Calzi, Mr. Ligresti, Mr. Maramotti, Mr. Marocco, Mr. Pesenti, Ms. Reichlin, Mr. Schinzler, Mr. Waigel, Mr. Wyand and Mr. Zwickl.

NON INDEPENDENT DIRECTORS PURSUANT TO SECT. 148 OF LEG. DECREE NR. 58/98:

Mr. Profumo and Mr. Cucchiani.

INDICATE IF THE BOARD OF STATUTORY AUDITORS ASCERTAINS THE PROPER APPLICATION OF THE ASSESSMENT CRITERIA AND PROCEDURES ADOPTED BY THE BOARD FOR EVALUATING THE INDEPENDENCE OF ITS MEMBERS (CRITERIA 3.C.5.).

IF SO, REPORT THE RESULT OF SUCH INSPECTIONS.

On 16 March 2010 the Board of Statutory Auditors verified the correct application of the criteria and procedures adopted to assess the independence of its members.

INDICATE IF THE INDEPENDENT DIRECTORS MEET DURING THE PERIOD WITHOUT THE PRESENCE OF THE OTHER DIRECTORS (CRITERIA 3.C.6.).

IF SO, INDICATE THE NUMBER OF MEETINGS HELD DURING THE PERIOD AS WELL AS THE AGENDA OF THE MEETINGS.

On 10 November 2009 the independent Directors – with none of the other Directors in attendance - met in a wide and constructive comparison for dealing with corporate governance topics.

More specifically, during the meeting they assessed the completeness and adequacy of the "Self Evaluation Questionnaire" also used in the current year by the Board of Directors; moreover they carried out the quality analysis of the documentation sent to the Directors for the meetings of the

<sup>8</sup> One of the Criteria of the Section 3 of the Code - even if such Criteria can't be considered peremptory - establishes that in general it is not considered independent the person who has held a directorship in the company for over 9 of the previous 12 years.

Board of Directors and of the Board Committees, considering the purpose of the better efficiency of the activities of such bodies.

#### **4.7. LEAD INDEPENDENT DIRECTOR**

INDICATE IF, ACCORDING TO THE CODE (I.E. THE CHAIRMAN OF THE BOARD IS THE MAIN RESPONSIBLE FOR THE MANAGEMENT OF THE ISSUER – CHIEF EXECUTIVE OFFICER – AND/OR THE SHAREHOLDER CONTROLLING THE ISSUER), THE BOARD HAS APPOINTED AN INDEPENDENT DIRECTOR AS THE LEAD INDEPENDENT DIRECTOR (CRITERIA 2.C.3.). IF SO, ILLUSTRATE THE MAIN ACTIVITIES CARRIED OUT DURING THE PERIOD.

IF A LEAD INDEPENDENT DIRECTOR HAS BEEN APPOINTED, ALTHOUGH THE CONDITIONS ENVISAGED BY THE CODE FOR SUCH AN APPOINTMENT DO NOT EXIST, INDICATE THE CIRCUMSTANCES AND REASONS FOR THIS DECISION.

The Board of Directors has not appointed any independent director as the Lead Independent Director since the conditions envisaged by the Code for such an office do not exist.

## 5. TREATMENT OF CORPORATE INFORMATION

INDICATE IF THE BOARD, UPON THE PROPOSAL OF THE MANAGING DIRECTORS, HAS ADOPTED A PROCEDURE FOR THE INTERNAL HANDLING AND DISCLOSURE TO THIRD PARTIES OF DOCUMENTS AND INFORMATION CONCERNING THE ISSUER, IN PARTICULAR PRICE SENSITIVE INFORMATION (CRITERIA 4.C.1.). IF SO, BRIEFLY DESCRIBE THE MAIN CHARACTERISTICS OF THIS PROCEDURE OR, IF AVAILABLE ON THE ISSUER'S WEBSITE, INDICATE THE WEB PAGE.

The Board of Directors' Rules assigns responsibility to the Administrative Body for defining procedures for the internal management and public disclosure of documents and information concerning the company, also including privileged information.

Since 2002 the Board of Directors has adopted the following procedure for disclosing confidential information to the market:

- a) attributing responsibility for assessing the inside nature of information to the Planning, Finance and Administration Department, with the support of the Group Investor Relation Department and of the Legal & Compliance Department;
- b) approval by the Board of Directors of the announcement or, when such disclosures concern delegated transactions, by the Chairman, Chief Executive Officer or one of the Deputy CEO;
- c) disclosure of the announcement to the market via the Media Relations and Executive Communications Department, via "N.I.S." system, to the Borsa Italiana and Consob as well as to at least two news agencies.

Based on the power granted him by the Board of Directors at the end of 2005, in line with current regulations, the Chief Executive Officer identified information to be regarded as privileged, and the individuals who either regularly or occasionally may access said privileged information, creating a special "Register of individuals with access to privileged information", as per the regulatory requirement. At the same time, a process was put in place for entering names into the Register, and for maintaining and storing it.

The Directors are required to keep all documents and information acquired in the course of their duties as confidential.

Accordingly, a procedure was introduced in 2006 that is based on an IT platform, for monitoring and ensuring the correct internal management of documentation that is distributed to Board members and Statutory Auditors prior to Board meetings.

This procedure ensures not only greater speed in sharing the contents of proposals submitted to the Board's approval, but also faster delivery to directors, the traceability of individuals participating in the formulation of proposals submitted to the Board's approval, and confidential document delivery via a system of personal, protected passwords allocated to each Director.

## **6. INTERNAL COMMITTEES OF THE BOARD OF DIRECTORS (as per Sect. 123/bis, paragraph 2, letter d), of TUF)**

PROVIDE DETAILS CONCERNING THE COMPOSITION AND THE FUNCTIONING OF ANY COMMITTEES ESTABLISHED WITHIN THE BOARD OF DIRECTORS, ON THE BASIS OF THE ADVICES OF THIS SECTION, AS WELL AS SECTIONS 7 (NOMINATION COMMITTEE), 8 (REMUNERATION COMMITTEE) AND 10 (INTERNAL CONTROL COMMITTEE).

INDICATE IF A COMMITTEE HAS BEEN ESTABLISHED TO PERFORM THE FUNCTIONS OF TWO OR MORE COMMITTEES AS ENVISAGED BY THE CODE.

IF SO, IN THE FOLLOWING SECTIONS PROVIDE THE INFORMATION REQUIRED CONCERNING EACH COMMITTEE, SPECIFYING DUTIES, RESOURCES AND ACTIVITIES RELATED TO EACH FUNCTION AND INDICATE THE RATIONALE BEHIND THE ISSUER'S DECISION.

In order to ensure an efficient system that allows the effective assessment of the Board of Directors on specific matters falling within its competence, four committees have been created with the power to provide advice and make proposals; the committees feature limited membership and focus on separate issues: Permanent Strategic Committee, Internal Control & Risk Committee, Corporate Governance, HR and Nomination Committee and Remuneration Committee. None of the current Committees, per se, performs the multiple functions of two or more committees as envisaged by the Code.

INDICATE ANY OTHER COMMITTEES, BESIDES THOSE ENVISAGED BY THE CODE, (DESCRIBED ON THE SECTIONS 7, 8 AND 10) HAVE BEEN APPOINTED, AND SPECIFY THEIR FUNCTIONS (PROVIDE ADVICE, MAKE PROPOSAL, OTHER)..

While the Remuneration and Internal Control & Risks Committees set up by UniCredit and envisaged by the Code perform other functions in addition to those mentioned by the Code in respect of each individual Committee (cf. elsewhere herein), it is worth noting that:

### **1) The Corporate Governance, HR and Nomination Committee**

besides the competences attributed to it and described elsewhere herein with respect to appointments, the Committee also supplies its opinions to the Board regarding proposals made by the Chairman/Chief Executive Officer to the Board on matters pertaining to the definition of UniCredit's corporate governance system, and the Group's corporate structure and governance models/guidelines and policies for the Board's assessment.

### **2) The Permanent Strategic Committee**

performs functions not envisaged by the Code, providing the Board of Directors with opinions concerning proposals submitted by the Chairman/CEO to the Board concerning:

- a) the Group 3 Year Plan;
- b) the Group yearly budget;
- c) the Group yearly Capital Allocation;
- d) the Group yearly strategy related to transactions involving shareholdings (M&A/reorganisations);
- e) approval of transactions on shareholdings above a certain limit (300 million Euro for transactions in high-risk countries, and 500 million Euro for transactions in low-risk countries);
- f) extraordinary capital allocations and dividend policy, both for the Holding company and the Group member companies, unless already included in the annual general Capital Allocation guidelines indicated under para. c) above;
- g) other transactions/initiatives of strategic relevance to the Group, such as: decisions to enter new geographical and business markets, high-profile joint ventures with business and/or financial Groups.

## 7. NOMINATION COMMITTEE

INDICATE IF THE BOARD HAS DECIDED TO APPOINT A NOMINATION COMMITTEE (PRINCIPLE 6.P.2.).

The Board of Directors established the Nomination Committee in June 2000, then on 3 August 2007 the Committee was renamed the Corporate Governance, HR and Nomination Committee.

### **Composition and functioning of the nomination committee (as per Sect. 123/bis, paragraph 2, letter d), of TUF)**

PROVIDE DETAILS CONCERNING THE COMPOSITION AND FUNCTIONING OF THE NOMINATION COMMITTEE.

IN PARTICULAR, SPECIFY THE FOLLOWING INFORMATION, ALSO USING THE SCHEDULE NR. 2 IN THE APPENDIX:

- NUMBER OF NOMINATION COMMITTEE MEETINGS HELD DURING THE PERIOD;
- AVERAGE DURATION OF THE COMMITTEE MEETINGS;
- EFFECTIVE ATTENDANCE OF EACH MEMBER IN THE MEETINGS HELD;
- NUMBER OF COMMITTEE MEETINGS PLANNED DURING THE CURRENT YEAR, SPECIFYING THE NUMBER OF MEETINGS ALREADY HELD.

The composition of the Corporate Governance, HR and Nomination Committee is contained in Schedule nr. 2 “Board of Directors and Committees structure” of the Appendix to this Report.

A total of 10 meetings were held in 2009, by Corporate Governance, HR and Nomination Committee.

The Committee meetings lasted for an average of 1.25 hours.

As a rule, the Board Committees meet monthly. As at 16 March 2010, 3 meetings of the Corporate Governance, HR and Nomination Committee have been held.

INDICATE IF MOST OF THE MEMBERS OF THE NOMINATION COMMITTEE WERE INDEPENDENT DURING THE PERIOD (PRINCIPLE 6.P.2.).

Most of the members of the Corporate Governance, HR and Nomination Committee are non-executive and independent directors (cf. Schedule nr. 2 in the Appendix).

INDICATE IF THE NOMINATION COMMITTEE WAS COMPRISED OF AT LEAST THREE MEMBERS DURING THE PERIOD, OR – IF THE BOARD OF DIRECTORS IS MADE UP OF NO MORE THAN FIVE MEMBERS - AT LEAST TWO DIRECTORS, BOTH INDEPENDENT (CRITERIA 5.C.1., LETT. A).

The Corporate Governance, HR and Nomination Committee consists of 7 members, with the Chairman of the Board and Chief Executive Officer members by right. The other members have to be chosen based upon their expertise and willingness to accept the appointment. The Chairman of the Committee is the Chairman of the Board of Directors.

IF NON-MEMBER ATTENDED MEETINGS, INDICATE IF THEY WERE INVITED BY THE COMMITTEE AND WHETHER ITEMS ON THE AGENDA WERE DISCUSSED (CRITERIA 5.C.1., LETT. F).

Whilst members of the Group’s top management team may be called upon to attend Committee meetings with regard to specific issues, during the Period the Head of the HR Department has attended, as a rule, the Corporate Governance, HR and Nomination meetings and the Deputy

CEOs and/or other Managers were invited, when needed, to participate in meetings to discuss specific items on the agenda.

### **Functions of the Nomination Committee**

INDICATE WHETHER THE NOMINATION COMMITTEE PROPOSES CANDIDATES TO FILL INDEPENDENT DIRECTOR VACANCIES TO THE BOARD OF DIRECTORS AS PER ARTICLE 2386, PARA. 1 OF THE ITALIAN CIVIL CODE (CRITERIA 6.C.2., LETT. A).

SPECIFY IF THE NOMINATION COMMITTEE DESIGNATES CANDIDATES TO THE POSITION OF INDEPENDENT DIRECTOR TO BE SUBMITTED TO THE SHAREHOLDERS' MEETING OF THE ISSUER, TAKING INTO ACCOUNT ANY RECOMMENDATIONS IN THIS REGARD RECEIVED FROM SHAREHOLDERS (CRITERIA 6.C.2., LETT. B).

The Corporate Governance, HR and Nomination Committee provides the Board with its opinion - concerning proposals formulated by the Chairman/CEO to the Board - concerning the designation of candidates to the position of director of UniCredit in the event of co-optation, and candidates to the position of independent director to be submitted to the approval of the UniCredit shareholders' meeting, based also on recommendations received from shareholders.

INDICATE IF THE NOMINATION COMMITTEE OFFERS THE BOARD OF DIRECTORS ITS OPINION REGARDING THE SIZE AND COMPOSITION OF THE COMMITTEE AS WELL AS ITS VIEWS ON THE PROFESSIONAL SKILLS REQUIRED BY BOARD MEMBERS (CRITERIA 6.C.2., LETT. C).

The Corporate Governance, HR and Nomination Committee offers its opinion concerning the definition of policies for appointing UniCredit directors, and policies for the evaluation that the Board of Directors must make at least once a year on the size, composition and functioning of the Board and its committees.

INDICATE ANY FURTHER FUNCTIONS ASSIGNED TO THE NOMINATION COMMITTEE.

Besides the abovementioned functions, the Corporate Governance, HR and Nomination Committee also provides the Board of Directors with opinions concerning proposals submitted by the Chairman/CEO to the Board in relation to:

- appointing the members of the CEO office (composed by the CEO and the Deputy CEOs) and other members of the Management Committee (Senior Executive Vice Presidents), in compliance with Art. 21 of Articles of Association, Senior General Management Office executives and Heads of Department reporting directly to the Chief Executive Officer;
- defining policies concerning the appointment and succession planning of the members of the CEO office, members of the Management Committee (Senior Executive Vice Presidents) Group Management Team (Executive Vice Presidents i.e. persons who have a significant influence on a Division/Competence Line/Department strategy) and Leadership Team (Senior Vice Presidents i.e. persons who have the power to implement the operational plans of a Division/ Competence Line/ Company);
- defining policies for appointing bank corporate officers (members of the Board of Directors, Board of Statutory Auditors, and Supervisory Board of Group companies);
- appointing bank corporate officers (members of the Board of Directors, Board of Statutory Auditors, and Supervisory Board) of the Principal Companies (UniCredit Banca, UniCredit Corporate Banking, UniCredit Private Banking, Pioneer Global Asset Management, UniCredit Leasing, UniCredit Bank A.G., UniCredit Bank Austria, UniCredit Banca di Roma, Banco di Sicilia, UniCredit Mediocredito Centrale, FinecoBank, UniCredit Family Financing Bank, Koc

Financial Hizmetler AS, Bank Pekao, UniCredit Business Partner and UniCredit Global Information Services);

- appointing members of the UniCredit Board Committees, upon the proposal of the Chairman.

The Corporate Governance, HR and Nomination Committee shall also provide its advice on the compatibility of the appointment of a Director of UniCredit as director, manager or member of controlling bodies in a banking, insurance or financial company (outside UniCredit Group) with his/her office held in UniCredit, also when the fix threshold to the maximum number of office determined by the Board of Directors is exceeded.

ILLUSTRATE THE MAIN ACTIVITIES CARRIED OUT BY THE NOMINATION COMMITTEE DURING THE PERIOD, WITH REGARD TO EACH OF ITS INDIVIDUAL FUNCTIONS.

The Corporate Governance, HR and Nomination Committee has expressed its views concerning the designation of members to the governing bodies of companies belonging to the Group, and movements of Group Top Management members.

Moreover, the Committee has assessed, before the appointment of the Directors approved by the Shareholders' Meeting of 29 April 2009, the available information regarding to the remunerations granted by the competitors to their Directors, showing as such amounts were aligned with the compensations granted to the outgoing Directors of UniCredit.

INDICATE IF THE MEETINGS OF THE NOMINATION COMMITTEE WERE DULY RECORDED (CRITERIA 5.C.1., LETT. D).

The meetings of the Corporate Governance, HR and Nomination Committee were transcribed and placed on record by the secretary designated by the said Committee, who is also the secretary of the Board of Directors.

INDICATE IF, IN THE PERFORMANCE OF THEIR DUTIES, THE NOMINATION COMMITTEE HAS THE RIGHT TO ACCESS ALL NECESSARY COMPANY INFORMATION AND FUNCTIONS, AS WELL AS TO AVAIL ITSELF OF EXTERNAL ADVISERS, ACCORDING TO THE PROCEDURES ESTABLISHED BY THE BOARD OF DIRECTORS (CRITERIA 5.C.1., LETT. E).

The Corporate Governance, HR and Nomination Committee has been able, through its Chairman, to access all the information and corporate functions as required for performing its duties, and for this purpose relied on the support of the Company's head office structures as well as outside consultants.

SPECIFY THE FINANCIAL RESOURCES AVAILABLE TO THE NOMINATION COMMITTEE IN ORDER TO CARRY OUT ITS DUTIES.

During the Period, spending requirements of the Committee were covered using the Top Management's budget. However all the Board Committees may have their own budget which may be increased to meet specific needs.

## 8. REMUNERATION COMMITTEE

INDICATE IF THE BOARD HAS APPOINTED A REMUNERATION COMMITTEE (PRINCIPLE 7.P.3.).

The Board of Directors established the Remuneration Committee starting from June 2000.

### **Composition and functioning of the remuneration committee (as per Sect. 123/bis, paragraph 2, letter d), of TUF)**

PROVIDE DETAILS CONCERNING THE COMPOSITION AND FUNCTIONING OF THE REMUNERATION COMMITTEE. IN PARTICULAR, SPECIFY THE FOLLOWING INFORMATION, ALSO USING THE SCHEDULE NR. 2 IN THE APPENDIX:

- NUMBER OF REMUNERATION COMMITTEE MEETINGS HELD DURING THE PERIOD;
- AVERAGE DURATION OF THE COMMITTEE MEETINGS;
- EFFECTIVE ATTENDANCE OF EACH MEMBER IN THE MEETINGS HELD;
- NUMBER OF COMMITTEE MEETINGS PLANNED DURING THE CURRENT YEAR, SPECIFYING THE NUMBER OF MEETINGS ALREADY HELD..

The composition of the Remuneration Committee is contained in Schedule nr. 2 “Board of Directors and Committees structure” of the Appendix to this Report.

During 2009, the Remuneration Committee held 7 meetings.

The Committee meetings lasted for an average of 1.20 hours.

As a rule, the Board Committees meet monthly. As at 16 March 2010, 2 meetings of the Remuneration Committee have been held.

INDICATE IF MOST OF THE NON-EXECUTIVE DIRECTORS SITTING ON THE REMUNERATION COMMITTEE DURING THE PERIOD ARE INDEPENDENT (PRINCIPLE 7.P.3.).

The Remuneration Committee is mostly composed by non-executive directors, the majority of whom is independent (cf. Schedule nr. 2 of the Appendix).

INDICATE IF THE REMUNERATION COMMITTEE WAS COMPRISED OF AT LEAST THREE MEMBERS DURING THE PERIOD, OR – IF THE BOARD OF DIRECTORS IS MANNED BY NO MORE THAN FIVE MEMBERS, BY AT LEAST TWO DIRECTORS, BOTH INDEPENDENT (CRITERIA 5.C.1., LETT. A).

The Remuneration Committee consists of 7 non-executive members. The Chairman of the Board of Directors and Deputy Vice Chairman are members by right. The other members have to be chosen based upon their expertise and willingness to accept the appointment. The Chairman of the Committee is the Chairman of the Board of Directors.

INDICATE IF DIRECTORS ARE REQUIRED TO REFRAIN FROM ATTENDING COMMITTEE MEETINGS CONCERNING THE DETERMINATION OF THEIR PROPOSED REMUNERATION FOR SUBMISSION TO THE BOARD (CRITERIA 7.C.4.).

The members of the Remuneration Committee do not attend Committee meetings concerning the determination of their proposed remuneration in relation to specific offices that they hold.

IF PERSONS WHO ARE NOT MEMBERS OF THE REMUNERATION COMMITTEE PARTICIPATE IN MEETINGS, INDICATE IF SUCH PARTICIPATION IS BY INVITATION ONLY AND SPECIFICALLY TO DISCUSS INDIVIDUAL ITEMS



ON THE AGENDA (CRITERIA 5.C.1., LETT. F).

Whilst members of the Group's top management team may be called upon to attend Committee meetings with regard to specific issues, and that the Committees may – upon supplying adequate grounds – also rely on the support of external consultants, during the Period the Head of the HR Department has always attended Remuneration Committee meetings. Moreover, outside consultants were invited to attend meetings to discuss specific items on the Committee's agenda.

**Functions of the Remuneration Committee:**

INDICATE IF THE REMUNERATION COMMITTEE FORMULATES PROPOSALS TO THE BOARD FOR THE REMUNERATION OF MANAGING DIRECTORS AND OTHER EXECUTIVES WHO HOLD PARTICULAR OFFICES, AND MONITORS THE IMPLEMENTATION OF THE DECISIONS ADOPTED BY THE BOARD (CRITERIA 7.C.3.).

The Remuneration Committee provides the Board of Directors with its opinion concerning the remuneration of UniCredit directors holding specific offices, with particular attention to the remuneration of the Chief Executive Officer.

INDICATE IF THE REMUNERATION COMMITTEE PERIODICALLY EVALUATES THE CRITERIA ADOPTED FOR THE REMUNERATION OF EXECUTIVES WITH STRATEGIC RESPONSIBILITIES, CONTROLS THEIR APPLICATION ON THE BASIS OF THE INFORMATION PROVIDED BY THE MANAGING DIRECTORS AND SUBMITS GENERAL RECOMMENDATIONS ON THE SUBJECT TO THE BOARD OF DIRECTORS (CRITERIA 7.C.3.).

The Remuneration Committee is called upon to express its views on the remuneration structure of the Chief Executive Officer (CEO) and Deputy CEOs and on the remuneration policy for the Senior Executive Vice Presidents, Executive Vice Presidents, Senior Vice Presidents and Heads of Department reporting directly to the CEO. In particular, while periodically examining and determining such criteria, the Committee monitors international best practices, the market trends and the compensation levels of the main competitors (peers).

INDICATE ANY FURTHER FUNCTIONS ASSIGNED TO THE REMUNERATION COMMITTEE.

The Remuneration Committee also provides to the Board of Directors opinions on the following matters:

- remuneration of UniCredit's General Manager, in the event that the General Manager is also the CEO;
- approval of Group incentive plans based on financial instruments;
- the remuneration policy for bank corporate officers (members of the Board of Directors, Board of Statutory Auditors, and Supervisory Board of Group companies).

ILLUSTRATE THE MAIN ACTIVITIES CARRIED OUT BY THE REMUNERATION COMMITTEE DURING THE PERIOD, WITH REGARD TO EACH OF ITS INDIVIDUAL FUNCTIONS.

During the Period, the Remuneration Committee has constantly monitored and analysed the remuneration system evolution in relation to the change of the reference scenario caused by the financial crisis occurred and to the recommendations and provisions as set out by Supervisory Authorities and main international institutions. The Committee provided the Board of Directors with opinions primarily in relation to the definition of the compensation policy to be submitted to the approval of the Shareholders' Meeting, to the Group's incentive systems for the executives, to the remuneration of the Top Management and of the corporate officers. The Committee monitored

the coherent implementation of the policies and the systems as well as the execution of the delegated powers.

INDICATE IF THE MEETINGS OF THE REMUNERATION COMMITTEE WERE DULY RECORDED (CRITERIA 5.C.1., LETT. D).

Minutes were taken of each meeting of the Remuneration Committee and placed on record by the Secretary designated by the said Committee.

INDICATE IF, IN THE PERFORMANCE OF THEIR DUTIES, THE REMUNERATION COMMITTEE HAS THE RIGHT TO ACCESS ALL NECESSARY COMPANY INFORMATION AND FUNCTIONS, AS WELL AS TO AVAIL ITSELF OF EXTERNAL ADVISERS, ACCORDING TO THE PROCEDURES ESTABLISHED BY THE BOARD OF DIRECTORS (CRITERIA 5.C.1., LETT. E).

The Remuneration Committee, through its Chairman, has had access to all the information and corporate functions as required for performing its duties, and for this purpose relied on the support of the corporate head office structures as well as of a major external independent consultant.

SPECIFY THE FINANCIAL RESOURCES AT DISPOSAL OF THE REMUNERATION COMMITTEE IN ORDER TO CARRY OUT ITS DUTIES.

During the Period, spending requirements of the Committee were covered using the Top Management's budget. However all the Board Committees may have their own budget which may be increased to meet specific needs. In particular the Remuneration Committee was able to get the advice of a primary independent external advisor which guaranteed the availability of the updated information needed for the decisional processes.

## 9. REMUNERATION OF DIRECTORS

INDICATE IF A SIGNIFICANT PART OF THE REMUNERATION OF EXECUTIVE DIRECTORS IS LINKED TO THE ECONOMIC RESULTS ACHIEVED BY THE ISSUER AND/OR THE ACHIEVEMENT OF SPECIFIC GOALS INDICATED IN ADVANCE BY THE BOARD OF DIRECTORS (CRITERIA 7.C.1.).

According to Group compensation policy and to the recommendations of the national and international authorities, the Chief Executive Officer (as the sole executive director sitting on the Board of Directors and employee of the Company) - consistently with the other executives with strategic responsibilities - has a significant part of his remuneration linked to the economic results of UniCredit, taking also into consideration the overall profitability, weighted by risk and cost of capital. 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. It is also foreseen the deferral of a significant part of the incentive with payout conditional to the achievement of further performance conditions over the following financial years.

INDICATE IF A SIGNIFICANT PART OF THE REMUNERATION OF EXECUTIVES WITH STRATEGIC RESPONSIBILITIES IS LINKED TO THE ECONOMIC RESULTS ACHIEVED BY THE ISSUER AND/OR THE ACHIEVEMENT OF SPECIFIC GOALS INDICATED IN ADVANCE BY THE MANAGING DIRECTORS (CRITERIA 7.C.1.).

As previously said, according to Group compensation policy and to the recommendations of the Supervisory Authorities as well as of the national and international institutions, the executives with strategic responsibilities 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. Such a variable compensation is linked to the achievement of specific goals and provides for the deferral of a significant part of the incentive with payout subject to the achievement of further performance conditions over the following financial years. The specific performance goals are indicated by the Chief Executive Officer, with an exception for the Heads of the Internal Control functions<sup>9</sup> whose targets, pursuant to the provisions of Banca d'Italia and to the Group Compensation Policy, 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 (the remuneration of the Head of the Internal Audit function is subject to the opinion of the Internal Control & Risks Committee).

In particular, the targets of the Heads of the Internal Audit and 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 ("CRO") and the Manager in charge of preparing company's financial reports ("CFO"), the Board of Directors has verified the existence of valid reasons to insert, in a limited measure, goals linked to the performance results of UniCredit.

INDICATE IF THERE ARE INCENTIVE PLANS BASED ON SHARES IN FAVOUR OF EXECUTIVE DIRECTORS AND EXECUTIVES WITH STRATEGIC RESPONSIBILITIES.

Since 2000, UniCredit has launched out incentive plans for the Top Management (therefore including also the Chief Executive Officer and the executives with strategic responsibilities).

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<sup>9</sup> Heads of Internal Audit Functions, Compliance and Risk Management. Furthermore - due to the sensitivity of the activities carried out - also the Manager charged with preparing a Company's Financial Reports is included in such definition.

For the 2009 financial year only, the Board of Directors resolved to not launch a new equity based plan, approving, instead, a long-term cash incentive plan. Therefore, during the Period, neither the Chief Executive Officer nor the executives holding strategic responsibilities were beneficiaries of any corporate incentive plan based on financial instruments.

With regard to the 2010 financial year, a new equity based long-term incentive plan, that will be submitted to the approval of the Shareholding's Meeting, is under consideration.

IF A VARIABLE REMUNERATION IS ENVISAGED, CAN THE ISSUER SPECIFY THE CRITERIA AIMED AT DEFINITION OF SUCH VARIABLE PART.

The variable part of the remuneration of executives with strategic responsibilities is strictly linked to the overall profitability of the Group, weighted by risk and cost of capital. Specific individual goals are set out taking into consideration the best market practices and the role assigned within the UniCredit 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 customer, risk and financial sustainability indicators and profitability measures also related to the industry peers. The remuneration policy defined by the Board of Directors and approved by the Shareholder's Meeting provides for the definition of the relative weight of the different components of the remuneration ("*pay mix*"). As a matter of fact such provision sets a cap to the variable part of the remuneration, thus guaranteeing, overall, to maintain a balanced total compensation.

INDICATE IF A SIGNIFICANT PART OF THE REMUNERATION OF NON-EXECUTIVE DIRECTORS IS LINKED TO THE ECONOMIC RESULTS ACHIEVED BY THE ISSUER (CRITERIA 7.C.2.).

The compensation paid to non-executive directors is not linked to the economic results achieved by UniCredit.

INDICATE IF NON-EXECUTIVE DIRECTORS ARE THE BENEFICIARIES OF INCENTIVE PLANS BASED ON SHARES (CRITERIA 7.C.2.).

No non-executive director is beneficiary of incentive plans based on stock options or, generally, based on financial instruments.

BRIEFLY ILLUSTRATE THE CRITERIA FOR DETERMINING THE REMUNERATION OF NON-EXECUTIVE DIRECTORS.

The Shareholders' Meeting determines the overall remuneration of the directors. Moreover, the Remuneration Committee plays an active role in evaluating remuneration proposals for directors holding particular positions pursuant to Art. 2389 of the Italian Civil Code.

**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)**

INDICATE IF ANY AGREEMENTS ARE IN PLACE ENVISAGING INDEMNITIES PAYABLE TO DIRECTORS IN THE EVENT OF RESIGNATIONS OR DISMISSALS/ANNULLED APPOINTMENTS WITHOUT JUST CAUSE OR IF THE EMPLOYMENT RELATIONSHIP CEASES TO EXIST FOLLOWING A PUBLIC PURCHASE OFFER. IF SO, INDICATE THE DIRECTORS' NAME, THE MAIN CLAUSES OF THE AGREEMENT AND THE AMOUNT OF THE RELEVANT INDEMNITIES.

The employment agreement of the Chief Executive Officer, agreed in May 2000, provides that in case of dismissal or revocation by the Company without good cause, the Chief Executive Officer is entitled to receive an indemnity - in line with the provisions set forth in the National Collective Labour Agreement for executives with similar seniority - equal to 36 months of global annual compensation and to maintain the subscription rights for UniCredit shares granted to him.

## 10. INTERNAL CONTROL COMMITTEE

INDICATE IF THE BOARD APPOINTS AN INTERNAL CONTROL COMMITTEE (PRINCIPLE 8.P.4.).

As early as June 2000 UniCredit had instituted an Audit Committee. On 3 August 2007, this Committee was renamed the Audit & Risks Committee, and at the same time its functions were increased. Later, on 22 January 2008, the Committee was again renamed, this time to the Internal Control & Risks Committee in line with the new functions attributed to it.

### **Composition and functioning of the internal control committee (as per Sect. 123/bis, paragraph 2, letter d), of TUF)**

PROVIDE DETAILS CONCERNING THE COMPOSITION AND FUNCTIONING OF THE INTERNAL CONTROL COMMITTEE.

IN PARTICULAR, SPECIFY THE FOLLOWING INFORMATION, ALSO USING THE SCHEDULE NR. 2 IN THE APPENDIX:

- NUMBER OF INTERNAL CONTROL COMMITTEE MEETINGS HELD DURING THE PERIOD;
- AVERAGE DURATION OF THE COMMITTEE MEETINGS;
- EFFECTIVE ATTENDANCE OF EACH MEMBER IN THE MEETINGS HELD;
- NUMBER OF COMMITTEE MEETINGS PLANNED DURING THE CURRENT YEAR, SPECIFYING THE NUMBER OF MEETINGS ALREADY HELD.

The composition of the Internal Control & Risks Committee is contained in Schedule nr. 2 “Board of Directors and Committees structure” of the Appendix to this Report.

During the Period the Internal Control & Risks Committee held 12 meetings.

The Committee meetings lasted for an average of 3,25 hours.

The Board of Director’s Regulations requires the Internal Control & Risks Committee to schedule its meetings at least quarterly. Anyway, as a rule, the Board Committees meet monthly. As at 16 March 2010, 3 meetings of the Internal Control & Risks Committee have been held.

INDICATE IF THE INTERNAL CONTROL COMMITTEE WAS COMPRISED OF NON-EXECUTIVE DIRECTORS DURING THE PERIOD, MOST OF WHOM WERE INDEPENDENT, OR ALTERNATIVELY, EXCLUSIVELY OF INDEPENDENT DIRECTORS, IF THE ISSUER IS CONTROLLED BY ANOTHER LISTED COMPANY (PRINCIPLE 8.P.4.).

The Internal Control & Risks Committee is comprised of non-executive Directors, the majority of whom is independent (cf. Schedule nr. 2 of the Appendix).

INDICATE IF THE INTERNAL CONTROL COMMITTEE WAS COMPRISED OF AT LEAST THREE MEMBERS DURING THE PERIOD, OR – IF THE BOARD OF DIRECTORS IS MANNED BY NO MORE THAN FIVE MEMBERS - OF ONLY TWO DIRECTORS, BOTH INDEPENDENT (CRITERIA 5.C.1., LETT. A).

The Internal Control & Risks Committee is comprised of 7 members (5 members until 12 May 2009), all independent pursuant to Sect. 148, paragraph 3, of Legislative Decree nr. 58 dated 24 February 1998. The majority of the members (6 out of 7) meets the independence requirements prescribed by the Code. The Chairman of the Board of Directors and Deputy Vice Chairman are members by right.

INDICATE IF AT LEAST ONE MEMBER OF THE COMMITTEE HAS ADEQUATE EXPERIENCE IN ACCOUNTING AND FINANCE, AS JUDGED BY THE BOARD OF DIRECTORS AT THE TIME OF HIS/HER APPOINTMENT (PRINCIPLE 8.P.4.).

While all the members of the Committee possess the professional qualifications required by the current legal and regulatory provisions, each of the members possess specific technical skills in the subjects of competence of the Committee; some of them, in particular, have experience in accounting and tax related subjects.

IF PERSONS WHO ARE NOT MEMBERS OF THE INTERNAL CONTROL COMMITTEE ATTENDED MEETINGS, INDICATE IF SUCH PARTICIPATION IS BY INVITATION ONLY AND SPECIFICALLY TO DISCUSS INDIVIDUAL ITEMS ON THE AGENDA (CRITERIA 5.C.1., LETT. F).

The Chairman of the Board of Statutory Auditors or other Auditors attend the meetings of the Internal Control & Risks Committee. The Committee has permanently invited the following individuals to attend its meetings: the Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Head of the Internal Audit, General Counsel & Group Compliance Officer.

The Committee has invited to attend its meetings, depending on the topics appearing from time to time on the agenda, members of the accounting firm (KPMG S.p.A.), other Company managers, as well as the representatives of Audit Committee of any subsidiaries.

### **Functions attributed to the Internal Control Committee**

INDICATE IF THE INTERNAL CONTROL COMMITTEE IS IN CHARGE OF:

ASSISTING THE BOARD OF DIRECTORS WITH REGARD TO FULFILLING ITS DUTIES AS PER THE CODE CONCERNING THE INTERNAL CONTROL SYSTEM (CRITERIA 8.C.1.);

The Internal Control & Risks Committee is called upon to support the Board of Directors in defining guidelines for the internal control system as well as in reviewing its adequacy, efficiency and effectiveness, at least once a year. Moreover, the Committee supports the Board of Directors in determining the risk management policies, verifying the compatibility of such risks with the sound and proper management of the Company (i.e. risk appetite). The Internal Control & Risks Committee has also been charged with analysing periodical reports on the audit systems.

EVALUATING, TOGETHER WITH THE MANAGER CHARGED WITH PREPARING A COMPANY'S FINANCIAL REPORTS AND THE AUDITORS, THE CORRECT UTILISATION OF THE ACCOUNTING PRINCIPLES AND, IN THE EVENT OF GROUPS, THEIR CONSISTENCY FOR THE PURPOSES OF DRAFTING THE CONSOLIDATED FINANCIAL STATEMENTS (CRITERIA 8.C.3., LETT. A);

The Internal Control & Risks Committee is called upon to examine the information supplied by the Manager charged with preparing a company's financial reports on the correct application of the accounting principles and their homogeneity in order to drawing up the balance sheet at consolidated level.

UPON REQUEST OF THE EXECUTIVE DIRECTOR, EXPRESSING OPINIONS ON SPECIFIC ASPECTS RELATING TO THE IDENTIFICATION OF THE PRINCIPAL RISKS FOR THE COMPANY AS WELL AS THE DESIGN, IMPLEMENTATION AND MANAGEMENT OF THE INTERNAL CONTROL SYSTEM (CRITERIA 8.C.3., LETT. B);

The Internal Control & Risks Committee is in charge of supporting the Board of Directors in its task of ensuring that the principal corporate risks are identified, managed and monitored adequately, and supervising the audit function's implementation of the guidelines issued by the Board in regards to the performance of third level inspections.

REVIEWING THE WORK PLAN PREPARED BY THE OFFICERS IN CHARGE OF INTERNAL CONTROL AS WELL AS THE PERIODICAL REPORTS PREPARED BY THEM (CRITERIA 8.C.3., LETT. C);

The Internal Control & Risks Committee is in charge of analysing the guidelines and assessing the annual audit plan prepared by the Head of the Internal Audit, receiving periodical reports, and if necessary may ask for specific audits to be conducted outside of the annual audit plan.

EVALUATING THE PROPOSALS SUBMITTED BY THE AUDITING FIRM FOR CHOOSING AN AUDITING FIRM, AS WELL AS THE WORK PLAN PREPARED FOR THE AUDIT AND THE RESULTS DESCRIBED IN THE REPORT AND LETTER OF SUGGESTIONS, IF ANY (CRITERIA 8.C.3., LETT. D);

In compliance with the responsibilities assigned to the Control Body according to the Italian provisions, the Internal Control & Risks Committee is in charge of examining the criteria and methods adopted for choosing an Auditing Firm and inspecting its work and the results set out in the report(s) and letter(s) of recommendation, if any, as well as monitoring relations with the Auditing Firms with regard – among other things – to consultancy contracts awarded to them by the holding company and group member companies.

SUPERVISING THE VALIDITY OF THE FINANCIAL AUDIT PROCESS (CRITERIA 8.C.3., LETT. E);

The Internal Control & Risks Committee is in charge of supervising the efficacy of the audit process.

REPORTING TO THE BOARD, AT LEAST ON A HALF YEARLY BASIS, ON THE OCCASION OF THE APPROVAL OF THE BALANCE SHEET AND THE HALF YEARLY REPORT, ON ACTIVITIES CARRIED OUT, AS WELL AS ON THE ADEQUACY OF THE INTERNAL CONTROL SYSTEM (CRITERIA 8.C.3., LETT. G).

The Internal Control & Risks Committee systematically reports to the Board on the activities carried out as well as on the adequacy of the internal control system.

INDICATE ANY FURTHER FUNCTIONS CARRIED OUT BY THE INTERNAL CONTROL COMMITTEE.

The Internal Control & Risks Committee is in charge of:

- support the Board to define guidelines for governing risks that the Group may be exposed to, periodically reviewing them to ensure their effectiveness and supervising the actual functioning of risk management and control processes in compliance with current legal and regulatory requirements;
- assessing any remarks contained in the audit reports received from UniCredit's Internal Audit Department or from the Board of Statutory Auditors of the Group Companies, or from third party investigations and/or analyses;
- support the Board, overseeing the Compliance function to ensure that it implements the non-compliance risk management policies defined by the Board; at least once a year, analyse the periodical report on the adequacy of the non-compliance risk management system and details concerning any relevant compliance breaches; examine the annual report on investment services, and also the half-yearly overall report on complaints received by UniCredit, based on data supplied by the complaints department;
- express its views concerning procedures for identifying and managing transactions with related parties of UniCredit and the Group member companies.



ILLUSTRATE THE MAIN ACTIVITIES CARRIED OUT BY THE INTERNAL CONTROL COMMITTEE DURING THE PERIOD, WITH REGARD TO ITS INDIVIDUAL FUNCTIONS.

The Internal Control & Risk Committee has complied with the provisions contained in its regulations and has also examined – giving opinion and, when necessary, making proposal to the Board of Directors - the Group's control activity, the quarterly and half-year reports as well as the annual financial statement at consolidated level. During its meetings, the Committee has received and examined the reports prepared on a regular basis by the Internal Audit Department, as well as adequate information on quarterly and half-yearly consolidated financial reports, and met representatives of the Auditing Firm. In order to prepare appropriate information on highly important matters joint meetings between the Committee and the Board of Statutory Auditors have been organised.

During its meetings, the Internal Control & Risks Committee faced many subjects with the purpose of providing advice and proposals: among others, the periodical Reporting on the capital adequacy and on the main risks, the process of risks evaluation by the Management and the following guidelines for the audit plans of the Group, the answers to the requests of the Supervisory Authorities.

Furthermore, the Committee received and examined the annual report drawn up by the Compliance function (i.e. Internal Document) on the adequacy of the non-compliance risk management with reference to the activity carried out and planned, included the analysis of the main non-compliance risks (Compliance Assessment Mapping) of UniCredit S.p.A. and of the relevant action plans (Compliance Activity Planning).

During the year, special meetings with the Chairmen of Audit Committees of the main subsidiaries/foreign sub-holding of the Group, External Auditors and Heads of the Internal Audit functions of the main Group subsidiaries have been organised.

Finally, as part of its ordinary activity, the Committee has organised specific training sessions on subjects of particular interest, e.g. the credit risk.

INDICATE IF THE CHAIRMAN OF THE BOARD OF AUDITORS OR ANY OTHER AUDITORS DESIGNATED BY THE CHAIRMAN OF THE BOARD OF AUDITORS, PARTICIPATES IN INTERNAL CONTROL COMMITTEE MEETINGS (CRITERIA 8.C.4.).

The Chairman of the Board of Statutory Auditors, or an Auditor designed by the same, attended the Internal Control & Risks Committee meetings.

INDICATE IF THE MEETINGS OF THE INTERNAL CONTROL COMMITTEE WERE DULY RECORDED (CRITERIA 5.C.1., LETT. D).

The meetings of the Internal Control & Risks Committee were transcribed and placed on record by the Secretary designated by the said Committee.

INDICATE IF, IN THE PERFORMANCE OF THEIR DUTIES, THE INTERNAL CONTROL COMMITTEE HAS THE RIGHT TO ACCESS THE NECESSARY COMPANY INFORMATION AND FUNCTIONS, AS WELL AS TO AVAIL ITSELF OF EXTERNAL ADVISERS, ACCORDING TO THE PROCEDURES ESTABLISHED BY THE BOARD OF DIRECTORS (CRITERIA 5.C.1., LETT. E).

As required for performing its duties, the Internal Control & Risks Committee has been able to relied on the support of the head office's structures as well as that of external consultants.

SPECIFY THE FINANCIAL RESOURCES AT THE DISPOSAL OF THE INTERNAL CONTROL COMMITTEE IN ORDER TO CARRY OUT ITS DUTIES.

During the Period, spending requirements of the Committee were covered using the Top Management's budget. However all the Board Committees may have their own budget which may be increased to meet specific needs.

## 11. INTERNAL CONTROL SYSTEM

INDICATE IF THE BOARD DEFINES GUIDE-LINES FOR THE INTERNAL CONTROL SYSTEM, SO THAT THE MAIN RISKS CONCERNING THE ISSUER AND ITS SUBSIDIARIES ARE CORRECTLY IDENTIFIED AND ADEQUATELY MEASURED, MANAGED AND MONITORED, AND IF CRITERIA ARE DETERMINED FOR DETERMINING WHETHER SUCH RISKS ARE COMPATIBLE WITH THE SOUND AND PROPER MANAGEMENT OF THE COMPANY (CRITERIA 8.C.1., LETT. A).

UniCredit's Board of Directors has defined the guidelines for its internal control systems, ensuring that all principal Group risks have been correctly identified and adequately managed and monitored.

DESCRIBE THE MAIN FEATURES OF THE INTERNAL CONTROL SYSTEM (CRITERIA 8.C.1., LETT. D).

An effective and efficient internal control system is one basic precondition for medium-long term value creation, safeguarding asset value and correctly perceiving risk, thus enabling appropriate capital allocation.

As Holding Company of a Banking Group, the organizational structure of UniCredit is divided in Functions providing guidance, support and control with the aim at directing, controlling and supporting the management of the activities and the relative risks of the Group as a whole and of individual companies. Within the above functions, the following "competence lines" have been identified: Planning, Finance and Administration (CFO), Risk Management (CRO), Legal and Compliance, Internal Audit, Human Resources, Organization e Identity & Communications.

More specifically, as prescribed by current legislation and in accordance with international best practices, UniCredit has based its internal control system on the coexistence and effectiveness of the following:

- units responsible for first-level controls, both operational and by supervisors;
- its Legal & Compliance Department<sup>10</sup> and Risk Management Department responsible for second-level controls in their respective areas;
- its Internal Audit Department, which carries out third-level controls.

The Compliance function is based on an organisational model characterised by:

- a direct supervision, through an internal function dedicated, of the Compliance risks of UniCredit S.p.A.;
- the Holding company has overall responsibility for Compliance-related activities on behalf Italian banks, fiduciary and financial companies (with the exclusion of sub-holding);
- the supervisory, strategic guidance and control function of the other Group Legal entities is carried out according to the Competence Line concept.

The "Compliance Service" supplied by UniCredit to the Italian Legal Entities belonging to the Group is regulated on the basis of a outsourcing contract. The aforesaid Legal Entity shall appoint the local Referent of Compliance who shall support the Head of the Compliance function of the Group (Group Compliance Officer) to apply the policy for the management of the Compliance defined at Group level.

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<sup>10</sup> The Compliance function is responsible regarding laws and regulations issued by Consob and Banca d'Italia that have a relevant impact on the external client and have a high reputational risk. It isn't competent on fiscal, labour (included Decree 81/08), accounting (included law 262/05), BIS II\* and Business Continuity matters that are under the competence of other functions.

Effective from 1 January 2010, several changes to the structure of Compliance have been carried out, more specifically:

1. the setting up of the “Global Compliance” department, headed by the Global Head of Group Compliance reporting to the General Counsel & Group Compliance Officer;
2. the transfer of the role and activities of the Group Representative (“Delegato Unico di Gruppo”), centralized responsible of any reporting suspicious transactions to the Financial Intelligence Unit on behalf of Italian Legal Entities of the Group, from the UniCredit Audit S.C.p.A. to UniCredit S.p.A.;
3. the setting up of the “Anti-Money Laundering Italy Office” department, which assists the Italian Legal Entities in managing the risks arising from AML regulations by providing them with the relevant guidelines and spreading within the Group the culture, behavior, principles and procedures consistent with such guidelines and directly supporting/managing the Group Representative (“Delegato Unico di Gruppo”) activities.

The Compliance Officer of UniCredit is Ms Nadine Faruque.

In particular, the Group Risk Management Department aims to:

- optimise the quality of the Group’s assets, minimise the cost of risks in line with the risk/profitability targets assigned to the business areas;
- guarantee strategic guidelines and the definition of the Group’s risk management policies;
- define and supply Division Heads and Legal Entities with criteria for evaluating, managing, measuring, monitoring and communicating risks (e.g. credit, market/liquidity and operational risks) and ensure consistency with risk control systems and procedures both at Group level and among the individual Legal Entities;
- build a risk-awareness culture across the whole Group through training and development initiatives for highly qualified personnel, in conjunction with the Human Resources/Global Banking Services functions.

The Chief Risk Officer of UniCredit is Mr. Carl Guha.

The UniCredit Internal Audit Department coordinates, regulates and monitors internal auditing carried out by internal audit functions throughout the Group.

The Board of Directors has set up the Internal Audit function with the aim at helping the safeguard and stability of the company's assets, and to provide a "reasonable guarantee" that the organization can pursue its goals efficiently through the:

- assessing whether the internal control system, as a whole, functions properly;
- checking that the running of the Legal Entities of the Group is in accordance with the Holding Company's guidelines;
- checking that activities are carried out correctly and in compliance with the relevant laws and regulations;
- assessing the efficiency and effectiveness of operating procedures;
- assisting the business Division and Legal Entities to create a clear picture of the exposure to and assessment of relevant risks at the Division and to implement the internal audit guidelines at the individual Legal Entities.

Every Legal Entities of the Group has set up a Internal Audit function responsible for third level inspections. Those inspections are directly carried out by the Internal Audit Department of the Holding Company and, if possible, are assigned to UniCredit Audit S.p.A., a specialist audit company.

The Internal Audit Department issues directives and operating standards to be complied with in control activities; examines annual audit plans of the companies directly controlled issuing “non

binding opinion” and relying on the Audit Function of the relevant Sub-holding/Legal Entities directly controlled in order to analyse and issue of “non binding opinion” of annual plans of the Companies indirectly controlled, according to a well-established and defined process.

Such Department determines the content and distribution procedures for regular circulation of information and promotes development and implementation in the Group of standard audit methods, taking advantage of the skills and best practice to be found in the various Group entities’ Audit Functions.

All the Group Entities’ Internal Audit Functions accordingly cooperate with the UniCredit Internal Audit Department, by developing effective relations with it and providing regular information as requested by it.

UniCredit’s indirectly controlled Group entities, monitoring internal auditing is delegated, within a framework defined by the Internal Audit Department, to the Audit Functions of the responsible Sub-holding Companies or directly controlled Group entities.

The Internal Audit Department, through a specific periodical managerial report in favour of the Group top management supplies information on the relevant problems coming out by the audit activities carried out across the whole Group.

During 2009, a new organizational structure of the Internal Audit Department became operative, aimed to improve the directing, coordinating and controlling function of the Holding Company.

The Head of the Internal Audit Department is Mr. Ranieri de Marchis (who takes the place of Ms. Elisabetta Magistretti on May 2009).

IN PARTICULAR, DESCRIBE THE MAIN CHARACTERISTICS OF EXISTING RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS USED IN RELATION TO THE FINANCIAL REPORTING PROCESS, INCLUDING CONSOLIDATED REPORTS, WHERE APPLICABLE (EX SECT. 123/BIS, PARAGRAPH 2, LETTER B), OF TUF).

As for the main features of the system of risk management and internal control involved in relation to the financial reporting process, including consolidated, under the provisions of Sect. 154/bis of TUF, the Manager charged with preparing a company’s financial reports of UniCredit has the responsibility to provide, and to give enforcement, adequate administrative and accounting procedures to produce financial statements, as well as all other financial communications towards the Market (cf. Section 11.5).

The Manager charged with preparing a company’s financial reports must also certify jointly to the CEO, with a special report on the Annual and Half Year Financial Statements and Consolidated Financial Statements:

- the adequate and effective implementation of administrative and accounting procedures;
- compliance with recognized international accounting standards applicable in the European Community under Regulation (EC) nr. 1606/2002;
- correspondence with the issues of books and records;
- the suitability to provide a true and fair view of financial position, financial and economic, of both Holding and all the Subsidiaries included in the consolidation;
- inclusion in the annual report of a fair review of the development and the outcome of management, and the environment of both Holding and all the Subsidiaries included in consolidation, describing also the principal risks and uncertainties faced.

In order to fully comply with the provisions of law, the Board of Directors has approved a specific Policy on the “Internal Control System on Financial Reporting”, in which they were supplied to the general criteria and the operational arrangements for implementing, as well as defined the

responsibilities and relationships between the Holding, the Sub-Holding and the Subsidiary's assessment of the status of the Internal Control System on Financial Reporting.

The Policy seeks to ensure the accuracy and completeness of financial reporting through:

- reinforce and enhance related Corporate Governance:
  - wide-spreading executive responsibility,
  - ensuring a coherent “tone at the top” of Companies;
- reach a larger awareness at the operational level of the risks associated to Financial Reporting production;
- systematically put law relevant risks under control in order to keep them at an acceptable level.

The Internal Control System of Financial Reporting activity adopted includes the application of a common methodological framework, based on:

- relying on a homogeneous central defined model, consistent with the “*Internal Control – Integrated Framework (CoSO)*” and with the “*Control Objective for IT and Related Technologies (Cobit)*”, that represent the reference standard for the systems of internal control, for financial reporting in particular, internationally accepted;
- operational mechanisms which ensure constant updating of the model, assigning specific responsibilities to the owners;
- spread of the model through training programs.

The Policy also defines parameters for the detection of Subsidiaries that have to implement the Internal Control System on Financial Reporting.

The operational implementation of the Policy is based on the identification, both for the Holding and the Subsidiaries involved, of accounting and administrative, business, management and support processes that have significant impact on balance sheet items, according to predefined quantitative parameters.

Have therefore been identified criteria for the definition of materiality thresholds for the detection of balance sheet items to be considered significant, both for the Holding and the Subsidiaries, and related macroprocesses below, to which is then evaluated the relative riskness to prevent errors.

For the processes identified in this manner, existing controls and the owners in charge for them are detected; the owners have to be first evaluated the effectiveness of the controls, pointing out any possible action to be implemented to reduce the associated level of risk, and checks have to be confirmed periodically.

For Sub-Holding and the Subsidiaries, it is also defined a flow of claims relating to the Internal Control System on Financial Reporting activated, in analogy to the approach taken by the Holding. As foreseen in fact:

- the responsibility of Governing Bodies of the Sub-Holding and the Subsidiary for the certification on adequacy and effective application of both the administrative and accounting procedures and controls, in respect of Information System; in particular it is the responsibility of the Sub-Holding Bodies to certify towards the Holding for all the Subsidiaries included in their scope of consolidation;
- the definition of the roles of Sub-Holding and Subsidiary Manager charged with preparing a company's financial reports and CEO, assigning them the responsibility of systematically reporting to their Governing Bodies the status of the Internal Control System on Financial Reporting;
- the involvement of the Executive Management Committee (or equivalent body) of the Sub-Holding and of the Subsidiary in order to ensure the adequate support to the Manager

charged with preparing a company's financial reports and the CEO in applying the model and implementing the remediation plan;

- validation of documentation and confirmation of the implementation of the first level control managerial responsibility of each Subsidiary and technology organization. For this purpose it is required that each procedure and each control have to be documented, assessed, tested and validated, taking into consideration that there must be a unique owner in charge for those activities.

The Policy provides, finally, the involvement of the Holding Governing Bodies. In particular:

- the Board of Directors: in occasion of Annual and Half Year Financial Statement and Annual and Half Year Consolidated Report and Accounts presentation, the CEO and the Manager charged with preparing a company's financial reports provide a report regarding both the Internal Control System on Financial Reporting and the format to be signed for comply with the law requirements;
- the Internal Control and Risks Committee: in occasion of Annual and Half Year Financial Statements presentation, the Manager charged with preparing a company's financial reports provides a report on the results of the Internal Control System on Financial Reporting that synthesizes the status provided by Subsidiaries and Sub-Holding involved in the scoping. In addition, in occasion of the 1<sup>st</sup> and the 3<sup>rd</sup> quarter Financial Statements presentation, the Manager charged with preparing a company's financial reports provides an update on the status of remediation actions identified;
- the Executive Management Committee (EMC): it is meeting (at least) quarterly to share the status of activities.

The Holding too has to validate the documentation and confirm the implementation of the first level control managerial responsibility of the operations. For this purpose it is required that each procedure and each control have to be documented, assessed, tested and validated, taking into consideration that there must be a unique owner in charge for those activities.

INDICATE IF, DURING THE PERIOD, THE BOARD EVALUATES THE ADEQUACY, EFFECTIVENESS AND FUNCTIONING OF THE INTERNAL CONTROL SYSTEM (CRITERIA 8.C.1., LETT. C).  
IF SO, ILLUSTRATE THE PROCESS AND THE OUTCOME OF THE EVALUATION.

During the Period, the Board of Directors assessed the efficiency, effectiveness and actual functioning of the internal control systems, through the Internal Control & Risks Committee which regularly receives:

- reports by the Head of the Internal Audit Department;
- reports by the Business Division heads on risk analysis and mitigation undertaken;
- reports by the Head of Risk Management;
- the Internal Document of the Compliance function;
- report by the Manager in charge of preparing the company's financial reports on the correct adoption of the accounting principles and their homogeneity in the drawing up of the consolidated financial statement.

## 11.1 EXECUTIVE DIRECTOR IN CHARGE OF THE INTERNAL CONTROL SYSTEM

INDICATE IF THE BOARD APPOINTED AN EXECUTIVE DIRECTOR FOR SUPERVISING THE FUNCTIONALITY OF THE INTERNAL CONTROL SYSTEM (CRITERIA 8.C.1., LETT. B).  
IF SO, INDICATE THE DIRECTOR THUS DESIGNATED.

The executive director responsible for the functionality of the internal control system is the CEO.

IF APPOINTED, INDICATE IF THE EXECUTIVE DIRECTOR RESPONSIBLE FOR SUPERVISING THE FUNCTIONALITY OF THE INTERNAL CONTROL SYSTEM:

IDENTIFIED THE MAIN BUSINESS RISKS (STRATEGIC, FINANCIAL AND COMPLIANCE RISKS), TAKING INTO ACCOUNT THE CHARACTERISTICS OF THE ACTIVITIES CARRIED OUT BY THE ISSUER AND ITS SUBSIDIARIES, AND SUBMITTED THEM PERIODICALLY TO THE REVIEW OF THE BOARD OF DIRECTORS (CRITERIA 8.C.5., LETT. A).

The overall supervision of the main risks to which the Group is exposed - taking into account the characteristics of the business - is carried out by the Board of Directors, supported by the Internal Control & Risks Committee, which the CEO is regularly invited to attend.

Regarding non-compliance risk:

- the Board of Directors, after consulting the Board of Auditors, shall approve the compliance risk management policies assess, at least once a year, with the technical support of the Internal Control & Risks Committee, the adequacy of the organizational structure and of the qualitative and quantitative resources related to the Compliance function and analyse the periodical reports on the control system adequacy and on the non-compliance risks management;
- the CEO shall ensure the effective management of compliance risk defining, among many, appropriate compliance policies and procedures, ensuring that the policies and procedures are observed within the bank, ensuring, in the event of violations, that the necessary remedies are implemented and establishing reporting mechanisms to ensure that the Bank's governing bodies are fully aware of non-compliance risk management processes. Together with the Compliance function, the CEO shall identify and evaluate at least once at year the main non-compliance risks to which the Company is exposed and plan the relevant interventions as well as report to the Board of Directors and to the Board of Statutory Auditors at least once at year on the adequacy of the non-compliance risks management.

IMPLEMENTED THE GUIDELINES DEFINED BY THE BOARD OF DIRECTORS, THROUGH THE DESIGN, IMPLEMENTATION AND MANAGEMENT OF THE INTERNAL CONTROL SYSTEM, CONSTANTLY MONITORING ITS OVERALL ADEQUACY, EFFECTIVENESS AND EFFICIENCY (CRITERIA 8.C.5., LETT. B).

The Chief Executive Officer has implemented the guidelines of the Board of Directors through the design, management and monitoring of the internal control system.

Regarding third level inspections performed by the audit function, which reports to the Board of Directors, the Chief Executive Officer has assessed the guidelines relative to audit activities, has proposed to expand the annual audit plan in order to conduct specific audits. Moreover, he issued a preliminary non binding opinion on the proposal concerning the organizational adequacy of the Internal Audit Department personnel.

The Chief Executive Officer ensured the effective management of compliance risk verifying continuously its real adequacy, using among others the definition of appropriate compliance policies and procedures; moreover the Chief Executive Officer provides that guidelines for the



model implementation are communicate to Group's Entities and controls - by means of relevant Holding Company Functions - their correct and timely implementation.

ADAPTED SUCH SYSTEM TO THE DYNAMICS OF THE PREVAILING OPERATING CONDITIONS AND THE LEGISLATIVE AND REGULATORY FRAMEWORK (CRITERIA 8.C.5., LETT. B).

The CEO regularly sees to the adaptation of the control system to changes in operational conditions and the legislative and regulatory framework.

PROPOSED TO THE BOARD OF DIRECTORS THE APPOINTMENT, REVOCATION AND REMUNERATION OF THE HEAD OF THE INTERNAL AUDIT FUNCTION (CRITERIA 8.C.5., LETT. C).

The Chairman of the Board of Directors submits proposals to the Board of Directors – after having acquired the opinion of the Internal Control & Risks Committee - regarding the appointment or replacement of the Head of the Internal Audit function.

The Chief Executive Officer submits proposals to the Board of Directors as to the appointment or replacement of the Head of the Compliance Function.

With regard to the remuneration of the aforesaid individuals, reference is made to information contained elsewhere herein.

## **11.2. PERSON IN CHARGE OF INTERNAL CONTROL**

INDICATE IF THE BOARD OF DIRECTORS APPOINTED ONE OR MORE PEOPLE TO ENSURE THAT THE INTERNAL CONTROL SYSTEM IS ALWAYS ADEQUATE, FULLY OPERATIONAL AND EFFECTIVE (PERSONS IN CHARGE OF INTERNAL CONTROL) (CRITERIA 8.C.6., LETT. A).

IF SO, INDICATE THE NAME OF THE PERSON(S) IN CHARGE OF INTERNAL CONTROL AND SPECIFY IF THE APPOINTMENT IS MADE UPON THE PROPOSAL OF THE EXECUTIVE DIRECTOR IN CHARGE OF SUPERVISING THE FUNCTIONALITY OF THE INTERNAL CONTROL SYSTEM, AFTER CONSULTING WITH THE INTERNAL CONTROL COMMITTEE (CRITERIA 8.C.1.).

The Board of Directors has not assumed a formal resolution regarding the appointment of the person in charge of the Internal Control. As an authorised bank and Parent of a banking group, UniCredit has set up an Internal Audit Function. The person in charge of internal control is therefore the same as the Head of the Internal Audit function.

The Head of the Internal Audit Department is Mr. Ranieri de Marchis (see par. 11 above).

INDICATE IF THE BOARD OF DIRECTORS, UPON PROPOSAL OF THE EXECUTIVE DIRECTOR IN CHARGE OF SUPERVISING THE FUNCTIONALITY OF THE INTERNAL CONTROL SYSTEM AND AFTER CONSULTING WITH THE INTERNAL CONTROL COMMITTEE, DEFINES THE REMUNERATION OF THE PERSON(S) IN CHARGE OF INTERNAL CONTROL IN LINE WITH THE COMPANY'S POLICIES (CRITERIA 8.C.1.).

The Board of Directors, based on the opinion of the Chief Executive Officer and the Internal Control & Risks Committee, decided on the remuneration of the Person in charge of Internal Control coherently with company policies.

INDICATE IF THE PERSON(S) IN CHARGE OF INTERNAL CONTROL IS/ARE NOT RESPONSIBLE FOR ANY OPERATIONAL DIVISIONS AND DOES/DO NOT REPORT HIERARCHICALLY TO ANY MANAGER OF OPERATIONAL DIVISIONS, INCLUDING THE ADMINISTRATION AND FINANCE DIVISIONS (CRITERIA 8.C.6., LETT. B).

The Head of the Internal Audit Department is not responsible for any operating areas and does not report hierarchically to any heads of operating areas, including the administration and finance areas.

INDICATE IF THE PERSON(S) IN CHARGE OF INTERNAL CONTROL:

HAS (HAVE) DIRECT ACCESS TO ALL NECESSARY INFORMATION FOR THE PERFORMANCE OF HIS/HER (THEIR) DUTIES; (CRITERIA 8.C.6., LETT. C);

The Person in charge of Internal Control has direct access to all the information required to perform their duties.

REPORTS ON HIS/HER (THEIR) ACTIVITY TO THE INTERNAL CONTROL COMMITTEE<sup>11</sup> AND THE BOARD OF AUDITORS (CRITERIA 8.C.6., LETT. E);

The Person in charge of Internal Control provided “ongoing” updates on her activities, including delivering copies of audit reports to the Chief Executive Officer, the Board of Statutory Auditors and the Internal Control & Risks Committee. Moreover, he reports at least quarterly to the Internal Control & Risks Committee on all audits performed, the results of which are reported in turn to the Board of Directors at least half-yearly.

REPORTS ON HIS/HER (THEIR) ACTIVITY ALSO TO THE EXECUTIVE DIRECTOR RESPONSIBLE FOR THE SUPERVISION OF THE FUNCTIONALITY OF THE INTERNAL CONTROL SYSTEM (CRITERIA 8.C.6., LETT. E).

The Person in charge of Internal Control reports on her activities directly to the Board of Directors, through the Internal Control & Risks Committee.

SPECIFY THE FINANCIAL RESOURCES AT DISPOSAL OF THE PERSON(S) IN CHARGE OF INTERNAL CONTROL IN ORDER TO CARRY OUT HIS/HER (THEIR) DUTIES.

The Person in charge of Internal Control has a budget as Head of a Department and takes part in the budgeting process during which the needs of the various structures are identified.

ILLUSTRATE THE MAIN ACTIVITIES CARRIED OUT BY THE PERSON(S) IN CHARGE OF INTERNAL CONTROL DURING THE PERIOD.

In 2009 the Parent’s Internal Audit Department, in compliance with the guidelines laid down by the Board of Directors, carried out numerous audits both of the Parent’s central departments and of its subsidiaries, in accordance with the operating procedures prescribed by Group standards; the results were promptly reported to the responsible corporate bodies. The Department also regularly reported to the Internal Control & Risk Committee and the Board of Statutory Auditors on the activity of the whole Competence Line.

As part of its directing, coordinating and controlling role the Department also regulated, coordinated and oversaw the auditing activity carried out by the internal audit functions of the whole Group.

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<sup>11</sup> When it exists

Inter alia, the Group Internal Audit Department continued to update current standards and policies in order to improve its support for the audit process components of planning, assessment and monitoring, taking advantage of the skills and best practice to be found in the Group.

In this respect, more specifically, the Department:

- has started up the project TAF (“Target Audit Framework”), aimed to totally improve the efficacy of the audit activity within the Group and to contribute to the periodical evaluation of the Internal Control System, through a common methodological approach. The project counts two steps: the first, for the definition of a common audit methodology within the Group; the second, for the fulfillment and the implementation of a sole IT application for the audit activity;
- has started up, within a dedicated organizational structure, the setting of a program of “Audit Quality Review”, aimed to improve the efficacy of the same audit, in addition to verify the compliance with the standards of audit;
- has actively contributed to the overall re-examination of the internal control systems, through the participation in the Project “ICS- Fully Integrated Internal Control System” together with the II Audit Functions of the Holding Company;
- has started up, with reference to Basilea II, the Project “European Working Group – Phase 3”, defining a three-year and an annual plan. The Project, divided in nr. 5 workstreams, will show the first results on the second half of 2010.

INDICATE IF THE ISSUER ESTABLISHED AN INTERNAL AUDIT FUNCTION (CRITERIA 8.C.7).  
IF SO, SPECIFY IF THE PERSON RESPONSIBLE FOR INTERNAL CONTROL IS THE SAME AS THE PERSON RESPONSIBLE FOR THE INTERNAL AUDIT FUNCTION.

As specified before, UniCredit, as an authorised bank and parent of a group, has set up an internal audit function. Accordingly the Person in charge of Internal Control is also the Head of the Internal Audit Department.

INDICATE IF THE INTERNAL AUDIT FUNCTION HAS BEEN ENTRUSTED, AS A WHOLE OR BY BUSINESS SEGMENTS, TO PERSONS EXTERNAL TO THE ISSUER.  
IF SO, INDICATE THE NAME OF SUCH EXTERNAL PERSONS, ANY CORPORATE RELATIONS WITH THE ISSUER, AND THE REASON FOR THIS DECISION (CRITERIA 8.C.8.).

UniCredit S.p.A.’s Internal Audit function has not entrusted to external parties.

### **11.3. ORGANIZATION MODEL as per Legislative Decree nr. 231/2001**

INDICATE IF THE ISSUER AND ITS STRATEGICALLY RELEVANT SUBSIDIARIES ADOPTED AN ORGANIZATION, MANAGEMENT AND CONTROL MODEL PURSUANT TO LEGISLATIVE DECREE NR. 231/2001.  
IF SO, BRIEFLY ILLUSTRATE THE MODEL, SPECIFYING, IN PARTICULAR, THE CRIMES THAT THE MODEL INTENDS TO PREVENT AND THE COMPOSITION OF THE CONTROL BODY HOLDING RESPONSIBILITY FOR OVERSEEING THE FUNCTIONING OF AND COMPLIANCE WITH THE MODEL .

On 4 May 2004 the Board of Directors approved an “Organization Model” for UniCredit, comprised of:

- a document – the “UniCredit S.p.A. Organization and Management Model” – divided into two sections: the first illustrating the aims and contents of the legislation concerning corporate administrative liability, and the second focussing on the contents of the Model;

- “decision-making protocols”, containing the rules to be complied with in performing activities at risk, for each of the Operating Units/Staff/Departments( of the company where the risk of committing crimes was detected;
- “Spending regulations”, already previously in force, identifying procedures for managing financial resources in such a way as to prevent criminal activities.

On 1° August 2008 the Board of Directors updated the “Organization and Management Model” as a consequence of the important structural and organizational changes in the Holding Company structure as well as the large number of legislative amendments that widened the number of crimes.

While employees who perform activities defined as being at risk are required to respect a specific set of rules as per the decision-making protocols, the “UniCredit S.p.A. Organisation and Management Model” addresses all UniCredit employees, regardless of the unit or department in which they work.

All employees are therefore required to respect the principles contained in the organisation model, and in particular to report to the 231 Supervisory Body – a collective body chaired, during the period, by a non-executive and independent director, and comprised of further four members, the Deputy CEO Head of GBS Strategic Business Area, the Heads of the Human Resources, Internal Audit and Legal & Compliance Departments, with the task of overseeing the functioning of and compliance with the model, and of keeping it up to date - any information concerning behaviour in breach of the rules of the Model or relating to criminal activities.

#### **11.4. AUDITING FIRM**

SPECIFY THE FOLLOWING INFORMATION:

- NAME OF THE AUDITING FIRM IN CHARGE OF AUDITING;
- DATE OF THE ASSIGNMENT;
- EXPIRY DATE OF THE ASSIGNMENT.

The Shareholders’ meeting on 10 May 2007 resolved to extend the auditing firm KPMG S.p.A.’s contract by another six years, therefore for the years 2007, 2008, 2009, 2010, 2011 and 2012; KPMG S.p.A. is the firm in charge of auditing the individual and consolidated financial statements, and overseeing the proper keeping of accounts and reporting of management matters in book entries.

In the report of the auditing firm issued pursuant to Sect. 156 of the Legislative Decree nr. 58 dated 24 February 1998, is also expressed the opinion of the same auditing firm pursuant to paragraph 4 of Sect. 123/bis of TUF.

## **11.5. MANAGER CHARGED WITH PREPARING A COMPANY'S FINANCIAL REPORTS**

INDICATE THE NAME OF THE MANAGER CHARGED WITH PREPARING A COMPANY'S FINANCIAL REPORTS, SPECIFYING HIS/HER ROLE IN THE ISSUER

The Manager charged with preparing a company's financial reports is Ms. Marina Natale, Chief Financial Officer of UniCredit, who takes the place of Mr. Ranieri de Marchis since 1 May 2009.

INDICATE THE PROFESSIONAL REQUIREMENTS AND MECHANISM FOR THE APPOINTMENT OF THE MANAGER CHARGED WITH PREPARING A COMPANY'S FINANCIAL REPORTS, AS PER THE ARTICLES OF ASSOCIATION.

In compliance with Art. 34 of UniCredit S.p.A.'s Articles of Association, the Manager charged with preparing a company's financial reports is chosen by the Board of Directors - subject to the mandatory favourable opinion of the Board of Statutory Auditors, and for a maximum term of three years; this person is chosen from among company executives possessing all of the following professional qualifications:

- a) degree (or equivalent) in economics, business administration or finance, earned in Italy or abroad;
- b) at least three years' experience as head of an internal structure devoted to the preparation of the financial statements, or as the Chief Financial Officer of a listed Italian or overseas joint stock company (or equivalent) (including UniCredit and its subsidiaries);
- c) employment rank at the time of appointment as an executive or higher.

INDICATE THE POWERS AND RESOURCES AT THE DISPOSAL OF THE MANAGER CHARGED WITH PREPARING A COMPANY'S FINANCIAL REPORTS.

In performing his duties, the Manager charged with preparing a company's financial reports may rely on the cooperation of all the UniCredit Group's structures.

The Board of Directors ensures that the aforesaid executive is granted the powers and resources required to perform the duties attributed as per current legislation, and respects all the relevant administrative and accounting procedures.

## 12. INTERESTS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES

INDICATE IF THE BOARD OF DIRECTORS ESTABLISHED APPROVAL AND IMPLEMENTATION PROCEDURES FOR TRANSACTIONS CARRIED OUT BY THE ISSUER OR ITS SUBSIDIARIES WITH RELATED PARTIES (CRITERIA 9.C.1.).

INDICATE IF THE BOARD OF DIRECTORS, IN IDENTIFYING THE APPROVAL AND IMPLEMENTATION PROCEDURES FOR TRANSACTIONS WITH RELATED PARTIES, DEFINES SPECIFIC TRANSACTIONS (OR DETERMINES THE CRITERIA FOR IDENTIFYING SUCH TRANSACTIONS), TO BE APPROVED AFTER CONSULTING WITH THE INTERNAL CONTROL COMMITTEE AND/OR WITH THE ASSISTANCE OF INDEPENDENT EXPERTS (CRITERIA 9.C.1.).

In performing its duties, one of the consolidated practices prevailing in the Company is that of consistently complying with the fairness rule applied to transactions with related parties as identified by Consob with reference to the international accounting standard known as “IAS 24”.

As a listed issuer the Company as far back as the late 1990s defined a process – in compliance with the recommendations issued to this end by Consob – for monitoring transactions with related parties and reporting them to the Board of Directors (and the Board of Statutory Auditors).

The process was later implemented when Sect. 150 of Leg. Decree nr. 58/98 was incorporated into Article 23 of the Articles of Association, the aim being to regulate the information flow towards the Board of Statutory Auditors, including transactions with related parties, and specifying their features, the parties involved and relevant economic, financial and equity-related impacts.

Disclosures are also provided periodically in the management report accompanying the financial statements.

As a listed issuer, the Company is also required to comply with the disclosure obligations envisaged by current regulations (approved by Consob resolution nr. 11971/99 – Sect. 71/bis) in the event of transactions with related parties, also through subsidiaries, which because of their subject, consideration, method or timing, may jeopardise the company’s assets or the accuracy or comprehensiveness of information, including that of a financial nature, pertaining to the issuer. In such cases, the Company must supply the public with information in the form of a suitable document drafted according to the format set out in the aforesaid regulations.

Without prejudice to the aforesaid reference framework, in 2003 the Company’s Board of Directors defined the criteria for identifying transactions with related parties, in line with the recommendations issued by Consob with its communication nr. 2064231 dated 30 September 2002.

The definition of related party was later revised in light of measures taken by Consob which – with communication nr. 14990 dated 14 April 2005 – standardised the definition of related party with that provided for the consolidated financial statements for the fulfillment of all the obligations of disclosure, making explicit reference to IAS 24 and abrogating, at the same time, its own communication nr n. 2064231 of September 2002.

Possible changes are being considered in the light of the rules which will be enacted on this matter by the Supervisory Authority.

BRIEFLY ILLUSTRATE THE APPROVAL AND IMPLEMENTATION PROCEDURES FOR TRANSACTIONS WITH RELATED PARTIES OR, IF AVAILABLE ON THE ISSUER’S WEBSITE, INDICATE THE RELEVANT WEB PAGE. ALSO DESCRIBE HOW THE PROCEDURE IS IMPLEMENTED IN THE MOST SIGNIFICANT CASES.

The Chief Executive Officer of UniCredit, exercising the powers granted him by the Board of Directors, issued the instructions required to systematically fulfil the aforementioned reporting requirements on the part of the Company and the members of the UniCredit Group.

Bearing in mind the aforesaid rules concerning intra-group transactions and/or those between UniCredit and related parties in general, whether Italian or foreign, all intra-group transactions were entered into on the basis of mutual economic convenience, and applicable conditions were defined in compliance with fairness criteria, in light of the shared objective of creating value across the Group. The aforesaid transactions were undertaken, as a rule, under similar conditions to those applying to transactions with independent third parties.

The same principle was also applied to the delivery of services, and to regulating the aforesaid services on a minimum basis commensurate with recovering the relative production costs.

More specifically, intra-group financial transactions are part and parcel of the routine activities of the operational Holding company of a complex banking group, and also relate to compliance with inter-bank payment systems by UniCredit's Treasury, and concern relations of correspondence, deposits and lending for both banks and other companies. Moreover, agreements have been signed between companies belonging to the Group concerning the distribution of financial products and/or services, support, consultancy or the general provision of services complementary to the banking business.

Details on the most significant intra-group transactions can be found in the Management Report pertaining to the financial statements of the Company and the Management Report pertaining to the consolidated Group financial statements.

INDICATE IF THE BOARD OF DIRECTORS ADOPTED SPECIAL OPERATING SOLUTIONS SUITABLE FOR FACILITATING THE IDENTIFICATION AND ADEQUATE HANDLING OF SITUATIONS IN WHICH A DIRECTOR HOLDS AN INTEREST ON HIS/HER BEHALF OR ON BEHALF OF THIRD PARTIES. (CRITERIA 9.C.2.).  
IF SO, DESCRIBE HOW THE OPERATING SOLUTIONS ARE APPLIED IN THE MOST SIGNIFICANT CASES.

Notwithstanding compliance with the principle set out in Art. 2391 of the Italian Civil Code concerning the interests of company directors, the Company also has to comply with Sect. 136 of Leg. Decree nr. 385/93 (the Consolidated Law on Banking) in respect of borrowings by bank corporate officers, according to which such officers may borrow, directly or indirectly, from the bank that they administer, manage or control, only if approved unanimously by the administrative body and with the favourable vote of the members of the control body, and subject to the requirements of the Italian Civil Code regarding the interests of company directors. Accordingly, corporate officers are required to report the names of individuals or companies with whom they have entered into relations that might constitute an indirect loan.

The Company routinely calls upon independent experts to issue fairness or legal opinions when the nature of the transaction, also involving related parties, requires it.

### 13. APPOINTMENT OF STATUTORY AUDITORS

#### ILLUSTRATE THE PROVISIONS APPLICABLE TO THE APPOINTMENT AND SUBSTITUTION OF STATUTORY AUDITORS.

In compliance with Art. 30 of the UniCredit S.p.A. Articles of Association, and pursuant to legal provisions, standing and substitute members of the Board of Statutory Auditors are appointed on the basis of slates on which the candidates are listed with a progressive number.

The slates containing the names of one or more candidates, listed with a progressive number, must be filed at the Company headquarters at least 15 days prior to the date set for the first call of the Shareholders' Meeting, by as many shareholders as needed to represent at least 0.5% of the voting shares at the ordinary shareholders' meeting, at the time of presenting the lists. The slates must be published in two nation-wide newspapers, of which one financial, within the same term as that for filing the slates.

The lists for appointing members to the Board of Statutory Auditors are divided into two sub-lists, respectively with 5 candidates to the office of Standing Auditor and 2 for that of Substitute Auditor; at least the first two candidates on each standing auditor list and at least the first candidate on each substitute auditor list must be registered certified auditors. No candidate may appear in more than one slate, or their candidacy will be null and void.

With reference to the election of the Standing Auditors, the votes received by each list are subsequently divided by one, two, three, four and five. The resulting votes are assigned progressively to the candidates from the first list of each slate in the same order as presented, and are placed in a single decreasing classification. The Standing Auditors elected are those with the highest number of votes.

Notwithstanding the above, if four or more candidates with the highest percentages belong to the same slate, the first three are elected, while the fourth and fifth are those, among the names on the minority slates that have the highest number of votes.

With regard to the appointment of the Substitute Auditors, the votes obtained by each list are subsequently divided by one and two. The ratios thus obtained are allocated progressively to the candidates in the first sub-list of each list in the order foreseen by the list concerned, and are arranged in just the one schedule in descending order. Except where provided for otherwise in the next paragraph, those obtaining the highest ratios are elected.

Whenever the two candidates to obtain the highest ratios belong to the same list, the one with the highest ratio shall be elected, while the second one shall be the candidate who obtains the highest ratio out of those belonging to the other lists.

In the event of substitution of a Standing Auditor, he shall be replaced by the Substitute Auditor on the same list indicated by the outgoing Auditor.

In the event of two or more ratios being level for the position of the last Standing Auditor and/or the last Substitute Auditor, the candidate from the list that has obtained the highest number of votes shall take priority – and if the number votes are equal, the oldest candidate shall then take priority – unless this list has already indicated three Standing Auditors or the other Substitute Auditor; in the event of this happening, the candidate from the list bearing the next lowest number of votes shall take priority.

The candidate who has obtained the highest share of votes among the candidates belonging to the list that obtained the highest number of votes among the minority lists shall be elected by the Shareholders' Meeting as Chairman of the Board of Statutory Auditors.



#### 14. STATUTORY AUDITORS (as per Sect. 123/bis, paragraph 2, letter d), TUF)

PROVIDE DETAILS CONCERNING THE COMPOSITION AND THE FUNCTIONING OF THE BOARD OF STATUTORY AUDITORS.

IN PARTICULAR, INDICATE THE COMPOSITION OF THE BOARD OF STATUTORY AUDITORS AT THE END OF THE PERIOD, USING THE SCHEDULE NR. 3 IN THE APPENDIX , SPECIFYING THE FOLLOWING INFORMATION:

- EXPIRY OF THE BOARD OF AUDITORS;
- DATE OF THE ORDINARY SHAREHOLDERS' MEETING APPOINTING THE BOARD OF STATUTORY AUDITORS, SPECIFYING THE NUMBER OF THE SLATES PRESENTED, AS WELL AS, FOR EACH OF THEM, THE PERSONS WHO PRESENTED THEM, ANY RELATIONSHIP OF AFFILIATION WITH THE OTHER SLATES, THE LIST OF CANDIDATES, THE LIST OF APPOINTED AND THE PERCENTAGE OF VOTES OBTAINED IN RELATION TO THE VOTING CAPITAL;
- PERSONAL AND PROFESSIONAL CHARACTERISTICS OF EACH AUDITOR (SECT. 144-DECIES OF THE CONSOB REGULATION).

UniCredit Shareholders' Meeting of 10 May 2007 appointed the Standing and Substitute members of the Board of Statutory Auditors whose term in office expires on the date of the next Shareholders' Meeting called to approve the 2009 financial statements. The composition of the Board of Statutory Auditors is contained in Schedule nr. 3 "Board of Statutory Auditors structure" of the Appendix to this Report.

According to the provisions of the UniCredit's Articles of Association and in compliance with laws and regulations in force at that time, the Board has proposed to the aforesaid Shareholders' Meeting of 10 May 2007 the appointment of the members of the Board of Statutory Auditors of UniCredit on the basis of slates submitted by the shareholders who individually or collectively with other shareholders represented at least 1% of the share capital with voting rights at Ordinary Meetings.

Two slates of candidates had been presented, filed and published; in particular:

- Slate nr. 1 presented by the Shareholder Fondazione Cassa di Risparmio di Verona, Vicenza, Belluno e Ancona:

Standing Auditors

1. Mr. Gian Luigi Francardo
2. Mr. Aldo Milanese
3. Mr. Vincenzo Nicastro
4. Mr. Roberto Bianco
5. Mr. Ernesto Carrera

Substitute Auditors

1. Mr. Giuseppe Verrascina
2. Mr. Paolo Colombo

- Slate nr. 2 presented by the Shareholders: Aletti Gestielle SGR S.p.A., Arca SGR S.p.A., BNL Gestioni SGR S.p.A., CAAM SGR S.p.A., Capitalia Asset Management S.p.A. SGR, Ersel Asset Management SGR S.p.A., Eurizon Capital SA, Eurizon Capital SGR SA, Eurizon Vita S.p.A., Fideuram Gestioni SA, Fideuram Investimenti SGR S.p.A., Hermes Administration Services Limited, Interfund Sicav, Monte Paschi Asset Management SGR S.p.A., Pioneer Asset Management SA, Pioneer Investment Management SGR S.p.A.:

Standing Auditors

1. Mr. Giorgio Loli
2. Mr. Siegfried Mayr
3. Ms. Claudia Cattani
4. Mr. Paolo Sfameni

Substitute Auditors

1. Mr. Massimo Livatino
2. Mr. Luca Rossi

5. Mr. Fabio Venegoni.

Together with each list, the Shareholders have presented and filed, among other things, the statements provided for by current laws and by the Articles of Association to held the position of UniCredit's Statutory Auditors, and, more specifically, the statements certifying that they meet the experience, integrity and independence requirements as well as the information on the personal and professional characteristics of individual candidates showed in their *curriculum vitae*.

The Shareholders' Meeting of 10 May 2007 appointed the new Standing Auditors, included the Chairman, and the Substitute Auditors, as follows:

- by the Slate nr.1, that has obtained the relative majority of the Shareholders' votes, equal to 88.726% of the share capital present at the Meeting, corresponding to 35.219% of the ordinary share capital, are been taken the following Auditors:

Standing Auditors

1. Mr. Gian Luigi Francardo
2. Mr. Aldo Milanese
3. Mr. Vincenzo Nicastro

Substitute Auditors

1. Mr. Giuseppe Verrascina

- by the Slate nr. 2, that has obtained the 7.269% of the share capital present at the Meeting, corresponding to 2.885% of the ordinary share capital, are been taken the following Auditors:

Standing Auditors

4. Mr. Giorgio Loli (Chairman)
5. Mr. Siegfried Mayr.

Substitute Auditors

2. Mr. Massimo Livatino

All the members of the Board of Statutory Auditors possess the requirements as set forth by the current laws and regulations. As regards the personal and professional characteristics of the Board of Statutory Auditors' members, reference is made to the information published on the UniCredit website<sup>12</sup>.

PROVIDE THE FOLLOWING INFORMATION:

- AVERAGE DURATION OF THE BOARD OF STATUTORY AUDITORS' MEETINGS;
- NUMBER OF BOARD OF STATUTORY AUDITORS' MEETINGS PLANNED DURING THE CURRENT YEAR, SPECIFYING THE NUMBER OF MEETINGS ALREADY HELD;

During the period, the Board of Statutory Auditors met 24 times.

The Board of Statutory Auditors meetings lasted for an average of 3,35 hours.

With reference to the current year, 16 meetings of the Board of Statutory Auditors have been scheduled. As at 16 March 2010, 6 meetings have been held.

INDICATE ANY CHANGES TO THE COMPOSITION OF THE BOARD OF STATUTORY AUDITORS AFTER THE CLOSE OF THE PERIOD.

There were no changes to the composition of the Board of Statutory Auditors after the close of the Period.

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<sup>12</sup> The address of the UniCredit website where the information concerning the Auditors is available is as follows [http://www.unicreditgroup.eu/en/Governance/Board\\_of\\_Statutory\\_Auditors.htm](http://www.unicreditgroup.eu/en/Governance/Board_of_Statutory_Auditors.htm)

INDICATE IF THE BOARD OF STATUTORY AUDITORS :

- HAS VERIFIED THE INDEPENDENCE REQUIREMENTS OF ITS MEMBERS AT THE FIRST OCCASION FOLLOWING THEIR APPOINTMENT (CRITERIA 10.C.2.);
- HAS VERIFIED THE EXISTENCE, DURING THE PERIOD, OF THE INDEPENDENCE REQUIREMENTS OF ITS MEMBERS (CRITERIA 10.C.2.);
- WITH REFERENCE TO THE ABOVEMENTIONED EVALUATIONS, APPLIES ALL THE CRITERIA PROVIDED BY THE CODE IN RESPECT OF THE INDEPENDENCE OF DIRECTORS (CRITERIA 10.C.2.).

Lastly on 9 February 2010 the Board of Statutory Auditors, in view of the provisions of the Code, has confirmed the existence of the independence requirements of its members provided for by the aforesaid Code.

INDICATE ANY FURTHER CRITERIA, IN ADDITION TO THOSE ESTABLISHED BY THE CODE, THAT THE BOARD OF STATUTORY AUDITORS MIGHT HAVE APPLIED.

The Board of Statutory Auditors also examined whether the requirements set out by Leg. Decree nr. 58 dated 24 February 1998 were still fulfilled.

INDICATE IF THE ISSUER REQUIRES AUDITORS WHO HAVE AN INTEREST, EITHER DIRECTLY OR ON BEHALF OF THIRD PARTIES, IN A CERTAIN TRANSACTION OF THE ISSUER, TO PROVIDE TIMELY AND EXHAUSTIVELY INFORMATION TO THE OTHER AUDITORS AND THE CHAIRMAN OF THE BOARD OF DIRECTORS ABOUT THE NATURE, TERMS, ORIGIN AND EXTENT OF THEIR INTEREST. (CRITERIA 10.C.4.).

The special authorisation procedure set out in Sect. 136 of Leg. Decree nr. 385 dated 1 September 1993 applies to direct or indirect obligations by members of the Board of Statutory Auditors from the bank for whom they perform their duties, or from companies belonging to the same banking group in the case of financing transactions.

INDICATE IF THE BOARD OF STATUTORY AUDITORS MONITORED THE INDEPENDENCE OF THE AUDITING FIRM, VERIFYING BOTH COMPLIANCE WITH THE PROVISIONS OF LAW AND THE REGULATION GOVERNING THE SUBJECT MATTER THEREOF, AND THE NATURE AND EXTENT OF SERVICES OTHER THAN ACCOUNTING AUDITS PROVIDED TO THE ISSUER AND ITS SUBSIDIARIES BY THE SAME AUDITING FIRM AND THE ENTITIES BELONGING TO ITS NETWORK (CRITERIA 10.C.5.).

The Board of Statutory Auditors monitored the independence of the auditing firm, overseeing both its compliance with relevant regulatory provisions, and the nature and extent of services other than auditing supplied to the Issuer and its subsidiaries by the aforesaid auditing firm and the legal entities belonging to its network.

INDICATE IF THE BOARD OF STATUTORY AUDITORS, IN THE FRAMEWORK OF ITS ACTIVITIES, OPERATES IN COORDINATION WITH THE INTERNAL AUDIT FUNCTION AND WITH THE INTERNAL CONTROL COMMITTEE (AS CONSISTING) (CRITERIA 10.C.6. E 10.C.7.). IF SO, INDICATE HOW.

In performing its duties, the Board of Statutory Auditors coordinated with the Internal Audit function and the Internal Control & Risks Committee, through ongoing dialogue and the exchange of information, as well as the participation of its Chairman in meetings of the aforesaid Committee.

## 15. RELATIONS WITH SHAREHOLDERS

INDICATE IF THE ISSUER ALLOCATES A SPECIFIC READILY RECOGNISABLE AND EASY TO ACCESS SECTION OF ITS WEBSITE TO PROVIDING INFORMATION CONCERNING THE ISSUER THAT MAY BE USEFUL TO SHAREHOLDERS, SO AS TO ALLOW SHAREHOLDERS AN INFORMED EXERCISE OF THEIR RIGHTS (CRITERIA 11.C.1.).

UniCredit S.p.A. has devoted a special, readily recognisable and easy to access section of its website (*Governance*), to providing information on its governance structure and the internal organisation of the company, ensuring shareholders an informed exercise of their rights.

All documents and information are supplied in both Italian and English.

INDICATE IF A PERSON HAS BEEN APPOINTED TO HANDLE RELATIONS WITH SHAREHOLDERS (INVESTOR RELATIONS MANAGER) (CRITERIA 11.C.2.).  
IF SO, INDICATE THE PERSON'S NAME.

INDICATE IF CONSIDERATION HAS BEEN GIVEN TO ESTABLISHING A BUSINESS STRUCTURE RESPONSIBLE FOR HANDLING SHAREHOLDER RELATIONS. (CRITERIA 11.C.2.).  
IF SO, INDICATE IF SUCH STRUCTURE HAS BEEN ESTABLISHED.

There is a business structure in charge of managing investor relations (the Group Investor Relations Unit, allocated to the Planning, Finance and Administration Department), which can be contacted as follows:

**Simone Mario Concetti - Manager**

[simonemario.concetti@unicreditgroup.eu](mailto:simonemario.concetti@unicreditgroup.eu)

**Paola Foligno**

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**Valeria Pozzi**

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**Silvia Sarti**

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**Ilaria Ranucci**

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**Laura Spotorno**

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**Iacopo Valdinoci**

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**E-MAIL**

[investorrelations@unicreditgroup.eu](mailto:investorrelations@unicreditgroup.eu)

**FAX**

+39 02 8862 8503

Shareholders can also communicate with the Company through its website, albeit not in real time.

INDICATE ANY ADDITIONAL ACTIVITIES UNDERTAKEN FOR ENSURING THAT ACCESS TO INFORMATION CONCERNING THE ISSUER THAT MAY BE IMPORTANT TO SHAREHOLDERS IS READILY AVAILABLE AND EASY TO ACCESS (CRITERIA 11.C.1.).

Specific business structures were set up some time ago to manage shareholder relations in general, and investor relations in particular, in accordance with regulatory requirements and internal rules concerning corporate communications.

More specifically, the unit that manages shareholder relations (a “*Call Centre*” allocated to the Legal and Compliance Department) can be contacted as follows:

Toll free number 800 307 307 (only for calls within Italy) E-mail [azionisti@unicreditgroup.eu](mailto:azionisti@unicreditgroup.eu) Fax +39 02 8862.8652

## **16. SHAREHOLDERS' MEETINGS (as per Sect. 123/bis, paragraph 2, letter c), of TUF)**

DESCRIBE THE FUNCTIONING OF THE SHAREHOLDERS' MEETING, ITS MAIN POWERS, SHAREHOLDERS' RIGHTS AND TERMS OF THEIR EXERCISE, IF DIFFERENT FROM THE PROVISIONS OF LAWS AND REGULATIONS APPLICABLE IN A SUPPLEMENTARY WAY.

In compliance with the Articles of Association, a General Shareholders' Meeting is convened at least once a year within the terms of law, in order to resolve upon the issues that law and the Articles of Association make it responsible for. An Extraordinary Shareholders' Meeting is convened whenever it is necessary to resolve upon any of the matters that are exclusively attributed to it by law.

The Meeting takes place at the UniCredit's Registered Office, at its Head Office or in another location within Italy, as indicated in the Notice of Meeting; it is convened, in accordance with the terms and deadlines provided for by prevailing laws, with a notice published in Gazzetta Ufficiale of the Italian Republic containing the Meeting's Agenda, with every other provision laid down by prevailing laws to be duly observed in the process.

The Agenda of the Meeting is established by whoever exercises the power to call a meeting, pursuant to the legal requirements and to the Articles of Association, in keeping - where the Meeting is convened further to a request from shareholders - with the comments contained in said request.

The right to amend the Agenda may be exercised, in the situations, methods and time limits indicated in current regulations, by shareholders who individually or collectively represent at least 0.50% of the share capital.

Every ordinary share entitles its holder to one vote; all resolutions are carried by way of an open vote.

In order for a Meeting - be it an Ordinary or Extraordinary Meeting - along with the resolutions carried therein to be valid, the relevant legal provisions are to be duly observed, except for what is provided for in the Article 5 of the Articles of Association, indicated in the Section 2, letter f) of this Report.

The Article 23 of the Articles of Association, in compliance with the provisions set forth by the Article 2365 of the Italian Civil Code, has established that the Board of Directors may carry out resolutions regarding the following:

- adjustments made to the Articles of Association to comply with legal requirements;
- the merger by incorporation of companies in the situations foreseen by the Articles 2505 and 2505/bis of the Italian Civil Code;
- the de-merger of companies in the situations foreseen by the Article 2506/ter of the Italian Civil Code;
- the reduction of capital in the event of a shareholder withdrawing;
- decisions as to which Directors, in addition to those indicated in these Articles of Association, may represent the Company.

In compliance with the Articles of Association, and pursuant to the Supervisory Provisions of Banca d'Italia concerning banks' organization and corporate governance, the Ordinary Shareholders' Meeting, in addition to establish the compensation payable to the bodies appointed by the same, approves: (i) the remuneration policies for the Directors, the employees or collaborators not linked to the Company by a subordinate working relationship; (ii) equity based plans. An adequate information shall be ensured to the Shareholders' Meeting on the execution of the remuneration policies.

INDICATE IF, ENSURING THE PARTICIPATION TO THE SHAREHOLDERS MEETING, THE ISSUER ESTABLISHES THE NOTICE IN ADVANCE PURSUANT ART. 2370, PARAGRAPH 2, OF THE ITALIAN CIVIL CODE.  
IF THAT IS THE CASE, INDICATE THE DATE WITHIN THE NOTICE SHALL BE SENT TO THE ISSUER.

In compliance with Art. 12 of the UniCredit Articles of Association and art. 3 of the Shareholders' Meeting Regulations, holders of ordinary shares are entitled to attend Shareholders' Meetings provided they produce a copy of the notice forwarded by the Company by the broker managing their accounts, at least two days prior to the date of the first call of the meeting. The call notice may require that the two-day advance also apply to any subsequent calls.

INDICATE IF THE ISSUER HAS ESTABLISHED THAT THE SHARES – FOR WHICH NOTICE IS MANDATORY PURSUANT TO ART. 2370, PARAGRAPH 2, OF THE ITALIAN CIVIL CODE, ARE UNAVAILABLE UNTIL THE SHAREHOLDERS MEETING.  
SPECIFY THE CLAUSE IN THE ARTICLES OF ASSOCIATION REGARDING ATTENDANCE OF SHAREHOLDERS MEETINGS.

The shares for which notice is mandatory pursuant to Art. 2370, paragraph 2, of the Italian Civil Code are not kept unavailable until the Shareholders' Meeting.

INDICATE ANY ACTIVITIES CARRIED OUT WITH A VIEW TO REDUCING RESTRICTIONS AND REQUIREMENTS MAKING IT DIFFICULT AND BURDENSOME FOR SHAREHOLDERS TO PARTICIPATE IN THE SHAREHOLDERS' MEETING AND EXERCISE THEIR VOTING RIGHT (I.E. POSTAL VOTING, ELECTRONIC BALLOTS, AUDIO/VISUAL COMMUNICATIONS) (CRITERIA 11.C.3.).

Without prejudice to the different discipline envisaged by current regulations on proxy voting, those entitled to participate in Shareholders' Meetings may be represented by third parties who may or may not be shareholders, as per Article 2372 of the Italian Civil Code.

INDICATE IF THE BOARD OF DIRECTORS PROPOSED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING RULES LAYING DOWN THE PROCEDURES TO BE FOLLOWED IN ORDER TO PERMIT THE ORDERLY AND EFFECTIVE CONDUCT OF THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETINGS OF THE ISSUER. (CRITERIA 11.C.5.).  
IF THE SHAREHOLDERS MEETING APPROVED SUCH RULES, DESCRIBE THE MAIN FEATURES OR, IF AVAILABLE ON THE WEB SITE OF THE ISSUER, INDICATE THE WEB PAGE.

In 1998 the Shareholders' Meeting laid down rules aimed at ensuring the orderly and effective conduct of ordinary and extraordinary meetings. In June 2004, in light of the amendments introduced by Leg. Decree nr. 6 (and following versions) dated 17 January 2003, the Ordinary Shareholders' Meeting approved a set of shareholders' regulations independent of the UniCredit S.p.A. Articles of Association so as to allocate competence for approving/changing the aforesaid rules to the Ordinary Shareholders' Meeting. On May 2008 the Ordinary Shareholders' Meeting approved amendments of some clauses of the Regulations Governing General Meetings in line with introduced modifications to the organizational structure and to the governance of UniCredit as well as with newly introduced regulatory provisions and taking also into account the position that the Group enjoys on the international scene.

The General Meeting Regulations can be accessed online at the UniCredit S.p.A. website by clicking on *Governance/Shareholders' Meeting*<sup>13</sup>.

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<sup>13</sup> The address of the UniCredit website where the Regulations Governing General Meeting is available is as follows: [http://www.unicreditgroup.eu/eu/Governance/Meeting\\_regulations.htm](http://www.unicreditgroup.eu/eu/Governance/Meeting_regulations.htm).

INDICATE WHAT STEPS WERE TAKEN TO ENSURE THAT SHAREHOLDERS WERE ABLE TO EXPRESS THEIR OPINION ON THE MATTERS UNDER DISCUSSION (CRITERIA 11.C.5).

Article 8 of the General Meeting Regulations state that those entitled to express their opinion pursuant to article 2 of the aforesaid regulations, are entitled to take the floor on each of the topics up for discussion.

Those intending to take the floor must ask the Chairman for permission, by presenting a written request indicating the topic to which the question refers, after the Chairman has read out the items on the agenda, and before he has declared discussions on the topic to which the question refers to be closed. The Chairman generally gives the floor to shareholders in the order in which their questions were collected; if two or more questions are submitted together the Chairman gives the floor to shareholders by surname in alphabetical order.

The Chairman may allow shareholders to raise their hand to indicate a desire to take the floor; in which case the Chairman gives shareholders the floor by surname in alphabetical order.

INDICATE IF THE BOARD OF DIRECTORS REPORTED TO THE SHAREHOLDERS' MEETING ON ACTIVITIES PERFORMED AND PLANNED AND MADE EVERY EFFORT TO ENSURE THAT SHAREHOLDERS WERE ABLE TO MAKE INFORMED DECISIONS ON MATTERS FALLING WITHIN THE SCOPE OF THEIR RESPONSIBILITIES. (CRITERIA 11.C.4.)

The Board of Directors advises shareholders of activities performed and planned within the framework of the management report.

The Board of Directors makes every effort to ensure that shareholders are adequately informed on all the relevant points so as to enable them to make informed decisions on matters within the scope of their competence, in particular by ensuring that the directors' report and any additional information has been supplied within the time frame established by the legal and regulatory provisions in force.

INDICATE ANY SIGNIFICANT CHANGES TO THE MARKET CAPITALIZATION OF THE COMPANY, AND THE COMPOSITION AND/OR NUMBER OF SHAREHOLDERS DURING THE PERIOD.

IN THE EVENT OF SUCH CHANGES, INDICATE IF THE BOARD OF DIRECTORS CONSIDERED PROPOSING THAT THE SHAREHOLDERS' MEETING AMEND THE BY ARTICLES OF ASSOCIATION AS REGARDS THE PERCENTAGE REQUIRED FOR EXERCISING ACTIONS AND RIGHTS PROVIDED FOR AS A PROTECTION OF MINORITY INTERESTS. IF SO, REPORTING THE RESULTS OF THESE EVALUATIONS (CRITERIA 11.C.6.).

During the 2009 financial year, the market capitalization of UniCredit has registered a significant increase, coherently with the positive evolution of the stock markets in general and of banking sector in particular, also profiting by the actions of the capital strengthening during the Period.

No proposals were put to the shareholders' meeting to modify the Articles in regard to the percentages established for exercising their rights and prerogatives for safeguarding minorities.



## **17. FURTHER CORPORATE GOVERNANCE PRACTICES (as per Sect. 123/bis, paragraph 2, letter a), TUF)**

ILLUSTRATE ANY FURTHER CORPORATE GOVERNANCE PRACTICES – IN ADDITION TO THOSE ALREADY SHOWN IN THE PREVIOUS POINTS<sup>14</sup> – REALLY APPLIED BY THE ISSUER BEYOND THE OBLIGATIONS ENVISAGED BY LAWS AND REGULATIONS).

The further corporate governance practices applied by UniCredit have been shown in the previous Sections of this Report to which reference is made.

More specifically:

- specific experience and integrity requirements established by the Board of Directors that UniCredit Directors shall possess, in addition to the requirements as set forth by the current laws and regulations are described in Section 4.3 “Role of the Board of Directors”;
- the establishment of any other internal Committee of the Board of Directors, besides those envisaged by Code and/or with other functions in addition to those mentioned by the same Code is described in Section 6 “Internal Committees of the Board of Directors“;
- the adoption of an organization, management and control model pursuant to Legislative Decree nr. 231/2001 is described in Section 11.3 “Organization Model as per Legislative Decree nr. 231/2001”.

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<sup>14</sup> May fall, within the corporate governance practices, the adoption of organizational models as per Legislative Decree nr. 231/2001 or the appointment of any other committee besides those established by law or proposed by the Corporate Governance Code.

## **18. CHANGES SINCE THE CLOSING OF THE PERIOD**

ILLUSTRATE ANY CHANGES TO THE CORPORATE GOVERNANCE STRUCTURE SINCE THE END OF THE PERIOD

On the date of the approval of this Report, no significant events happened able to influence the corporate governance structure of the Company.

**SCHEDULE NR. 1: INFORMATION ON THE OWNERSHIP STRUCTURES**

**dated 31/12/2009**

<b>SHARE CAPITAL STRUCTURE</b>				
<b>NAME</b>	<b>NUMBER</b>	<b>% VS. TOTAL</b>	<b>LISTED</b> (indication of the markets on which listing has been requested)	<b>RIGHTS AND OBLIGATIONS</b>
Ordinary shares	16,755,500,045	99.85%	MTA (Electronic Share Market) of Borsa Italiana S.p.A., Frankfurt Stock Exchange and Warsaw Stock Exchange	Ordinary shares give holders all the administrative and economic rights and obligations envisaged by law.
Savings shares	24,238,983	0.15%	MTA (Electronic Share Market) of Borsa Italiana S.p.A.	Savings shares do not give holders voting rights. A reduction in share capital due to losses does not diminish the par value of the savings shares except for the portion of losses exceeding the total par value of the other shares; if the company is wound up, savings shares are entitled to be repaid at full par value in the capital payoff. In the event of reserves being distributed, savings shares enjoy the same rights as other shares. If the company's savings shares are excluded from trading, savings shareholders may ask for them to be converted into the company's ordinary shares, in the manner determined by the extra-ordinary shareholders' meeting called for this purpose within two months of the exclusion from trading. When fully freed up, savings shares are unregistered unless otherwise required by law. Shareholders may ask for their shares to be converted into nominal savings shares and vice versa, at the shareholder's expense.
Preference shares	=	=	=	=
Other special shares	=	=	=	=
	<b>16,779,739,028</b>	<b>100%</b>		

**Continued / SCHEDULE NR. 1: INFORMATION ON THE OWNERSHIP  
STRUCTURES**

<b><i>OTHER FINANCIAL INSTRUMENTS</i></b> <b><i>(granting the right to subscribe new shares)</i></b>				
	<b>LISTED (INDICATE MARKETS) / NOT LISTED</b>	<b>NUMBER OF OUTSTANDING INSTRUMENTS</b>	<b>CATEGORY OF SHARES TO SERVICE CONVERSION/EXERCISE</b>	<b>NUMBER OF SHARES TO SERVICE CONVERSION/EXERCISE</b>
<b>Convertible bonds</b>	=	=	=	=
<b>Warrant</b>	Not listed	194.306.652	Ordinary shares	222.430.967

**Continued / SCHEDULE NR. 1: INFORMATION ON THE OWNERSHIP STRUCTURES**

<b>RELEVANT EQUITY HOLDING <sup>1</sup></b>			
<b>Declarant</b>	<b>Direct Shareholder</b>	<b>% of ordinary capital</b>	<b>% of voting capital</b>
Mediobanca S.p.A. <sup>2</sup>	Mediobanca S.p.A.	<b>5.916%</b>	<b>5.916%</b>
Fondazione Cassa di Risparmio Verona, Vicenza, Belluno e Ancona	Fondazione Cassa di Risparmio Verona, Vicenza, Belluno e Ancona	<b>5.727%</b>	<b>5.727%</b>
Central Bank of Libya		<b>4.345%</b>	<b>4.345%</b>
	Central Bank of Libya	3.816%	3.816%
	Lybian Foreign Bank	0.529%	0.529%
BlackRock Investment Management (UK) Limited	BlackRock Investment Management (UK) Limited	<b>3.803%</b>	<b>3.803%</b>
Carimonte Holding S.p.A.	Carimonte Holding S.p.A.	<b>3.155%</b>	<b>3.155%</b>
Fondazione Cassa di Risparmio di Torino	Fondazione Cassa di Risparmio di Torino	<b>3.150%</b>	<b>3.150%</b>
Allianz SE		<b>2.056%</b>	<b>2.056%</b>
	Allianz S.p.A.	1.194%	1.194%
	Allianz Finance IV Luxembourg SARL	0.729%	0.729%
	Assurances Generales de France VIE SA	0.046%	0.046%
	RB Vita S.p.A.	0.029%	0.029%
	Darta Saving Life Assurance Limited	0.021%	0.021%
	Assurances Generales de France IART SA	0.016%	0.016%
	Antoniana Veneta Popolare Vita S.p.A.	0.013%	0.013%
	Allianz Belgium Insurance SA	0.004%	0.004%
	Allianz Life Luxembourg SA	0.002%	0.002%
	Arcalis SA	0.002%	0.002%
	Generation VIE SA	0.001%	0.001%

<sup>1</sup> Source: Shareholders Register updated to 31 December 2009.

<sup>2</sup> Ordinary Shares of which UniCredit S.p.A. holds the right of usufruct: 967,564,061; 5.775% owned. The relative voting rights cannot be exercised.

**SCHEDULE 2: BOARD OF DIRECTORS AND COMMITTEES STRUCTURE**

Board of Directors													Internal Control & Risks Committee		Remun. Committee		CGHRN Committee		Permanent Strategic Committee		
Position	Members	In office since	In office until	Slate		Exec.	Non exec.	Indep. as per Code		Indep. as per TUF		% *	Number other positions **	***	*	***	*	***	*	***	*
				SM	Sm			YES	NO	YES	NO										
Chairman	Rampl Dieter	29-04-2009	Approval of 2011 financial statement	X			X		X	X		100%	3	M (1)	91.67%	C (1)	100%	C (1)	100%	C (1)	100%
Deputy Vice Chairman	Castelletti Luigi	29-04-2009	Approval of 2011 financial statement	X			X	X		X		87.50%	--	M (4)	100%	M (4)	100%	M (3)	100%	M (4)	100%
Vice Chairman	Bengdara Farhat Omar	29-04-2009	Approval of 2011 financial statement	X			X		X	X		50%	1	--	--	--	--	--	--	M (4)	16.67%
Vice Chairman	Calandra Buonauro Vincenzo	29-04-2009	Approval of 2011 financial statement	X			X	X		X		100%	1 <sup>(5)</sup>	--	--	--	--	M (1)	100%	M (4)	100%
Vice Chairman	Palenzona Fabrizio	29-04-2009	Approval of 2011 financial statement	X			X		X	X		100%	3	--	--	M (2)	100%	M (3)	83.33%	M (1)	100%
CEO	Profumo Alessandro	29-04-2009	Approval of 2011 financial statement	X		X			X	X		100%	1 <sup>(5)</sup>	--	--	--	--	M (1)	100%	M (1)	100%
Director	Belluzzi Giovanni	29-04-2009	Approval of 2011 financial statement	X			X	X		X		100%	8	M (4)	100%	--	--	--	--	--	

Director	Bischoff Manfred	29-04-2009	Approval of 2011 financial statement	X			X	X		X		83.33%	5 <sup>(6)</sup>	--		--		--		M <sub>(1)</sub>	88.89%
Director	Cucchiani Enrico Tommaso	29-04-2009	Approval of 2011 financial statement	X			X		X	X		41.67%	15	--		M <sub>(4)</sub>	80%	--		--	
Director	Fontanesi Donato	29-04-2009	Approval of 2011 financial statement	X			X	X		X		91.67%	2	--		--		--		--	
Director	Giacomin Francesco	29-04-2009	Approval of 2011 financial statement	X			X	X		X		100%	--	--		--		M <sub>(1)</sub>	100%	--	
Director	Gnudi Piero	29-04-2009	Approval of 2011 financial statement	X			X	X		X		91.67%	2 <sup>(5)</sup>	--		M <sub>(4)</sub>	60%	--		--	
Director	Kadmoska Friedrich	29-04-2009	Approval of 2011 financial statement	X			X	X		X		100%	7 <sup>(5)</sup>	--		M <sub>(4)</sub>	100%	M <sub>(2)</sub>	100%	--	
Director	Li Calzi Marianna	29-04-2009	Approval of 2011 financial statement	X			X	X		X		100%	--	M <sub>(1)</sub>	100%	--		--		--	
Director	Ligresti Salvatore	29-04-2009	Approval of 2011 financial statement	X			X	X		X		66.67%	4	--		--		--		--	
Director	Maramotti Luigi	29-04-2009	Approval of 2011 financial statement	X			X	X		X		100%	7	--		--		M <sub>(1)</sub>	100%	M <sub>(1)</sub>	100%
Director	Marocco Antonio Maria	29-04-2009	Approval of 2011 financial statement	X			X	X		X		100%	3	--		--		--		--	
Director	Pesenti Carlo	29-04-2009	Approval of 2011 financial statement	X			X	X		X		66.67%	6	--		M <sub>(1)</sub>	57.14%	--		--	

Director	Reichlin Lucrezia	29-04-2009	Approval of 2011 financial statement		X		X	X		X		75%	--	M <sub>(4)</sub>	100%	--	--		--					
Director	Schinzler Hans Jürgen	29-04-2009	Approval of 2011 financial statement	X			X	X		X		91.67%	2	--		M <sub>(4)</sub>	60%	--		M <sub>(1)</sub> 77.78%				
Director	Waigel Theodor	29-04-2009	Approval of 2011 financial statement		X		X	X		X		50%	2 <sup>(5)</sup>	--		--	--		--					
Director	Wyand Anthony	29-04-2009	Approval of 2011 financial statement	X			X	X		X		91.67%	3 <sup>(5)</sup>	C <sub>(1)</sub>	91.67%	--	--			M <sub>(1)</sub> 77.78%				
Director	Zwickl Franz	29-04-2009	Approval of 2011 financial statement	X			X	X		X		91.67%	7 <sup>(5)</sup>	M <sub>(1)</sub>	91.67%	--	--			--				
----- Directors who stepped down during the Period -----																								
Deputy Vice Chairman	Gutty Gianfranco	11-01-2006 #	29-04-2009	n/a	n/a		X	X		X		100%	--	M <sub>(2)</sub>	100%	M <sub>(2)</sub>	50%	M <sub>(2)</sub>	100%	M <sub>(2)</sub> 100%				
Vice Chairman	Bellei Franco	11-01-2006 #	29-04-2009	n/a	n/a		X		X	X		100%	1	--		M <sub>(2)</sub>	100%	--		M <sub>(2)</sub> 100%				
Vice Chairman	Libonati Berardino	3-08-2007 ##	29-04-2009	n/a	n/a		X	X		X		100%	4	--		M <sub>(2)</sub>	50%	--		M <sub>(2)</sub> 100%				
Director	Kley Max Dietrich	11-01-2006 #	29-04-2009	n/a	n/a		X	X		X		0%	5	--		M <sub>(2)</sub>	100%	--		--				
Director	von Bomhard Nikolaus	11-01-2006 #	29-04-2009	n/a	n/a		X		X		X	50%	2	--		--	--			--				
<b>Indicate quorum required for the presentation of the slates in the last appointment: 0.5%</b>																								
<b>Nr. of meetings held during the Period</b>											<b>BoD: 12</b>			<b>IC&amp;RC: 12</b>			<b>RC: 7</b>			<b>CGHRN: 10</b>			<b>PSC: 9</b>	



**NOTES:**

- \* This column shows the percentage of the Director's participation in the meetings of the Board of Directors and Committees respectively (number of attendances / number of meetings held by the interested party during the term of office with regard to the Period).
- \*\* This column shows the number of positions as director or auditor held by the interested party in other companies listed on regulated markets (both in Italy and abroad), including financial services companies, banks, insurance companies or other large companies. There is a list of such companies for each director attached to the Report on Corporate Governance and ownership structures, specifying whether the company that the position is held in belongs to the group that the Issuer is related to.
- \*\*\* A "C" (Chairman) or a "M" (Member) in this column shows that the member of the Board of Directors belongs to the Committee and also indicates his/her position.

- (1) position held in the whole Period.
- (2) position held until 29 April 2009.
- (3) position held since 29 April 2009.
- (4) position held since 12 May 2009.
- (5) number of positions changed during the 2009 financial year.
- (6) number of positions changed during 2009 financial year and after the closing of the 2009 financial year.

# Appointed by the Shareholders' Meeting of 16 December 2005 and in office since 11 January 2006.

## Co-opted on 3 August 2007 and appointed by the Shareholders' Meeting of 8 May 2008.

- The Board of Directors of UniCredit held on 29 April 2009 appointed the members of the Corporate Governance, HR and Nomination Committee; on the next 12 May 2009, taking into account the opinion expressed by the aforesaid Committee, the Board appointed the members of the Permanent Strategic Committee, Remuneration Committee and Internal Control & Risks Committee and also increased the number of the members of the Internal Control & Risks Committee from 5 to 7.

**LEGEND**

**SM** Member of the Board of Directors elected from the slate that has obtained the relative majority of the Shareholders' votes

**Sm** Member of the Board of Directors elected from the slate voted by the minority

### SCHEDULE NR. 3: BOARD OF STATUTORY AUDITORS STRUCTURE

<b>Board of Statutory Auditors</b>									
Position	Members	In office since	In office until	Slate		Indep. as per Code		% *	Number other positions **
				SM	Sm	YES	NO		
Chairman	Loli Giorgio	10-5-2007	22-04-2010		X	X		100%	16
Standing Auditor	Francardo Gian Luigi	10-5-2007	22-04-2010	X		X		79.17%	4
Standing Auditor	Mayr Siegfried	10-5-2007	22-04-2010		X	X		87.50%	--
Standing Auditor	Milanese Aldo	10-5-2007	22-04-2010	X		X		70.83%	14
Standing Auditor	Nicastro Vincenzo	10-5-2007	22-04-2010	X		X		87.50%	10
Substitute Auditor	Livatino Massimo	10-5-2007	22-04-2010		X	--			
Substitute Auditor	Verrascina Giuseppe	10-5-2007	22-04-2010	X		--			
<b>-----Auditors who stepped down during the Period -----</b>									
--	--								
<b>Indicate <i>quorum</i> required for the presentation of the slates in the last appointment: 0,5%</b>									
<b>Number of meetings held during the Period: 24</b>									
NOTE									
* This column shows the percentage of the Auditors' participation in the meetings of the Board of Statutory Auditors (number of attendances / number of meetings held during the term of office with regard to the Period).									
** This column shows the number of positions as director or auditor held by the interested party pursuant to Sect. 148- <i>bis</i> of TUF. The full list of the positions held is annex, pursuant to Sect. 144- <i>quinquiesdecies</i> of the Consob Issuer Rules, to the report on supervisory activity, drawn up by Auditors pursuant to Sect. 153, paragraph 1, of TUF.									
LEGEND									
SM Member of the Board of Statutory Auditors elected from the slate voted by the majority									
Sm Member of the Board of Statutory Auditors elected from the slate voted by a minority									

**ATTACHMENT**

**POSITIONS HELD BY THE DIRECTORS OF UNICREDIT IN OTHER  
COMPANIES LISTED ON REGULATED MARKETS (BOTH IN ITALY AND  
ABROAD), INCLUDING FINANCIAL SERVICES COMPANIES, BANKS,  
INSURANCE COMPANIES OR OTHER LARGE COMPANIES**

**Mr. DIETER RAMPL**  
**Chairman**

POSITIONS HELD	COMPANY BELONGING TO UNICREDIT GROUP	
	YES	NO
Vice Chairman of the Board of Directors of Mediobanca S.p.A.		X
Chairman of the Supervisory Board of Koenig & Bauer AG		X
Independent director/Chairman of the Audit Committee of KKR Guernsey GP Limited		X

**Mr. LUIGI CASTELLETTI**  
**Deputy Vice Chairman**

NO POSITIONS HELD IN OTHER COMPANIES LISTED ON REGULATED MARKETS (BOTH IN ITALY AND ABROAD), INCLUDING FINANCIAL SERVICES COMPANIES, BANKS, INSURANCE COMPANIES OR OTHER LARGE COMPANIES

**Mr. FARHAT OMAR BENDARA**  
**Vice Chairman**

POSITIONS HELD	COMPANY BELONGING TO UNICREDIT GROUP	
	YES	NO
Chairman of Arab Banking Corporation International Bank		X

**Mr. VINCENZO CALANDRA BUONAURA**  
**Vice Chairman**

POSITIONS HELD	COMPANY BELONGING TO UNICREDIT GROUP	
	YES	NO
Member of the Board of Directors of Credito Emiliano S.p.A.		X
Chairman of Carimonte Holding S.p.A. (until April 2009)		X

**Mr. FABRIZIO PALENZONA**  
**Vice Chairman**

POSITIONS HELD	COMPANY BELONGING TO UNICREDIT GROUP	
	YES	NO
Chairman of AVIVA Italia S.p.A.		X
Member of the Board of Directors of Mediobanca S.p.A.		X
Member of the Board of Directors of Fondazione Cassa di Risparmio di Alessandria		X

**Mr. ALESSANDRO PROFUMO**  
**Chief Executive Officer**

POSITIONS HELD	COMPANY BELONGING TO UNICREDIT GROUP	
	YES	NO
Chairman of the Supervisory Board of HVB (until February 2009)	X	
Chairman of the Supervisory Board of Bank Austria	X	

**Mr. GIOVANNI BELLUZZI**  
**Director**

POSITIONS HELD	COMPANY BELONGING TO UNICREDIT GROUP	
	YES	NO
Member of the Board of Directors of AIMAG S.p.A.		X
Member of the Board of Statutory Auditors of Banca Emilveneta S.p.A		X
Member of the Board of Statutory Auditors of Eni Trading & Shipping S.p.A.		X
Member of the Board of Statutory Auditors of Farmacie Comunali di Modena S.p.A.		X
Member of the Board of Statutory Auditors of Luisa Spagnoli S.p.A.		X
Member of the Board of Statutory Auditors of Raffineria di Gela S.p.A.		X
Member of the Board of Statutory Auditors of SPAPI S.r.l.		X
Member of the Board of Statutory Auditors of Trans Tunisian Pipeline Co Ltd		X

**Mr. MANFRED BISCHOFF**  
**Director**

POSITIONS HELD	COMPANY BELONGING TO UNICREDIT GROUP	
	YES	NO
Chairman of the Supervisory Board Daimler AG		X
Chairman of the Supervisory Board of SMS GmbH		X
Chairman of the Supervisory Board of Voith AG (since March 2010)		X
Member of the Supervisory Board of Fraport AG		X
Member of the Board of Directors of Nortel (until March 2009)		X
Member of the Supervisory Board of Royal KPN N.V.		X

**Mr. ENRICO TOMMASO CUCCHIANI**  
**Director**

POSITIONS HELD	COMPANY BELONGING TO UNICREDIT GROUP	
	YES	NO
Member of the Supervisory Board (“Vorstand”) of Allianz SE		X
Chairman of Allianz S.p.A.		X
Chairman of ACIF S.p.A.		X
Chairman of ACIF 2 S.p.A.		X
Member of the Board of Directors of Lloyd Adriatico Holding S.p.A.		X
Chairman of AGF Ras Holding BV		X
Chairman of Allianz Holding France SAS		X
Member of the Board of Directors of Companhia de Seguros Allianz Portugal SA		X
Vice Chairman of Allianz Sigorta P&C		X
Vice Chairman of Allianz Hayat ve Emklilik AS		X
Vice Chairman of Allianz Compania de Seguros, Spain SA		X
Vice Chairman of Allianz Hellas Insurance Company SA		X
Member of the Board of Directors of Allianz France SA		X
Member of the Board of Directors of Pirelli & C. S.p.A.		X
Member of the Board of Directors of Illycaffè S.p.A.		X

**Mr. DONATO FONTANESI**  
**Director**

POSITIONS HELD	COMPANY BELONGING TO UNICREDIT GROUP	
	YES	NO
Chairman of the Board of Directors of Fondazione Coopsette di Campegine (Reggio Emilia)		X
Member of the Management of Coopsette s.c. di Castelnovo Sotto (Reggio Emilia)		X

**Mr. FRANCESCO GIACOMIN**  
**Director**

NO POSITIONS HELD IN OTHER COMPANIES LISTED ON REGULATED MARKETS (BOTH IN ITALY AND ABROAD), INCLUDING FINANCIAL SERVICES COMPANIES, BANKS, INSURANCE COMPANIES OR OTHER LARGE COMPANIES

**Mr. PIERO GNUDI**  
**Director**

POSITIONS HELD	COMPANY BELONGING TO UNICREDIT GROUP	
	YES	NO
Chairman of the Board of Directors of ENEL S.p.A.		X
Chairman of the Board of Directors of ENEL Distribuzione S.p.A.		X
Chief Executive Officer of Carimonte Holding S.p.A. (until April 2009)		X

**Mr. FRIEDRICH KADR NOSKA**  
**Director**

POSITIONS HELD	COMPANY BELONGING TO UNICREDIT GROUP	
	YES	NO
Member of the Executive Board of Privatstiftung zur Verwaltung von Anteilsrechten		X
Chairman of the Supervisory Board of Österreichisches Verkehrsbüro AG		X
Chairman of the Supervisory Board of Wienerberger AG		X
Chairman of the Supervisory Board di Allgemeine Baugesellschaft – A. Porr AG		X
Member of the Supervisory Board of Card Complete Service Bank AG	X	
Member of the Board of Directors of Wiener Privatbank SE		X
Member of the Board of Directors of VISA Europe Limited (until April 2009)		X
Member of the Board of Directors of Conwert Immobilieninvest SE		X

**Ms. MARIANNA LI CALZI**  
**Director**

NO POSITIONS HELD IN OTHER COMPANIES LISTED ON REGULATED MARKETS (BOTH IN ITALY AND ABROAD), INCLUDING FINANCIAL SERVICES COMPANIES, BANKS, INSURANCE COMPANIES OR OTHER LARGE COMPANIES

**Mr. SALVATORE LIGRESTI**  
**Director**

POSITIONS HELD	COMPANY BELONGING TO UNICREDIT GROUP	
	YES	NO
Honorary Chairman (*) of Fondiaria-SAI S.p.A.		X
Honorary Chairman (*) of Milano Assicurazioni S.p.A.		X
Honorary Chairman (*) of Immobiliare Lombarda S.p.A.		X
Honorary Chairman (*) of Premafin Finanziaria S.p.A. – Holding di Partecipazioni		X

(\*) No member of the Board of Directors



**Mr. LUIGI MARAMOTTI**  
**Director**

POSITIONS HELD	COMPANY BELONGING TO UNICREDIT GROUP	
	YES	NO
Vice Chairman of Max Mara Fashion Group S.r.l.		X
Vice Chairman of Credito Emiliano S.p.A.		X
Vice Chairman of Credito Emiliano Holding S.p.A.		X
Member of the Board of Directors of COFIMAR		X
Vice Chairman of Max Mara Finance S.r.l.		X
Vice Chairman of Marina Rinaldi S.r.l.		X
Chairman of Maxima S.r.l.		X

**Mr. ANTONIO MARIA MAROCCO**  
**Director**

POSITIONS HELD	COMPANY BELONGING TO UNICREDIT GROUP	
	YES	NO
Member of the Board of Directors of Reale Mutua di Assicurazioni S.p.A.		X
Member of the Board of Directors of Reale Immobili S.p.A.		X
Member of the Board of Directors and Member of the Audit Committee of Exor S.p.A.		X

**Mr. CARLO PESENTI**  
**Director**

POSITIONS HELD	COMPANY BELONGING TO UNICREDIT GROUP	
	YES	NO
General Manager and Member of the Executive Committee of Italmobiliare S.p.A.		X
Managing Director and Member of the Executive Committee of Italcementi S.p.A.		X
Member of the Board of Directors of Mediobanca S.p.A.		X
Member of the Board of Directors and of the Executive Committee of RCS Media Group S.p.A.		X
Vice Chairman of Ciments Français S.A.		X
Independent Director of Ambienta SGR		X

**Ms. LUCREZIA REICHLIN**  
**Director**

NO POSITIONS HELD IN OTHER COMPANIES LISTED ON REGULATED MARKETS (BOTH IN ITALY AND ABROAD), INCLUDING FINANCIAL SERVICES COMPANIES, BANKS, INSURANCE COMPANIES OR OTHER LARGE COMPANIES

**Mr. HANS JÜRGEN SCHINZLER**  
**Director**

POSITIONS HELD	COMPANY BELONGING TO UNICREDIT GROUP	
	YES	NO
Chairman of the Supervisory Board of Munich Reinsurance Company		X
Member of the Supervisory Board of Metro AG		X

**Mr. THEODOR WAIGEL**  
**Director**

POSITIONS HELD	COMPANY BELONGING TO UNICREDIT GROUP	
	YES	NO
Member of the Supervisory Board of AachenMünchener Versicherung AG		X
Member of the Supervisory Board of AachenMünchener Lebensversicherung AG		X
Member of the Supervisory Board of Generali Vienna Holding AG (until June 2009)		X

**Mr. ANTHONY WYAND**  
**Director**

POSITIONS HELD	COMPANY BELONGING TO UNICREDIT GROUP	
	YES	NO
Chairman of Grosvenor Continental Europe (until March 2009)		X
Member of the Board of Directors of AVIVA France		X
Member of the Board of Directors of Société Foncière Lyonnaise SA		X
Deputy Chairman of Société Générale		X

**Mr. FRANZ ZWICKL**  
**Director**

<b>POSITIONS HELD</b>	<b>COMPANY BELONGING TO UNICREDIT GROUP</b>	
	<b>YES</b>	<b>NO</b>
Member of the Executive Board of Privatstiftung zur Verwaltung von Anteilsrechten		<b>X</b>
Member of the Supervisory Board of Österreichische Kontrollbank AG		<b>X</b>
Member of the Supervisory Board of Österreichische Verkehrsbüro AG		<b>X</b>
Chairman of the Supervisory Board of ECO Business-Immobilien AG (Chairman until January 2009 and Member until May 2009)		<b>X</b>
Chairman of the Supervisory Board di Wiener Privatbank Immobilieninvest AG		<b>X</b>
Member of the Supervisory Board of Card Complete Service Bank AG	<b>X</b>	
Member of the Board of Directors of Conwert Immobilieninvest SE		<b>X</b>
Member of the Executive Board of Wiener Wissenschafts-und Technologiefonds		<b>X</b>



**APPENDIX TO REPORT ON  
CORPORATE GOVERNANCE AND  
OWNERSHIP STRUCTURES  
REGARDING THE APPLICATION  
OF CORPORATE GOVERNANCE  
RULES SPECIFIED IN “CODE OF  
BEST PRACTICE FOR WARSAW  
STOCK EXCHANGE LISTED  
COMPANIES” IN 2009**

Name of the Issuer:  
**UniCredit S.p.A.**

Website:  
**[www.unicreditgroup.eu](http://www.unicreditgroup.eu)**

Reference Period:  
**1 January 2009/ 31 December 2009**

## **A. Introduction.**

In this Appendix to the Report on Corporate Governance and ownership structures of UniCredit S.p.A. hereby gives notice of the non-application of certain corporate governance rules set forth in the document “Code of Best Practice for Warsaw Stock Exchange Listed Companies” (hereinafter referred to as the “Code of Best Practice”) together with an explanation under what circumstances and for what reasons these rules were not applied. The text of the Code of Best Practice is available in English at: <http://corp-gov.gpw.pl>.

This information should be interpreted together with the Report on Corporate Governance and ownership structures to which this document is appended. The Report on Corporate Governance and ownership structures contains, among other things, information on shareholders’ meetings (cf. Sections 16 and 2 of the Corporate Governance Report), composition and procedures of the Company’s managing and supervisory bodies and their committees (cf. Sections 4, 6, 7, 8, 9, 10, 13 and 14 of the Corporate Governance Report) and description of the basic features of the Company’s internal control and risk management systems related to the financial reporting process (cf. Section 11 of the Report on Corporate Governance and ownership structures).

Additionally, this information should be interpreted together with general explanations relating to specific topics concerning the Company as a foreign entity the shares of which are listed on the foreign regulated markets provided below.

UniCredit is incorporated under the laws of Italy, and its corporate standing, rules of operation as well as the rights of shareholders are governed by the provisions of Italian corporate law. In certain areas, those provisions differ significantly from the relevant provisions of the Polish law.

UniCredit operates under a system based on two bodies appointed by the Shareholders’ Meeting, which are the Board of Directors and the Board of Statutory Auditors. The Board of Directors of UniCredit is responsible for the management and the strategic supervision of UniCredit. The Board of Statutory Auditors supervises the management of UniCredit and its compliance with laws, regulations and the Articles of Association, and assesses and monitors the adequacy of UniCredit’s organization, internal controls, administrative and accounting systems and its disclosure procedures. Although the Board of Directors and the Board of Statutory Auditors of an Italian company could be, to some extent, characterized as being equivalent to, respectively, the Management Board and the Supervisory Board of a Polish company, there are very important differences. In particular, the Board of Directors performs many functions of the Polish Supervisory Board. However, for the purpose of the Code of Best Practice, references to the “management board” in the Code of Best Practice will be treated as references to UniCredit’s Board of Directors. References to the “supervisory board” will be treated as references to UniCredit’s Board of Statutory Auditors and, where appropriate, also to the Board of Directors as each of those corporate bodies performs certain functions of a Supervisory Board of a Polish company.

All capitalized terms not herein defined shall have the meaning assigned to them in the Report on Corporate Governance and ownership structures (cf. Glossary).

## **B. Information as to which corporate governance rules were not applied by the issuer and an explanation under what circumstances and for what reasons these rules were not applied.**

In 2009, the Company has complied with all corporate governance rules set forth in the Code of Best Practice, except the practices indicated below, which were entirely or partly impossible to apply due to the discrepancies between laws and regulations and operational practices of the Company as a foreign entity and the respective practice.

## **I. Recommendations for Best Practice for Listed Companies**

*Item I.1. A company should pursue a transparent and effective information policy using both traditional methods and modern technologies ensuring fast, secure and broad access to information. Using such communication methods to the broadest extent possible, a company should ensure adequate communication with investors and analysts, enable on-line broadcasts of General Meetings over the Internet, record General Meetings, and publish the recordings on the company website.*

Partial non-application of the rule.

Italian Law does not require enabling on-line broadcasts of General Meetings over the Internet, record General Meetings, and publish the recordings on the Company website. However, according to the principles laid down by both local regulations and self-conduct rules UniCredit makes available to the shareholders on its website ([www.unicreditgroup.eu](http://www.unicreditgroup.eu)) all the relevant documentation before any Shareholders' Meeting and publishes after the latter the minutes of each resolution taken.

## **II. Best Practice for Management Boards of Listed Companies**

*Item II.3 Before a company executes a significant agreement with a related entity, its Management Board shall request the approval of the transaction/agreement by the Supervisory Board. This condition does not apply to typical transactions made on market terms within the operating business by the company with a subsidiary where the company holds a majority stake. For the purpose of this document, the linked entity shall be understood within the meaning of the Regulation of the Minister of Finance dated 19 October 2005 concerning current and periodic reports submitted by issuers of securities.*

Partial non-application of the rule.

The approval of such agreements by the Statutory Auditors is not required by Italian Law. There is also no general requirement for such agreements to be approved by the Board of Directors. However, according to the Articles of Association of UniCredit and its internal rules, the Board of Directors has exclusive competence to approve any partnership and joint venture agreements or other cooperation agreements, including those limited to specific sectors, with related parties and other banking groups. It also evaluates and approves any transactions having a significant impact on Company's profitability, assets and liabilities and financial position, with particular reference to transactions with related parties, upon prior definition of the criteria for their selection. Moreover, please note that any significant agreement/transaction which is not resolved upon by the Board of Directors is reported periodically to the latter on a Group basis.

Lastly, certain obligations are also set out for Company's Directors and corporate officers by Article 136 of the Italian Banking Law (Legislative Decree nr. 385/93), whereby they may take up obligations, directly or indirectly, for the bank they manage, direct or control only with the Board of Directors' unanimous approval and the favourable vote of all the members of the Board of Statutory Auditors. The same apply with regard to transactions entered into by companies where Company's Directors and corporate officers hold the positions of Directors or Statutory Auditors (including controlling entities and subsidiaries of such companies) and companies belonging to UniCredit Group. For this purpose, the corporate banking officers are required to give notice of the persons – individuals or legal entities – with whom the establishment of possible dealings could be construed as generating the type of indirect obligation substantially relating to corporate banking officers.

## **III. Best Practice for Supervisory Board Members**

*Item III.2 A member of the Supervisory Board should submit to the company's Management Board information on any relationship with a shareholder who holds shares representing not less than 5% of all votes at the General Meeting. This obligation concerns financial, family, and other relationships which may affect the position of the member of the Supervisory Board on issues decided by the Supervisory Board.*

Under Italian regulations applicable to Company, there is no obligation relating specifically to relationships with shareholders exceeding 5% of all votes. However, pursuant to the Italian Law and self-conduct rules all the members of the Board of Directors are required to state whether they deem to be independent and the existence of the independency requirements declared has to be assessed by the Board at least on a yearly basis. Additionally, according to the Italian Law, all the Statutory Auditors have to meet independence criteria set out for Board Directors. Such criteria generally include the absence of any relationships with controlling shareholders.

*Item III.5 A member of the Supervisory Board should not resign from this function if this action could have a negative impact on the Supervisory Board's capacity to act, including the adoption of resolutions by the Supervisory Board.*

This rule is not present in the applicable Italian regulations. However, please note that Italian Law provides for the mandatory appointment of two alternate Statutory Auditors to automatically and immediately substitute any standing Statutory Auditor who terminates his/her office for whatever reason. As a consequence there is no possibility that the termination of an Auditor causes a negative impact on the functioning of the Board of Statutory Auditors. As regards the Board of Directors, due to the relatively large number of its members, there is no practical risk of any negative impact on the functioning of such corporate body in the event of termination of one of the Directors. In any case, specific rules are laid down by the Italian Law which provide for the substitution of any ceased Director by means of cooptation .

*Item III.6 At least two members of the Supervisory Board should meet the criteria of being independent from the company and entities with significant connections with the company. The independence criteria should be applied under Annex II to the Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board. Irrespective of the provisions of point (b) of the said Annex, a person who is an employee of the company or an associated company cannot be deemed to meet the independence criteria described in the Annex. In addition, a relationship with a shareholder precluding the independence of a member of the Supervisory Board as understood in this rule is an actual and significant relationship with any shareholder who has the right to exercise at least 5% of all votes at the General Meeting.*

Partial non-application of the rule.

According to the Articles of Association at least three members of the Board of Directors must meet the independence requirements established for Statutory Auditors by Italian Law (please see below), and at least five Directors must meet the additional requirements indicated by the Corporate Governance Code for Listed Companies issued by Borsa Italiana S.p.A. The independence requirements established by Italian Law and those specified by the Corporate Governance Code for Listed Companies issued by Borsa Italiana S.p.A. may be cumulative for the same person.

Additionally, all Statutory Auditors of the Company shall meet the criteria of independence set out by Italian Law. Such criteria generally comply with those set out by Annex II to the Commission Recommendation of 15 February 2005. However, there is no obligation relating specifically to relationships with shareholders exceeding 5% of all votes. Anyway, the Statutory Auditor (as well as any Director) who has a significant commercial, financial or professional relationship (i) with a subject who, jointly with others through a shareholders' agreement, controls the issuer, or (ii) in the case of a company or an entity – with the relevant significant representatives – cannot be considered as independent and therefore cannot be appointed as Statutory Auditor (nor as independent director) and, if already appointed, has to resign from such office.

*Item III.9 Execution by the company of an agreement/transaction with a related entity which meets the conditions of section II.3 requires the approval of the Supervisory Board.*

Partial non-application of the rule.

As specified in item II.3, the approval of such agreements by the Board of Statutory Auditors is not required by Italian Law. There is also no general requirement for such agreements to be approved by the Board of Directors. Please note, however, that the Board of Directors has exclusive competence to approve any partnership and joint venture agreements or other cooperation agreements, including those limited to specific sectors, with related parties and other banking groups. It also evaluates and approves any transaction having a significant impact on Company's profitability, assets and liabilities and financial position, with particular reference to transactions with related parties, upon prior definition of the criteria for their selection.

#### **IV. Best Practices of Shareholders**

*Item IV.3 Any shareholder who motions for the inclusion of an issue on the agenda of the General Meeting, including a motion to take an issue off the agenda, should provide grounds enabling an informed decision on the resolution.*

Under the provisions of the Italian Law concerning listed companies, shareholders who, separately or jointly, represent at least one fortieth of the share capital may request, within five days after the publication of the notice convening the meeting, additions to the agenda, specifying in the request the additional items they propose. There is, however, no requirement under applicable Italian regulations to provide grounds for such a motion.

*Item IV.7 A resolution of the General Meeting concerning a conditional dividend payment may only contain such conditions whose potential fulfilment must take place before the date of setting the right to dividend.*

Pursuant to Italian law, the Company is not allowed to pay conditional dividend.

*Item IV.8 The General Meeting or the Supervisory Board should ensure that the company authorised to audit financial statements changes at least once every seven financial years.*

Italian Law imposes a fixed duration of nine financial years for the assignment of the company authorised to audit financial statements.

UniCredit S.p.A.

A.Profumo

Chief Executive Officer