



**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 2011**

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

Website:
www.unicreditgroup.eu

Reference Period:
1 January 2011/ 31 December 2011

A. Introduction.

In this Appendix to the Report on Corporate Governance and ownership structures of UniCredit S.p.A. (“**UniCredit**” or the “**Company**”), UniCredit 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 and with the Report on Remuneration, which is available, inter alia, together with the Report on Corporate Governance on the Company’s website. The Report on Corporate Governance and ownership structures contains, among other things, information on shareholders’ meetings (cf. Sections 16 and 2 of the Report on Corporate Governance and ownership structures), 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 Report on Corporate Governance and ownership structures) 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). In particular, information concerning set-up, tasks and functioning of the Remuneration Committee (Section 8 of the Report on Corporate Governance), and remuneration of Directors (Section 9 of the Report on Corporate Governance) are enclosed in the Report on Remuneration.

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, i.e. in Italy (on the Italian Stock Exchange operated by Borsa Italiana S.p.A.) and Germany (on the Frankfurt Stock Exchange operated by Deutsche Borse AG).

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 to the Report on Corporate Governance and ownership structures).

Furthermore, the Company hereby declares that this Appendix to the Report on Corporate Governance and ownership structures does not provide information on the application of rule IV.10. of the Code of Best Practice as this rule should be applied no later than January 1, 2013.

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 2011, 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.

Chapter I - Recommendations for Best Practice for Listed Companies

Rule I.1. A company should pursue a transparent and effective information policy using both traditional methods and modern technologies and latest communication tools ensuring fast, secure and effective access to information.

Using such methods to the broadest extent possible, a company should in particular:

- maintain a company website whose scope and method of presentation should be based on the model investor relations service available at <http://naszmodel.gpw.pl/>;*
- ensure adequate communication with investors and analysts, and use to this purpose also modern methods of Internet communication;*
- 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.

Company's explanations:

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) all the relevant documentation before any Shareholders' Meeting and publishes after the latter the minutes of each resolution taken.

Chapter II - Best Practice for Management Boards of Listed Companies

Rule 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 a company with a subsidiary where the company holds a majority stake. For the purpose of this document, a related entity shall be understood within the meaning of the Regulation of the Minister of Finance issued pursuant to Article 60.2 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies (Dz.U. No. 184, Item 1539, as amended).

Partial non-application of the rule.

Company's explanations:

The approval of such agreements by the Board of Statutory Auditors is not required under 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 the 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 the 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 the Company's Directors and corporate officers by Article 136 of the Italian Banking Law (Legislative Decree 385/93), whereby they may assume obligations, directly or indirectly, for the bank they manage, direct or control only with the Board of Directors' unanimous approval and the favorable vote of all the members of the Board of Statutory Auditors. The same applies with regard to transactions entered into by companies where the 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.

Rule II.8. *If a company's Management Board is informed that a General Meeting has been summoned pursuant to Article 399 §2–4 of the Code of Commercial Partnerships and Companies, the company's Management Board shall immediately perform the actions it is required to take in connection with organizing and conducting a General Meeting. This rule shall also apply if a General Meeting is summoned on the basis of authorization given by the registration court pursuant to Article 400 §3 of the Code of Commercial Partnerships and Companies.*

Company's explanations:

Italian Law provides similar provisions regarding the summoning of General Meetings by corporate bodies or entities other than the Board of Directors to the ones stipulated in the Polish Code of Commercial Partnerships and Companies. However, Italian Law does not place specific duties on the Board of Directors for organizing or conducting General Meetings.

Generally, pursuant to Italian Law, a General Meeting may be convened by the Board of Statutory Auditors (*Collegio Sindacale*), shareholders or the Court (*Tribunale*) in the following cases:

1. The Board of Statutory Auditors is obliged to summon a General Meeting in the case of the resignation of all members of the Board of Directors. The General Meeting is convened in order to appoint a new Board of Directors. Additionally, Italian Law requires the Board of Statutory Auditors to promptly summon a General Meeting, if the Board of Directors fails to do so, e.g.: (i) for the approval of the annual report; (ii) in the case of losses larger than one-third of the company's share capital; (iii) when shareholders representing at least one-twentieth of the company's share capital demand the convening of a General Meeting.
2. Shareholders representing at least one-twentieth of the share capital of a listed company may demand that a General Meeting is convened. Such request must be submitted to the Board of Directors. If the General Meeting is not promptly convened by the Board of Directors, or by the Board of Statutory Auditors, the Court (*Tribunale*) may issue a decree ruling the summoning of a General Meeting. However, this rule is not enforceable in the case when a General Meeting is called in order to resolve on items in connection to which the Italian Law requires a specific report to be prepared by the Board of Directors (e.g. capital increase, merger, etc.).

Chapter III - Best Practice for Supervisory Board Members

Rule 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.*

Company's explanations:

Under Italian regulations applicable to Company, there is no obligation relating specifically to relationships with shareholders holding or 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 the Board of Directors. Such criteria generally include the absence of any relationships with controlling shareholders.

Rule 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.

Company's explanations:

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.

Rule 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.

Company's explanations:

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 holding or 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.

Rule 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.

Company's explanations:

As specified in the Rule 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.

Chapter IV - Best Practices of Shareholders

Rule 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.*

Company's explanations:

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

UniCredit S.p.A.

F. Ghizzoni

Chief Executive Officer