

# One Bank, One UniCredit.

1. Delegation for capital increase  
to support the 2018 Group Incentive System  
Directors' Report

2019

Ordinary and Extraordinary Shareholders' Meeting



# Delegation for capital increase to support the 2018 Group Incentive System

## **1. Delegation to the Board of Directors to carry out a free capital increase for a maximum amount of Euro 7,344,935 in order to complete the execution of the 2018 Group Incentive System and consequent amendments to the Articles of Association.**

Dear Shareholders,

we have called you in the Shareholders' Meeting in extraordinary session to submit for your approval the following proposals to delegate authority to the Board of Directors, pursuant to section 2443 of the Civil Code, to increase the share capital under section 2349 of the Civil Code (granting of free ordinary shares to employees of UniCredit Group).

As known, the ordinary session of the shareholders' meeting of April 12th, 2018 approved the 2018 System, aimed at the allocation of incentives, in cash and/or in free ordinary shares, to be granted to the Personnel of UniCredit and of Group's companies, over a multi-year period and subject to the achievement of specific performance conditions.

In the same meeting the shareholders resolved, in the extraordinary session, the assignment of the power of attorney to the Board of Directors in order to issue the free ordinary shares needed for the execution of 2018 System.

Considering that, under the provision of section 2443 of the Civil Code, the power of attorney to the Board of Directors to increase the share capital cannot be assigned for more than five years from the date of the registration of the related shareholders' resolution, during the aforementioned resolution it had been prospectively to shareholders the need to present, in a following session, the proposal to assign a further power of attorney for the allocation of the last tranche of shares to be done in 2024, as provided by the 2018 System.

In consideration of the above, it is proposed to today shareholders' meeting to assign a power of attorney to the Board of Directors, to be exercised in 2024, in order to increase the share capital of up to 800,000 ordinary shares, corresponding to a maximum amount of Euro 7,344,935, calculated based on the implicit value of UniCredit share, determined at the moment of the assignment of the power of attorney to the Board in April 2018.

The aforementioned capital increase will be carried out using the special reserve known as "Provisions Linked to the Medium Term Incentive System for Group Employees" set up for this purpose which, if case, may be restored or increased via allocation of a portion of profits or available statutory reserves, formed from the distribution of company profits that shall be identified by the Board of Directors at the moment of share issuance.

Under the provisions of section 2349 of the Civil Code, the consequent amendments to the Articles of Association are submitted to the Shareholders' meeting for approval and are detailed as follows:

<i>TEXT IN FORCE</i>	<i>DRAFT AMENDMENT</i>
<b>SECTION III</b> <b>Regarding share capital and shares</b>	<b>SECTION III</b> <b>Regarding share capital and shares</b>
<u>Clause 6</u>  <i>omissis</i>  15. The Board of Directors has the power, under the provisions of Article 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated April 12, 2018, to carry out a free capital increase, as allowed by Article 2349 of the Italian Civil Code, for a maximum amount of Euro 76,597,177.00, corresponding to up to 8,200,000 ordinary shares, to be granted to employees of UniCredit S.p.A. and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives in execution of 2018 Group Incentive System.	<u>Clause 6</u>  <i>omissis</i>  15. The Board of Directors has the power, under the provisions of section 2443 of the Italian Civil Code, <del>to resolve</del> <b>(i) to carry out a free capital increase</b> , on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated April, 12 2018, as allowed by Article 2349 of the Italian Civil Code, <del>a free capital increase</del> for a maximum amount of Euro 76,597,177, corresponding to a maximum number of 8,200,000 ordinary shares <b>and (ii) to carry out a free capital increase in 2024 for a maximum amount of Euro 7,344,935, corresponding to up to 800,000 ordinary shares</b> , to be granted to employees of UniCredit and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives in execution of 2018 Group Incentive System.

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The amendments submitted to the approval of the today UniCredit Shareholders' Meeting – which do not trigger the right of withdrawal of the ordinary and savings shareholders pursuant to art. 2437 of the Civil Code - are subject to the authorization of the Supervisory Authorities' pursuant to Sec. 56 of the Legislative Decree 385/93.

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Dear Shareholders

in relation to the above, you are invited to approve the following resolution:

“Having heard the directors' report, the extraordinary shareholders' meeting of UniCredit S.p.A,

RESOLVES

- to grant the Board of Directors, under the provisions of section 2443 of the Civil Code, the authority to resolve in 2024 to carry out a free capital increase, as allowed by section 2349 of the Civil Code, for a maximum amount of Euro 7,344,935 corresponding to up to 800,000 ordinary shares, to be granted to employees of UniCredit S.p.A. and of Group banks and companies, who hold positions of particular

importance for the purposes of achieving the Group's overall objectives in order to complete the execution of the 2018 System approved by Ordinary Meeting on April 12th, 2018. Such an increase in capital shall be carried out using the special reserve known as "Provisions Linked to the Medium Term Incentive System for Group Employees" set up for this purpose which, if needed, may be restored or increased via allocation of profits or a portion of available statutory reserves, formed from the distribution of company profits that shall be identified by the Board of Directors at the moment of share issuance;

- further to the resolution passed in the previous point, to review the paragraph 15 in clause 6 of the Articles of Association with the following new text:

*"The Board of Directors has the power, under the provisions of section 2443 of the Italian Civil Code, (i) to carry out a free capital increase, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated April, 12 2018, as allowed by Article 2349 of the Italian Civil Code, for a maximum amount of Euro 76,597,177, corresponding to a maximum number of 8,200,000 ordinary shares and (ii) to carry out a free capital increase in 2024 for a maximum amount of Euro 7,344,935, corresponding to up to 800,000 ordinary shares, to be granted to employees of UniCredit and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives in execution of 2018 Group Incentive System."*

- to delegate to the Board of Directors all the necessary powers for issuing the new shares as well as consequently amend the Articles of Association;
- to give to the Chairman, to the Chief Executive Officer and to the Head of Group Human Capital, also separately and with the power to further delegate the Executive Staff of the Company, every opportune powers of attorney to:
  - (i) provide for implementing the above resolutions under terms of law;
  - (ii) accept or adopt all amendments and additions (not changing substantially the content of the resolutions) which should be necessary for registration at the Register of Companies;
  - (iii) proceed with the deposit and registration, under terms of law, with explicit and advanced approval and ratification, of the adopted resolution and of the text of the Article of Association updated as aforementioned. "