



Qualitative and quantitative composition of the UniCredit S.p.A. Board of Directors

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Introduction

In compliance with the Supervisory Regulations on banks' corporate governance, issued by the Bank of Italy¹ (the "**Supervisory Regulations**"), Boards of Directors of banks are required to identify their own qualitative-quantitative composition deemed to be optimal for the effective fulfilment of the duties and responsibilities entrusted to them by law, by the supervisory provisions and by the Articles of Association.

According to the general principles set out in the Supervisory Regulations:

- a) from a quantitative perspective, the number of members of corporate bodies must be appropriate to the size and complexity of the bank's organisational structure so as to effectively oversee all business operations as regards management and controls;
- b) from a qualitative perspective, the correct fulfilment of the duties falling under the responsibility of the bodies with strategic supervision, management and control functions requires the presence of members:
 - who are fully aware of the powers and obligations inherent to the functions that each of them is called to perform (supervisory, management or control functions; executive or non-executive; independent members, etc.);
 - who possess professional skills appropriate to the role they are required to fulfil, even in Board Committees, adequate to the bank's operational characteristics and size;
 - who have skills, distributed among them and appropriately diversified, to ensure that each of the members, both in the Board Committees in which they sit and in group decision-making, may effectively contribute to identify and pursue suitable strategies and ensure an effective management of risks across all areas of the bank;
 - who dedicate time and resources which are appropriate to the complex nature of their role;
 - whose action is addressed to pursue the bank's overall interest, regardless of the shareholders who voted for them or of the list from which they were taken, acting with independent judgment.

The Supervisory Regulations request that attention shall be placed on all members, including non-executive ones, who are joint participants in decisions taken by the Board as a whole and who are called to carry out an important dialogue and monitoring role on choices made by the executive members.

The Supervisory Regulations also require that independent individuals should be appointed as members of the body that performs strategic supervision functions, and shall oversee with independent judgment on corporate management, contributing to ensure that the latter is performed in the interest of the company and coherently with the objectives of sound and prudent management. In banks of large size or with complex operations, the presence of specialized Board Committees (having instructing, consultative and proactive duties) set-up within the body that performs strategic supervision functions, also made up of independent members, facilitates decision-making – especially with reference to the most complex business sectors or those in which there is a higher risk of conflict of interest.

The Supervisory Regulations set forth that the appointment process, in which multiple bodies and functions are involved (a Nomination Committee, where applicable; the Board of Directors; the Shareholders' Meeting), is aimed at ensuring that – also over the long term – the management and control bodies are made up of members who are suitable to carry out their office effectively. In order to achieve this, the professional expertise required to achieve this result must be clearly defined in advance and reviewed as appropriate over time in order to factor-in any critical issues that may arise. Candidate selection and appointment processes must take account of these criteria.

* * *

On 27 October 2023, the Shareholders' Meeting of UniCredit resolved to adopt the one-tier corporate governance model. Thus, in the upcoming renewal of the Board, Shareholders should consider that the Board of Directors will comprise an *ad hoc* Committee, set-up within the Board, which will perform control functions (i.e., the Audit Committee). As a result, the Board reminds to its Shareholders to carefully consider, when submitting their list of

¹ Circular no. 285 dated 17 December 2013 issued by the Bank of Italy, First Part, Title IV, Chapter 1

candidates, that the Board of Directors will be made up of a number of candidates called to perform said control functions and who will have to comply with the relevant applicable rules.

The Board of Directors of UniCredit, in order to facilitate the best identification of candidates for the renewal of the Board of Directors, deems it useful to bring to its Shareholders' attention the main provisions of the abovementioned Supervisory Regulations concerning the composition of both the Board of Directors and its Committees, and of the control body, summarised as follows:

- in banks of large size or with complex operations adopting the one-tier management and control system, the maximum number of Directors is 19, save for exceptional cases, which must be analytically assessed and justified;
- in banks adopting the one-tier management and control system the minimum number of members making up the Audit Committee is 3;
- the number of independent Directors be equal to at least a quarter of the members of the Board of Directors, and they shall possess professionalism and authority such as to ensure a high discussion level within the relevant body and to bring a significant contribution to the formation of the will of the same;
- the Chair of the Board of Directors must have a non-executive role and must not perform managerial functions, not even on a de facto basis;
- in banks of large size or with complex operations, it is necessary to establish – within the body that performs strategic supervision functions – specialized Committees for “nominations”, “risks” and “remuneration”;
- each of the above Committees must consist, as a rule, of 3-5 members, all non-executives and mostly independent. The Committees must be differentiated from each other by at least one member and, where there is a Director appointed by the minorities, that Director is a member of at least one Committee. The Chair of each Committee shall be chosen from the independent members.

* * *

For the sake of completeness, reference is made to the relevant applicable national and European provisions, since it is deemed essential that such provisions are complied with when submitting lists:

- Decree of the Ministry of Economics and Finance no. 169 of 23 November 2020;
- Legislative Decree no. 58 of 24 February 1998 (Italian Consolidated Law on finance or “TUF”) and the related implementing regulations;
- Legislative Decree no. 385 of 1 September 1993 (Italian Consolidated Law on banking or “TUB”) and the related implementing regulations;
- Bank of Italy, Supervisory Regulations for banks, Circular no. 285 of 17 December 2013 on corporate governance (First Part, Title IV, Chapter 1);
- Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (CRD) and Regulation (EU) no. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (CRR);
- EBA guidelines on internal governance;
- Joint EBA/ESMA guidelines on the assessment of the suitability of members of the management body and key function holders;
- ECB guide to fit and proper assessments;
- Italian Corporate Governance Code.

The assessment process by the Board of Directors concerning its own qualitative-quantitative composition

The Supervisory Regulations require that each body, for the purpose of appointing its members and taking into account applicable regulations:

- preemptively identifies its own qualitative-quantitative composition deemed to be optimal with respect to the goals indicated in the applicable rules, identifying and justifying the theoretical profile (including characteristics of experience and independence) of candidates that is deemed appropriate to such end;
- subsequently assesses the correspondence between the qualitative-quantitative composition deemed to be optimal and the effective one that results from the appointment process.

Shareholders must be informed in due time of the results of the preemptive analyses carried out by the above mentioned corporate bodies, so that they can take them into account when proposing candidates. In doing so, shareholders have the right to make their own assessments of what constitutes an optimal Board composition, justifying any differences with regard to the analyses carried out by the Board and detailed in this profile.

In compliance with the applicable regulations and with the aim of providing Shareholders with clear and detailed guidelines to ensure that the lists of candidates submitted for the upcoming Board renewal are consistent with the responsibilities and requirements, the Board of UniCredit has established its theoretical qualitative-quantitative profile. This document is made available to the Shareholders of the Company in advance and will be verified subsequently - as required by the Supervisory Regulations - with a view to assess the consistency of the qualitative-quantitative composition of the appointed Board of Directors against this profile.

In defining the ideal profile of Directors, the Board has considered the following key elements:

- UniCredit governance system, including the Article of Association under the one-tier model, the Corporate Bodies and Committees Regulation and best practices of governance principles;
- governance benchmarks and international best practices;
- the relevant industry regulations; and
- stakeholders' expectations, suggestions and recommendations.

While finalizing the profile, the current Board, based on the experience gained during the mandate, has taken into careful consideration the functioning mechanisms of the Board and its Committees and the consequent work and activities that must be performed; moreover, the results of the self-assessment processes conducted in the last three years have been considered.

2.1 Quantitative composition

Pursuant to the Articles of Association, the Board of Directors can be made up from a minimum of 9 to a maximum of 19 members, of whom at least 3 (and, in any case, no more than 5) make up the Audit Committee; the period of office for the Directors is three financial years, unless a shorter period is established at the time of their appointment. This term of office ends on the date of the Shareholders' Meeting called for the approval of the financial statements relating to the last financial year in which they are in office. The overall number of Directors, including the number of members of the Audit Committee, is established by the Shareholders' Meeting; the members of the Audit Committee are all independent pursuant to applicable laws and to the Italian Corporate Governance Code.

In light of the foregoing, and taking into account the Supervisory Regulations regulating the composition of the Board of Directors and its Committees, the Board suggests that the Shareholders - who resolve upon the composition of the Board - opt for a number of members that will enable the aforesaid criteria to be balanced and met; the Board recommends a total of 15 Directors, including a Chair, a Deputy Vice Chair, and a CEO, as well as including 4 members belonging to the Audit Committee.

The Board's recommendation appears consistent with an adequate numerical composition of the Committees and in line with the provisions contained in the Supervisory Regulations, which also takes into account the breadth and significance of the Committees' activities.

In defining the abovementioned actions, the Board also reflected various criteria and different requirements deriving from the unique characteristics of UniCredit, in an effort to strike a balanced arrangement, including *inter alia*:

- the international nature of the UniCredit Group, which suggests that due consideration should be given to the presence of members with broad international exposure;
- the presence of members having the theoretical and practical expertise and experience that allow them, *inter alia*, to understand the Company's activities and main risks;
- the need for an appropriate number of non-executive and independent Directors, among which all members of the Audit Committee as specified above, to guarantee the efficient functioning of the Board's Committees, and to ensure an efficient balance of the expertise present in each Committee.

The Board of Directors recommends that the aforementioned criteria are considered to ensure a balanced quantitative and qualitative composition.

2.2 Qualitative composition

In accordance with the provisions of the Supervisory Regulations and the Italian Corporate Governance Code, the Board of UniCredit makes available to the Bank's Shareholders a theoretical profile of the Directors in order to facilitate the best identification of the candidates to be proposed at the Shareholders' Meeting called to resolve upon the renewal of the body. More in detail, in the theoretical profile specific recommendations were formulated to ensure a balanced composition of knowledge, skills and experience and to promote inclusion and diversity across age, gender and geographic areas, as well as to adequately reflect the UniCredit Group size and operational complexity, also with a view to guarantee continuity and renewal at Board level considering its members' tenure.

Therefore, given the framework previously outlined, in formulating the recommendation for the Shareholders who submit the lists of candidates regarding the professionalism and expertise deemed necessary for the purposes of the optimal composition of the Board of Directors of UniCredit, the Board wishes to emphasise the importance of:

- ensuring in the Board of Directors a balanced combination of profiles and experience, in view of the challenges faced by the Bank;
- promoting competency requirements with personal characteristics capable of ensuring the optimal performance of the office by the Directors;
- confirming a delegation system that qualifies the Chief Executive Officer as the only executive member of the Board of Directors, whilst ensuring that the Board is able to verify the exercise of the powers granted;
- guaranteeing the presence of an appropriate number of independent Directors in the composition of both the Board and the Committees, especially the Audit Committee, to ensure that an open debate is stimulated;
- identifying profiles with adequate availability of time to enable the effective conduct of the Directors' roles within the Board and its Committees;
- further promoting the diversity requirements in particular with regards to the international training and professional experience (irrespective of nationality), gender diversity (with a minimum standard of 40% of the less represented gender) and age.

The assessment process by the Board of Directors concerning its own qualitative-quantitative composition

2.2.1 Professional experience requirements

In particular, taking into account the Group's size, operational complexity, scope of activities and related risks, as well as the specificities of the markets and geographies in which it operates, the Board of Directors of UniCredit, in view of its renewal for the financial years 2024-2026, identified specific requirements that Directors must possess, in addition to those established by applicable rules and regulations to ensure the proper functioning of the Board. The Board, as a whole and also within the Audit Committee, shall be diversified so as to: foster discussion within the bodies, as well as foster the presence of multiple approaches and views both in analysing relevant matters and during the decision-making process; effectively support the corporate processes of strategy development, management of activities and risks, control over the performance of senior management; take into account the multiple interests that contribute to the sound and prudent management of the Bank.

The Board's collective expertise should be instrumental to reflect the strategic priorities that the Bank will face over the coming years. The international nature of UniCredit suggests that due consideration should be given to the presence of members with **broad international exposure** in multiple geographies. Understanding of global trends in the economic-financial system, and familiarity with socio-political situations and specific markets ideally achieved in those countries in which UniCredit Group has a strategic presence is a key element.

Without prejudice to applicable rules, the new Board will include individuals with a mix of knowledge, skills and experience which reflects the major business areas of the UniCredit Group and their risks; preferably possessing two or more of the following areas of competence, with the recommendation that they are all represented at Board level as the presence of a diverse range of skills and experiences ensures that all professional profiles are represented, encourages dialogue and helps achieving the efficient functioning of the Board.

More specifically, with regards to professional experience requirements - subject to compliance with existing regulations - the Board recommends that candidates for the role of Director preferably possess two or more of the following areas of competence:

- **BANKING BUSINESS**, achieved through an appropriate number of years² in top executive roles³ relevant to the key business priorities for a credit institution; former (or current) mandate as Board Chair or Committee Chair in a significant banking group is also relevant. Experience gained in the public sector or in the advisory sector is relevant only if closely related to the credit industry.
- **BANKING GOVERNANCE**, achieved through an appropriate number of years² in top executive roles³ in a credit institution. Functions such as Legal, Audit and Compliance are considered particularly relevant; former (or current) mandates as Board Chair or Committee Chair in a significant banking group is also relevant. Experience gained in the public sector or in the advisory sector/academia is relevant only if closely related to the credit industry. All the above criteria are met preferably where roles have included responsibilities within the geographical remit of the ECB.
- **FINANCIAL AND INTERNATIONAL MARKETS**, achieved through an appropriate number of years² in top executive roles³ in large industrial groups and/or international corporations across various business areas; also in Asset Management/Investment Management companies in countries where UniCredit Group has a strategic presence. Functions such as Finance, Investor Relations, M&A are relevant. Experience gained in the advisory sector/academia is relevant only if directly related to the specific subject.

² At least three years dating back not more than 10 years.

³ Top executive roles include: Chief Executive Officer (CEO), General Managers (GM) and CEO/GM – 1 level.

- **STRATEGIC PLANNING**, achieved through an appropriate number of years⁴ in top executive roles⁵ in large international corporations across industries. Functions such as Finance and Business areas are relevant. Experience gained in the advisory sector is relevant only if acquired in the specific subject.
- **RISK AND CONTROL**, achieved through an appropriate number of years⁴ in top executive roles⁵ in relevant functions in a financial services institution. All Control functions (Risk, Audit, Compliance) are considered relevant; former (or current) mandates as Board Chair or Risk/Audit/Control Committee Chair in a listed financial service institution is also relevant. Experience gained in the public sector or in the advisory sector/academia is relevant only if acquired in specific subjects related to risk Management within the financial services industry. All the above criteria are met preferably where roles have included responsibilities within the geographical remit of the ECB.
- **LEGAL/REGULATORY/AML/COMPLIANCE**, achieved through an appropriate number of years⁴ as lawyer/attorney or in top executive roles⁵ in relevant functions in a financial services institution. Functions such as Legal, Compliance, AML are relevant; former (or current) mandate as Board Chair or Committee Chair in a listed financial service institution is also relevant. Experience gained in the public sector or in the advisory sector/academia is relevant only if acquired in specific subjects related to regulatory and legal frameworks in connection with banking and financial fields. All the above criteria are met preferably where roles have included responsibilities within the geographical remit of the ECB.
- **ACCOUNTING AND AUDIT**, achieved through an appropriate number of years⁴ as Registered Auditor and/ or Certified Accountant; finance, Accounting and Audit functions are relevant; activities of administration or control or executive tasks in the credit, financial, securities or insurance sector or at listed companies (or companies whose size and complexity are greater than, or comparable to UniCredit). Former (or current) mandates as Chair of the Board of Directors or Risk/Audit/Control Committee Chair or Chair / member of Board of Statutory Auditors in a listed financial service institution is also relevant. Experience gained in the public sector or in the advisory sector / academia is relevant only if acquired in the field of Law - banking, commercial and/or tax law, as well as the running of financial markets and – in the field of business/finance – banking operations, business economics, accountancy, the running of the securities markets, the running of the financial and international markets and corporate finance, as well as other subjects in any way connected with the activities of the credit, financial, securities or insurance sector.

With respect to the above areas, the Board expects that Audit Committee members have at least one among the following areas: Risk and Control, Legal/Regulatory/AML/Compliance, Accounting and Audit.

In order to ensure that the Board can (i) properly supervise any risk that may affect the sustainability of the Bank's business in a medium-long term perspective and (ii) benefit from skills in the digital/technological sector, the following two competences are of great interest as further qualifying factors:

- **DIGITAL AND TECHNOLOGY**, experiences gained in contexts characterized by a strong technological component both as an element of the core business and as a key lever to drive business transformation, acquired through an appropriate number of years⁴ in top-executive roles⁵ in Hi-tech companies or alternatively in functions such as CIO, CTO, CDO in companies operating in different sectors. Alternatively, experience acquired in the public-institutional sector or in the consulting sector is relevant only if strictly related to the technology sector.
- **SUSTAINABILITY (ESG)**, experiences gained in contexts characterized by a strong attention to ESG issues, including ESG risks, as substantial elements of the long-term strategy of the company's business, acquired over an appropriate number of years⁴ in top-executive roles⁵ in companies operating in different sectors. Alternatively, experience acquired in the public-institutional sector or in the consulting sector is relevant only if strictly related to sustainability issues.

⁴ At least three years dating back not more than 10 years.

⁵ Top executive roles include: Chief Executive Officer (CEO), General Managers (GM) and CEO/GM – 1 level.

The assessment process by the Board of Directors

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The Board recommends that all areas of expertise identified above are represented within the Board of Directors and also specifically within the Audit Committee, since the presence of a diverse range of skills and experiences ensures that all professional profiles are represented and encourages dialogue and the efficient functioning of the Board.

Finally, the Board recommends that all Directors have a fair knowledge of the English language to allow for full understanding of written texts and, thus, to ensure the possibility of making decisions directly concerning documents of that nature, also given the use of that language in correspondence between the Company and the European Supervisory Authority.

With specific reference to Audit Committee members, the Board reminds its Shareholders that details on the professional requirements of the members of such Committee are listed in the Articles of Association.

Moreover, the Circular no. 285/2013 issued by the Bank of Italy provides that the control body usually carries out the functions of the Supervisory Body established pursuant to Legislative Decree no. 231/2001 (Organismo di Vigilanza). The choice of attributing to the control body of UniCredit such function was initially adopted in 2019 and contributed to the strengthening of the powers of the mentioned 231 Supervisory Body (in light of the powers, responsibilities and independence of a body such as a Board of Statutory Auditors) and to streamline and simplify the internal control systems of the Company. In light of the above, the Board of Directors recommends to Shareholders the identification of at least one candidate of the Audit Committee with specific experience in legal matters and adequate knowledge of organization as well as management processes, in order to ensure the presence of officers which possess knowledge, skills and technical experiences that allow, among others, to fully understand the activities and the main risks to which the Bank is exposed, so that the incoming Board can opt to attribute to the Audit Committee the 231 Supervisory Body functions.

In order to allow the shareholders to interpret the expertise held by each candidate, the Board requests that the appointment proposal is accompanied by curricula along with a declaration of the candidates themselves providing analytical evidence of the expertise accrued in the various areas listed above.

2.2.2 Aptitude profiles

The Board also recommends that due consideration is given to the following personal qualities as essential for the role of Member of the UniCredit Board of Directors:

- Gravitas - Individual's deep-rooted authority and ability to inspire respect and trust among peers. A combination of maturity, competence and presence that enables someone to positively influence others.
- "Understanding" and Flexibility - Ability to handle complexity, simplify issues to make decisions; comfort with ambiguity; ability to look ahead and to transfer successfully to different environments.
- Independent Mindedness - Objective and open minded, prepared both to challenge and support management; ability to take a stand to set out and defend a position; also ability to manage conflict situations to maintain positive relationships.
- Interpersonal Style - Ability to build relationships at all levels, persuasive whilst being a good listener and a good communicator; ability to influence, gain trust and support from others; ability to use diplomacy and tact; understanding and respect for the differing roles of Board and management.
- Integrity - adherence to appropriate and effective set of core values; honest and truthful; authentic, self-aware and confident enough to 'be oneself'.

- Motivation to Engage - willingness to invest time and effort in learning about the Bank and staying up to date with it; diligent, interested in the business, committed and well prepared.
- Undisputed credibility - Extensive top-level relationships and impeccable credibility with the banking or other community is also essential. Well respected, with a sound external reputation and solid third-party perception of robust experience and capabilities.

2.2.3 Time commitment and number of offices

In light of the provisions contained in the relevant regulations, the availability of time to be dedicated to performing the office, based upon the nature, quality and complexity of the same, is an essential requirement to be guaranteed by candidate Directors, also in relation to the activities deriving from participation in the works of the Board Committees, for members thereof.

Following the amendment to the corporate governance model, the Board carried out an estimate of the expected time commitment to be devoted by the members of the Board and its Committees. The analysis took into account the clear separation of activities among Board Committees, together with the future synergies and specialized know-know that new model will bring to the Board of Directors of UniCredit. The Board thus considered, where possible, previous meetings, and the expected Board and Board Committees meetings to be held, the related preparation time and that required for travelling (when meetings are not held remotely), as well as the necessary commitment for attending induction and training sessions.

Finally, based upon past experience, the resources dedicated by the Chair of the Board of Directors to the performance of his role have absorbed a large part of his time: the Shareholders must, therefore, take due account of this when identifying the profiles of candidates who may be asked to cover this role.

Furthermore, the Board deems it useful to bring to its Shareholders' attention the expected percentage of attendance at Board and Committee meetings, which should not be lower than 75% per annum.

In view of the foregoing, the Board recommends that candidates accept the office only if they believe they are able to dedicate the necessary time to that position, considering the following factors: their other professional or personal commitments and circumstances, as well as the conduct of offices covered in other companies; the nature, scale and complexity of the activities performed, the size and the situation of the entities where the positions are held, the place or country where the same entities are based.

In this respect the Board of Directors, also in line with ECB guidelines and with a particular attention to the good functioning of the Board and the contribution of each member to its internal dialogue, carried out an estimate to be intended as a reference point to assess the minimum time needed for an appropriate meeting attendance, which is summarized in the following chart. The table takes into account the presence of the Audit Committee in the new corporate governance model. The different numbers below must be summed up to obtain the overall time commitment for a member in case the Director performs two or more roles within the Board (e.g., to obtain the time commitment of a non-executive director sitting as a member on the remuneration committee, 32 days + 16 days should be added; or 21 in case the individual is the Chair).

Chair of the Board of Directors	2/3 days per week
CEO	full time
Non-executive member	32 days per year
Audit Committee (included 231 Supervisory Body)	
– Chair	– 80 days per year
– Member	40 days per year
Corporate Governance and Nomination Committee	
– Chair	– 24 days per year

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– Member	– 18 days per year
Risk Committee	
– Chair	– 41 days per year
– Member	– 31 days per year
Remuneration Committee	
– Chair	– 21 days per year
– Member	– 16 days per year
Related-Parties Committee	
– Chair	– 23 days per year
– Member	– 17 days per year
ESG Committee	
– Chair	– 16 days per year
– Member	– 12 days per year

The Board hereby recalls that all members of the Board of Directors, thus including the members of the Audit Committee, must comply with the specific provisions envisaged under Decree of the Ministry of Economics and Finance no. 169 of 23 November 2020 concerning the rules on suitability requirements and criteria for holding offices as corporate officer, *inter alia*, of banks, according to Section 26 of TUB. According to said provisions, each Director may cover an overall number of positions in banks and other commercial companies equal to one of the following alternative options:

- one executive position and two non-executive positions
- four non-executive positions

with the following specifications:

- offices refer to the position held in Board of Directors, Supervisory Board, Management Board, Board of Statutory Auditors, or as General Manager; in foreign companies, offices refer to positions equivalent to those preceding, on the basis of the relevant regulations applicable to the relevant companies;
- for the purposes of calculating the above limits:
 - the position held in UniCredit is included;
 - the following aggregation mechanism is applied: the total number of positions held is considered as a single office when the offices are held within (i) the same group, (ii) banks belonging to the same institutional protection scheme, (iii) in companies not belonging to the UniCredit Group, in which UniCredit holds a qualifying shareholding as defined by Section 4 of the Regulation (EU) no. 575/2013, namely a direct or indirect holding in an undertaking which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of that undertaking. The set of offices counted as a single position is considered as an executive position if at least one of the positions is executive; in the other cases it is considered as non-executive;
 - the following are not considered: offices held (i) in companies or entities whose sole purpose is to manage the private interests of a Director or of his/her spouse who is not legally separated, of a person bound by a civil union or a de facto cohabitation, or of a relative, or a relative-in-law up to the fourth degree, and which do not require any type of day-to-day management by the Director; (ii) as a professional in a professionals' company; (iii) as a substitute Statutory Auditor.

The holding of one non-executive additional post, with respect to the above limits, is allowed only if it does not jeopardize the possibility of the Director to commit an adequate time to the post in UniCredit in order to carry out effectively his/her functions under the limitations and with the manners established by Section 19 of the Decree of the Ministry of Economics and Finance no. 169 of 23 November 2020.

2.2.4 Tenure

In order to ensure a suitable balance between the needs of continuity and renewal of the Board of Directors, in line with the best international practices resulting from an ad hoc benchmarking analysis, the Board recommends a maximum number of three consecutive mandates for the Board members.

2.2.5 Incompatibility

In compliance with Section 36 of the Law Decree no. 201/2011 (approved as statute by Law no. 214/2011), regarding “interlocking personal shareholdings in banking and financial markets”, which provides that “holders of an office in managerial, supervisory and control bodies, as well as officers charged with managerial duties in companies or group of companies acting in banking, insurance and financial markets are forbidden to hold, or to exercise, similar offices in competing companies or group of companies”, the Board of Directors recommends to Shareholders that the lists to be presented for the appointment of the new Board of Directors only include candidates who meet the requirements of the above mentioned provision.

2.2.6 Independence

The Board of Directors notes that, also in accordance with the provisions of the Company’s Articles of Association and in order to comply with the principles of the Corporate Governance Code, the lists of candidates should be drawn up in such a way as to guarantee that at least half of the members of the Board of Directors meets the independence requirements, as specified in Clause 20 of the Articles of Association and by Article 2, recommendation 7, of the aforesaid Corporate Governance Code. The Board, moreover, deems at least 60% of its members should be independent pursuant to such Code to guarantee effective discussion and, at the same time, the correct and efficient functioning of the Board Committees. The Board wishes that at least 60% will be confirmed in the future Board of Directors.

Currently, according to the Italian Corporate Governance the following circumstances may prejudice independence:

- a) if he/she is a significant shareholder of the Company, to be understood as any person who, directly or indirectly (through subsidiaries, trustees or intermediaries), controls the Company or is able to exercise significant influence over the Company or who participates, directly or indirectly, in a shareholders’ agreement through which one or more persons exercise control or significant influence over the Company;
- b) if he/she is, or was in the previous three financial years, an executive director or an employee:
 - of the Company, of one of its subsidiaries having strategic relevance or of a company subject to joint control;
 - of a significant shareholder of the Company;
- c) if he/she has, or had in the previous three financial years, a significant commercial, financial or professional relationship, directly or indirectly (for example through subsidiaries, or through companies of which he or she is an executive director, or as a partner of a professional or a consulting firm):
 - with the Company or its subsidiaries, or with their executive directors or top management;
 - with a subject who, also together with others through a shareholders’ agreement, controls the Company; or, if the control is held by a company or another entity, with its executive directors or top management;
- d) if he/she receives, or received in the previous three financial years, from the Company, one of its subsidiaries or the parent company, a significant remuneration other than the fixed remuneration for the position held within the board and for the membership in the committees recommended by the Italian Corporate Governance Code or required by law;
- e) if he/she served on the board either of directors or of statutory auditors for more than nine financial years, even if not consecutive, in the last twelve financial years;
- f) if he/she holds the position of executive director in another company whereby an executive director of the Company holds the office of director;
- g) if he/she is shareholder, quota-holder or director of a company or other legal entity belonging to the network of the external auditor of the Company;

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- h) if he/she is a close relative – meaning parent, child, a spouse not legally separated and cohabitee – of a person who is in any of the circumstances set forth in previous letters.

With respect to the Audit Committee:

- as indicated in the Articles of Association, all members of the Audit Committee must possess the independence requirements mentioned in the Italian Corporate Governance Code;
- in compliance with Section 17 of the Legislative Decree no. 39/2010, the key supervising officer charged with legal auditing, performing said activity on behalf of the external auditing firm of UniCredit, cannot be appointed as corporate officer of UniCredit before two years have elapsed since such activity ended. Such ban also applies to the employees and partners, other than the key supervising officers charged with the legal auditing or than the auditing firm, as well as any other natural person whose activities have been made available to, or carried out under the control of, the external auditing firm, if authorized to perform the function of legal auditor, for a two years' period starting from the ending of their involvement in the external auditing activities;
- in compliance with the Supervisory Regulations, the members of the Audit Committee shall not hold posts in corporate bodies different from the ones with control functions in other companies belonging to the UniCredit Group or in companies in which UniCredit holds, even indirectly, a strategic shareholding, which means a shareholding at least equal to 10% of the share capital or of the voting rights in the ordinary shareholders' meeting of the subsidiary as well as equal to 5% of the consolidated regulatory capital of the banking Group. This ban also includes appointments in management control committees (*comitati per il controllo sulla gestione*).

2.2.7 Independence of mind

The Board of Directors reminds that all its members, both executive and non-executive, should be able to make sound, objective and independent decisions, and act with full independence of mind and awareness of the duties and rights depending from their role, in the interest of a sound and safe management of the bank, according to the laws and any other provisions applicable.

In that regard, it is emphasized that having a conflict of interest does not necessarily mean that a Director cannot be considered suitable: this will only be the case if the conflict of interest poses a material risk and if it is not possible to prevent, adequately mitigate or manage the conflict of interest under the policies approved by the Company.

2.2.8 Gender quotas

Italian Law no. 160 dated 27 December 2019, which amended Section 147-ter of the Legislative Decree no. 58/1998, introduced in Italy a new criterion for the composition of the corporate bodies of listed companies, based upon which the representation of the less represented gender should be at least two-fifths of the appointed directors.

The above provisions apply to the renewal of the Board of Directors and therefore the candidate lists shall be drafted considering the necessary presence of at least two-fifths of members belonging to the less represented gender at Board level. Moreover, the Board of Directors wishes that such percentage of Directors exceeds 40% and tends towards 50%.

2.2.9 Integrity and fairness requirements

The Board of Directors reminds that a Director shall be considered as meeting the integrity requirements if there is no evidence to suggest otherwise and there is no reason to have reasonable doubt about his or her good reputation.

Considering the importance of said requirements from a reputational standpoint, the Board recommends that candidates to be appointed as UniCredit Directors, in addition to possessing the integrity requirements envisaged by relevant provisions:

1. should not be in any situation that might determine a discontinuance of their functions as a Director;
2. are not – and have not been in the past – in situations that, with regard to the economic activities and financial conditions of said candidates (or of the companies controlled by, significantly invested in or directed by the latter), are – or have been – even potentially likely to affect their reputation or involve significant losses for the Bank; and
3. should not have displayed behaviour which, while not constituting a crime, does not appear to be compatible with the office of a bank Director or might seriously jeopardise the reputation of the Bank.

It is understood that the relevance of potential circumstances and facts and the impact, even cumulative, that these could have on the abidance of the candidate to the criteria of integrity of personal and professional conduct of the candidate, also in the past, will be taken in consideration in order to verify if – even in such circumstance – the sound and prudent management of the Bank is safeguarded as well as, in particular, its reputation and public trust.

2.2.10 Terms and conditions for the appointment procedure

The Board of Directors, in order to enable Shareholders to better evaluate the profiles of the candidates for the office of Director in UniCredit, has decided to file its own list about 60 days before the Shareholders' Meeting called to appoint the Board of Directors of the Company, anticipating the terms envisaged by law.

For the same purpose, the Board expects that also the Shareholders could anticipate the filing of their lists at least 40 days before the above Shareholders' Meeting.

The application procedure for the presentation of the lists is briefly described in the document "Information on the appointment process of the UniCredit S.p.A. Directors". The Board reminds to its Shareholders that, when submitting a list of candidates, they should highlight the coherence of the list with this theoretical profile or the reasons to divert from it.

Induction and training

The Board of Directors reminds that in UniCredit there is an active and permanent induction program for the Board members consisting of (i) sessions aimed at fostering the integration of the new Directors and (ii) recurring trainings to preserve over time the expertise needed for the proper fulfilment of their duties.

In addition, individual training plans will be activated in the event it is deemed necessary to strengthen a Director's specific technical knowledge and expertise, also to increase the level of diversity and the collective experience of the Board of Directors.



UniCredit S.p.A. Joint stock company - Registered Office and Head Office: Piazza Gae Aulenti, 3 Tower A, 20154 Milan, Italy - Registered in the Register of Banking Groups and Parent Company of the UniCredit Group, with code 02008.1; ABI code 02008.1 - Fiscal Code, VAT number and Registration number with the Company Register of Milan-Monza-Brianza-Lodi: 00348170101 - Member of the National Interbank Deposit Guarantee Fund and the National Compensation Fund - Stamp duty paid virtually, if due - Auth. Agenzia delle Entrate, Ufficio di Roma 1, no. 143106/07 of 21.12.2007.