2024
Group Remuneration Policy and Report

UniCredit

Contents

Letter from the RemCo Chairman

"2023 was UniCredit's best year ever, crowning three years of success and record-breaking results. Our UniCredit Unlocked strategy delivered 12 consecutive quarters of sustainable quality profitable growth across all regions, with top-tier returns for our shareholders. Under the leadership of Andrea Orcel, UniCredit delivered for the present while transforming the Bank and preparing for the future, with sights set on new heights to defend and leverage the leadership the Bank has achieved. UniCredit's remuneration framework is part of this strategy, designed to be fit-for-purpose and fit for the future. It will continue to support the Bank's ambitious transformation journey: giving a stimulus to beat targets, whilst fully aligning management and shareholders' interests for the Bank's long-term value creation."

Jeffrey Hedberg
Chairman Remuneration Committee

Dear Shareholders,

Just over a year ago, I was appointed Chairman of UniCredit's Remuneration Committee and from the outset the potential of this dynamic organization was clear to me. Today UniCredit is a fundamentally different Bank from what it was only a few years ago. A bank that, thanks to its new model and mindset, has achieved historic successes, exceeded expectations, and continually beats its ambitious targets.

UniCredit has shown that it can not only maintain but also improve what it has accomplished so far, even in a challenging geopolitical and macroeconomic situation. 2023 was the best year ever for UniCredit, capping off three years of outstanding and record-setting results, with 12 quarters of consistent growth across all regions, delivering top-tier returns for our shareholders.

Under the leadership of Andrea Orcel, UniCredit is focusing on the future, working relentlessly to become the bank for Europe's future.

Strategy and results

To set the scene for a discussion of UniCredit's remuneration framework, it's important to understand the context in which we are operating and what we have achieved.

- In 2023, the bank delivered an outstanding performance across our three financial levers: net revenue, operational excellence and capital efficiency.
- A record Return on Tangible Equity of 16.6% was delivered, 5.8 ppts higher than last year or 20.5% with a CET1@13% adjusted for our notable excess capital.
- UniCredit produced +26% of net revenues year-on-year, with a cost/income ratio below 40%, whilst generating 12 bn or 389 basis points in capital organically.
- These record-breaking results unlocked a leading shareholder distribution of 8.6 bn or 100% of net profit, while reinforcing the CET1 ratio by nearly 100 basis points to 15.9%.
- Our 2023 EPS, DPS and tangible book per share are up 3.1x, 9x and 46% respectively versus the average of 2017-2019, which is a testament to UniCredit's outstanding value generation.
- UniCredit's share price increased by approximately 4x, with Total Shareholder Returns exceeding the Peer Group more than 4x over the last three years
- Our cumulative past three years distribution exceeded c.17.5 bn, more than our market cap at the beginning of 2021. At the same time, we have increased CET1 by c.10 bn.

As we look to 2024 and the start of the second phase of UniCredit Unlocked, we are confident that we will continue to release the potential of this bank and deliver value for all stakeholders.

Remuneration framework

UniCredit's people are committed and ambitious and have consistently shown a desire to create an excellent culture across the bank. This is a fundamental pillar on which our future success is built, helping to unlock the bank's value, find synergies through strengthening every part of the organization, and thus to truly operate as a single entity across Europe.

UniCredit's remuneration framework is designed to fit this strategy. It is built on the key principles of meritocracy and pay-for-performance to attract, motivate and retain the best talent on the market. It aims to support the bank's ambitious transformation journey, giving a stimulus to beat targets and strive to achieve the maximum result possible, while fully aligning management and shareholders' interests for the Bank's long-term value creation.

As you may recall, in 2023 we successfully revised the overall remuneration framework to make it fit for purpose and fit for the future. A central part of the structure was based on a variable compensation 100% in shares, setting as reference the price of the shares at the beginning of the performance period and adjusting it for the value of the dividends that would have been missed during the vesting period.

This mechanism was proposed based on market observation and precedents and the overarching purpose of aligning employees with shareholders annually and over the longer-term and restore a financial evaluation of shares in line with the non-payment of dividends during the deferral period.

It has since been brought to the attention of UniCredit and the rest of the sector that this structure did not fully meet regulatory requirements. In order to obtain a clarification (valid for the whole market), a specific inquiry was submitted to the EBA that, in January 2024 (2023_6944 Prospective remuneration plan for variable remuneration | European Banking Authority (europa.eu)) and March 2024 (2023_6945 Share-linked instruments | European Banking Authority (europa.eu)) confirmed that the share conversion price will no longer be set at the beginning of the year, nor will it be adjusted for non-dividend payment during the deferral period.

As such, and to ensure that we are fully compliant with all regulations, we are changing our approach and moving to an ex-post market observation without any adjustment for dividends that will be missed.

The update of the system as per this regulatory clarification creates a significant compression of the plan value and a lesser alignment with shareholders.

The Board feels that it is right and fair to compensate the affected GMRT population (c. 800 individuals including the CEO) for the resulting reduction of their remuneration. As a Board, we believe this is the correct approach ethically and legally, and crucial to ensure the team is fairly compensated for their outstanding performance in the market. It also ensures that all GMRTs continue to be fully aligned with our shareholders and continue to strive for a TSR far above all our competitors.

Whilst it was not envisioned that further changes for the CEO compensation would be required following the structural review of 2023, given this EBA clarification, RemCo decided to evaluate different alternatives to achieve the above-mentioned goal. Our guiding principles of Simplicity, Fairness and Consistency led us to choose the most transparent and straightforward way to address the issue: a review of the nominal *quantum.* Given the 2:1 cap on variable remuneration, a part of this increase will have to be adjusted on fixed remuneration, balancing the rest on variable.

This avoids further changes or complications to the incentive scheme that is largely reconfirmed as a "sustainable performance plan", combining both short-term and long-term ambitious performance targets, within one single incentive plan fully connected with the UniCredit Unlocked strategy.

This means that the CEO's fixed pay will increase by EUR 350k or +10.8%, based on a cautious estimate of how much the variable pay will be compressed from our projected dividends curve. To make sure that the CEO's interests continue to be aligned with shareholders', the fixed pay increase for the CEO will be paid entirely in shares, which will add to the overall share ownership requirement (3x salary) that require him to stay invested in the organization for as long as his employment lasts.

The principle of share ownership is at the core of UniCredit's remuneration framework not only for the CEO and the top management, but at all the organizational levels, as demonstrated by another relevant policy change introduced in 2024: the launch of *U Share*, the new Employee Share Ownership Plan (ESOP) for the overall Group population. This has a consistent approach across UniCredit countries, based on employee voluntary investment in UniCredit ordinary shares at favorable conditions, to be purchased preferably on the market minimizing the diluting impact on share capital.

Shareholders' engagement

As the Remuneration Committee, we have assisted the Board of Directors in making decisions on remuneration by engaging with institutional investors and proxy advisors over the years. We have established clear and honest communication, aimed at explaining and discussing the changes to the Group's Remuneration Policy Report.

In particular, the 2023/24 engagement plan faced a major challenge due to the difficult timing of the regulatory clarification on share conversion price, which came out when the 2024 remuneration policy was just about to be approved by the governance body. As mentioned, this event demanded a re-evaluation of the wider remuneration framework, to be completed within a very tight deadline.

In line with its strong governance model, UniCredit conducted a series of detailed analyses to respond and close the gap that emerged from this regulatory clarification. This was done in the spirit of maintaining the clarity and simplicity of the 2023 remuneration framework and preserves the outcome of the structured dialogue with investors and proxy advisors carried out in the past years.

This review - which essentially reaffirms the basics of the 2023 design - was completed just before the publication of the 2024 Remuneration Policy. We have attempted to provide full and clear information on all the main aspects of the framework. This will be further clarified to shareholders in the engagement process before the 2024 Shareholders' Meeting, during which we aim to meet with around 1/3 of the share capital.

Furthermore, following last year's feedback received by shareholders and proxy advisors, we are taking specific and concrete actions in our 2024 Remuneration Policy which underscore UniCredit's commitment to listen and respond with action. Below are a few examples, particularly relevant for the current year.

- On the CEO pay quantum:

  >>> Our belief is that the CEO pay amount should not be assessed only by its size, but by how it reflects the performance of the company. Therefore, we have clarified in the 2024 Remuneration Policy how UniCredit's financial results in the year 2023 were outstanding as compared to 2017-19 period (e.g. RoTe @13%CET1 >3x and distribution > 6.5x) and also in relation to our European Peers (e.g. TSR >4.2x versus average of Peers, UniCredit # 1 for quality growth, #1 for operational excellence, #1 for capital excellence). These outcomes demonstrate the leading position that UniCredit has reached in the market, which must be the main criterion to fairly compare - in relative terms, not only in absolute ones - the appropriateness of the CEO's (as well as entire team's) remuneration package.

- On the methodology to set the share conversion price

  >>> We published the 2023 Remuneration Policy 30 days before the 2023 AGM, so it was not possible to give any exact disclosure on the share conversion price value last year, because the underlying calculation depended on the share price change from 01.01.2023 to 31.03.2023, which was the date of the 2023 AGM that approved the yearly incentive system. However, this year we are providing complete ex-post transparency on the issue in the disclosure. Moreover, we openly discussed this topic with the Regulators and – to make things clear given the different interpretations and applications seen in the market – we asked for an authoritative interpretation by the EBA, which was helpful to clarify the practice for the whole industry. Finally, we changed the approach following the Regulatory clarification moving back to a market price approach, while keeping and even strengthening our commitment to use shares to reward executives and employees and align the whole organization to shareholders' interests.

- On the incentive mechanism to measure financial KPIs

>>> We know that large organizations, especially banks, have to operate in a changing and uncertain environment, where they need to make quick decisions that are best for the organization. Sometimes this means weighing trade-offs and making deliberate decisions that may affect different parts of the P&L. We want to ensure that these decisions are made with the goal of creating the most value for the organization and are not driven by isolated objectives. For this reason, a few years ago we introduced a mechanism that allows for some flexibility on the scorecard. Each target matters to us, and we want to make clear that this mechanism does not allow to offset any KPI that is “missed” i.e. below the minimum threshold level. Furthermore, the compensation mechanism is very restricted since the potential impact is limited to a maximum 4 points for each financial KPI [out of maximum 120 points], within the overall cap of 120 scorecard points. Also, no compensation can be applied between the financial and non-financial sections of the scorecard. We want to emphasize that in the past few years the results were significantly higher than all the set goals, even at the highest level.

As a final note, I want to express my gratitude to you, our shareholders, for your backing at the previous Annual General Meeting, as well as your helpful input throughout the past year. We have considered this as we have aimed to develop a Remuneration Policy that is fit for purpose and fit for the future to support management in its next phase of growth.

I would also like to express my gratitude to the other members of the Remuneration Committee and the whole Board, for their teamwork and active involvement in fulfilling our mandate.

Jeffrey Alan Hedberg
Chairman of the
Remuneration Committee

Highlights

The implementation of the principles set out in the Group Remuneration Policy provides the framework for the design of reward programmes across the Group.

Policy standards ensure that compensation is aligned to business objectives, market conditions and stakeholders' long-term interests. UniCredit's compensation approach has been consolidated over time under the Group governance, to be compliant with the most recent national and international regulatory requirements. It is connected to performance, market awareness and aligned with business strategy and shareholders' interests.

The key pillars of the Group Remuneration Policy (Section I) reflect the most recent regulations in terms of remuneration and incentive policies and practices, in order to build year after year a remuneration framework aligned with long-term strategies and goals as well as to be sustainable over time, all in the interest of our stakeholders.

The remuneration framework is linked to company results and is adequately adjusted to take into account all risks, ensures that capital, funding and liquidity levels are more than adequate to support all our ongoing activities and promotes the right behaviors, avoiding distorted incentives that could lead to violation of laws or regulations, or excessive risk taking.

The 2024 Group Remuneration Policy and Report fully encompasses the changes requested by Circular 285 from the Bank of Italy (37th update of November 24, 2021) on remuneration and incentive matters. In addition, the document includes the requirements of the Legislative Decree no. 49 of May 10, 2019, by which the provisions of Directive (EU) 2017/828 (Shareholder Rights Directive 2) are implemented in the legal system and which introduce an advisory vote by the Shareholders' Meeting on the Remuneration Report.

FOCUS
Business and Remuneration Strategy

UniCredit produced record-breaking results in 2023 crowning three years of success exceeding expectations, delivering for the present while transforming our bank and preparing for the future.

2023 was characterized by outstanding performance across our three financial levers of net revenue, operational excellence and capital efficiency. Total revenue was 23.8 billion, up 17% year over year, underpinned by quality net interest income of 14 billion and resilient fees of 7.5 billion despite macro headwinds. Net profit increased to 8.6 bn, up 54%, and we, delivered a record Return on Tangible Equity of 16.6%, 5.8 ppts higher than last year or 20.5% with a CET1@13% adjusted for our notable excess capital.

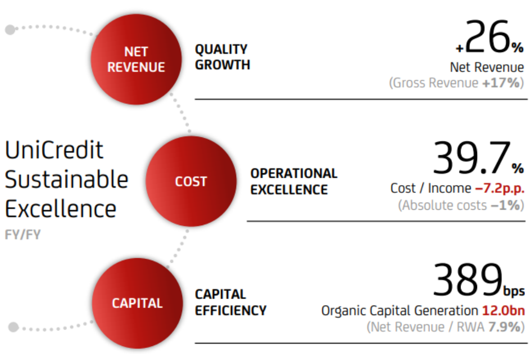
KEY METRICS

In million	4Q23	Y/Y	Q/Q	FY23	FY/FY
Net Revenue	**5,679**	**+9.5%**	–3%	**23,295**	**+26%**
o/w NII	3,610	+6%	+0.3%	14,005	+31%
o/w Fees	1,793	+4% –1%	+1%	7,463	+1% –2%
o/w Trading	360	–16%	–28%	1,845	+4%
o/w LLP	–300	–43%	n.m.	–548	–71%
Total Costs	**–2,489**	**+1%**	+7%	**–9,471**	**–1%**
GOP	**3,490**	**+7.5%**	–4%	**14,372**	**+33%**
Non-Operating Items[1]	**–823**	**+153%**	+202%	**–2,015**	**+43%**
Net Profit	**1,917**	**+19%**	–17%	**8,614**	**+54%**
Stated Net Profit	**2,810**	**+14%**	+21%	**9,507**	**+47%**
C/I Ratio	**41.6%**	**–1.6p.p.**	+2.6p.p.	**39.7%**	**–7.2p.p.**
RWA EoP (bn)	**284.5**	**–8%**	–2%	**284.5**	**–8%**
RoTE	**13.9%**	**+2.1p.p.**	–4.4p.p.	**16.6%**	**+5.8p.p.**
RoTE based on 13% CET1r	**17.1%**	**+3.0p.p.**	–6.3p.p.	**20.5%**	**+8.2p.p.**
CET1r[2]	**15.9%**	**+97bps**	–130bps	**15.9%**	**+97bps**

Adjusting for Current Account Fee Reduction in Italy and increased cost from accelerated securitisation

1. Including integration costs and systemic charges 2. 4Q23/FY23 CET1r is net of the accrual for the total FY23 distribution following the new EBA Q&A 2023_6887. For a coherent Y/Y and FY/FY comparison, the FY22 and 4Q22 CET1r is pro forma for all distributions

FY23 HIGHLIGHTS ACROSS OUR 3 LEVERS

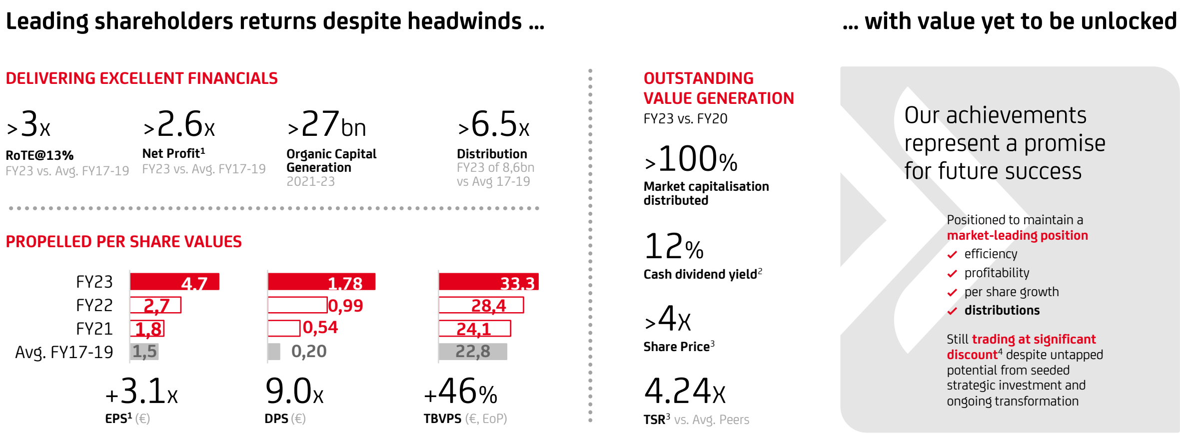


Record FY RoTE at 16.6% notwithstanding €1.1bn integration costs

UniCredit generated 12 bn or 389 basis points in organic capital , underpinning a proposed distribution of 8.6 bn or 100% of net profit, of which 3 bn in cash dividend and 5.6 bn in Share Buy-Backs, while further strengthening the CET1 ratio by nearly 100 basis points to 15.9%.

Share values in terms of EPS, DPS and TBVPS are up 3.1x, 9x and 46% respectively versus the average of 2017-2019.

Our Total Shareholder Returns have exceeded the Peer Group by more than 4x over the last three years.



Distribution subject to supervisory and shareholder approvals. Peer group: BBVA, BNP Paribas, Commerzbank, Credit Agricole S.A., Deutsche bank, ING, Intesa San Paolo, Santander, Société Générale
1. Net Profit for FY22 and FY23 as defined in the general notes; underlying net profit for FY21; for comparison purposes the FY17-19 net profit is the simple average of Net profit recast figures for Group excluding Turkey and Fineco
2. Average Cash dividend of the period (Accrual FY21,FY22,FY23) / UC market capitalisation as of 31.12.2020 **3.** Growth from 31.12.2020 to 29.02.2024 (Source Bloomberg)
4. UC P/E NTM down 26% vs 01.01.2021, now at 6.0x vs SX7E at 6.2 and Top quartile peers at 7.1x as of 31.01.2024

We consider 2024 the start of the second phase of UniCredit Unlocked, rooted in the same vision, the same strategy and mostly the same levers as we continue our transformation. We will defend our profitability and the leadership achieved in operational and capital efficiency as well as cost of risk. We will strive to further improve the quality of our results, continuing to deploy our capital profitably while growing our capital light businesses.

Our Bank has strong fundamentals with a top tier fee to revenue mix which will continue to improve, a leading Cost/Income ratio while investing and a stable and structurally lower Cost of Risk.

At the core of our journey lies our unique vision and winning strategy underpinned by our industrial transformation, all guided by our shared principles and values.

Our operating model has been redefined to put clients back at the centre to unlock our inherent potential across our geographic footprint and deliver value for all our stakeholders.

In 2024 we aim to maintain net profit broadly in line with the record 2023 level, while further improving the quality of our results and delivering double-digit growth in EPS and DPS. This demonstrates our ability to defend profitability across the cycle. We will continue to deliver best in class distribution.

2023 was a year characterized by significant progress on our ESG ambitions with net zero sector targets and ongoing support to clients in a just transition. UniCredit remains focused on strengthening its focus on social issues thereby helping communities to progress. This was demonstrated by €20.5 million in grants to support youth and education such as scholarships by the UniCredit Foundation. The Group remains committed to playing an important role in the social function that goes far beyond traditional banking activities.

We have transformed UniCredit from a laggard to a leader and as we continue on our journey we will continue to defend and leverage the leadership we have achieved.

In this positive context, both management and the board worked to design a remuneration framework to be fit for this strategy and be fit for the future, building on the key principles of meritocracy and pay-for-performance to attract, motivate and retain the best talent on the market, as well as to support the Bank's ambitious transformation journey, give a stimulus to beat targets, whilst fully aligning management and shareholders' interests for the Bank's long-term value creation.

Some changes were already put forward at the previous AGM, and some of the others we plan to propose for approval to the 2024 AGM.

New UniCredit Unlocked approach

- **Rolling incentive plans, anchored to the long-term strategy**
- **Balanced system, with clear KPIs and ability to put them in context**
- **Target pay mindful of the need to attract and retain the best talent on the market**
- **Meritocracy and pay-for-performance**
- **Broader use of variable cap, not inflating fixed remuneration to reward performance**
- **Extended use of shares, to enhance investors' alignment**

1. Key Pillars

Our remuneration policy, which complies with regulatory requirements and the principles of good business conduct, aims to align the interests of our employees with those of our shareholders and customers, and reflects a sound pay-for-performance philosophy in order to reward performance and to attract and retain top-class talents to improve our competitive position.

To ensure the competitiveness and effectiveness of remuneration as well as transparency and internal equity, the principle of sustainable conduct and performance define the Key pillars of the Group Remuneration Policy, namely:

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

Details
Section I-Chapter 1

2. Material Risk Takers identification

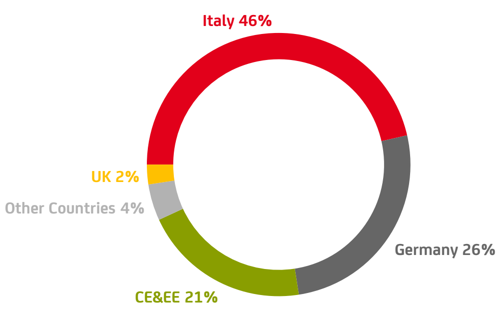
Application of qualitative and quantitative criteria, which are common at European level, as defined by the regulation, to identify the people who are deemed to take material risks for the organization.

Details
Section I-Paragraph 2.4

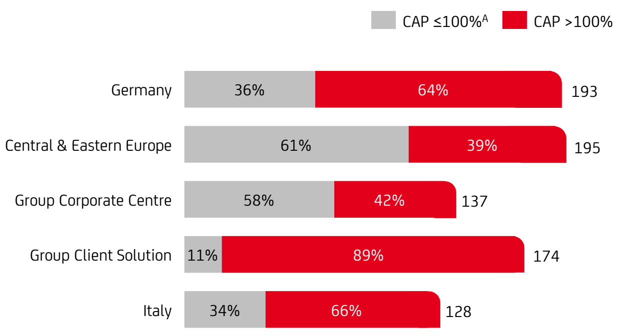
The Material Risk Takers population is reviewed annually and on an ongoing basis ensuring full compliance with current regulations. The identification follows a structured evaluation process both at Group and local level, based on the application of qualitative and quantitative criteria common at the European level. The last cycle of the Material Risk Takers (MRT) identification process led to the identification of 827 Group MRTs. No material changes in the identification process and outcomes are expected for 2024.

2023 Group Material Risk Takers distribution

Geographical Distribution



Distribution by Division



TOTAL NUMBER OF GROUP MATERIA RISK TAKERS[B]: 827 (o/w 94 IDENTIFIED FOR THE FIRST TIME)

Numbers may not sum-up due to rounding. A. Variable to fixed cap is the ratio between variable and fixed compensation applicable according to the regulatory provisions.
B. Total number of GMRTs does not include Group Management Body members not employees of UniCredit Group.

3. Compensation benchmarking and policy target

Confirmed peer group for compensation benchmarking, performed by an external advisor.

Definition of specific peer groups at country/division level to assure competitive alignment with the market of reference.

Details
Section I-Paragraph 4.1

With specific reference to the executives of the Group population, the Remuneration Committee, supported by an independent external advisor, confirmed for 2024 the list of selected competitors that represent UniCredit group-level peers for compensation benchmarking. The Group peer group comprises Banco Santander, Barclays, BBVA, Commerzbank, Credit Agricole, Deutsche Bank, Erste Bank, ING, Intesa Sanpaolo, Nordea Bank, Société Générale and UBS.

Compensation benchmarking analysis is performed in comparison with this peer group, unchanged compared to last year:

Banco Santander	Crédit Agricole
BBVA	Intesa Sanpaolo
Deutsche Bank	Commerzbank
Barclays	ING
Société Générale	Erste Bank
Nordea Bank	UBS

2024 PEER GROUP

As a policy target, Material Risk Takers total compensation is set on the market median as reference, with the possibility to increase to attract and retain top-class talents, able to improve UniCredit's competitive position, with individual positioning being defined on the basis of specific performance, potential and people strategy decisions, as well as UniCredit's performance over time.

4. Ratio between variable and fixed compensation

In compliance with the regulatory requirements (Circolare 285, Bankit), the 2:1 ratio represents the maximum limit between variable and fixed components of remuneration for all employees, including Material Risk Takers, with the exception of staff in Corporate Control functions, People & Culture and the Manager in charge of drafting financial reports for whom a more restrictive regulatory cap applies.

Details
Section I-Paragraph 4.7

In compliance with applicable regulations, the adoption of a maximum ratio between variable and fixed remuneration of 2:1 as approved by the Shareholders' Meeting held on March 31, 2023[1], also applies in 2024 for the whole population[2], excluding Corporate Control Functions (i.e. Audit, Risk, Compliance), People & Culture and the Manager in charge for drafting financial reports as per Bank of Italy provisions (*Circolare 285*).

This ratio was chosen in order to further to leverage on the principle of "pay for performance", which is at the core of our remuneration strategy, aimed at creating headroom to pay for strong years whilts providing flexibility to the cost structure.

	Variable to Fixed Remuneration Max Ratio (cap)[B]
BUSINESS AND OTHER NON CONTROL FUNCTIONS	200%
CONTROL FUNCTIONS[A] (Audit, Risk, Compliance)	Prevalence of fixed remuneration

A. Including People & Culture and Manager in charge of drafting financial reports as per Bank of Italy Circolare 285.
B. Group guideline to be locally adopted e.g. 200% applied unless a more stringent regulation applies at country level

The Executives with Strategic Responsibilities entitled to a variable to fixed ratio potentially up to a maximum of 2:1 are:

- Group Chief Executive Officer;
- Head of Italy, Head of Germany, Group Head of Central Europe and Eastern Europe, Head of Client Solutions, Digital & Information Officer, Group Chief Operating Officer, Chief Finance Officer, Group Legal Officer.

For the rest of the staff belonging to the Corporate Control Functions[3], People & Culture and the Manager in Charge of Drafting the Company Financial Reports it is expected that fixed remuneration is a predominant component of total remuneration, and therefore a stricter regulatory cap applies.

For these Functions it is also foreseen that incentive mechanisms are consistent with the assigned tasks, as well as being independent of results from areas under their control.

For these Corporate Control Functions, in particular, the maximum weight of the variable component will take into account the differences between national rules and regulations in application of Directive 2019/878/EU in the various countries in which the Group operates[4], in order to ensure equal operating conditions in the market and the ability to attract and retain individuals with professional skills and capabilities adequate to meet the needs of the Group.

The adoption of a ratio of 2:1 between variable and fixed compensation does not have any implications on the bank's capability to continue to respect all prudential rules, in particular capital requirements.

[1] First adoption approved by the Shareholders' Meeting held on May 13, 2014.
[2] Incl. external credit intermediaries and financial advisors.
[3] At Group level are considered as such Audit, Compliance and Risk Management; other functions may be included at local level where a stricter regulation is envisaged. For Risk Management departments not classified as control function the 1:1 cap is confirmed.
[4] In particular, for the Material Risk Takers of Corporate Control Functions in Italy, the ratio between the variable and the fixed components of remuneration cannot exceed the limit of one third, as per Bank of Italy provision (Circular 285 of December 17, 2013, 37th update of November 24, 2021).

5. Sustainable Performance Plan

The 2024 Group Incentive System has been confirmed as a Sustainable Performance Plan, based on both short-term and long-term performance conditions for CEO and top management, to support the Group strategic direction by fostering a strong link between remuneration, risk and sustainable profitability.

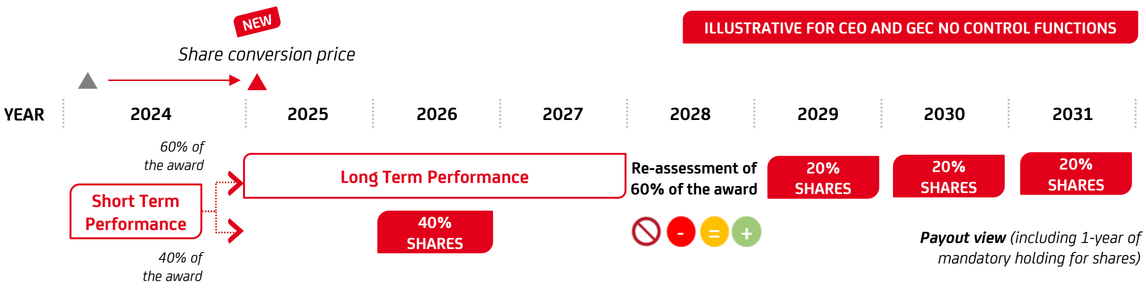
Details
Section I-Paragraphs 5.1 and 5.2

The 2024 variable remuneration framework continues to be based on a "bonus pool" approach ensuring an overall performance assessment both at Group/ Division / Country level and at individual level, fully in line with regulatory requirements and consistent with risk appetite and compliance standards.

The incentive plan ("Sustainable Performance Plan") has been structured to best support the delivery of the Strategic Plan on a yearly basis, while ensuring that results delivered are sustainable over time via long-term performance conditions, considering the significant transformational effort of the Strategic Plan.

The key design principles of the incentive system remain unchanged, as follows:

- **Rolling structure**: to allow for a yearly verification of the adequacy of the compensation arrangements;
- **Double-assessment of performance**: combined system, that requires the reconfirmation of short-term performance (2024) over the long-term (2025-2027), to guarantee sustainability of the results in the context of a transformation of the operating model;
- **Shareholders' alignment**: pay-out 100% in shares for the CEO, Group Executive Committee (GEC) members and Group Chief Audit Executive (CAE), and primarily in shares for the other executives, with long deferral period (total plan duration 8 years);
- **Pay for performance**: providing clear performance conditions anchored to UniCredit Strategic Plan pillars, with ambitious targets and rigorous pay for performance correlation to ensure meritocracy and fairness. The scorecards are based on a combination of financial targets and non-financial goals (i.e. Strategic Priorities & Company Culture), supported by a structured goal setting framework, based on the "KPI Bluebook", a catalogue of certified KPIs set by relevant group key functions and specific goal setting guidelines in line with regulatory provisions;



The incentive plan is largely confirmed, including the 100% payout in shares for CEO and top management. The only review is related to the methodology to set the share conversion price. Following the regulatory clarification on the matter, we are moving from an *ex-ante* to an *ex-post* price setting i.e. after the short-term performance period, using as reference the market share price without any adjustment for missed dividends ahead vesting. Nevertheless, the dividends on vested shares under retention will be recognized to individuals in line with regulatory requirements.

6. Employee Share Ownership Plan – *U Share*

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

The participation and active involvement of our people in the achievement of corporate results is one of the pillars of our remuneration strategy and a core principle that integrates our value set, Integrity, Ownership and Caring.

This is reflected in the introduction of *U Share*, the new share ownership plan for the Group employees.

Details
Section I-Paragraph 5.3

The Plan, consistently with the Board resolution on March 7, 2024, and the regulatory requirements in force, will offer to employees the opportunity to invest in UniCredit ordinary shares under favorable conditions, with a global and consistent approach across the Group.

KEY FEATURES

- **Employees Voluntary investment** in UniCredit Ordinary shares, with pre-defined investment packages capped at 10k eur max for each individual
- **all Group employees** eligible, **excluding MRT at Plan's launch** - as already exposed to shares for regulation - or personnel operating in those legal entities where it is not possible to activate the plan for any reason
- **Shares purchased on the market** via selected broker on behalf of plan participant as preferred funding option to **minimize dilutive impact** on share capital

PLAN MECHANISM

1 **Discount** 20% *of invested amount* — If:
- **18-months hold**
- continuous employment

2 **Matching** 20% *of invested amount* — If:
- **36-months vesting**
- continuous employment
- **Group achievements** over the Plan horizon such as:
  - **Capital & Liquidity** e.g. CET1 and LCR above RAF[1]
  - **Asset quality**: e.g. NPE above RAF[1]
  - **Sustainability**: e.g. Own Emissions (scope 1 and 2) reduction[2]

(1) in line with the RAF trigger at end of the vesting period
(2) 3-years Avg direct GHG emissions below GHG emissions at plan's launch

All Group employees are able to benefit from the *U Share* plan, with the exception of the Chief Executive Officer, the other Executives with Strategic Responsibilities and, more generally, personnel identified as Material Risk Takers, or personnel operating in those legal entities where it is not possible to activate the plan for any reason.

The Plan will offer to participants the opportunity to purchase UniCredit ordinary shares, receiving a 20% discount on the invested amount, in the form of free shares granted by the Company, subject to 18 months holding period.

Additionally, following the completion of 3 years vesting period, and subject to specific long term Group performance conditions, such as capital, liquidity, asset quality e sustainability achievements, the beneficiaries will be awarded further free *matching shares* equal to 20% of the initial invested amount.

The Plan provides for the shares to be purchased preferably on the market thus minimizing the diluting impact on share capital.

7. Compliance breach, Malus and Claw-back

The Group reserves the right to activate malus and claw-back mechanisms, namely the reduction/ cancelation and the return respectively of any form of variable compensation.

Details
Section I-Paragraph 5.1

According to Bank of Italy and EBA requirements[5] and to further strengthen the governance framework, the key rules of compliance breaches management, as well as their related impact on remuneration components through the application of both malus and claw-back clauses, are reported in the 2024 Group Remuneration Policy.

8. Share ownership guidelines

Share ownership guidelines set minimum levels for company share ownership by relevant Executives, by ensuring appropriate levels of personal investment in UniCredit shares over time.

Details
Section I-Paragraph 4.8

As part of the total compensation approach and in line with regulatory provisions, UniCredit offers equity incentives which provide for opportunities of share ownership, in full alignment with the applicable regulatory requirements.

Share Ownership Guidelines

3 X	**annual base salary**	Chief Executive Officer
1.5 X	**annual base salary**	Group Executive Committee (GEC) Member
0.5 X	**annual base salary**	GEC-1 with managerial responsibilities i.e. GEC Members first reporting line

The Share Ownership guidelines apply to the Chief Executive Officer, Group Executive Committee (GEC) and their first reporting line, the so-called GEC-1 with managerial responsibilities[6]. The established levels of share ownership should be reached, as a rule, within five years from the appointment in the above indicated Executive categories within the scope of the guidelines and should be maintained while the role is held. The achievement of the share ownership levels should be accomplished through a pro rata approach over a 5-year period, granting a minimum amount of shares each year.

[5] Bank of Italy Circular 285 on "Policies and practices on remuneration and incentive" updated as of November 24, 2021 and EBA "Guidelines on sound remuneration policies" published on July 2, 2021.
[6] Considering the application, from 2016, of the new ratio between the variable and the fixed components of remuneration (which cannot exceed the limit of one third for the Material Risk Takers within Italian Control Functions, while fixed remuneration is expected to be the predominant component for the Control Functions of other geographies), share ownership guidelines are not applied to the Executives who are part of Corporate Control Functions.

9. Severance payments

Severance pay-outs take into consideration long-term performance, in terms of shareholders' added value. They do not reward failures or abuses and shall not exceed in general 24 months of total compensation, including notice (in case of lack of law/National Labour agreement provisions as locally applicable), in continuous alignment with applicable regulations/contractual frameworks.

Details
Section I-Paragraph 4.6

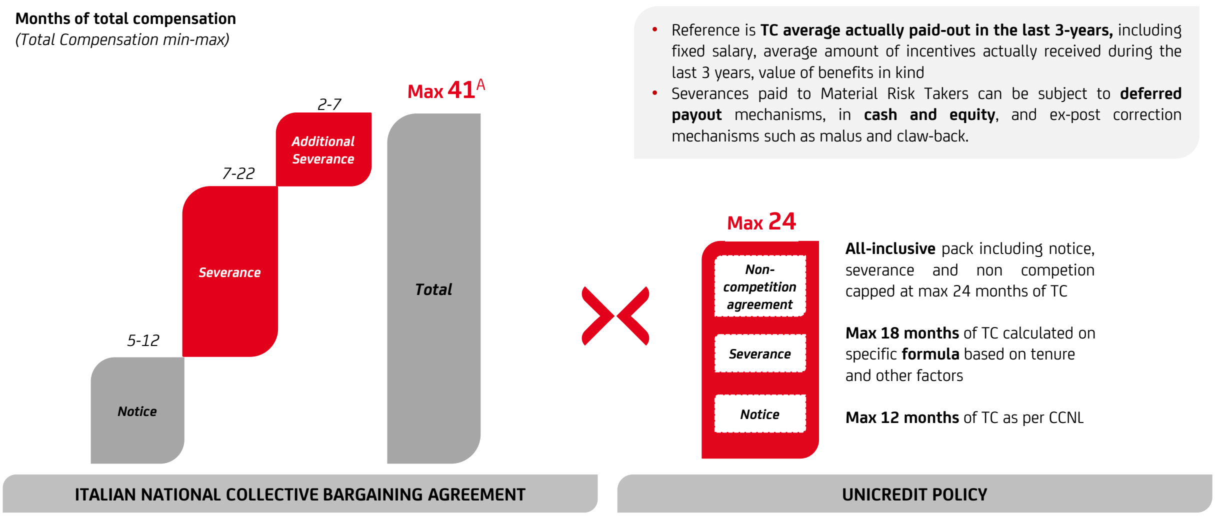
The Policy on payments to be agreed in case of early termination of a contract (so called "severance payments") is aligned with the changes introduced by the 25th update of the Circular 285 by Bank of Italy and it has not been subject to changes since 2021, being consistent with the latest version of the above Circular currently into force.

As described in the UniCredit termination payments policy (available on our website), the policy is based on a limit of 24 months of total compensation which is all-inclusive, embedding contractual notice, calculated severance amount and possible non-competition agreement. Severance calculations are based on a specific formula considering tenure, actual performance achieved over time and other specific factors that determine the amount payble.

Additionally, it's worth remembering that, because of BankIt requirements, severance arrangements may need to be deferred over time and paid out in cash and shares, subject to malus and clawback clauses.

UniCredit policy is aligned to Italian market practice and is conservative compared to the Italian labour law context, where the national bargaining agreement (CCNL) also includes severance clauses that are significantly higher than our policy (up to 41 months of total compensation, excluding non-competition agreement).

In this context, no change to the current severance policy is proposed. During the year, we will continue to monitor, with the support of our advisors, market trends and practices in order to continue to define remuneration policies that respond as clearly and transparently as possible to the needs of all our stakeholders and, in any case, are always in line with national and international regulatory requirements.



A. Not including Non-Competition agreements.

10. 2023 compensation decisions

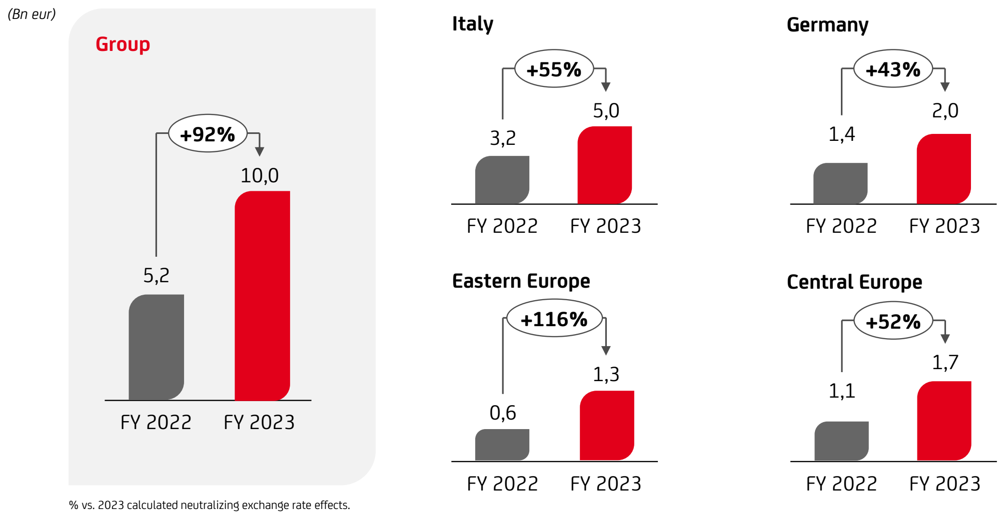
› 2023 Bonus Pool outcomes

UniCredit had its best year ever in 2023, the culmination of a three-year journey which delivered for the present while transforming our bank and preparing for the future. Please refer to the above “Focus on Business and remuneration strategy” for all the details on 2023 business results.

With reference to 2023 compensation decisions, the UniCredit Board of Directors considered the proposals of the Remuneration Committee and the guidelines of the regulatory authorities on variable remuneration. The evaluation regarding compensation decisions, as done before in the previous years, was supported by a rigorous Group governance process in order to guarantee coherence and transparency towards all the participants involved.

The starting point was the assessment of the performance related to “Operating EVA” (NOP net of cost of capital - pre-bonus), which is the funding KPI for bonus pool size definition. 2023 Operating EVA results have been strongly positive both at Group (+92% YoY) and at Divisional levels.

Bonus pool performance metric (Operating EVA[7] pre bonus)



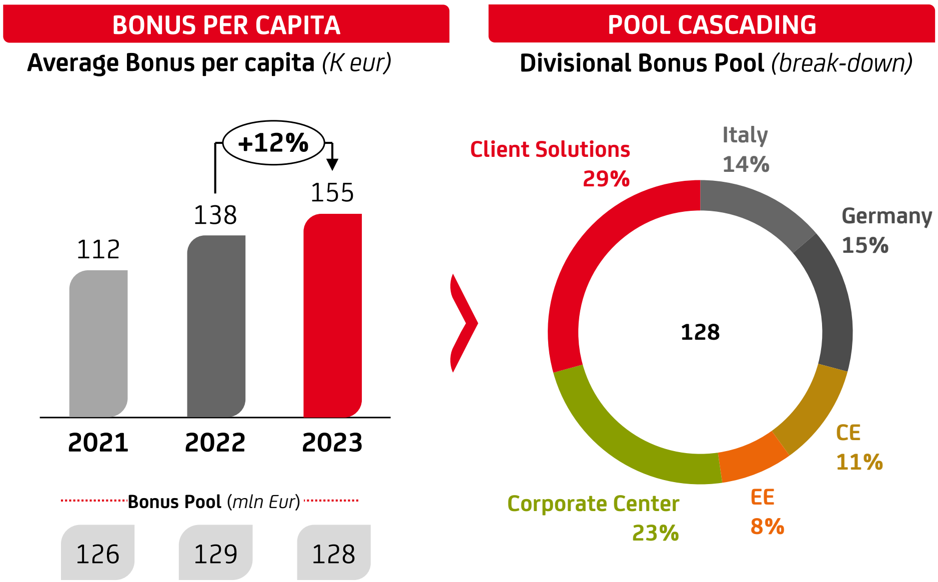
Based on 2023 UniCredit’s business results, in line with the Risk Appetite Framework as foreseen by the bonus pool rules, the Board of Directors approved the overall Group bonus pool for 2023.

The total bonus pool amount for Group Material Risk Takers is c. €128 mn (slightly below 2022 bonus pool due to the reduction of GMRT population from 935 to 827 individuals), with an average per-capita bonus of €155k increasing by +12% versus 2022, consistently with the positive performance trend at Group level and across all the Divisions.

[7] Operating EVA defined as Net Operating Profit – Cost of Capital. Cost of Capital is the average Allocated Capital multiplied by the Cost of Equity (Ke) plus the additional Tier 1 corrective factor, adjusted for AT1, excess of capital and cash charges.

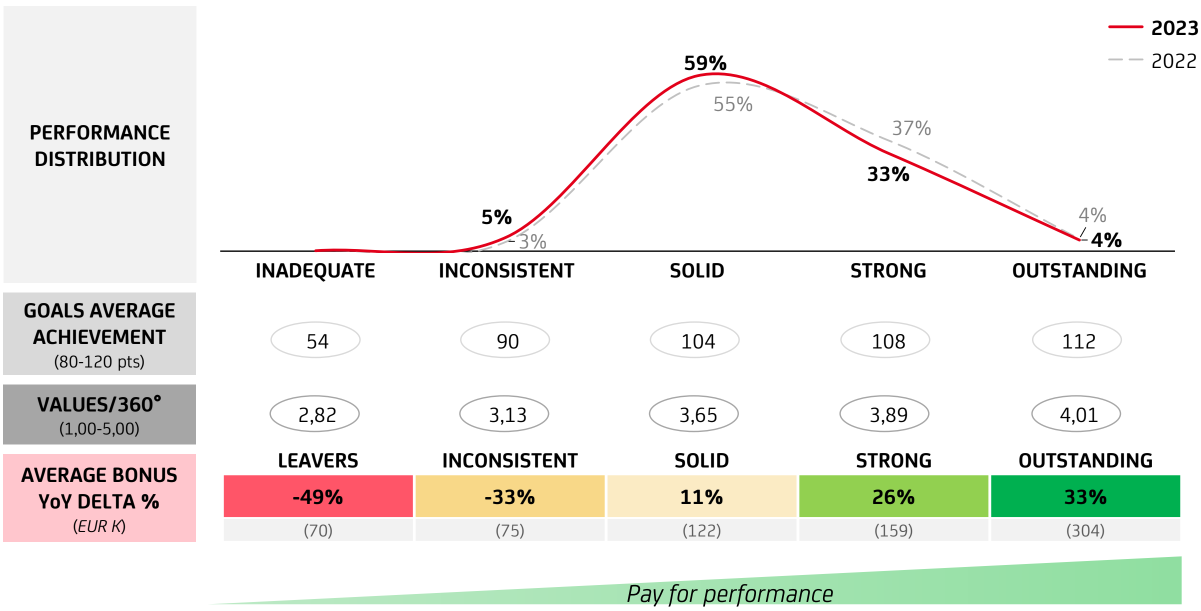
The distribution of the bonus for the Group Material Risk Taker population across Divisions is set out below, defined on the basis of the application of the 2023 Group Incentive System rules approved by the Shareholders' Meeting.

2023 Bonus distribution for GMRTs



The Individual allocation of the bonus for the Group Material Risk Taker population is set out below and testifies the consistency and correlation of the bonus outcomes with the performance appraisals, the goals' achievement and the 360-assessment based on company values.

2023 Bonus differentiation and pay-for-performance for GMRTs



› Employees' working conditions

The compensation decisions for GMRTs are not in a vacuum. This is alongside the steps we are taking to create a safe, inclusive, and fair workplace amid global macroeconomic uncertainty.

Our people are our greatest asset, and we are committed to building a workplace of equal opportunities and a positive, safe, and collaborative environment, where everyone is empowered to succeed whilst nurturing each individual's well-being. We have launched several initiatives to support employees to:

- to face high inflation: c. €80 million has been spent in 2023 to review salaries of the wider population, plus recurring collective contract renewals, leading to c. +5% year-on-year. For 2024 we expect a further avg growth of fixed payments of c. 8%, and of c. 12% in the Italian region.
- to close the gender pay gap: ca.€100 mn allocated in the Strategic Plan to gradually close the gender gap in pay within comparable roles. During 2023, c.17m has been invested, leading to a significant reduction of the Gender Pay Gap (GPG) on comparable roles to 2.0%, confirming the commitment taken and further boosting a respectful and inclusive culture, based on equal treatment and equal pay
- to reward adequately our people's performance: bonus per-capita growth year-on-year for non-executive population between 9% and 27% depending on countries, business activity and relative performance; more than €300 million of variable remuneration increase since 2020, with c. 80% going to the non-executive population

As a recognition of the effectiveness of its People Strategy, UniCredit has been officially certified as a Top Employer in Europe in 2024 for the eighth year running for its employee offering in terms of Work Environment, Talent Acquisition, Learning, Well-being and Diversity & Inclusion.

While financial success is just one piece of the puzzle, it is this which will enable us to fulfil our other, more fundamental roles as the engines of social progress. It will let us support the communities we serve, offering assistance both financial and otherwise, as we have done recently with several Initiatives, and empower our Foundation to do more philanthropic work. The longer the sustained success and subsequent financial performance is, the greater the social impact the bank can achieve.

› 2020-2023 Group Long-Term Incentive Plan (2020-23 LTIP)

On February 29, 2024, the Board of Directors approved the 2020-23 LTI Plan achievement at 97.5% considering that all entry conditions on profitability, capital, liquidity and Risk Appetite Framework were met and the KPIs on the Scorecard were achieved at 97,5%.

No Board discretion has been applied, despite the outstanding TSR results, measured over the performance period of the Plan.

The beneficiaries of the Plan are 281, including neither the previous CEO (who waived his potential rights under the Plan upon termination of his contractual relationship with UniCredit), nor the current CEO, as the plan is linked to the past strategy.

The plan is fully paid-out in shares that are awarded to beneficiaries over a number of installments according to the deferral schemes as per the structure approved in Board of Directors in 2020.

› Compensation disclosure

The Remuneration Report (Section II) provides the description of UniCredit's compensation practices and the implementation outcomes of Group Incentive Systems, as well as remuneration data with a focus on non-executive Directors and Group Material Risk Takers, defined in line with regulatory requirements.

Full disclosure on compensation pay-out amounts, deferrals and the ratio between variable and fixed components of remuneration for Group Material Risk Takers is provided in the Remuneration Report (paragraph 4.2, Granular Remuneration Data), including data regarding Directors and other Executives with Strategic Responsibilities.

Data pursuant sect. 84-quater Consob Issuers Regulation Nr. 11971, Compensation Report-Section II (last modified under resolution no. 21623 of December 10, 2020), as well as the information on incentive systems under 114-bis of legislative decree 58/1998 ("Testo Unico della Finanza" - "TUF") are included in the attachments to the 2024 Group Remuneration Policy and Report, published on UniCredit's website, in the section dedicated to 2024 Shareholders' Meeting.

Details
Section II-Paragraph 4.2

11. 2023 ex-post disclosure of Chief Executive Officer's performance and compensation data

As disclosed in the 2023 Remuneration Policy, the compensation package of the CEO for 2023 was reviewed providing for a fixed remuneration of €3.25 mn, an unchanged total target remuneration of €7.5 mn at targets' achievement, with headroom to reward overperformance until a maximum total remuneration of €9.75 mn.

The 2023 review was the only possible way to restore the proper functioning of the incentive system, impacted by the unfortunate combination of hiring commitment and EU two to one cap on variable which created a conundrum where the remuneration target and max coincided, hence no reward could be assigned for performance above target. That review was in the spirit of pay-for-performance and alongside the other interventions applied to the remuneration framework for the whole organization, including the CEO (e.g. 100% payout of variable remuneration in shares, increased share ownership requirements, more severe incentive-curve).

2023 variable compensation for the CEO has been determined by the Board of Directors based on performance achievements and actual results vs. KPIs and targets embedded in the 2023 CEO scorecard disclosed in 2023 Remuneration Policy, as follows:

- the average score of the financial KPIs (80% overall weight) reached an average score of 120 pts[8];
- the overall non-financial section (Strategic Priorities & Culture, 20% overall weight) set a score of 120 pts[9];
- bringing the overall CEO performance scorecard to 120 pts, i.e. largely exceeding the 2023 targets.

[8] In a range between 0-120 pts.
[9] Assessed in a 5-point qualitative rating scale, converted into a score ranging between 0-120 pts.

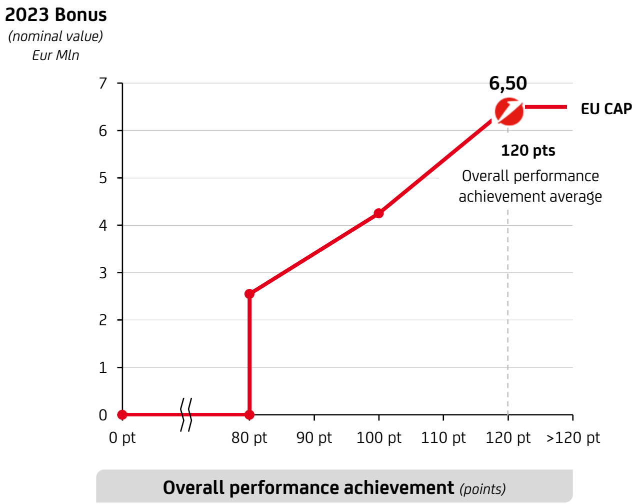
2023 CEO scorecard: Results

	KPIs	Weight	Target (range)	Criteria	Scoring	Result (% achievement)	Score	Overall Financial Score
Financial Goals 80%	Net Revenues	20%	18.5 bn (± 7.5%)	> 19.9	120 pts	23.3 bn (126%)	120 pts ✓ capped	Record 2023 results crowning three years of ***success and exceeding expectation***. ***Outstanding RoTE*** with a ***robust CET1r*** up despite distributing ***100% of FY23*** net profit, reflecting strong capital efficiency, profitability and organic capital generation. Transformed ***and strong asset quality*** maintained with ***robust lines of defence*** to protect against risks.
				17.1 – 19.9	80-120 pts[A]			
				< 17.1	0 pts			
	Total Costs	20%	9.7 bn (± 2.5%)	< 9.5	120 pts	9.5 bn (98%)	119.1 pts ✓	
				9.9 – 9.5	80-120 pts[A]			
				> 9.9	0 pts			
	Cost / Income		48.3% (± 5%)	< 45.9%	120 pts	39.6% (82%)	120 pts ✓ capped	
				50.7% - 45.9%	80-120 pts[A]			
				> 50.7%	0 pts			
	Organic capital generation	20%	150 bps avg 2021-24 (± 20%)	> 180	120 pts	389 (259%)	120 pts ✓ capped	
				120 - 180	80-120 pts[A]			
				< 120	0 pts			
	Net profit[C]	20%	c. 5 bn (± 10%)	> 5.5	120 pts	8,2 bn (165%)	120 pts ✓ capped	
				4.5 – 5.5	80-120 pts[A]			
				< 4.5	0 pts			
	Overall financial section average							**120 pts[B]**

	KPI	Achievements	Score[D]
Strategic priorities & Culture 20%	**Winning, the right way, together** Qualitative assessment (on a 5-point ratings scale), based on: i. being a role model for **corporate values** ii. set the proper **tone on compliance culture and risk** mindfulness iii. deliver process simplification and foster customer mindset as enablers of the business and **operating model transformation**	Similarly to 2022, in 2023 the CEO has demonstrated a **relentless commitment** and **has pushed the organsiation to excel** and **Imrpove** under all of the corporate culture, the risk and compliance mindset and the transformation of the operating model. As detailed below the CEO has acted on the matter **by personally leading by example** (as recongized by the 360 degrees feedback) and by **promoting, sponsoring and requesting the launch of specific activites** that are functional to the achievement of the overall goal. The culture of the organisation has profoundly been changed and signficant steps were taken during the year to make sure **the change cements and is set to endure over time**. The initiatives on Risk and Compliance were further **extended and made more meaningful**.The **industrial transformation** of the organisation **is well on track** and the only areas that are deviating from the plan are those were a conscous decision was taken (e.g. on the internalization of the digital FTEs), hence still remain under the optimal path to success There is a general **recognition among the investor community as well as the internal team** that this degree of evolution and acceleration on these topics **was made possible only thanks to the activity and leadership of the CEO** The overall appraisal stems from the qualitative assessment of these topics, as further detailed in the Remuneration Report, Ch. 3.2 2023 fixed and variable compensation for the Chief Executive Officer: • **360-feedback inspired by values** • **Group culture transformation journey** • **Compliance and Risk culture** • **dashboard key achievements**	Greatly Exceeds 120 pts
	Overall Strategic priorities & Culture section average		**120 pts**
	OVERALL PERFORMANCE ACHIEVEMENT – WEIGHTED AVERAGE		**120 pts**

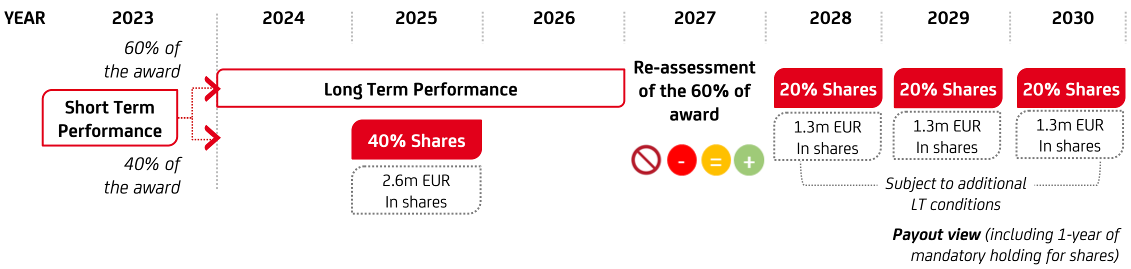
A. Linear continuum **B**. Formulaic weighted average at 119,8 pts, leading to 120 pts, including 0,2 pts deriving from the compensation mechanism across KPIs in case of over-performance foreseen by 2023 approved system ("*The over-performance of a single KPI above the max threshold can be used – calculated in points as linear continuum at the same range of each KPI capped at 140 pts max - to compensate only those KPIs that reach at least their minimum threshold level, still within the maximum 120 points of the overall scorecard*") **C**. Net profit after AT1 / Cashes coupons **D**. 5-point rating scale converted into score as follows: Below = 0 pts – Mostly meets = 50 pts - Meets = 100 pts - Exceeds = 110 pts - Greatly exceeds = 120 pts.

In light of the excellent performance achievements, the Board of Directors has defined the 2023 bonus of the Chief Executive Officer at €6.5 mn (maximum nominal amount, within the variable to fixed remuneration 200% cap).



The nominal amount of bonus will be paid-out 100% in shares according to 2023 Group incentive system rules, as follows:

- 40% of the award (€ 2.6mn nominal amount) will vest upfront and will be paid out - all in shares - in 2025 after the mandatory 1-year holding period required by regulation
- 60% of the award (€ 3.9 mn nominal amount) will be subject to additional long-term performance conditions over the period 2024-2026 (specifically RoTE with CET1@13%, weighting 80%, and Sustainability KPIs on ESG volumes, DE&I Ambitions and Net Zero, weighting 20%). Once re-assessed at the end of 2026, the final award will vest starting from 2027 and will be paid out - all in shares – with three deferred installments over the period 2028-2030, after the 1-year mandatory holding period required by regulation.

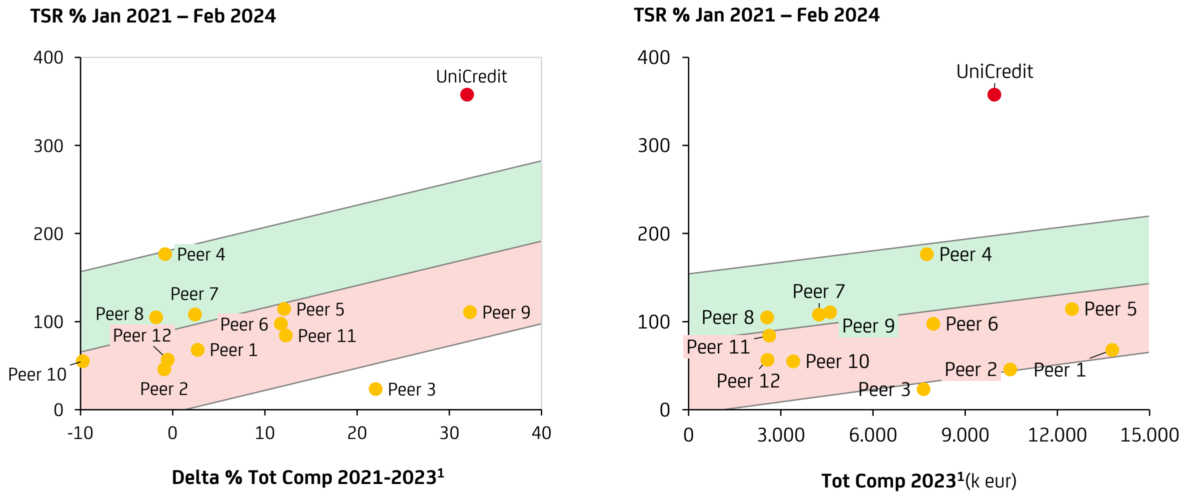


The full nominal value of the bonus is converted in 458,520 total number of shares by using a share conversion price of €14.176, set in line with 2023 approved Group Incentive System rules[10]

[10] Share conversion price calculated starting from the UniCredit market share price measured at the beginning of the performance period (€ 17.011 as average market price from 01.01.2023 to 31.03.2023 i.e. the date of 2023 AGM approving 2023 Group Incentive System), adjusted to restore a fair financial evaluation of shares, considering the availability constraints as per regulatory requirements e.g. missed dividend payment during the deferral period. The share price adjustment was estimated after 2023 AGM through an ad hoc model, certified by Risk Management function, based on expected dividends from public source i.e listed futures, discounted via a cash flow approach to infer expected dividends till instruments delivery, weighted according to the sizes and the time periods of each deferrals plan. The overall effect of such adjustment was c.16.7% on the market share price (€17.011), leading to a final share adjusted conversion price of €14.176.

The 2023 Total actual remuneration of the CEO is € 9,957,000 (as reported in EU REM1- Remuneration awarded for the financial year, including € 3,250,000 fixed remuneration, € 207,000 other fixed[11] remuneration and € 6,500,000 actual variable remuneration awarded in 2023). The degree of relative correlation vis-à-vis performance is explained by the following graph, showing the relative positioning of UniCredit versus our European Peer Group, in terms of TSR evolution over the period January 2021-February 2024 and the CEO total remuneration (2021-23 trend and absolute level).

Correlation between TSR and Total Comp[1] in the last 3-years



1. Total nominal compensation as sum of fixed remuneration, other fixed remuneration (e.g. benefits, pension funds), STI bonus award and LTI target (if any). Data referred to 2023 for UniCredit and other players which already disclosed their remuneration report.

In line with Group governance, the performance assessment and bonus payment for the Executives with Strategic Responsibilities have been reviewed by the Remuneration Committee and approved by the Board of Directors, having consulted the Statutory Auditors and Internal Controls & Risks Committee where appropriate.

12. 2024 ex-ante disclosure of Chief Executive Officer's target performance scorecard and compensation

In 2023 we successfully revised the overall remuneration framework to make it fit-for-purpose and fit-for-the-future. A central part of the structure was based on a variable compensation 100% in shares, setting as reference the price of the shares at the beginning of the performance period and adjusting it for the value of the dividends that would have been missed during the vesting period.

This mechanism was proposed based on market observation and precedents and the overarching purpose of aligning employees with shareholders both annually and over the longer-term and restore a financial evaluation of shares in line with the non-payment of dividends during the deferral period.

It has since been brought to the attention of UniCredit and the rest of the sector that this structure did not fully meet regulatory requirements. In order to obtain a clarification (valid for the whole market), a specific inquiry was submitted to the EBA that, in January 2024 ([2023_6944 Prospective remuneration plan for variable remuneration | European Banking Authority (europa.eu)]) and March 2024 ([2023_6945 Share-linked instruments | European Banking Authority (europa.eu)]) confirmed that the share conversion price will no longer be set at the beginning of the year, nor will it be adjusted for non-dividend payment during the deferral period.

[11] Such amount does not include pension funds as CEO does not participate in the complementary pension plans offered by the Group.

As such, and to ensure that we are fully compliant with all regulations, we are changing our approach and moving to an ex-post market observation without any adjustment for dividends that will be missed.

The update of the system as per this regulatory clarification creates a significant compression of the plan value and a lesser alignment with shareholders.

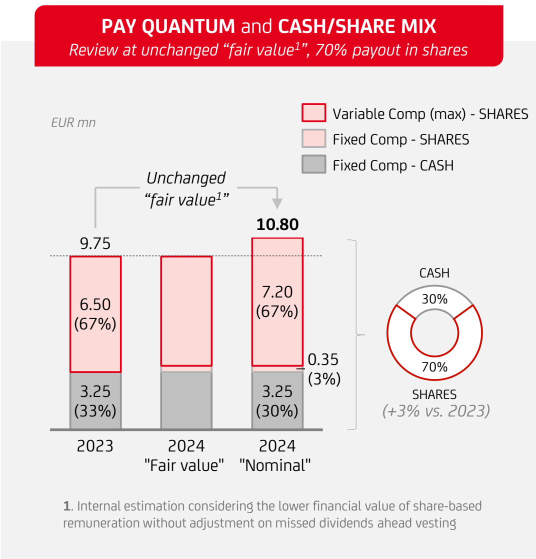
The Board feels that it is right and fair to compensate the affected GMRT population (c. 800 individuals including the CEO) for the resulting reduction of their remuneration. The Board, believes this is the correct approach ethically and legally, and crucial to ensure the team is fairly compensated for their outstanding performance in the market. It also ensures that all GMRTs continue to be fully aligned with our shareholders and continue to strive for a TSR far above all our competitors.

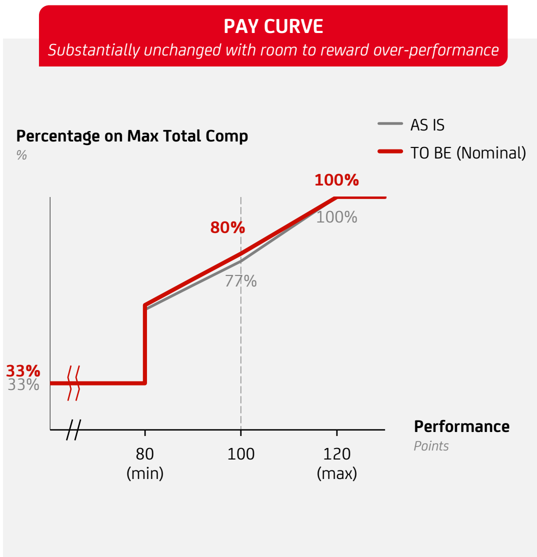
Whilst it was not envisioned that further changes for the CEO compensation would be required following the structural review of 2023, given this EBA clarification, RemCo decided to evaluate different alternatives to achieve the above-mentioned goal. Our guiding principles of Simplicity, Fairness and Consistency led us to choose the most transparent and straightforward way to address the issue: a review of the nominal *quantum.* Given the 2:1 cap on variable remuneration, a part of this increase will have to be adjusted on fixed remuneration, balancing the rest on variable.

This avoids further changes or complications to the incentive scheme that is largely reconfirmed as a “sustainable performance plan”, combining both short-term and long-term ambitious performance targets, within one single incentive plan fully connected with the UniCredit Unlocked strategy.

This means that the CEO's fixed pay will increase by EUR 350k or +10.8%, based on a cautious estimate of how much the variable pay will be compressed from our projected dividends curve. Alongside this, in nominal terms, the salary will move from €3.25 mn to €3.60 mn, total target remuneration from €7.5 mn to €8.60 mn, with room to reward over-performance to maximum of €10.80 mn. This, together with the changed shares pricing mechanism, leaves the overall compensation package substantially unchanged on “fair value”.

To make sure that the CEO's interests continue to be aligned with shareholders’, the fixed pay increase for the CEO will be paid entirely in shares, which will add to the overall share ownership requirements (3x salary) that require him to stay invested in the organization for as long as his employment lasts.





The fixed remuneration review in shares may be provided, alternatively (i) by the use of treasury shares held from time to time and earmarked for this purpose, including any UniCredit treasury shares purchased on the market in execution of an authorization resolved by the Shareholders' Meeting; or (ii) in cash, subject to an irrevocable order of the CEO to purchase shares on the market, in a framework that complies with the applicable regulation, in particular as regards market abuse provisions.

The positioning of UniCredit's CEO pay vs. the European peer-group is broadly stable, with ranking in the top quartile of the market, fully consistent with the leading top-tier relative performance track-record of UniCredit in the last 3 years (TSR over the period January 2021 – February 2024 at 357.7% for UniCredit, first in the ranking).

PAY...

FIXED REMUNERATION

		Fixed Rem	*Other fixed*	**Total fixed**
1	Peer 1	*3.3*	*2.6*	**5.8**
2	Peer 2	*3.6*	*0.9*	**4.4**
3	**UniCredit**	*3.6*	*0.2*	**3.8**
4	Peer 3	*3.3*	*0.4*	**3.7**
5	Peer 4	*2.9*	*0.7*	**3.6**
6	Peer 5	*2.4*	*0.4*	**2.8**
7	Peer 6	*2.6*	*0.1*	**2.7**
8	Peer 7	*1.9*	*0.8*	**2.7**
9	Peer 8	*1.8*	*0.5*	**2.3**
10	Peer 9	*1.5*	*0.5*	**2.1**
11	Peer 10	*1.6*	-	**1.6**
12	Peer 11	*1.2*	*0.3*	**1.5**
13	Peer 12	*1.1*	-	**1.1**

TOTAL REMUNERATION[1]

		Nominal value incl. other fixed
1	Peer 1	**13.8**
2	Peer 5	**12.5**
3	**UniCredit**	**11.0[2]**
4	Peer 2	**10.5**
5	Peer 6	**8.0**
6	Peer 4	**7.8**
7	Peer 3	**7.6**
8	Peer 9	**4.6**
9	Peer 7	**4.2**
10	Peer 10	**3.4**
11	Peer 11	**2.6**
12	Peer 12	**2.6**
13	Peer 8	**2.6**

...FOR PERFORMANCE

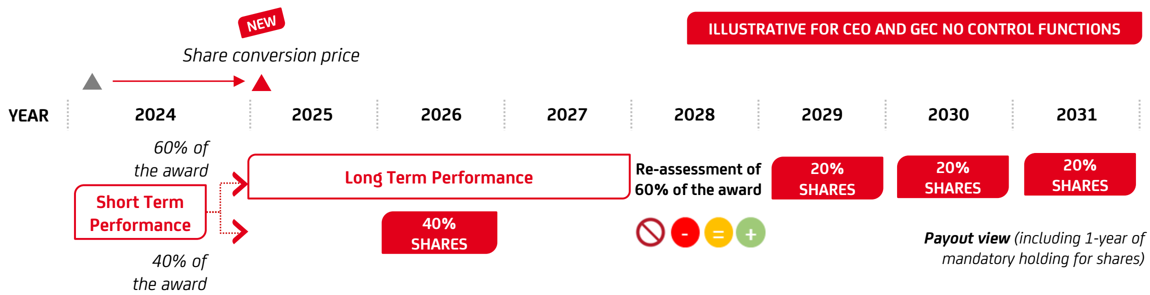
TSR

		Jan 2021 – Feb 2024
1	**UniCredit**	**357.7%**
2	Peer 4	176.4%
3	Peer 5	114.3%
4	Peer 9	110.6%
5	Peer 7	107,9%
6	Peer 8	104.7%
7	Peer 6	97.3%
8	Peer 11	84.1%
9	Peer 1	67.8%
10	Peer 12	56.5%
11	Peer 10	54.9%
12	Peer 2	45.8%
13	Peer 3	23.4%

Median – – – *3rd quart.* – – –

Note: Data in €m. Figures may not sum-up due to rounding. **1.** Total nominal compensation as sum of base salary, other fixed remuneration (e.g. benefits, pension funds et - source by EU REM1 disclosure), STI actual bonus and LTI target (if any). Data referred to 2024 disclosure for UniCredit and other players which already disclosed annual Remuneration Policy. Data referred to 2023 disclosure for the other players. **2.** Assuming max total compensation for 2024 (€ 3.6 mn fixed remuneration; € 7.2 mn max variable remuneration; incl. € 0.2 mn other fixed - such amount does not include pension funds as CEO does not participate in the complementary pension plans offered by the Group)

The 2024 incentive system for the CEO is confirmed as a Sustainable Performance Plan, with a combination of annual goals and additional long-term performance conditions to ensure sustainable value creation over time. According to the principles of the Sustainable Performance Plan, 60% of the incentive will also depend on the achievement of further long-term goals to be assessed over a 3-year horizon (i.e. 2025-2027) following the short-term incentive assessment period.



2024 CEO's scorecard is confirmed around the key pillars of Unicredit Unlocked Strategy, both for financial KPIs (Net Revenues, Costs, Cost/income, Organic capital generation, Net Profit - weighting together 80% of the scorecard) and non-financial goals (company culture, risk & compliance mindfulness and Industrial transformation - weighting 20% of the scorecard).

The max targets disclosed for the financial KPIs are in line or even above the last available market consensus I.e. the one disclosed after the FY 2023 financial results disclosure. This means that the CEO will have the opportunity to get 2024 total max remuneration, as done in 2023, only by reaching all of those financial max targets, assuming to get also the max score on the non-financial goals.

Lever, KPIs and weights		2024 Max Target	Criteria	Points
80% **Financial** *(KPIs equally weighted)*	**Net Revenues (20%)** (Revenues – LLPs)	**22,5 bn**	> 22,5	120[B]
			20,4 – 22,5	80-120*
			< 20,4	0
	Costs (20%) Cost/Income	**41,0 %**	< 41,0%	120[B]
			44,4 – 41,0%	80-120*
			> 44,4%	0
	Opex	**9,4 bn**	< 9,4	120[B]
			9,6 – 9,4	80-120*
			> 9,6	0
	Organic capital generation (20%)	**300 bps**	> 300	120[B]
			243 – 300	80-120*
			< 243	0
	Net profit[C] (20%)	**~ 8,5 bn**	> 8.5	120[B]
			6,9 – 8,5	80-120*
			< 6,9	0
20% **Non Financial**	***"Win, The right way, Together" (20%)*** *Qualitative assessment* based on fostering corporate values and expected conduct, with a balanced approach across sustainable growth and risk management, with a focus on: • results of **360° behavioral assessment** based on corporate values adherence; quality of culture related events/activities, roadshows, learnings and workshops in holding functions and legal entities to spread **UniCredit culture** across the countries • nr of employees involved in initiatives to set the **tone on compliance culture** and **risk mindfulness** (e.g. impact of Tone from the Top, Tone from the Middle initiatives, Mandatory Training outcomes, Risk university) • **Industrial KPIs achievements** on business operating model transformation with focus on **clients** (e.g. customer experience NPS, net revenues per client) and **digitization** (e.g. remote sales index, # IT incidents)		GREATLY EXCEEDS	120
			EXCEEDS	110
			MEETS	100
			MOSTLY MEETS	50
			BELOW	0

** Linear continuum*

As weighted average of Financial and Non-Financial[A] **Tot. score *(0-120 pts)***

A. BoD discretion: unlimited downward and up to +20% to evaluate broader performance and market context **B.** The over-performance of a single KPI above the max threshold can be used – calculated in points as linear continuum at the same range of each KPI capped at 140 pts max – to compensate only those KPIs that reach at least their minimum threshold level, still within the maximum 120 points of the overall scorecard. **C.** Net profit equal to stated net profit adjusted for impacts from TLCF DTAs, potential one-offs related to strategic items, financial effects of strategic decisions

Long-term goals are assessed over a 3-year horizon (2025-2027) following the short-term incentive assessment period. The degree of achievement of the long-term goals – once the access threshold is achieved, otherwise the incentive would be fully cancelled – will determine the confirmation or the adjustment of the incentive from -100% to +20%, in any case within the regulatory limit of the ratio between variable and fixed compensation, with the possibility to zero the incentive in case Malus conditions occur.

The long-term scorecard, which is the same for all executives for whom long-term conditions are foreseen, is shown below:

Lever and KPIs		2025-27 Target	Criteria	Adj. of ST
80% **Profitability**	**ROTE** with **CET1 @13%**	Avg 25-27 vs. mid term Cost of Equity (11%)[B]	**11,5% - 13%**	**100%-120%*** ↑
			10% - 11,5%	**Confirmed (100%)** =
			5,5% - 10%	**0%-100%*** ↓
			< 5,5%	**Cancellation (0%)** ⊘
20% **Sustainability**	**ESG business DE&I ambitions Net Zero committments**	**Qualitative assessment** based on specific evidence from **current and future ESG and DE&I strategy**. KPIs are subject to the evolution of ESG strategy and regulation. Current strategy foresees: • **ESG business penetration:** support our clients in their sustainability journey offering ESG related products and services to ensure a fair share of ESG business over total (lending new production, sustainable bonds, stock of AuM), starting from 2024 ESG targets[C] as disclosed in 4Q2023 Fixed income presentation and successive updates as per ESG strategy • **DE&I Ambitions,** including reduction on Gender Pay-Gap (through 100 m Eur investment in strategic plan horizon and successive updates as per DE&I strategy) and gender parity ambition across the organizational levels • **"Net Zero" commitments**: progress vs. Net Zero 2030 target on the four most carbon intensive sectors within the portfolio, which include Oil & Gas, Power Generation, Automotive, and Steel, recently added. Targets have been set as per press release of January 31, 2023 and January 18, 2024, using the International Energy Agency (IEA) Net Zero 2050 pathway as the benchmark scenario.	**GREATLY EXCEEDS**	**120%** ↑
			EXCEEDS	**110%**
			MEETS	**Confirmed (100%)** =
			MOSTLY MEETS	**50%** ↓
			BELOW	**Cancellation (0%)** ⊘

** Linear continuum*

As weighted avg of Profitability and Sustainability **Overall adjustment[A] (-100% ; +20%)**

A. BoD discretion: unlimited downward and up to +20% to evaluate broader performance and market context e.g. industry/global shocks, exceptional events, company performance notably above target in the first year of the sustainable performance plan **B.** RoTE calculated as per current methodology . In case of methodological changes or material change of the macro-economic scenario (eg more than 100 bps in interest rate vs, budget assumptions), the board retain the faculty to mechanically recast LT targets according to the updated scenario **C.** Percentage of ESG lending new production (including Environmental, Social and Sustainability linked lending) on overall medium/long term lending new production: group 2024 target set at 15%; percentage of Sustainable bonds (for corporates and financial institutions, excluding Sovereign, Supranational and Agency Long Term Credit) on all bonds (For corporates and financial institutions, excluding Sovereign, Supranational and Agency Long Term Credit): group 2024 target set at 15%; percentage of ESG assets under management stock on Total of assets under management stock: group 2024 target set at 50%

Details
Section I-Paragraphs 5.1 and 5.2

Section I

2024
Group Remuneration Policy

1. Overview and principles

The set of values of UniCredit is based on integrity, ownership and caring as sustainable conditions to transform profit into value for stakeholders. A simple guiding purpose to empower communities to progress ensures we live these values every day.

By upholding the standards of sustainable behaviors and values which drive the Group's purpose, the compensation strategy represents a key enabler to enhance and protect its reputation and to create long-term value for all Group stakeholders. Specifically, the remuneration policy contributes to the business strategy, long-term interests and sustainability of UniCredit.

Now more than ever, sustainability forms a central part of everything UniCredit does and is fully integrated into the business and decision-making process: leading by example in UniCredit's business, helping clients through a just and sustainable transition, contributing to a better society. It is a key lever for the future business strategies and a critical component of the bank's success.

Through appropriate compensation mechanisms, UniCredit aims to create a best-in-class inclusive work environment, fostering and unlocking individual potential to attract, retain and motivate a highly qualified global workforce capable of creating a competitive advantage for the Group. Individuals are rewarded based on merit and performance in terms of sustainable results, behaviors and adherence to Group values.

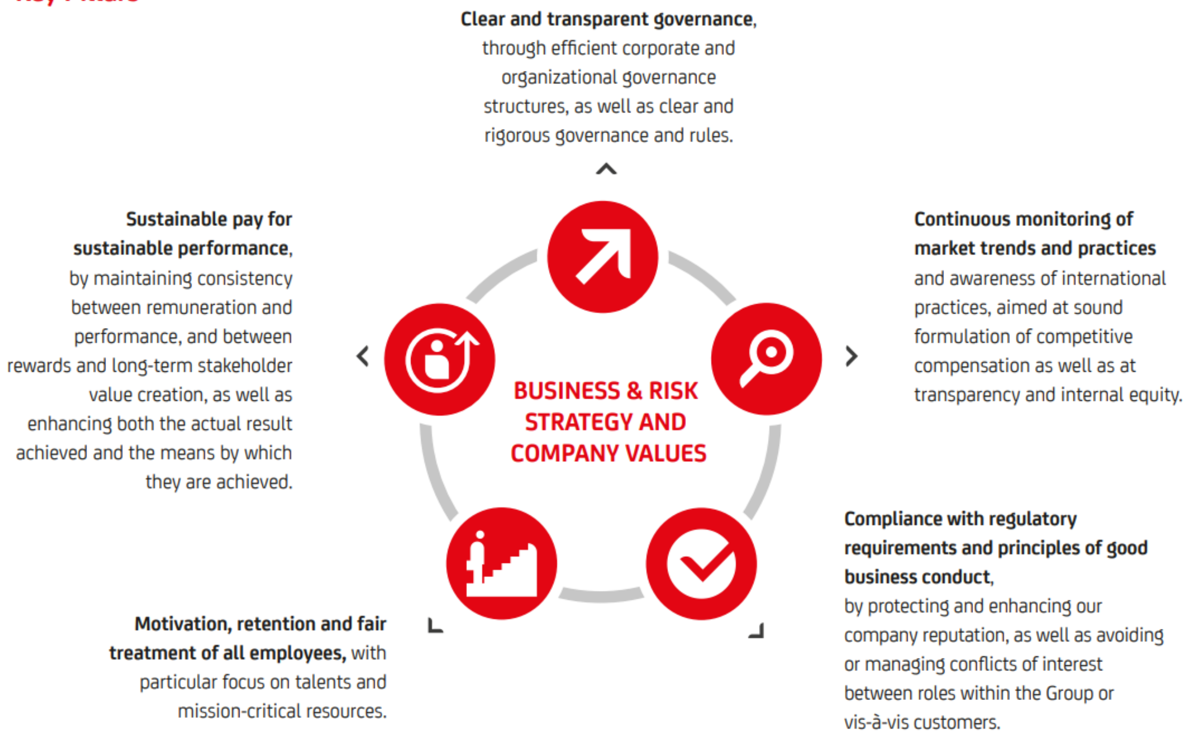
UniCredit believes in inclusion as a strategic business driver and is committed to creating an inclusive, positive, and barrier-free environment for its diverse workforce, where everyone has the opportunity to perform and grow. Employees are expected to contribute to creating and maintaining a work environment that is respectful, safe and inclusive, and where any difference, whether it is gender identity, age, race, ethnicity, sexual orientation, ability, background, religious or ethical values system and political beliefs or any other category protected by law in the local jurisdiction, is embraced and promoted.

Relying on the governance model of UniCredit, the Group Remuneration Policy sets the framework for a coherent and consistent design, implementation and monitoring of compensation practices across the entire Group.

Within this common policy framework, guidelines are defined to implement compensation programs and plans that reinforce sound risk management policies and the long-term strategy and generally pursue long-term value creation and sustainability of the company. In doing so, the Group effectively meets the specific and evolving needs of the different businesses, market contexts and employee populations while ensuring that business and people strategies are always appropriately aligned with the remuneration approach, including external networks and agents, where applicable, as foreseen by regulation.

To ensure the competitiveness and effectiveness of remuneration as well as transparency and internal equity, the principles of sustainable conduct and performance define the key pillars of the Group Remuneration Policy.

Key Pillars



1.1 Remuneration Policy alignment to sustainability strategy

At UniCredit value creation means more than just generating financial value. It also means ensuring sustainability is at the heart of all that the Group does.

In 2024, UniCredit announced its 2030 target for the steel sector, which forms part of the bank's commitment to reach its 2050 goal of Net Zero on its lending portfolio and enhances its own 2030 targets for the three most carbon intensive sectors which include Oil & Gas, Power Generation and Automotive sectors, communicated to the market in 2023. This is in line with the Net Zero commitment the bank signed in October 2021 and its continued support for a more sustainable global economy.

2023 was a year characterized by significant progress on our ESG ambitions with Net Zero sector targets and ongoing support to clients and all our stakeholders in a just and fair transition. Please also refer to the Integrated Report available on the corporate website for further details on the Sustainability Strategy in UniCredit.

The Remuneration Policy contributes to the UniCredit strategy, the pursuit of long-term interests and sustainability over time. UniCredit has a remuneration structure in place that is based on risk-adjusted/related performance and does not encourage excessive risk-taking, including with respect to sustainability risks.

Further, one of the pillars of the Group Remuneration Policy addresses sustainable pay for sustainable performance, by maintaining consistency between remuneration and performance, and between rewards and long-term stakeholder value creation, as well as enhancing both the actual results achieved and how they are achieved.

Several processes and initiatives support the link between the remuneration policy and sustainability.

The Group Incentive System is supported by the annual performance management process assuring coherence, consistency, and clarity of performance objectives and behavioral expectations aligned with business strategy. The setting of annual objectives (known as Goal Setting) is the initial phase of this process and is supported by a structured framework that includes a catalogue of performance indicators (the "KPI Bluebook"), annually reviewed by relevant Group key functions (e.g. People & Culture, Finance, Risk Management, Group Strategy & ESG), and guidelines. The framework is in line with regulatory provisions and Group standards as verified by Compliance. In particular, among other things, this is characterized by:

- the use of risk-adjusted/related goals (e.g. at least one KPI in the goals cards);
- the link with ESG and Diversity, Equity & Inclusion ("DE&I") strategies (e.g. at least one ESG KPI for all Group Material Risk Takers with a particular focus on DE&I KPIs for staff reporting to Group Executive Committee and their direct reporting line);
- the use of sustainability goals for value creation over time (e.g. about half of the goals shall be related to sustainability). For selected individuals (see chapter 5.1.4) ESG goals are included as additional long term conditions;
- the use of goals related to business, corporate values, conduct and compliance/risk culture, with a focus on:
  – adherence to and spreading of Group culture, values and purpose;
  – setting the proper tone from the Top and tone from the Middle on Compliance culture and Risk mindfulness.

Details
For further details, please refer to the paragraphs 5.1 2024 Group Incentive System and 5.2 Performance Management Framework.

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Diversity, Equity and Inclusion (DE&I)

At UniCredit Diversity, Equity and Inclusion are strategic assets for our business, growth, innovation, and performance, acting as an integral part of our corporate culture and firmly engrained in our ESG roadmap.

We are building a culture that puts our Values of **Integrity, Ownership and Caring** at the heart of our decision-making and in everything we do. Our Culture and these Values embody what we stand for, determine how we act, and shape the decisions that we make every day, guiding all our actions and behaviours.

This also helps ensure a more sustainable growth in the long-term and new business opportunities, a strong drive for innovation and creativity, as well as a general improvement of the work environment with positive impact on productivity, well-being, and engagement of our people.

To further promote a culture of inclusion based on equal opportunities and non-discrimination, UniCredit has a dedicated DE&I Global Policy in place that sets clear guidelines and principles for employees as well as third parties. The Policy applies to every key moment of the employee journey, from recruiting and onboarding, to learning and development, performance management and compensation, ensuring bias-free, merit and competency-based decisions as well as pay equality, regardless of diversity traits.

Our Code of Conduct highlights the principles of inclusion encompassing the criteria of objectivity, competence, professionalism, and equal opportunities both in people-related processes laying down the procedures by which any instances of discrimination, mobbing or bullying are dealt with, and in external relations with counterparties.

Within the framework provided by the Group Remuneration Policy, UniCredit is committed to an equal pay principle, ensuring fair treatment in terms of remuneration based on the role covered, the scope of responsibilities, performance outcomes and the overall quality of the contribution to business results, regardless of gender identity, age, race, ethnicity, sexual orientation, ability, and cultural background. UniCredit adopts gender-neutral Remuneration and Incentive policies that contribute to pursuing true equality among staff. They ensure that equal work is matched by equal pay, giving people the same access to opportunities, regardless of their diversity strands.

By signing the CEO Champion Commitment "Towards the Zero Gender Gap", the Group is affirming its corporate commitment with concrete objectives and a framework to move towards greater gender equality, diversity and inclusion in our Bank.

UniCredit is committed to promote gender parity across all organizational levels, ensuring balanced gender distribution in talent pools, hiring and recruiting, appointments and promotions, with a wider ethnic representation as well as guaranteeing a diverse and sustainable Succession Pipeline.

>>> Further testifying to our extensive collective efforts to fostering a more diverse and sustainable workplace, UniCredit is the first pan-European bank to win a **Global EDGE Certification for gender equity and inclusion**, involving more than 80% of our population in the countries where the bank is present.

The Group has long underscored the importance of gender pay equality and several initiatives have been implemented across the Group to address pay differences, including guidelines for our compensation process, allocation of salary budgets as well as specific ambitions related to DE&I (i.e. promote gender parity across all organizational levels, in talent pools, hiring and recruiting, ensure equal pay for equal work, increase cultural and ethnic diversity in our staff) assigned to senior leaders within the annual goal setting process.

To additionally raise the attention to gender equality, diversity and inclusion within the organization at all levels and to pursue gender neutrality in remuneration policies, the following measures have been adopted:

- Management is accountable for the gender-neutral application of the remuneration systems. The Material Risk Takers individual scorecards include specific DE&I KPIs – as standalone goal or as part of a broader Sustainability goal, among non-financial measures – as one of the elements for their performance evaluation. This has also been cascaded to other Senior roles, to generate sustainable results, including DE&I ambitions, such as: ensure equal pay for equal work, promote gender parity across all organizational levels, increase cultural and ethnic representation in our staff, boost work life quality, well-being and flexible working for our staff;
- **>>>** The Strategic Plan 2022-2024 UniCredit Unlocked confirms, among other goals, the commitment towards equal pay for equal work, allocating ca.€100 mn to gradually close the gender gap in pay within comparable roles. During 2023, c.17 mn have been invested, leading to a significant reduction of the Gender Pay Gap (GPG) on comparable roles[12] to 2.0%, confirming the commitment taken and further boosting a respectful and inclusive culture, based on equal treatment and equal pay. To reach gender pay equality, UniCredit assesses and monitors the progress on the GPG on a regular basis, with a specific methodology valid for the whole Group.
- A solid DE&I Governance is in place, leveraging on different Networks across the Group to create synergies, share best practice and promote cross fertilization in our business: DE&I Accountable Executives, nominated under each GEC leader, work alongside the Group DE&I Manager and local DE&I Managers appointed in our Group countries, ensuring DE&I are amongst the main topics of our business agenda and permeate our corporate culture. Additionally, our Employee Networks, voluntary groups on diversity strands – LGBTQIA+, Gender, STEM, Disability, Cultural Diversity, Generations, Caregiving - create safe spaces, foster awareness and amplify employee voices on the needs of their communities;
- Specific DE&I Guidelines are available to all colleagues, on inclusive language, inclusive recruitment, gender transition, including a leaflet with concrete suggestions on how to tackle unconscious bias in the workplace to continue to foster and build a culture of inclusion;
- UniCredit is accountable for DE&I progress versus stated ambitions, through a monitoring process that tracks relevant DE&I metrics and KPIs. UniCredit also makes available, both internally and externally, relevant data, commitments and initiatives, in the Consolidated Non-Financial Statement. Additionally, since 2017, UniCredit regularly publishes the UK GPG Report as required by the Gender Pay Gap Regulations in Great Britain.

[12] Non-Demographic GPG

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ESG – Environmental, Social & Governance

Sustainability is a key lever for our future business strategies and a critical component of our success. Indeed, we have set ambitious ESG targets as part of the 2022-2024 Strategic Plan, as the Group continues to make progress on its Net Zero commitments and embed ESG in all areas of the business while strengthening corporate culture under the common purpose of empowering our communities to progress.

Our remuneration policy has been developed to support UniCredit's sustainability strategy. A core set of our ESG targets are embedded in the CEO performance scorecard to foster the alignment of management with the Group's current and future ESG ambitions.

The current strategy foresees an updated set of Group ESG KPIs:

- **ESG business penetration**[13], as disclosed to the market within the 2023 fixed income presentation:
  – Percentage of ESG lending[14] new production on overall MLT lending new production: Group 2024 target set at 15%;
  – Percentage of Sustainable bonds[15] on all bonds: Group 2024 target set at 15%;
  – Percentage of ESG Assets under Management stock on Total Assets under Management stock: Group 2024 target set at 50%;
- **D&I ambitions**:
  – Gender parity across our organization and a more diverse, inclusive and sustainable workplace, in accordance with Italy G20 Women's Forum CEO Champion Commitment "Towards the Zero Gender Gap";
  – c.€100 mn allocated to ensuring equal pay for equal work by 2024.
- **Net Zero commitments**:
  – progress vs. Net Zero commitments on the most carbon intensive sectors within the portfolio which include Oil & Gas, Power Generation, Automotive, recently enhanced with the Steel sector – see the Strategy chapter of 2023 Integrated Report for more details.

These ESG commitments, also subject to the evolution of ESG regulation, have been included in the "Sustainability" section of the CEO and Top Management scorecards, as long-term additional performance conditions, consistently with their outlook.

The entire section on "Sustainability" will have a weight of 20% in the CEO and Top Management long-term scorecard within the 2024 Group Incentive System rules.

To align the Group's management structure and reinforce managerial commitment to our ESG strategy, such objectives will be cascaded to the CEO's reporting line and below, coherently with the respective areas of responsibility.

1.2 Employee working conditions, an integral part of the remuneration policy

Our people are our greatest asset, and we are committed to building a workplace of equal opportunities and a positive, safe, and collaborative environment, where everyone is empowered to succeed whilst nurturing each individual's well-being. Our Group well-being approach developed embracing physical, mental, social, financial and career well-being, further strengthens and enriches our DE&I commitment and ambitions, providing support to all employees in the moments that matter most and honouring all our diversities throughout the entire employee lifecycle. In addition, our enhanced well-being framework reaffirms our promise to be the engine of social progress also for our people, reigniting human connections and a caring mindset.

Social dialogue creates a balance between workers' needs and business needs through continuous cooperation and mutual listening. In every country where our Bank is present, we tailor our welfare offerings to meet local needs. We

[13] See 2023 Fixed Income presentation for details.
[14] Including Environmental, Social and Sustainability linked lending.
[15] For corporates and financial institutions, excluding Sovereign, Supranational and Agency Long Term Credit.

care for the well-being of our people, their families, and communities, with a commitment to addressing their specific and concrete needs. This includes a continuous focus on improving our workplace conditions, facilitating personal growth, and promoting well-being. Additionally, we continue to endorse and adopt remote and flexible working solutions wherever feasible and adapted to different populations.

To complement local regulatory provisions, UniCredit offers a wide range of tools for an increasingly caring and inclusive work environment; several tailor-made initiatives to meet critical well-being and family needs are in place in most countries across the Group:

- Solutions such as **flexible work hours and remote working**, offering paid leave respecting cultural changes and giving equal treatment to all family models, including childcare and caregiving. Permissions are givenfor important life events, such as birth of a relative, celebrating a marriage, buying a house, and pursuing an educational opportunity. Additionally, a Group-wide minimum standard for parental leave across all our markets is set, ensuring that mothers are offered at least 16 weeks of paid leave and fathers are provided with at least 4 weeks on a voluntarily basis.
- Vast selection of **well-being initiatives**, on topics ranging from nutrition, fitness, and relationship-building to cognitive-emotional issues such as resilience and personal awareness, in addition to our health benefits and psychological support services
- Specific attention is dedicated to **disability management** to address requirements of colleagues who live with disabilities, promoting their independence, harnessing their skills, and designing ways to foster integration and inclusion.
- Diversified actions to enhance **work-life quality** and a greater productivity, including: extension of home-schooling/work IT infrastructure and furniture partnerships; mobility solutions; online resources on sport, entertainment for elderly members of the family, children with disabilities, etc.;

Through our well-being framework, we strive to be an employer of choice with a widespread culture of diversity and inclusion, and actively contribute to attracting, engaging and retaining talented people, by promoting cross-country initiatives to ensure an equal treatment for all employees.

The Welfare offer is an integral part of total reward for UniCredit colleagues and an important pillar of the People & Culture Strategy.

>>> As a recognition of the effectiveness of its People Strategy, UniCredit has been officially certified as a **Top Employer in Europe** in 2024 for the eighth year running for its employee offering in terms of Work Environment, Talent Acquisition, Learning, Well-being and Diversity & Inclusion.

For further details, please refer to the *UniCredit Integrated Report* available on the institutional website for company well-being information in addition to learning and development plans and initiatives promoting diversity, equity & inclusion.

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Employees' working conditions

The compensation decisions for GMRTs are not in a vacuum. This is alongside the steps we are taking to create a safe, inclusive, and fair workplace amid global macroeconomic uncertainty.

Our people are our greatest asset, and we are committed to building a workplace of equal opportunities and a positive, safe, and collaborative environment, where everyone is empowered to succeed whilst nurturing each individual's well-being. We have launched several initiatives to support employees to:

- to face high inflation: c. €80 million has been spent in 2023 to review salaries of the wider population, plus recurring collective contract renewals, leading to c. +5% year-on-year. For 2024 we expect a further avg growth of fixed payments of c. 8%, and of c. 12% in the Italian region.
- to close the gender pay gap: ca.€100 mn allocated in the Strategic Plan to gradually close the gender gap in pay within comparable roles. During 2023, c.17m has been invested, leading to a significant reduction of the Gender Pay Gap (GPG) on comparable roles to 2.0%, confirming the commitment taken and further boosting a respectful and inclusive culture, based on equal treatment and equal pay
- to reward adequately our people's performance: bonus per-capita growth year-on-year for non-executive population between 9% and 27% depending on countries, business activity and relative performance; more

than €300 million of variable remuneration increase since 2020, with c. 80% going to the non-executive population

As a recognition of the effectiveness of its People Strategy, UniCredit has been officially certified as a Top Employer in Europe in 2024 for the eighth year running for its employee offering in terms of Work Environment, Talent Acquisition, Learning, Well-being and Diversity & Inclusion.

While financial success is just one piece of the puzzle, it is this which will enable us to fulfil our other, more fundamental roles as the engines of social progress. It will let us support the communities we serve, offering assistance both financial and otherwise, as we have done recently with several Initiatives, and empower our Foundation to do more philanthropic work. The longer the sustained success and subsequent financial performance is, the greater the social impact the bank can achieve.

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Welfare in Italy

The Welfare offer in Italy has been reorganized to provide colleagues with concrete and comprehensive answers to their needs with innovative solutions that meet the principles of the "*Welfare Reconnect*" strategy:

- reconnected: puts people at the centre
- simple: speaks the language of all our colleagues
- flexible: evolves with people's needs and regulatory changes
- inclusive: responds to people's diverse needs (from families to singles)
- social: supports caregivers and colleagues with disabilities.

The new Welfare offer is responding to 3 key needs of our people: increase purchasing power, work-life balance and education, while raising awareness on invisible disabilities and welfare culture.

Through 'Welfare Reconnect', the welfare proposals dedicated to colleagues continue to be enriched and adapted to emerging needs, also thanks to the communication and listening channels that allow us to gather and respond to people's requests in a more targeted and timely manner.

This new approach focuses on 3 main pillars:

1) Initiatives to *counter the cost of living* and save on purchases. One of the tools most used by our colleagues in Italy is the Welfare Account, which from 2022 has been further enriched with new services to counter the decrease in purchasing power due to the current negative economic scenario. In addition, the "*Valore per Te*" campaign (financial products with special conditions for employees) and the "*UniCredit Convenzioni per Te*" service (a platform of commercial agreements with discounts and special offers to save on purchases) are the main initiatives of UniCredit in the spirit of supporting colleagues from a financial point of view, while ensuring the best possible options and opportunities;
2) initiatives to *support health and wellbeing*, which means flexibility for all and attention to families and individuals, through solutions improving emotional and physical wellbeing, as well as through a study-work guidance programme to support children. "*La salute è il tuo futuro*" is the programme launched at the end of 2022 and still ongoing which consists of webinars with outstanding experts to raise awareness among colleagues on specific topics of prevention, health and wellbeing, increasing knowledge and improving people's habits and lifestyles.
3) Initiatives to promote generational reconciliation. The "*Care manager*" service was introduced in 2023, offering customized advice and an integrated network of territorial services to meet the educational needs of parents and the care needs of those caring for elderly or dependent family members.

1.3 Shareholders vote and main changes introduced with the 2024 Group Remuneration Policy

The vote on the remuneration items during the shareholders' Annual General Meeting (AGM) held on March 31, 2023 was overall positive on the 2023 Group Remuneration Policy and Report (c.69% vote FOR on section I and c.93% on section II) and 2023 Group Incentive System (c.71% vote FOR).

UniCredit is committed to maintaining the best remuneration practices, pursuing a philosophy of transparency, clear communication and active listening to shareholders' feedback, to address any residual concerns and design best-in-class remuneration practices inspired by pay for performance and fully aligned with stakeholders' interests as well as to the best international market practice.

UniCredit has a long-standing engagement process with institutional investors and proxy advisors which aims to share and constructively exchange views on Policy changes. We have established clear and honest communication, aimed at explaining and discussing the changes to the Group's Remuneration Policy Report. Over the years, this dialogue has enabled us to receive valuable feedback on the compensation approach as well as allowing us to verify the alignment with international best practices and investors' expectations.

In particular, the 2023/24 engagement plan faced a major challenge due to the difficult timing of the regulatory clarification on share conversion price, which came out when the 2024 remuneration policy was just about to be approved by the governance body. As mentioned, this event demanded a re-evaluation of the wider remuneration framework, to be completed within a very tight deadline.

In line with its strong governance model, UniCredit conducted a series of detailed analyses to respond and close the gap that emerged from this regulatory clarification. This was done in the spirit of maintaining the clarity and simplicity of the 2023 remuneration framework and preserves the outcome of the structured dialogue with investors and proxy advisors carried out in the past years.

This review - which essentially reaffirms the basics of the 2023 design - was completed just before the publication of the 2024 Remuneration Policy. We have attempted to provide full and clear information on all the main aspects of the framework. This will be further clarified to shareholders in the engagement process before the 2024 Shareholders' Meeting, during which we aim to meet with around 1/3 of the share capital.

Furthermore, as highlighted in the Remuneration Committee Chairman's letter, following last year's feedback received by shareholders and proxy advisors, we are taking specific and concrete actions in our 2024 Remuneration Policy which underscore UniCredit's commitment to listen and respond with action. Below are a few examples, particularly relevant for the current year.

- On the CEO pay quantum:

  >>> Our belief is that the CEO pay amount should not be assessed only by its size, but by how it reflects the performance of the company. Therefore, we have clarified in the 2024 Remuneration Policy how UniCredit's financial results in the year 2023 were outstanding as compared to 2017-19 period (e.g. RoTe @13%CET1 >3x and distribution > 6.5x) and also in relation to our European Peers (e.g. TSR >4.2x versus average of Peers, UniCredit # 1 for quality growth, #1 for operational excellence, #1 for capital excellence). These outcomes demonstrate the leading position that UniCredit has reached in the market, which must be the main criterion to fairly compare - in relative terms, not only in absolute ones - the appropriateness of the CEO's (as well as entire team's) remuneration package. [cfr. *Highlights Focus Business and Remuneration strategy; Section II – par. 3.2*]

- On the methodology to set the share conversion price

  >>> We published the 2023 Remuneration Policy 30 days before the 2023 AGM, so it was not possible to give any exact disclosure on the share conversion price value last year, because the underlying calculation depended on the share price change from 01.01.2023 to 31.03.2023, which was the date of the 2023 AGM that approved the yearly incentive system. However, this year we are providing complete ex-post transparency on the issue in the disclosure. Moreover, we openly discussed this topic with the Regulators and – to make things clear given the different interpretations and applications seen in the market – we asked for an authoritative interpretation by the EBA, which was helpful to clarify the practice for the whole industry. Finally, we changed the approach following the Regulatory clarification moving back to a market price approach, while keeping and even strengthening our commitment to use shares to reward executives and employees and align the whole organization to shareholders' interests. [*cfr. Highlights chapter 5; Section I – par. 5.1.5*]

- On the incentive mechanism to measure financial KPIs

  >>> We know that large organizations, especially banks, have to operate in a changing and uncertain environment, where they need to make quick decisions that are best for the organization. Sometimes this means weighing trade-offs and making deliberate decisions that may affect different parts of the P&L. We want to ensure that these decisions are made with the goal of creating the most value for the organization and are not driven by isolated objectives. For this reason, a few years ago we introduced a mechanism that allows for some flexibility on the scorecard. Each target matters to us, and we want to make clear that this mechanism does not allow to offset any KPI that is "missed" i.e. below the minimum threshold level. Furthermore, the compensation mechanism is very restricted since the potential impact is limited to a maximum 4 points for each financial KPI [out of maximum 120 points], within the overall cap of 120 scorecard points. Also, no compensation can be applied between the financial and non-financial sections of the scorecard. We want to emphasize that in the past few years the results were significantly higher than all the set goals, even at the highest level. [*cfr. Highlights chapter 11; Section II – par. 3.2*]

In line with the indications of national and international regulators, the annual review of policy and remuneration systems envisage a few updates including in particular:

- update of entry conditions, performance conditions, targets and payout curve for short-term and long-term scorecard of CEO and Executives with strategic responsibilities, in line with the Strategic Plan;
- full variable remuneration paid-out in shares for CEO, GEC members and Group CAE also confirmed for 2024 to ensure continued strengthening of investors' alignment. The share conversion price methodology is however amended as per the Regulatory clarification, setting the price ex-post i.e. after the short-term performance period without any dividend adjustment to market price (average market price of the month preceding the Board approving the 2024 results). Dividends on vested shares under retention will be recognized to the beneficiaries.
- launch of *U Share*, the new Employee Share Ownership Plan (ESOP), offering to employees the possibility to invest in UniCredit ordinary shares at favorable conditions, with a global and consistent approach across the Group.
- Introduction of a remuneration framework - aligned with bonus pool principles - for Financial Advisors performing off-site offering other than employees (*Consulenti Finanziari abilitati all'offerta fuori sede* – OFS)
- update of the role and activities of the Corporate Bodies and Committees, in line with the incoming change in our Governance model.

Our commitment is to continue to monitor market trends and practices, throughout the year with the support of our advisors, in order to continue to further define our remuneration policies and systems and to provide information that responds as clearly and transparently as possible to the needs of all our stakeholders and, in any case, always in line with national and international regulatory requirements.

2. Governance

The UniCredit compensation governance model aims at ensuring clarity and reliability of remuneration decision-making processes by controlling Group-wide remuneration practices and ensuring that decisions are made in an independent, informed and timely manner at appropriate levels, avoiding conflicts of interest and guaranteeing appropriate disclosure in full respect of the general principles defined by the regulators. Unless expressly specified otherwise, the information contained in this section refers to the approval date of the document.

2.1 Corporate Bodies and Committees

2.1.1 Role of the Remuneration Committee

In order to foster an efficient information and advisory system to enable the Board of Directors to better assess the topics for which it is responsible, and in compliance with the Supervisory Regulations on banks' corporate governance issued by the Bank of Italy and also in accordance with the provisions of the Italian Corporate Governance Code for companies listed in Italy (the "Italian Corporate Governance Code"), the Remuneration Committee has been established by the Board, vested with research, advisory and proposal-making powers.

In particular, the Remuneration Committee is entrusted with the role of providing advice and opinions on the proposals submitted to the Board of Directors regarding the Group remuneration strategy. The Remuneration Committee relies on the support of internal corporate functions, in particular Group People & Culture, Group Risk Management and Group Compliance, respectively for the topics under their scope. In particular, the Group Risk Officer is invited, upon need, to attend Committee meetings to ensure that incentive schemes are appropriately updated to take into account all of the risks that the Bank has taken on, pursuant to methodologies in compliance with those adopted by the Bank in managing risk for regulatory and internal purposes.

Moreover, the Committee avails itself of the support of an external advisor, to ensure that the incentives included in the remuneration and incentive systems are consistent with the Bank's risk, capital and liquidity management (e.g. regarding the remuneration policy for corporate officers) as well as being constantly updated in light of the market evolution, remuneration dynamics and regulatory developments.

The Remuneration Committee was established in 2000. The members of the Remuneration Committee, which was set up in compliance with the above-mentioned Bank of Italy Supervisory Regulations, are all non-executive and the majority of them are independent.

At the date of approval of this document, the Committee consists of three non-executive members; the majority of them are independent according to the independence requirements prescribed by Section 2, recommendation 7, of the Italian Corporate Governance Code; all the members are independent according to the Section 13 of the Decree issued by the Ministry of Economics and Finance no. 169/2020 and Section 148 of the Italian Legislative Decree n. 58/1998 (the "Consolidated Law on Finance" or "TUF"). The Committee's tasks are coordinated by the Chair, chosen among its independent members.

All Committee's members meet the experience requirements, in accordance with current legal and regulatory provisions and ensure that any further corporate offices they hold in other companies or entities (including foreign ones) are compatible with the commitment and availability required to serve as a member of the Committee. Some members have specific technical know-how and experience on financial matters or remuneration policies.

The Committee appoints – on proposal of the Chair – a Secretary who is not a member of the Committee itself. The Secretary supports the Chair of the Committee in the preparation of the meetings and prepares summary minutes of the discussions and decisions taken by the Committee. In addition, the Head of Group People & Culture (or his/her delegate) attends the Committee meetings and, when necessary, based on the topic discussed, the members of senior management team (e.g. the Head of Group Risk Management, the Chief Finance Officer or the Chief Audit Executive) may be invited as well.

Moreover, the Committee members regarding whom the Committee is called upon to express its opinion on their remuneration as a result of their specific assignments shall not attend meetings at which the proposal for such remuneration is determined.

The Chair of the Remuneration Committee at the first available meeting informs the Board of Directors about the activities carried out in the meetings by the Committee itself, supported by appropriate documentation.

The Remuneration Committee shares, at the end of their meetings, the discussed documentation with the Board of Statutory Auditors.

The "standard" topics discussed during the year[16] are:

1st quarter:

- Bonus pool distribution for the prior year, including - if relevant - approval of any capital increase related to past incentive plans;
- Performance evaluation, bonus payout and execution of previous years plans for CEO and other Executives with Strategic Responsibilities[17];
- Annual Group Incentive System, including Long-term component;
- Annual Goal Setting for the CEO and other Executives with Strategic Responsibilities;
- Compensation review for the CEO and other Executives with Strategic Responsibilities;
- Group Remuneration Policy and Report;
- Report on prior year Group Material Risk Takers bonus payouts;
- Report on prior year severance payments.

2nd quarter:

- Group Material Risk Takers – assessment methodology and outcomes;

3rd quarter:

- Gender Neutral Remuneration;

4th quarter:

- Local Adaptations to Group Remuneration Policy;
- Report on prior year Bonus Payout and Group Salary reviews;
- Emerging trends in Market Compensation Practices and Peer Group review;
- Competitive assessment of compensation package for the CEO and other Executives with Strategic Responsibilities;
- Preliminary discussion on Bonus pool distribution;
- Share-buy back and/or capital increase to serve incentive plans

FOCUS

Within the scope of its responsibilities, the Remuneration Committee:

- puts proposals to the Board regarding the remuneration and the performance goals associated with the variable portion, for the members of the Board of Directors, the General Manager and Deputy General Managers (when appointed), Heads of the corporate control functions and personnel whose remuneration and incentive systems are decided upon by the Board;
- exercises oversight on the criteria for remunerating the most significant employees, as identified pursuant to the relevant Bank of Italy provisions, as well as on the outcomes of the application of such criteria;
- issues opinions to the Board of Directors on the remuneration policy, as well as the remuneration and incentive system of the Chief Executive Officer, General Manager, Deputy General Managers (when appointed), Heads of the corporate control functions, other Executives with strategic responsibilities and other Group Material Risk Takers;

[16] Please consider the timeline and topics as indicative as they may vary from year to year. In addition, no extraordinary topics are shown.

[17] The Executives with Strategic Responsibilities are those who have the power and responsibility, directly or indirectly, for planning, directing and controlling the activities of the Company, including the directors (executive or otherwise) of the company itself. For further details on the roles of the Executives with Strategic Responsibilities please refer to paragraph 2.5.

- issues opinions to the Board of Directors on the Group incentive schemes based on financial instruments;
- issues opinions to the Board of Directors on the remuneration policy for corporate officers (members of Board of Directors, Board of Statutory Auditors and Supervisory Board) at Group companies;
- coordinates the process for identifying material risk takers on an on-going basis;
- directly oversees the correct application of the rules regarding the remuneration of the Heads of corporate control functions, working closely with the Board of Statutory Auditors;
- works with the other committees, particularly the Internal Controls & Risks Committee, to verify that the incentives included in compensation and incentive schemes are consistent with the Risk Appetite Framework (RAF), ensuring the involvement of the corporate functions responsible of drafting and monitoring remuneration and incentive policies and practices;
- provides appropriate feedback on its operations to the Board of Directors, Board of Statutory Auditors and at the Shareholders' Meeting;
- where necessary drawing on information received from relevant corporate functions, expresses its opinion on the achievement of the performance targets associated with incentive schemes, and on the other conditions laid down for bonus payments.

FOCUS

Evolution of the Governance

UniCredit has adopted, ever since its incorporation, the traditional governance model, which is the default option envisaged by Italian law for corporations. Although this set-up has been over time efficient, a number of factors, including developments in the economic and regulatory context, the challenges that banks face today, the demands from market players and regulators for effective corporate governance, has created the need to reassess the Company's governance model.

As a result of the evaluations performed, the Board of Directors resolved to adopt the **one-tier corporate governance system**, in lieu of the traditional one, as it further improves the quality of the current governance model, ensuring a greater effectiveness of controls through the integration of the control body within the Board and fully enhancing the role of the members of the control body through their direct participation in the Board's decision-making processes. The Board of Directors therefore resolved to submit for approval at UniCredit Shareholders' Meeting the adoption of the one-tier corporate governance system and the consequent amendments to the Articles of Association which resolved them on October 27, 2023.

Such governance model is characterized by the presence of a Board of Directors, which performs the strategic supervision and management functions, and an Audit Committee – established within the Board – which performs control functions. In addition to the Audit Committee, further Board committees are established to support the Board, vested with research, advisory and proposal-making powers and specialized, *inter alia*, in risks, remunerations and transactions with related and associated parties.

The above amendments to the Articles of Association shall become effective upon the first renewal of the corporate bodies to which they apply following the mentioned Shareholders' Meeting, except for Clause 20 of Articles of Association, concerning the procedures for the appointment of corporate bodies, which shall apply from the date of the notice convening the Shareholders' Meeting called to resolve on such appointments. The first renewal of the Board of Directors will be resolved at the Shareholders' Meeting called to approve the financial statements for the year 2023.

2.1.2 Role of the Shareholders' Meeting

The Shareholders' Meeting, besides establishing the remuneration of members of the bodies it has appointed, approves, among others:

- the remuneration and incentive policies for the members of the supervisory, management and control bodies as well as for the rest of employees;

- the remuneration report disclosing relevant Group compensation-related information and methodologies (advisory vote);
- equity-based compensation schemes;
- the capital increase and/or share buy-back relating equity-based compensation schemes.
- the criteria to determine the compensation to be granted in the event of early termination of employment or early retirement from office including the limits set for said compensation in terms of the number of years of fixed remuneration as well as the maximum amount deriving from their application.

Furthermore, the Shareholders' Meeting can exercise, on the occasion of the remuneration policies' approval, the faculty to determine a ratio of variable to fixed remuneration for employees higher than 1:1, but in any case, not exceeding the ratio of 2:1 being understood that the proposal shall be recognized as validly approved with the appropriate shareholder representation and voting majority.

2.1.3 Role of the Board of Directors

The Board of Directors has exclusive competency on the following matters:

- remunerating UniCredit Directors holding specific roles – after having examined the proposal submitted by the committee on remunerations and consulted the Audit committee – with a special focus on remuneration of the CEO and approval of Group financial instrument-based incentive schemes;
- determining – after having examined the proposal submitted by the competent Board committees – the overall remuneration and performance goals associated with the variable portion, for the Heads of corporate control functions, pursuant to criteria and parameters unrelated to Bank performance, as well as for the Executives with Strategic Responsibilities;
- establishing the remuneration of the Manager in charge of drafting the company financial reports;
- approving Group incentive schemes based on financial instruments;
- approving the process for identifying material risk takers and related outcomes, on an on-going basis.

Furthermore, the Board of Directors, also on the basis of the details provided by the committee on remunerations, resolves on:

- drawing up remuneration and incentives policies for submission to the Shareholders' Meeting, checking their correct implementation and undertaking a review at least annually; moreover, ensuring its adequate documentation and accessibility within the corporate structure;
- defining remuneration and performance goals associated with its variable portion for the members of the Board of Directors, the General Manager and Deputy General Managers (when appointed), Heads of the corporate control functions, ensuring that these systems are consistent with the Bank's overall choices in terms of risk-taking, strategy, long-term goals, corporate governance structure and internal controls;
- defining remuneration policies for corporate officers (members of the Boards of Directors, Boards of Statutory Auditors and Supervisory Boards) in Group companies.

2.1.4 Role of the Audit Committee

The Audit Committee performs the roles and functions set by applicable laws and regulations. In particular, it is responsible for overseeing compliance with laws, regulations and UniCredit's Articles of Association, as well as the proper management of the Company.

The Audit Committee, among the other tasks, expresses its opinion on:

- the remuneration of UniCredit Directors holding specific roles pursuant to Article 2389, third paragraph of the Italian Civil Code;
- the appointment, dismissal and compensation of the Manager in charge of drafting company financial reports;
- decisions regarding the appointment and dismissal of the Heads of corporate control functions.

2.1.5 Role of the committee specialized on risks

The committee on risks supports the Board of Directors on risk management, performing all the activities instrumental and necessary for the Board to make a correct and effective determination of the RAF (*Risk Appetite Framework*) and of the risks governance policies.

The committee on risks, amongst other tasks, without prejudice to the competencies of the committee on remunerations, checks that the incentives underlying the remuneration and incentive system comply with the RAF, particularly taking into account risks, capital and liquidity.

2.1.6 Role of the committee specialized in remuneration

For an overview of the activities referable to the Remuneration Committee, established pursuant to current regulatory provisions, with the purpose of advising and making proposals on remuneration matters in line with the provisions of Bank of Italy Circular 285, please refer to paragraph 2.1.1 Remuneration Committee and related Focus.

2.1.7 Role of the committee specialized in operations with related and associated parties

The committee operates on a consultative and proposition-making basis in support of the Board of Directors. The committee oversees issues concerning transactions with related parties pursuant to Consob Regulation no. 17221/2010, as subsequently amended, and transactions with associated parties pursuant to Bank of Italy Circular no. 285/2013, carrying out the specific role attributed to independent directors by the aforementioned provisions and by the issued internal Global Policy “Transaction with related parties, associate persons and Corporate Officers ex art. 136 CBA”.

With regard to remuneration in relation to persons qualifying as related parties, it should be noted that the provisions of Consob Regulation 17221/2010 and Bank of Italy Circular no. 285/2013 do not apply to:

- shareholders’ meeting resolutions pursuant to Article 2389, paragraph 1 of the Italian Civil Code, relating to the remuneration of members of the Board of Directors, as well as to the resolutions concerning the remuneration of Directors holding specific roles falling within the overall amount previously determined during the Shareholders’ Meeting pursuant to art. 2389, paragraph 3 of the Italian Civil Code;
- shareholders’ meeting resolutions pursuant to Article 2402 of the Italian Civil Code, relating to the remuneration due to the members of the Audit Committee;
- remuneration plans based on financial instruments approved by the Shareholders’ Meeting pursuant to Article 114-bis of Legislative Decree no. 58 of 1998 and their implementation;
- resolutions, other than those referred to Article. 2389, paragraph 1 of the Italian Civil Code, relating to the remuneration of the Directors holding specific roles and the other key management personnel provided that: i) UniCredit S.p.A. has adopted a remuneration policy approved by the Shareholders’ Meeting; ii) the committee on remunerations of UniCredit S.p.A., consisting exclusively of non-executive Directors, the majority of whom are independent, was involved in the definition of the remuneration policy; iii) the remuneration awarded is identified in accordance with this policy and quantified on the basis of criteria that do not involve discretionary assessments.

With regard to remuneration, the committee is involved, for the profiles of its own competence, in the preliminary investigation concerning:

- transactions that do not benefit from the above-mentioned exemptions and/or other applicable exemptions;
- temporary exceptions to the remuneration policy that the Company intends to implement in the presence of exceptional circumstances (see paragraph 2.2).

2.2 Definition of the Group Remuneration Policy

On an annual basis, the Group Remuneration Policy, as proposed by the committee on remunerations, is defined by the Board of Directors, and then presented to the shareholders' Annual General Meeting for approval, in line with regulatory requirements.

In particular, the Group Remuneration Policy is drawn up by the Group People & Culture function with the involvement of the Group Risk Management and other relevant functions (e.g. Group Finance) and is validated by the Group Compliance function for all compliance-related aspects, before being submitted to the committee on remunerations. Once approved at the UniCredit Annual General Meeting, the Group Remuneration Policy is formally adopted by competent bodies in the relevant Legal Entities[18] across the Group in accordance with applicable local legal and regulatory requirements.

The principles of the Group Remuneration Policy are valid across the entire organization and shall be reflected in the remuneration practices applying to employee categories across businesses, including staff belonging to external distribution networks, considering their remuneration peculiarities.

With specific reference to Group Material Risk Takers, the Group People & Culture function establishes guidelines and coordinates a centralized and consistent management of compensation and incentive systems.

In compliance with the Group Remuneration Policy and local regulation, Legal Entities, countries, and divisions apply the compensation framework for all employees.

Furthermore, the elements of the Policy are fully applied across the entire Material Risk Taker population, with local adaptations based on specific regulations and/or business specifics, consistent with the overall Group approach.

Whilst remaining fully compliant with the principles of the incentive plans, local adaptations allow the achievement of the same results in case the implementation of the Group plan would have some adverse effects (legal, tax or other) for the Group companies and/or beneficiaries residing in countries where the Group is present.

Implementation of Group incentive plans for Group Material Risk Takers fully complies with Bank of Italy requirements and European guidelines, and at the same time considers:

- local needs to adopt alternative solutions as necessary according to local regulators;
- audit outcomes, in each jurisdiction, on the implementation of the incentive systems;
- further needs to introduce corrective measures to address local specificities, with focus on the reconciliation of local differences and home/host regulatory roles.

The main adjustments regarding the implementation of the Group Policy usually concern the use of financial instruments other than the UniCredit shares, the thresholds and deferral schemes, local performance indicators rather than the Group ones, the ratio between variable and fixed remuneration, malus and claw-back procedure, considering an alignment to the regulatory provisions and local peculiarities.

As provided for by Legislative Decree 49/2019, which transposed the Shareholders Rights Directive II into the legal system by amending the TUF, in force since June 2019, UniCredit may, in exceptional circumstances, temporarily derogate from the remuneration policy.

Exceptional circumstances shall cover situations that can be traced back to the general cases provided for by art. 123 ter of TUF, namely in which the derogation from the remuneration policy is necessary to serve the long-term interests and sustainability of the company as a whole or to assure its viability.

In the event of such exceptional circumstances, the Board of Directors, as proposed by the committee on remunerations and subject to reasoned favorable opinion by the committee specialized in operations with related

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18 The Group Remuneration Policy is distributed to consolidated direct and indirect subsidiaries with FTE >0 provided by Group Finance; This document also meets the requirements of Directive 2019/878/EU (CRD V) with respect to remuneration requirements. In accordance with CRD V, institutions have to apply the remuneration requirements at group, parent and subsidiary levels, including within subsidiaries that are not themselves subject to the CRD V, unless they are themselves subject to specific remuneration requirements on an individual basis under other Union acts or would be subject to such requirements if they were established in the Union. However, under Article 109(5) of CRD V, the remuneration provisions may still apply to individual staff members of certain subsidiaries. As a general principle, and taking into account applicable specific remuneration requirements, remuneration policies of different group entities within the scope of prudential consolidation should be consistent with the group's remuneration policy set by the consolidating institution. The remuneration policy needs to comply with CRD V provisions, EBA guidelines on sound remuneration policies of 2nd July 2021, and additional requirements set out in national company, labour and other relevant laws.

parties and associated parties (issued in accordance with the Global Policy on transactions with related parties, associated persons and corporate officers pursuant to art. 136 TUB, irrespective of whether there is an exemption under the Global Policy in this case), may resolve on specific temporary derogations, without prejudice to compliance with legal and regulatory constraints, limited to the contents of the Remuneration Policy related to: (i) the reference variable remuneration structure and pay-mix for CEO, General Manager (if any) and other Executives with Strategic Responsibilities, (ii) the reference peer group, (iii) the economic parameters of the Group Incentive System and the Group Long-Term Incentive Plan.

UniCredit provides information on any derogation to the remuneration policy applied in exceptional circumstances within Section II Remuneration Report, in the following year.

2.3 Role of the Corporate Control Functions

2.3.1 Role of the Compliance Function

The Compliance function:

- assesses, by issuing a preventive opinion on the compliance of the Group Remuneration Policy and Group Incentive System with the regulations, the Articles of Association, the Group Code of Ethics and the Code of Conduct;
- assesses that the identification of the GMRT and the guidelines for the incentive system for the No material risk taker population, are consistent with the criteria established by the remuneration and incentive policies.

Verification of compliance with local regulations is carried out by each Group company for the part of its competence.

2.3.2 Role of the Risk Management Function

UniCredit ensures alignment between remuneration and risk through policies that support risk management, rigorous governance processes based on informed decisions taken by corporate bodies and the definition of compensation plans that include the strategic risk appetite defined by the Risk Appetite Framework, the time horizon and individual behaviours.

The Risk Management function is constantly involved in supporting Group People and Culture in the definition of the remuneration policy, incentive system and compensation processes for risk related components and in the identification of risk objectives, for the performance appraisal as well as for the assessment process to define the Group Material Risk Taker population. This involvement creates an explicit link between the Group incentive mechanisms, the Risk Appetite Framework, the validation of performance and pay, so that incentives are aligned to risk taking and management.

2.3.3 Role of the Internal Audit Function

As part of the remuneration system governance process, in line with its internal policies and procedures, the Internal Audit function assesses the implementation of remuneration policies and practices, at least annually, performing checks on data and internal procedures. The function evaluates the compensation process, providing recommendations aimed at improving it and bringing to the attention of the relevant functions and bodies any potential weaknesses, for the adoption of appropriate corrective measures.

2.4 Material Risk Takers identification process

The Material Risk Taker population (i.e. those categories of staff whose professional activities have a material impact on an institution's risk profile) is annually reviewed, on an ongoing basis, considering the structured and formalized assessment process both at Group and local level, according to the regulatory requirements related to qualitative and quantitative criteria defined by CRD V and Commission Delegated Regulation (EU) 923/2021, March 25, 2021.

This process is internally defined through specific guidelines issued by Group People & Culture function, with the involvement of Group Risk Management and Group Compliance, in order to ensure a common standard approach at Group level.

2.4.1 Process

Starting from 2010, UniCredit has regularly conducted a self-evaluation to define the Group Material Risk Takers population to whom, according to internal/external regulations, specific criteria for remuneration and incentive requirements are adopted.

Since 2014, UniCredit Group has a Material Risk Takers identification process following the Commission Delegated Regulation (EU) 604/2014. Since 2019, as foreseen by Bank of Italy Circular 285, Material Risk Takers identification process is an integral part of the Group Remuneration Policy and Report. Starting from 2021, UniCredit adopts the identification process embedded in CRD V and in Commission Delegated Regulation (EU) 923/2021.

The Material Risk Takers identification process is performed annually, on an ongoing basis, at both local and Group level, and it also considers Agents involved in financial activities, Insurance Agents, Financial Advisors, and external collaborators.

This Policy regulates the Material Risk Takers identification process and defines the roles and responsibilities of involved functions. In particular:

- People & Culture leads the identification process defining a consistent approach at Group level through specific guidelines;
- Risk Management, within the overall identification process initiated by People and Culture, leads the identification of the material business units (with material impact on an institution's risk profile) according to risk related regulatory criteria;
- Compliance verifies the consistency of qualitative and quantitative criteria with CRD V, Commission Delegated Regulation(EU) 923/2021 , Group Material Risk Takers Internal Guidelines and regulatory provisions.

Group Legal Entities are actively involved in the identification process of Material Risk Takers coordinated by UniCredit S.p.A., sharing with the Holding Company all necessary information as per received indications.

Specifically, the Group Legal Entities are obliged to identify Material Risk Takers on an individual basis, in compliance with the local or sector-specific regulations and will adopt the same Group criteria applied at local level following operational and interpretative guidelines issued by the Group, which ensure the overall consistency of the identification process Group wide. In any event, each Legal Entity is responsible for compliance with the provisions directly applicable to them.

The Holding Company, considering the outcomes of the evaluation performed by the various entities as specified above, consolidates results with the goal of identifying Group Material Risk Takers.

Subsequently, Group People & Culture together with Group Risk Management, after data consolidation and harmonization, presents documentation to the Group Internal Controls and Risks Committee and to the Remuneration Committee for discussion and finally submits for approval to the Group Board of Directors:

- the methodology[19] and evaluation process for Material Risk Takers both at Group and local level;
- the outcomes of the evaluation process;
- the possible exclusion of "high earners" from Group Material Risk Takers.

At the end of the evaluation process, if UniCredit determines that some individuals identified under quantitative criteria should not be considered as Material Risk Takers, it initiates the process for exclusion, involving, where requested, competent authorities. In particular, UniCredit transmits to the European Central Bank or the Bank of Italy timely, and in any case within six months of the end of the previous financial year, the request for authorization for

[19] To be presented by end of June 2024 to UniCredit SpA committee specialized on risk, committee specialized on remunerations and Board of Directors.

personnel with total remuneration amount equal or higher than €750,000 or within the 0.3% of personnel awarded the highest total remuneration in the previous financial year.

The identified personnel within the Material Risk Takers perimeter are informed through individual written notice.

People & Culture, Risk Management and Compliance contribute to the process of evaluation throughout the year with the goal to update the list of Material Risk Takers based on specific events occurring during the year (e.g. appointment, hiring, organizational changes and any other relevant event), ensuring the process is performed continuously and that the re-evaluation of the Material Risk Takers perimeter is submitted to the Group Board of Directors, after being discussed in the Group Remuneration Committee.

2.4.2 Criteria

CRD V and Commission Delegated Regulation (EU) 923/2021 set the regulatory standards concerning qualitative and quantitative criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile (so called Material Risk Takers). The identification process is based on the Material Business Unit (MBU) definition that, for consolidation purposes at Group level, is calculated as:

- any Legal Entity/ Division with an allocated Internal Capital equal or greater than 2% of Group/Division Internal Capital;
- organizational units within a Legal Entity with an allocated Internal capital based on proxies equal or greater than 2% at Group level;
- core business lines (high or medium).

Additionally, criteria (here below simplified) are distinguished in:

- **qualitative**:
  - all members of the management body and senior management (i.e. those who exercise executive functions within an institution and who are responsible, and accountable to the management body, for the day-to-day management of the institution);
  - staff members with managerial responsibility over the institution's control functions (Internal Audit, Risk Management, Compliance and other functions as locally defined) or material business units or for specific topics (e.g. accounting policies, finance, human resources);
  - staff members with managerial responsibilities for specific risk categories, including voting members within relevant Committees, credit risk exposures, authority on certain transactions and authority on the introduction of new products;
- **quantitative**[20]:
  - staff members entitled to significant total remuneration equal to or greater than €500,000 and equal to or greater than the average remuneration awarded to the members of the institution's management body and senior management, having a significant impact on the MBU's risk profile (i.e. when Credit, Market or Operational RWA proxy is equal or above the 2% of the institution/Group);
  - staff members awarded in the preceding financial year a total remuneration that is equal to or greater than €750,000;
  - staff members within the 0.3% of staff who have been awarded the highest total remuneration in the preceding financial year within an institution with over 1,000 members of staff (for individual identification purposes at Legal Entity level only)[21];
- **internal**:
  - all staff granted UniCredit shares deriving from Non-Standard Compensation in the previous year of the identification;
  - all Group personnel GEC-1 with managerial responsibility and above;

[20] For calculation purposes, non-Euro remuneration is converted into Euro using the average yearly relevant FX rate

[21] Criteria performed also on a Consolidated level (Group Threshold). Threshold is applied to GMRT population assuming GMRT as the most paid population in the Group.

- all incumbents with any other additional criteria such as due to managerial decisions, to be supported by rationale.

The Material Risk Taker identification process is performed at Legal Entity level using the above qualitative, quantitative and internal criteria assessed against the institution's individual risk profile and then consolidated at Group level, applying similar criteria that are assessed against the Group risk profile, as foreseen by the regulatory requirements. The preliminary estimation of Group Material Risk Takers in the first quarter of 2024 is broadly in line with the 2nd cycle 2023 results.

In line with Commission Delegated Regulation (EU) 923/2021 and Bank of Italy provisions, UniCredit or the Group Legal Entities will evaluate the possibility to initiate, in case of no material impact on Group/ institution risks, the exclusion process, as per the foreseen regulatory timeline.

2.5 Compensation to Directors and Executives with Strategic Responsibilities

The remuneration for members of the administrative and controlling bodies of UniCredit is represented only by a fixed component, determined on the basis of the relevance of the position and the time required for the performance of the responsibilities assigned. This policy applies to non-Executive Directors. The compensation paid to non-Executive Directors and the Audit Committee members is not linked to the economic results achieved by UniCredit and such persons do not take part in any incentive plans based on stock options or, generally, based on financial instruments. The remuneration policy for members of the corporate bodies of the Group Legal Entities is based on the same principles, consistently with the local regulatory requirements.

› Board of Directors

Policy principles

According to clause 26 of the Bank's Articles of Association, the Directors are entitled, in addition to the reimbursement of expenses incurred in the performance of their duties, to an annual fee that is determined by the Shareholders' Meeting at the time of their appointment and remains unchanged until otherwise resolved by the Shareholders' Meeting.

Pursuant to the Articles of Association, the Shareholders' Meeting also determines, at the time of the appointment of the Audit Committee and for the entire term of office, a specific remuneration for the Directors who compose that Committee.

The above-mentioned clause of the Articles of Association also provides that the way in which the remuneration, as set by the Shareholder's Meeting, is distributed is established by way of a Board resolution.

Moreover, the Board of Directors may also, after hearing the opinion of the controlling body, establish an additional remuneration for the directors holding the specific roles, as per Article 2389, third paragraph of the Italian Civil Code.

The allocation of such an additional remuneration - to be made in accordance with the remuneration policies approved by the Shareholders' Meeting – can be made in particular for:

- the Chief Executive Officer;
- the Chair of the Board of Directors;
- the Chairs of all Board Committees other than the Audit Committee;
- the members of all Board Committees other than the Audit Committee;
- any Directors who may be assigned specific additional duties.

The Board of Directors can also define a specific compensation for the activities carried out by the Directors within the Supervisory Body established pursuant Law 231 / 2001.

The compensation proposals submitted to the Shareholders Meetings, those to the Board for the apportionment of the remuneration decided by the Shareholders Meeting, as well as those for the possible definition of additional remuneration pursuant article 2389 and/or for the activities carried out in the 231 Supervisory Body are defined, with the support of the Committee specialized in remuneration matters, taking into account:

- The educational / professional / experience requirements that each the incumbents must meet to perform the role.
- The time commitment requested, measured both in terms of number of meetings to be attended as well as in terms workdays necessary for the overall coverage of the office, as stated in the in the quali / quantitative profile of the Board and of its Committees.
- The responsibilities that the performance of the role implies for the Director.
- Updated market benchmarking data provided by independent advisors for each specific role:
    - The relevant peer group is primarily represented by the same companies that constitute the reference for the remuneration decisions regarding the CEO and senior management (the so called "EU Peer Group"). In addition to such peers, especially for positions that are specifically Italian, reference can also be made to peer groups representing the main financial companies belonging to the FTSE MIB index and/or the all-industries largest companies belonging to the FTSE MIB.
    - The target marketing positioning is defined in line with the general remuneration policy approach and taking into consideration factors as the corporate historical performance, the need to attract talents and/or specific professionals.

The remuneration proposals, besides being compliant with all applicable Law and Regulatory provisions, are formulated taking into consideration the above elements, ensuring also the due internal balance and anyhow never exceeding the 90th percentile of the benchmarking of reference.

Actual process followed

Pursuant to the UniCredit's Articles of Association, the ordinary Shareholders' Meeting called for the approval of the financial statements relating to the last financial year of the outgoing Board of Directors is required to appoint the Directors and, among them, the members of the Audit Committee for the next three financial years. In accordance with the UniCredit Articles of Association, the outgoing Board of Directors submitted its own list of candidates for the office of member of the Board of Directors and of the Audit Committee at the Shareholders' Meeting convened for April 12, 2024, together with a proposal on the remuneration of the new Board of Directors and its Committees, including the Audit Committee.

During the end of 2023 and the beginning of 2024, the Group People & Culture and Group Corporate Affairs functions supported the Remuneration Committee and more generally the Board of Directors in the drafting of a proposal to revise the remuneration for the new Board of Directors to be submitted to the Shareholders' Meeting of April 12, 2024.

In drafting the proposal for the remuneration of the members of the administrative body, the following elements were considered, among others:

- The reference market data (*benchmarks*) – provided by PricewaterhouseCoopers, the Remuneration Committee's primary independent consultant – regarding the remuneration of members of the administrative body and board committees of UniCredit's Peer Group and of the largest Financial Services companies in the FTSE MIB. This data showed, amongst other things, that the positioning of the proposed and assumed compensation for the Company's Directors is fully consistent, also in light of the Company's excellent performance over the past three years, with the provisions of the Group Remuneration Policy;
- An appropriate differentiation of the compensation packages by role, taking due account of the time commitment required (both in terms of the number of meetings and the number of working days required to prepare for those meetings) and the complexity of the role;

- The elimination of the concept of "*attendance fees*" in favor of simpler, all-inclusive fixed retainers, with a safeguard mechanism to ensure meeting attendance of more than 90 percent;
- The reduction of the number of members of the corporate bodies from the current 17 (including Directors and Auditors) to 15.

In addition, it is worth noting that this remuneration proposal has been formulated in line with the applicable remuneration policy, defined with the assistance of the Remuneration Committee, composed of non-executive directors who are for the most part independent, which provides, inter alia:

– the definition of a total remuneration on the basis of the comparison with market benchmarks, and which does not exceed the limit of the 90th percentile of the Peer Group of reference;

– the presence of only the fixed remuneration component, determined on the basis of the relevance of the role and the commitment required to carry out the responsibilities assigned;

– that the compensation paid to non-executive directors is not linked to economic results achieved by the Company, and that none of them are recipients of incentive plans based on financial instruments.

The Shareholders' Meeting of April 12, 2024 is called to resolve on the appointment of Directors and members of the Audit Committee, after the determination of their number, as well as of the Board and its Committees' remuneration (for further details, see the Directors Report on the "*Determination of the remuneration of Directors and members of the Audit Committee*" available on the Company's website).

› CEO and Executives with Strategic Responsibilities

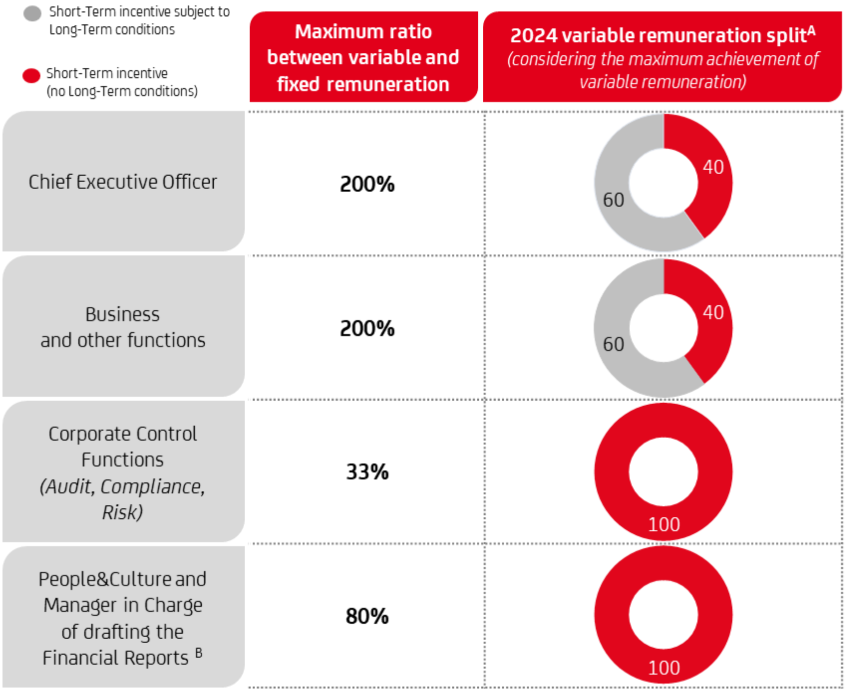
The Board of Directors also identifies the "Executives with Strategic Responsibilities" with own resolution, for the application of all related corporate and regulatory rules and provisions.

The definition of Executives with Strategic Responsibilities was updated in 2021 to reflect the new top management composition and to optimize the governance framework. As such, under this definition, Executives with Strategic Responsibilities include the GEC members – excluding the members of the CEO Office (Head of Group Strategy & Optimization and Head of Group Stakeholder Engagement) – and the Chief Audit Executive. At the beginning of 2024, the aggregate of Executives with Strategic Responsibilities is composed as follows: Group CEO, Head of Italy, Head of Germany, Group Head of Central Europe and Eastern Europe, Head of Client Solutions, Chief Financial Officer, Head of Group People & Culture , Group Digital & Information Officer, Group Chief Operating Officer, Group Risk Officer, Group Compliance Officer, Group Legal Officer, Chief Audit Executive.

In line with the 2024 Group Remuneration Policy, the CEO and the other Executives with Strategic Responsibilities remuneration framework is based on a total compensation set at individual levels on the basis market data, role, seniority, need to retain or attract the best-in-class talents, individual performance and UniCredit's overall performance over time.

Based on the 2024 incentive system described in this Policy, the 2024 variable remuneration structure for Executives with Strategic Responsibilities would be defined as follows:

2024 Variable remuneration structure for the Executives with Strategic Responsibilities



Note: Based on the role and in case of new appointments, non-standard compensation could be assigned within the max variable to fixed cap.
A. Considering the max variable remuneration opportunity, assuming long-term performance conditions at 100% of achievement.
B. For People&Culture function and the Manager in Charge of Drafting the Company Financial Reports the fixed remuneration is expected to be predominant in respect to the variable one and long-term incentive conditions are not foreseen.

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The members of the administrative and control bodies as well as the Executives with Strategic Responsibilities benefit from a specific civil liability insurance policy, the "Directors & Officers Policy", also known as **D&O Policy**. For the Directors and the Statutory Auditors, this benefit is approved by the Shareholders' Meeting.

The Chairman of the Board of Directors is entitled to life and permanent disability insurance coverage resulting from injury occurring under any circumstances.

The Directors, Statutory Auditors and the Secretary of the Board of Directors benefit from life and permanent disability insurance coverage resulting from injury arising from accidents that occurred while performing the specific duties of the position.

The Executives with Strategic Responsibilities benefit from the company treatment, provided for the Dirigenti population, relating to health care and life and permanent disability cover resulting from both injury and illness, in line with the seniority of the role within the organization. In addition, they benefit from an insurance coverage that provides for the settlement in favour of UniCredit of the residual debt, up to a certain cap, of the first home mortgage under the conditions provided for Group personnel in the event of death.

Any benefits provided on an "ad personam" basis shall be managed in compliance with applicable regulations.

3. Compliance and Sustainability Drivers

To support the design of remuneration and incentive systems[22], with particular reference to network roles (also including credit intermediaries) and Corporate Control Functions, the following "compliance and sustainability drivers" have been defined, in line with the applicable regulation[23].

› Remuneration general principles

- Maintain an adequate balance of fixed and variable compensation elements also with due regard to the role and the nature of the business performed. The fixed portion is maintained sufficiently high in order to allow the variable part to decrease, and in some extreme cases to drop down to zero;
- set an appropriate mix between short and long-term variable compensation, consistent with the strategies, market and business practices of reference and in line with the long-term interests of the Group;
- foresee that the remuneration policy, with specific reference to variable remuneration, should contribute to the business strategy, long-term interests and sustainability of the company and should not be linked entirely or mainly to short-term objectives;
- include in the remuneration policies information on how those policies are consistent with the integration of sustainability risks;
- provide that the Group remuneration policies and practices are gender neutral and support the equal treatment of staff of different genders;
- incorporate control systems on promotion and compensation processes to monitor compliance with relevant Anti Bribery and Corruption policies.

› Incentive Systems

- Build incentive systems based on profitability, financial stability, sustainability and other drivers of sustainable business practice with particular reference to risk, cost of capital and efficiency;
- design flexible incentive systems so to manage payout levels in consideration of overall Group, Country/Division performance results and individual achievements, adopting a meritocratic approach to selective performance-based reward;
- design incentive systems which do not, in any way, induce risk-taking behaviors in excess of the Group's strategic risk appetite; in particular the incentive systems should be coherent to the Risk Appetite Framework ("RAF");
- design forward-looking incentive plans which balance internal key value driver achievements with external measures of value creation relative to the market;
- design incentive systems to set minimum performance thresholds below which zero bonus will be paid. In order to maintain the adequate independence levels for Corporate Control Functions, for People & Culture, and the Manager in Charge of Drafting the Company Financial Reports, provide a maximum threshold for the progressive reduction of the bonus pool, which can be phased out to zero only in presence of exceptionally negative situations with an approval process including a governance step by the Board of Directors;
- subject the remuneration to correction mechanisms that allow it to be reduced (even significantly) or zeroed, for example in the case of behaviours, by relevant persons or credit intermediaries, that have caused or contributed to significant damage to customers or a significant breach of the rules contained in Title VI of the T.U.[24], the relevant implementing provisions or Codes of Ethics or Conduct for the protection of customers applicable to the intermediary.

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[22] Also considering third-party incentives.

[23] Including Bank of Italy provisions "Transparency of banking and financial transactions and services - Fairness of relations between intermediaries and clients".

[24] Title VI of the Consolidated Banking Act, Transparency of contractual conditions and relations with clients.

› Goals and performance management

- maintain an adequate mix of economic and non-economic (quantitative and qualitative) goals, depending on the role, considering also other performance measures as appropriate, for example risk management, adherence to Group values or other behaviours;
- accompany the qualitative measures by an ex-ante indication of objective parameters to be considered in the evaluation, the descriptions of expected performance and the person in charge for the evaluation;
- relate the non-economic quantitative measures to an area for which the employee perceives a direct link between her/his performance and the trend of the indicator;
- include among the non-economic goals (quantitative and qualitative), where relevant, goals related to customer loyalty and level of satisfaction, risk as well as to compliance (e.g. credit quality, operational risks, application of MiFID principles, products sales quality, respect of the customer, Anti Money Laundering requirements fulfillment);
- set and communicate ex-ante clear and pre-defined parameters as drivers of individual performance;
- avoid incentives with excessively short timeframes (e.g. less than three months);
- promote a customer-centric approach which places customer needs and satisfaction at the forefront and which will not constitute an incentive to sell unsuitable products to clients;
- take into account, even in remuneration systems of the external networks (financial advisors), the principles of fairness in relation with customers, management of legal and reputational risks, protection and loyalty of customers, compliance with the provisions of law, regulatory requirements, and applicable self-regulations;
- create incentives that are appropriate in avoiding potential conflicts of interest with customers and in terms of market manipulation, considering fairness in dealing with customers and the endorsement of appropriate business conduct and usage of privileged information (e.g. benchmark contributors);
- consider performance on the basis of annual achievements and their impact over time;
- include elements which reflect the impact of individual's/business units' return on the overall value of related business groups and organization as a whole;
- avoid bonuses linked to economic results for Corporate Control Functions[25], for Human Resources and Manager in Charge of Drafting the Company Financial Reports and set, for the employees in these functions, individual goals that shall reflect primarily the performance of their own function and that will be independent of the results of monitored areas, in order to avoid conflict of interest;
- recommend the approach for Corporate Control Functions also where possible conflicts may arise due to the function's activities. In particular, this is the case for functions (if any) performing only control activities pursuant to internal/external regulations such as in some structures in Accounting/Tax structures[26];
- ensure independence between front and back office functions in order to guarantee the effectiveness of cross-checks and avoid conflict of interest, with a particular focus on trading activities, as well as ensuring the appropriate independence levels for the functions performing control activities;
- define incentives not only based on financial parameters for personnel providing investment services and activities, but also taking into account the qualitative aspects of the performance, in order to avoid potential conflicts of interest in the relationship with customers[27];
- avoid career progression management systems being used to reintroduce quantitative commercial criteria upon which may depend any career advancement and/or having an impact on the (fixed and/or variable) remuneration by creating conflicts of interests that may encourage beneficiaries to act against customers' interests[28];

[25] Meaning Internal Audit, Risk Management and Compliance functions, pursuant to Bank of Italy Circular 285 of December 17, 2013, 37th update of November 24, 2021. Where CRO roles cover both Underwriting and Risk Management functions, goals assigned must not represent a source of conflict of interest between Risk Management and Underwriting activities.

[26] Where CFO roles cover also Financial Statements preparation, possible economic measures have to be chosen in a conflict - avoidance perspective.

[27] For example: ESMA requirements, with reference to MiFID remuneration policies and practices; Technical Advice ESMA on MiFID II (Final Report 2014/1569); MiFID II specific articles regarding remuneration/incentives for relevant subjects.

[28] ESMA Guidelines on certain aspects of the MIFID II remuneration requirements: "*In light of the broad definition of remuneration provided in the MiFID II Delegated Regulation, firms' remuneration policies and practices should also ensure that the criteria used to assess wage increases and promotions comply with the MiFID II remuneration requirements. For instance, firms' career progression management systems should not be used to reintroduce quantitative commercial criteria upon which may depend relevant persons' career advancement and having an impact on their*

- avoid incentives on a single product or financial instrument or specific categories of financial instruments, as well as single banking/insurance product;
- avoid an incentive for the joint selling of the optional contract and the financing as opposed to the sale of the financing alone, where the contract offered in conjunction with the financing is optional;
- promote prudent credit growth and appropriate risk-taking behaviour, and not encourage excessive risk taking; variable remuneration of the staff involved in credit granting:
  - is linked, among others, to the long-term quality of credit exposures;
  - includes, in terms of performance objectives and targets, credit quality metrics and is in line with credit risk appetite;
- define, for Commercial Network Roles, goals that include quality/ riskiness/sustainability drivers of the products sold, in line with client risk profile. Particular attention shall be paid to the provision of non-economic goals for customer facing roles selling products covered by MiFID. For these employees, the incentives must be defined in a way to prioritize customer loyalty and satisfaction and at the same time avoid potential conflicts of interest towards them;
- for the staff responsible for handling complaints, foresee indicators taking into account, among other things, the results achieved in handling complaints and the quality of customer relations;
- indicate clearly within all rewarding system communication and reporting phases that the final evaluation of the employee achievements will also rely, according to local requirements on qualitative criteria such as the adherence to compliance and Code of conduct principles;
- put in writing, document and make available for the scrutiny of independent checks and controls the entire evaluation process;
- define ex-ante the evaluation parameters, for those cases where individual performance evaluation systems are fully or partially focused on a managerial discretional approach. These parameters should be predetermined, clear and documented to the manager in due time for the evaluation period. Such parameters should reflect all applicable regulation requirements[29] (including the balance between quantitative and qualitative parameters). The results of managerial discretional evaluation should be formalized for the adequate and predefined monitoring process by the proper functions and an appropriate repository should be created and maintained (e.g. inspections/request from the Authorities);
- do not link goals, for research management and analysts, to any financial transactions or revenues of single business areas, but for example consider linking them to the quality and accuracy of their reports.

› Payout

- Defer performance-based incentive payout, as foreseen by regulatory requirements, to coincide with the risk timeframe of such performance by subjecting the payout of any deferred component until actual sustainable performance has been demonstrated and maintained over the deferral timeframe, so that the variable remuneration takes into account the time trend of the risks assumed by the bank (i.e. malus mechanisms);
- consider claw-back actions as legally enforceable on any performance-based incentive paid out on the basis of a pretext subsequently proven to be erroneous;
- include clauses for zero bonus in circumstances of non-compliant behaviour or qualified disciplinary action, subjecting payout to the absence of any proceeding undertaken by the company for irregular activities or misconduct of the employee with particular reference to risk underwriting, sales processes of banking and financial products and services, internal code of conduct or values breach;
- require employees to undertake not to use personal hedging strategies or remuneration and liability – related insurance to undermine the risk alignment effects embedded in their remuneration arrangements.

(fixed and/or variable) remuneration if this may create conflicts of interests that may encourage such relevant persons to act against the interests of their firms' clients."

[29] Also in line with the regulation references reported in the previous notes.

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Drivers for Commercial Campaigns and for Infra year bonus

Within network roles incentive systems, to which the principles set out in the sections on Compliance and Sustainability Drivers apply, particular attention is paid to "Commercial Campaigns" and "Infra year bonus", which may be organized subject to the assessment of the Compliance function and after receiving an opinion on the admissibility from the relevant Corporate Body (e.g. Board of Directors) or competent committee (e.g. Product Committee), according to the powers of delegation time to time in force. They represent business actions aimed at providing guidance to the sales network towards the achievement of the period's commercial targets (also intermediate, for instance on a quarterly basis) and with a direct impact on the bonus pool budget referable to the relevant Division/Country/Legal Entity, even in case of initiatives promoted by third companies/parties. The payment of the incentive may therefore only occur subject to verification of the entry conditions provided for by the Remuneration Policy and external regulation.

Among the distinctive features of the commercial campaigns and of the infra year bonus, there is the expectation of the award – in cash or non-monetary reward. Commercial Campaigns and Infra year bonus can also help the function to direct the achievement of certain objectives of the incentive system. The grant of awards must be subordinated to behaviors compliant with the external and internal regulations, as well as the completion of specific access gates, in line with the ones provided by the Group Incentive System and possibly customized according to the specificities of the business to which the initiative is addressed, if any (e.g. KYC, mandatory training, MiFID).

Under no circumstances may the system of remuneration and evaluation of the sales network employees constitute an incentive to sell products unsuitable to the financial needs of the clients. In particular, the following "compliance and sustainability drivers" have been defined (which integrate the above-mentioned 'compliance and sustainability drivers'):

- set-up of the incentive mechanisms using criteria which are consistent with the best interest of the client, and which are appropriate to avoid potential conflicts of interest with customers, and coherently with relevant regulatory provisions (e.g. MiFID, EBA Guidelines on the sale of banking products and services);
- ensure consistency between the Campaign's objectives with the objectives set when defining the budget and when assigning targets to the sales network;
- involve ex-ante all the functions, third partis other than the proposing business, concerned in the definition, validation and reporting of the commercial objectives;
- avoid Commercial Campaigns on a single financial or banking product/financial instrument;
- include clauses for zero bonus payment in the event of failure to meet the entry conditions to the bonus pool at Group/Division/ Country level or at Legal Entity level;
- include clauses for zero bonus payment in case of relevant non-compliant behaviour or qualified disciplinary action or in case the applicable access gates are not triggered;
- avoid Campaigns which – not being grounded on objective and customer interests related basis – may directly or indirectly lead to breaching the rules of conduct regarding clients;
- avoid Campaigns lacking a clear indication of the targets and of the maximum level of incentive to be granted for achieving those targets, identifying an appropriate mix of quantitative and qualitative goals consistent with the characteristics of the initiative;
- avoid, in general, Campaigns related to specific commercial targets that provide advantages only for higher hierarchical levels or to the budget of the higher-level territorial structure/Legal Entity.

The remuneration policies drawn up in accordance with the Transparency regulation[30] include an indication of the number of relevant persons and credit intermediaries to whom they apply, as well as the role and functions held by them.

The indication of the role and functions of relevant persons is provided by area of activity, without prejudice to the distinction between persons who offer products directly to customers and persons to whom they report hierarchically.

[30] Bank of Italy "Transparency of banking and financial transactions and services - Fairness of relations between intermediaries and clients".

Relevant persons and credit intermediaries to whom the rules on Banking Transparency apply

Data as of December 31, 2023	Role/position covered	Subjects that offer products directly to customers	Subject to which the former respond hierarchically
Employees	Senior Banker / Deputy Area Manager	604	226
	Branch Manager (including deputy, if any)	2,786	738
	Commercial Coordinator / Team Leader	3	2
	Private Banking / Wealth Management relationship manager	652	51
	Retail affluent relationship manager	2,522	1,328
	Retail mass market advisor	7,431	1,656
	Small business relationship manager	943	706
	Corporate banking relationship manager	1,721	120
	Product specialist	151	24
	Commercial assistants / staff	1,570	173
Credit Intermediaries & Financial Advisors	Agent in financial activity	375	7
	Credit intermediary	0	0
	Other credit intermediaries	0	0
	Financial Advisor	22	8

4. Compensation Framework

Within the framework provided by the Group Remuneration Policy, UniCredit is committed to ensuring fair treatment in terms of compensation and benefits regardless of gender identity, age, race, ethnicity, sexual orientation, ability, background, religious or ethical values system and political beliefs or any other category protected by law in the local jurisdiction.

The total compensation approach of UniCredit provides for a balanced package of fixed and variable, monetary and non-monetary elements, each designed to impact in a specific manner the motivation and retention of employees.

In line with the applicable regulations, particular attention is paid to avoiding incentive elements in variable compensation which may induce behaviors not aligned with the company's sustainable business results and risk appetite.

As a policy target, Material Risk Takers total compensation is set on the market median as reference, with the possibility to increase to attract and retain top-class talents, able to improve UniCredit's competitive position, with individual positioning being defined on the basis of specific performance, potential and people strategy decisions, as well as UniCredit's performance over time.

With particular reference to the Material Risk Taker population, the Board of Directors, on the basis of the proposal made by the Remuneration Committee, establishes the compensation structure for top positions, defining the mix of fixed and variable remuneration. Moreover, the Board of Directors annually approves the criteria and the features of the incentive plans for Group Material Risk Takers, ensuring the appropriate balance of variable reward opportunities within the pay-mix structure.

Remuneration can be either:

- fixed (e.g. salary) or
- variable (e.g. short-term incentives, long-term incentives).

Additionally, according to their peculiarities, further remuneration components can be classified as fixed or variable remuneration as described in this chapter and in line with regulatory framework and more precisely:

- non-standard compensation;
- benefits;
- severance.

Within this section details are provided also with regards to the following topics:

- continuous Monitoring of Market Trends and Practices;
- ratio between variable and fixed compensation;
- share ownership guidelines.

4.1 Continuous Monitoring of Market Trends and Practices

At Group level, UniCredit analyzes the overall compensation trends of the market through a continuous benchmarking activity in order to make informed decisions and adopt competitive reward structures for effective retention and motivation of the key resources.

With specific reference to the executives of the Group, an independent external advisor supports the Remuneration Committee in the identification of the direct competitors that represent the international group-level peers of UniCredit (peer group) with regards to whom compensation benchmarking analysis is performed on market trends, practices and compensation levels.

The peer group is defined by the Remuneration Committee considering the main European competitors in terms of market capitalization, total assets, business scope and dimension.

At country/division level and as appropriate throughout the organization, benchmarking and trends analysis may be conducted considering relevant peer groups to assure competitive alignment with the market of reference.

The peer group is subject to annual review to assure its market representativeness.

For 2024, the European peer group is confirmed and includes: Banco Santander, Barclays, BBVA, Commerzbank, Credit Agricole, Deutsche Bank, Erste Bank, ING, Intesa Sanpaolo, Nordea Bank, Société Générale and UBS.

Banco Santander	Crédit Agricole
BBVA	Intesa Sanpaolo
Deutsche Bank	Commerzbank
Barclays	ING
Société Générale	Erste Bank
Nordea Bank	UBS

2024 PEER GROUP

4.2 Fixed compensation

› Definition and objective

Fixed remuneration is the part of remuneration that is stable and irrevocable, determined and given based on pre-defined and non discretionary criteria, such as the professional experience, responsibility and seniority level of the individual. It does not create an incentive to take risk and it does not depend on performance targets. Fixed remuneration includes, for example, base salary (also if paid-out in shares), Role Based Allowance, certain packages related to expatriate status and other fixed components assigned on the basis of standard rules.

Base salary is defined on the basis of the specific business pertaining to each individual as well as the skills and competencies that the individual brings to the Group. The weight of the fixed compensation component is sufficient to reward the activity performed even in case the variable part of the remuneration package was not paid due to non-achievement of performance goals, in order to reduce the risk of excessively risk-oriented behaviours, to discourage initiatives focused on short-term results and to allow a flexible bonus approach.

› Features

Specific pay-structure guidelines for the weight of fixed versus variable compensation are defined with respect to each target employee population. With particular reference to the Executives of the Group, the UniCredit Remuneration Committee establishes:

- the criteria and guidelines to perform market benchmarking analysis for each position in terms of compensation levels and pay-mix structure, including the definition of specific peer groups at Group, country/divisional level and the list of preferred external “executive compensation providers”;
- the positioning of compensation, in line with relevant market’s competitive levels, defining operational guidelines to perform single compensation reviews as necessary.

4.3 Variable compensation

› Definition and objective

Variable compensation includes any payments that depend on performance targets, independently from how it is measured (profitability/ revenues/other goals). It includes, also, discretionary pension benefits and mutually agreed payments between the bank and its personnel in case of early termination of the employment relationship or office (excluding the statutory deferred payments and the indemnity in lieu of notice) and the carried interests, entry bonus, special award, retention bonus, stability pact and non-competition agreement. Additionally, it is any other form of remuneration that does not specifically qualify as fixed remuneration.

Variable compensation aims to remunerate achievements by directly linking pay to performance outcomes in the short, medium and long-term. This is then risk adjusted. To strengthen the alignment of shareholders' interest and the interests of management and employees, performance measurement reflects the actual results of the Company overall, the business unit of reference and the individual. As such, variable compensation constitutes a mechanism of meritocratic differentiation and selectivity.

› Features

Adequate ranges and managerial flexibility in performance-based payouts are an inherent characteristic of well-managed, accountable and sustainable variable compensation, which may be awarded via mechanisms differing by time horizon and typology of reward.

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

More information on the compliance and sustainability drivers related to the design of remuneration and incentive systems, with particular reference to network roles and Corporate Control Functions, are reported in the dedicated section.

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

4.3.1 Short-Term Remuneration

Short-term remuneration aims to attract, motivate and retain strategic resources and to maintain full alignment with the latest national and international regulatory requirements and with best market practices.

Payout is based on a bonus pool approach providing for a comprehensive performance measurement at individual and at Group/ Country/division level. Reward is directly linked to performance, which is evaluated based on results achieved and on the alignment with the leadership model and values of UniCredit. Performance management for Group Material Risk Takers is managed according to central governance ensuring fair and coherent appraisal process across the organization, leveraging on a unique repository at Group level.

For Material Risk Takers, the payout is partially deferred to fit an appropriate risk time horizon. The design features of incentive plans for Material Risk Takers are aligned with shareholder interests and long-term, firm-wide profitability, providing for an appropriate allocation of performance related incentives in cash and in shares, upfront and deferred.

The short-term remuneration for the Group Material Risk Takers population is regulated under the Group Incentive System, as described in the Group Remuneration Policy.

Additionally, local incentive systems (e.g. commercial campaigns, incentive systems for local Material Risk Takers) may exist, following the principles included in this Policy, and described within local regulations.

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

4.3.2 Long-Term Remuneration

Long-term remuneration aims to strengthen the link between variable compensation and Company results and further align the interests of senior management and shareholders.

The long-term remuneration envisages:

- adjustment of part of the short-term remuneration based on the achievement of specific performance conditions and allocation of such remuneration mostly based on shares or other instruments reflecting the trend of the shares;
- multi-year targets consistent with UniCredit strategic targets;
- additional performance conditions to enhance long-term sustainability of results;
- multi-year deferral with the application of Zero factor conditions, which provides for minimum requirements related to profitability, liquidity and capital;
- the application of a holding period of the actual awards in equity after the deferral period;
- awards subject to legally enforceable individual malus and claw-back conditions.

FOCUS

Group common guidelines on the key elements of Executive contracts ensure alignment with regulatory requirements and also with the Internal Audit recommendations, in particular regarding contract elements with specific regulatory provisions, such as variable compensation and severance provisions. Group rules, policies or guidelines provided in case of eligibility to variable compensation have to be mentioned in the Executive contracts.

Amounts related to variable pay and any technical details of payments (vehicles used, payment structure and time schedule) are included in separate communication and managed in strict adherence to governance and delegation of authority rules.

FOCUS

Components of remuneration received by Financial Advisors performing off-site offering other than employees (*Consulenti Finanziari abilitati all'offerta fuori sede* – OFS)

The remuneration received by Non-employee Financial Advisors performing off-site offering, as freelancers operating under agency contracts and not under an employment contract consists essentially of commissions.

According to the regulations currently in force (Bank of Italy Circular 285), commissions may be classified into:

a) a **"recurring" component**, equivalent to the fixed remuneration and expression of its most stable and ordinary portion. It remunerates, inter alia, the normal activities of Financial Advisors in the management of clients, the placement products /services and more generally, the expenses they incur individually, in the exercise of their duties, including contribution obligations.

b) a "**non-recurring" component,** that is the part of the remuneration with an incentive purpose, linked for instance to the launch of new products, etc. It is equivalent to the variable remuneration, and it is expression of the commission[31] quota paid as part of the dedicated annual bonus system, useful for addressing commercial activities and the achievement of specific objectives, in line with the company strategy.

Finally, it should be noted that the variable component, ("non-recurring") is subject to the verification of access conditions at Group, local and individual level (e.g. compulsory training, KYC, etc.), as well as subject to malus and claw-back clauses.

FOCUS

Mixed Contract

During 2023, the so-called 'mixed contract' was introduced in the Italy division, initially as a 'pilot', as part of analyses on customer management solutions through external networks.

The mixed contract provides for the establishment of two different contractual relationships for the same resource:

- One as permanent part-time employment;
- One as freelance Financial Advisor, operating under agency contract and with a fee-based remuneration.

With reference to the compensation of the employee with a mixed contract, it is specified that under the part-time employment contract, it is composed by a 'fixed' part corresponding to the gross annual remuneration, and a 'variable' part corresponding, precisely, to the individual variable remuneration assigned, if any.

Under the agency contract, on the other hand, the 'fixed' part of the remuneration is represented by the 'recurring' portion, and the 'variable' part by the 'non-recurring' portion.

4.4 Non-standard compensation

Non-standard compensation refers to those compensation elements considered as exceptions (e.g. entry bonus[32], special award, retention bonus, Role-Based Allowance, stability pact and non-competition agreement).

Such awards are limited only to specific situations, as appropriate, related to the hiring phase, launch of special projects, achievement of extraordinary results, high risk of leaving for executives of the Group, mission critical roles and positions covered in specific Corporate Functions. In particular, guaranteed bonus granted in relation to the hiring phase are an atypical form of compensation, which is not common practice for the Group. Its use is strictly limited to those cases where there is a clear need of attracting best talents and critical competencies in the market.

As a general rule, non-standard compensation elements are considered variable remuneration. In specific cases, for example the Role-Based Allowances for Corporate Control Functions, they are fixed remuneration.

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[31] It should be noted that, in line with the aforementioned Bank of Italy Circular 285, 17 December 2013, and its successive modifications, 'the commission is not an incentive per se'.

[32] For the recruitment of new staff and limited to the first year of employment. It cannot be granted more than once to the same person, either by the bank or by another Legal Entity in the Group (Bank of Italy Circular 285 of December 17, 2013, 37th update of November 24, 2021).

Moreover, awards must in any case comply with regulations in force at the time (e.g. cap on the ratio between variable and fixed remuneration, technical features defined by regulation for bonus payout, if applicable) and with UniCredit governance processes, which are periodically monitored and disclosed for regulatory requirements, as well as subject to capital and liquidity entry conditions, malus conditions and claw-back actions, as legally enforceable. Variable non-standard compensation rules are specified either on the dedicated letter of award or referring to the Group Incentive System rules in force.

The "non-standard" compensation instruments described in this paragraph may also be used to support operational continuity expectations, in order to effectively implement the Bank's resolution strategy[33] ; they may therefore be applied for retention or loyalty purposes and applied within the limits provided for by the regulations in force from time to time. Full information on their possible use in the implementation of the resolution plans will be provided in the Group Remuneration Policy and Report for the following year.

FOCUS

Role-Based Allowance

In 2019, UniCredit introduced Role-Based Allowances (RBA) for Corporate Control Functions in Italy. RBAs are considered fixed components of the remuneration, in line with regulatory provisions and market practices.

This compensation item aims to:

- ensure competitiveness versus international level in terms of total compensation, avoiding excessive increases in base salary in recognition of the restrictive variable to fixed ratio for Corporate Control Functions in Italy;
- allow and facilitate the rotation between business and control functions roles within the Group;
- provide a sign of attention to the professional figures who hold relevant roles for the Group.

RBA in UniCredit is a pre-defined amount (depending on seniority level and criticality of the role) targeted at specific roles, not linked to performance and therefore does not encourage risk-taking.

It cannot be reduced, suspended or cancelled discretionally as long as the employee is in a specific role (based on seniority level) that is eligible to receive the allowance it can be re-evaluated regularly. As a general rule, RBAs are individually assigned to the employee at the date of the appointment to a Corporate Control Function role and removed in cases of moves to positions not eligible for an RBA.

4.5 Benefits

› Definition and objective

Benefits include welfare benefits that are supplementary to social security plans, healthcare and work-life balance benefits and are intended to provide substantial guarantees for the well-being of staff and their family members during their active career as well as their retirement.

In addition, special terms and conditions of access to various banking products and other services may be offered to employees in order to support them during different stages of their lives.

From a total compensation perspective, benefits aim to reflect internal equity and overall coherence of the remuneration systems, meeting the needs of different categories as appropriate and relevant.

[33] In accordance with the *"Operational Guidance on Operational Continuity in Resolution - OGOCIR"* issued by the Single Resolution Board (SBR).

› Features

In coherence with the governance framework of UniCredit, benefits are assigned by applying general common criteria for each employee category, while types and characteristics of benefits are established on the basis of local regulations and practices.

By way of example, if in line with local laws, regulations and market practices, company cars or equivalent mobility grants, rents or accommodation grants may be assigned to certain categories of employees. Group-wide benefit policies are also in place for staff seconded abroad, defined in line with common market practices for equivalent multinational companies. Benefits that are not awarded on the basis of the above common criteria are considered variable remuneration.

Furthermore, UniCredit affirms the value of share ownership as a valuable tool for enabling the engagement, affiliation and alignment of interests among shareholders, management and the overall employee population. The possibility is therefore considered, from time to time and as appropriate in light of local legal and tax requirements, to offer employees the opportunity to invest and participate in the future achievements of the Group through share-based plans whereby employees can purchase UniCredit shares at favourable conditions.

4.6 Severance

Meeting the regulatory requirements included in the Bank of Italy Circular 285, a specific Policy on payments to be agreed in case of early termination of a contract – the Group Termination Payments Policy, the so called Severance Policy – was firstly submitted for approval to the 2015 Annual General Meeting and subsequently amended in 2017, 2019 and 2021 to reflect the evolution in the regulatory framework as well as and in the overall UniCredit remuneration framework.

In general terms, the Severance Policy currently into force envisages that the calculation of any severance payment takes into consideration the long-term performance in terms of shareholder added value, as well as any local legal requirements, collective/ individual contractual provisions, and any individual circumstances, including the reason for termination. In any case, the termination payments, which consider also the duration of the employment, do not exceed the limits foreseen by the laws and collective labour agreements locally applicable in case of lay-off.

The Severance Policy provides that the overall termination payments, inclusive of notice, do not exceed 24 months of total compensation (including the base salary and the average amount of the incentives actually received during the last three years prior to the termination, after the application of malus and claw-back, if any. Further elements – such as the value of fringe benefits possibly granted to the employee – may be included in the computation of the above-mentioned basis if this is required or foreseen by regulations, laws, contracts or common practices locally applicable). It is also foreseen that the amount of the payments additional to notice cannot exceed 18 months of compensation.

Such limit are, as a matter of fact, much more restrictive than the provisions of the Italian national contract that for executives provides for severance payments, inclusive of notice, of up to 41 months of total compensation.

The Severance Policy contains also a predefined formula for the calculation of severance payments that, used for the settlement of a current or potential dispute related to employment termination, allows not to count them towards the cap for the variable remuneration. The formula basically envisages one month of total compensation per year of service (with a minimum of 5 and a maximum of 18) and a corrective factor that can decrease it up to zero or increase it by maximum 50%. In any case the 24 months cap applies.

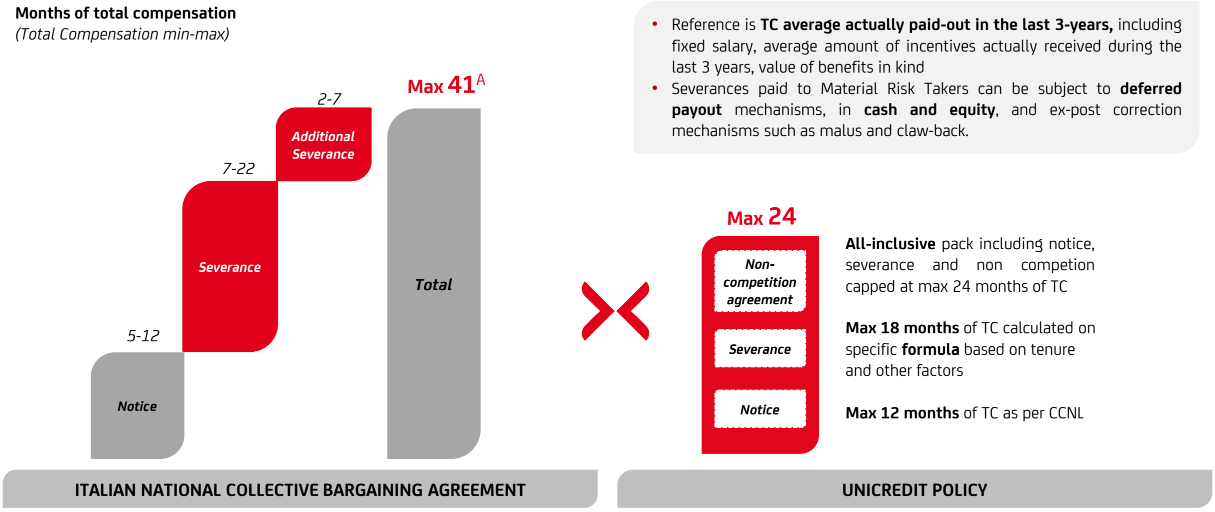
As a rule, discretionary pension benefits are not granted and, in any case, even if they should be provided in the context of local practices and/or, exceptionally, within individual agreements, they would be paid consistently with the specific and applicable laws and regulations.

Individual contracts should not contain clauses envisaging the payment of indemnities, or the right to keep post-retirement benefits, in the event of resignations or dismissal/revocation without just cause or if the employment relationship is terminated following a public purchase offer. In case of early termination of the mandate, the ordinary law provisions would therefore apply.

For all criteria, limits and authorization processes, please refer to the above-mentioned Severance Policy, that is published along with the 2021 Annual General Meeting.

No change is proposed to the current Group Termination payment policy as effect of the CEO pay review.

Table – Comparison between Italian National Collective Bargaining Agreement and UniCredit Termination Policy provisions



The severance policy cannot fail to take into account all local labour law context. In this regard, a comparison between the Italian National Collective Bargaining agreement (CCNL) Banking Industry Executives and UniCredit Termination Policy is provided.

4.6.1 Members of the Board of Directors, General Managers and other Executives with Strategic Responsibilities

With particular reference to the members of the management bodies, general managers and other key management personnel and the related requirements set out by Consob Issuers Regulation no. 11971, it is specified that:

- the treatments envisaged in the event of termination of office or termination of employment are set out in the "Group Termination Payments Policy" which, pursuant to Bank of Italy regulations, is subject to specific approval by the Shareholders' Meeting;
- the members of the Board of Directors are bound by directorships, the term of which coincides with the term of office. In the event of early termination, the normal legal provisions shall apply to them. General Managers and other Executives with Strategic Responsibilities have employment relationships, generally of indefinite duration, as Dirigenti under the "National Collective Labour Agreement for Managers employed by credit, financial and instrumental companies" (the "CCNL"), unless employed abroad, in which cases the corresponding local practices and rules apply;
- the notice period foreseen for the termination of the relationship, if the circumstances foreseen by the law occur, is the one foreseen by the CCNL. In the event that agreements are in place that, at individual or aggregate level, envisage the recognition of conventional seniority and/or measures that differ from the standard ones, the circumstance is reported in the Remuneration Report. In no case the notice period exceeds 12 months;
- all the criteria for determining the amounts agreed between the bank and the staff in view of or on the occasion of the early termination of the employment relationship or for the early termination of the office are defined within the "Group Termination Payments Policy", which also provides indications of the components to be considered in the calculation of the reference remuneration and the elements to be used, within the framework of a specific formula, to determine the number of months' pay actually due;
- the amounts paid in relation to the termination of the relationship take into account, in any case, the long-term performance, the creation of value for shareholders, and do not reward failure or abuse. For further details in this regard, please refer to the "Group Termination Payments Policy";

- the regulations of the short-term and long-term incentive plans determine what effect termination of employment has on them, depending on the circumstances. In general, termination results in the loss of all benefits payable, except in specific circumstances where the individual qualifies as a "good leaver." In such cases, if the termination occurs during the performance period, the beneficiary will be entitled to a pro rata award, subject to the achievement of the relevant conditions at the end of the period and, in any event, in accordance with the deferred payment schedule and all other terms and conditions set forth in the regulations.
  Recognition of good leaver status is generally provided in the following cases:
  - termination due to any physical impediment including illness, injury or permanent disability as determined by applicable laws;
  - retirement, including by agreement with the Company and/or enrolment in early retirement or redundancy plans;
  - the company that employs, or the line of business in which the beneficiary works, ceases to be part of the Group or is transferred to a person or legal entity not belonging to the Group.

  The status of "good leaver" may also be acknowledged, taking into account the specific circumstances and the company's interest, within the scope of specific agreements entered into with the beneficiary upon – or in exceptional cases, before – termination of the relationship.

  Any agreements that provide for ex-ante recognition of the status of "good leaver" as an exception to the principles outlined above are disclosed in the Remuneration Report;

  The granting or retention of non-monetary benefits beyond a short transitional period immediately following the termination of the relationship, or the conclusion of consultancy contracts for a period following the termination of the relationship, is generally excluded.

  Should this occur, the circumstance would be reported in the Remuneration Report and the economic benefit would be included in the provisions of the "Group Termination Payments Policy".

4.7 Ratio between variable and fixed compensation

In compliance with applicable regulations, the adoption of a maximum ratio between variable and fixed remuneration of 2:1 as approved by the Shareholders' Meeting held on March 31, 2023[34], also applies in 2024 for the whole population[35], excluding Corporate Control Functions (Audit, Risk, Compliance), People & Culture and the Manager in charge of drafting financial reports as per Bank of Italy provisions (*Bank of Italy Circular 285*).

	Variable to Fixed Remuneration Max Ratio (cap)[B]
BUSINESS AND OTHER NON CONTROL FUNCTIONS	**200%**
CONTROL FUNCTIONS[A] (Audit, Risk, Compliance)	**Prevalence of fixed remuneration**

A. Including People & Culture and Manager in charge of drafting financial reports as per Bank of Italy Circolare 285.
B. Group guideline to be locally adopted e.g. 200% applied unless a more stringent regulation applies at country level

This ratio, further leverages to the principle of "pay for performance" at the core of our remuneration strategy, by creating headroom to pay for strong years and providing flexibility to the cost structure.

[34] First adoption approved by the Shareholders' Meeting held on May 13, 2014.
[35] Incl. external credit intermediaries and financial advisors.

Other wider assumptions upon which the increase of the maximum ratio between variable and fixed remuneration, type of personnel and limit itself that were based at the time of the initial AGM approval in 2014 have not changed. On the basis of the ECB Recommendation on dividend distribution policies, UniCredit capital ratios satisfy the regulatory capital requirements which allow the Group to be classified within the first category of institutions, with the highest level of capital ratios, and therefore with the lowest limitations on dividend distributions.

In addition, UniCredit has set its variable remuneration[36] policy to respect in a forward-looking perspective the most updated regulatory capital recommendations on variable remuneration.

In 2024, a preliminary estimation of Group Material Risk Takers which exceed the 1:1 limit – at target variable level – are ca. 140 staff members. The estimated portion of the 2024 Incentive System that could be awarded to those roles in excess to the 1:1 ratio is ca. 12% of the overall estimated pool (approx. €22 mn of which €18 mn in UniCredit shares), equivalent, at the publication date of the document, to approximately less than 0.1% of UniCredit share capital. This amount of capital (i.e. €22 mn) is equivalent to ca. 1 bps of UniCredit Group CET1 ratio.

In light of this information, it is set that the decision to maintain a maximum level of variable remuneration of 2:1 of the fixed remuneration for the whole population, excluding Corporate Control Functions (as approved by the Annual General Meeting on 2014) would not affect the Group maintenance of a sound capital base.

Therefore, the adoption of a ratio of 2:1 between variable and fixed compensation does not have any implications on the bank's capability to continue to respect all prudential rules, in particular capital requirements.

This approach allows UniCredit to maintain a strong link between pay and performance, as well as competitiveness in the market. Our main peers have also taken the same approach in order to limit the effects of an un-even playing field in a market where the cap is not present, to avoid the rigidity of the cost structure derived from a possible increase of fixed costs and to guarantee the alignment with multi-year performance, through deferring a relevant component of the variable compensation.

The Executives with Strategic Responsibilities entitled to a variable to fixed ratio of potentially up to a maximum of 2:1 are:

- Group Chief Executive Officer;
- Head of Italy, Head of Germany, Group Head of Central Europe and Eastern Europe, Head of Client Solutions, Digital & Information Officer, Group Chief Operating Officer, Chief Finance Officer, Group Legal Officer.

For the rest of the staff belonging to the Corporate Control Functions[37], People and Culture and the Manager in Charge of Drafting the Company Financial Reports for which it is expected that fixed remuneration is the predominant component of total remuneration, a stricter regulatory cap applies. For these Functions is also foreseen that incentive mechanisms are consistent with the assigned tasks, as well as being independent of results from areas under their control.

For the Corporate Control Functions, in particular, the maximum weight of the variable component will take into account the differences between national rules and regulations in application of Directive 2019/878/EU in the various countries in which the Group operates[38], in order to ensure equal operating conditions in the market and the ability to attract and retain individuals with professional skills and capabilities adequate to meet the needs of the Group.

Consistently with the framework described above, Group Legal Entities set in their remuneration policies the appropriate level of the maximum ratio between variable and fixed compensation according to national law, Group approach/Group Remuneration Policy, taking into account the business activities, the risks and the impact that different categories of staff have on the risk profile.

Where allowed by local law, the Legal Entities manage the request to approve, with a dedicated resolution, a higher maximum level of the ratio between the variable and fixed component of remuneration of up to 200% by the Shareholders' General Meeting, in coherence with the approach defined by the Holding Company in terms of positions, and manage the related notification to the competent regulator, as appropriate.

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[36] ECB letter - Variable remuneration policy of UniCredit S.p.A., as of January 2020.

[37] For Risk Management departments not classified as control function the 1:1 cap applies.

[38] In particular, for the Material Risk Takers of Corporate Control Functions in Italy, the ratio between the variable and the fixed components of remuneration cannot exceed the limit of one third, as per BankIt provision (Circular 285 of December 17, 2013, 37th update of November 24, 2021).

4.8 Share ownership guidelines

Share ownership guidelines set minimum levels for company share ownership by relevant Executives[39], aiming to align managerial interests to those of shareholders by assuring appropriate levels of personal investment in UniCredit shares over time.

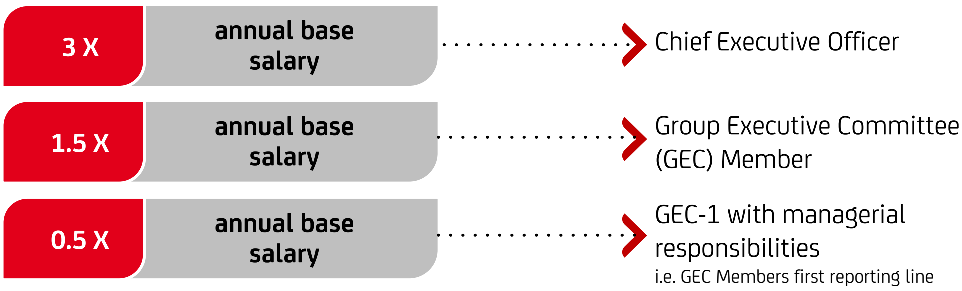
The ownership of UniCredit shares by Group leaders is a meaningful and visible way to show investors, clients and people the commitment towards UniCredit.

The Board of Directors approved at the end of 2011 the share ownership guidelines applied to the Chief Executive Officer, to General Manager and Deputy General Manager roles, if any.

Starting from 2023, in line with the current organisational structure, the share ownership guidelines are applicable to the members of the Group Executive Committee (GEC) and their first reporting line, the so-called GEC-1, with managerial responsibilities.

As a tangible sign of the total commitment of the management team to UniCredit, the levels set for 2024 are confirmed at 3x annual base salary for the CEO, 1.5x annual base salary for GEC members and 0.5x annual base salary for GEC-1 with managerial responsibilities.

Share Ownership Guidelines



Such levels should be reached, as a rule, within five years from the appointment to the above indicated Executives categories within the scope of the guidelines and should be maintained while the role is held.

The achievement of the share ownership levels should be accomplished through a pro-rata approach over a 5-year period, granting the minimum amount of shares each year, taking into consideration potential vested plans.

Involved Executives are also expected to refrain from activating schemes or arrangements that specifically protect the unvested value of equity granted under incentive plans (so called “hedging”). Such clauses are contained in all relevant incentive plan rules and apply to all beneficiaries, since involvement in such schemes undermines the purpose of limiting the risk. Any form of violation of share ownership guidelines as well as any form of hedging transaction shall be considered a breach of the Group’s compliance policies with such consequences as provided for under enforceable rules, provisions and procedures.

Local adaptations based on specific regulations and/or business shall be envisaged consistently with the global approach at Group level.

[39] Considering the application, from 2016, of the new ratio between the variable and the fixed components of remuneration (which cannot exceed the limit of one third for the Material Risk Takers within Italian Control Functions, while fixed remuneration is expected to be the predominant component for the Control Functions of other geographies), share ownership guidelines are not applied to Executives who are part of Corporate Control Functions.

5. Group Compensation Systems

The Group Incentive System 2024 has been confirmed as a Sustainable Performance Plan, based on both short-term and long-term performance conditions, to support the Group strategic direction by fostering a strong link between remuneration, risk and sustainable profitability. Through the Incentive System, UniCredit seeks to retain and motivate each beneficiary by providing for incentives which aim to reward contributions to the long-term growth, profitability and financial success of the Group, with a focus on reputation and overall sustainability which contributes to the achievement of business goals over time.

The Incentive System aims at providing an appropriate balance of variable compensation elements, aligning the interests of employees, shareholders and other stakeholders, strengthening the Group's position as a leading European bank and aiming at effective compensation practices in compliance with the regulatory environment.

In addition, the Incentive System aims at aligning top and senior management interests to the long-term value creation for shareholders, to share price and Group performance and to sustaining a sound and prudent approach to risk management, combining annual goals with additional long-term conditions to steer the performance management measurement towards sustainable results over time.

The System also has the characteristics to be considered a "retention" tool to retain key players for the achievement of strategic priorities.

5.1 2024 Group Incentive System

In line with the past years, the 2024 Group Incentive System, as approved by UniCredit Board of Directors on March 7, 2024, is based on a bonus pool approach, similarly to last years, which is compliant with the most recent national and international regulatory requirements and links bonuses with company results at Group and country/division level, ensuring a strong connection between profitability, risk and reward. In particular, the System provides for:

- the definition of a bonus pool at Group level, with cascading at divisional level consistently with segment reporting disclosure, based on the actual divisional performance adjusted taking into consideration quality and risk indicators as well as cost of capital;
- allocation of a variable incentive defined on the basis of the determined bonus pool, individual performance evaluation, internal benchmarks for specific roles/markets and the maximum ratio between variable and fixed compensation as approved by the Annual General Meeting;
- a malus condition (*Zero Factor* or *Reduced* scenarios) which applies if specific thresholds for profitability, capital and liquidity are not met at Group level and envisages specific scenarios if not met or partially met at country/division level;
- risk adjusted metrics in order to guarantee long-term sustainability, regarding company financial position and to ensure compliance with regulations;
- definition of a balanced structure of upfront (following the moment of performance evaluation) and deferred payments, in cash and/or shares for Group Material Risk Takers;
- deferred payments for selected beneficiaries[40] subject to additional long-term performance conditions;
- delivery of awards in the form of financial instruments which considers the applicable regulatory requirements regarding the application of retention periods.

[40] Members of Group Executive Committee ("GEC") and managers directly reporting to GEC members ("GEC-1"), excluding control functions, People & Culture and Manager in Charge of Drafting the Company Financial Reports.

The 2024 Incentive System is based on the following methodology:

POOL LEVEL — Bonus Pool definition

INDIVIDUAL LEVEL[A]

1. Bonus Pool funding	x	2. Entry conditions	x	3. Risk & sustainability adjustment and cascading	>	4. Individual Scorecard	>	5. Payout
• Group Bonus pool whose funding is based on actual operational profitability; • Use of risk-adjusted performance metric as funding KPI (Operating EVA pre-bonus).		• Access to Group Bonus Pool linked to the achievement of capital, liquidity and profitability		• Bonus Pools revised up/downwards depending on the "quality of performance"; • Adjustment based on yearly Risk Appetite Framework (RAF) and Risk Managment judgement; • BoD discretion: no limit to downward adjustment; upward limited to 20% ; • Pool cascading down the hierarchy according to risk-adjusted KPIs and standard methodology.		• System combining Short-Term and Long-Term performance; • Short-term goals defined individually according to KPI Bluebook and specific guidelines (e.g. at least one KPI risk-adjusted or risk-related).		• Payout in cash / shares on 4/6 year deferral horizon above a certain threshold • Bonus payout subject to malus & claw-back; • Additional "gates" to bonus entitlement (i.e mandatory training, "Know Your Customer").

A. *Rules for Group Material Risk Takers population principles apply to the rest of the organization as well.*

5.1.1 Bonus Pool Funding

The bonus pool is set at Group level and then cascaded down for each division following the external reporting structure.

It is initially proposed during the budgeting phase as a percentage of the pre-defined Funding KPI (i.e. Operating EVA pre-bonus[41]). In such a definition, the following elements are considered: business context and perspectives, previous years amount and forecasts of profitability. The budget is submitted to the approval of UniCredit Board of Directors. Furthermore, bonus pool size takes into consideration any recommendation issued by European or local regulators on variable remuneration.

The bonus pool cascading is structured on a pre-defined methodology based on a theoretical bonus pool breakdown, estimated on the basis of the implicit funding embedded in the divisional P&L budget and the annual divisional performance (operating EVA vs. budget) within the available Group bonus pool.

The bonus pool for external staff (e.g. Financial Advisors) has to be considered as an addition, as it is funded by non-HR costs and self-financed through specific commission-based contractual mechanisms (i.e. 'non-recurring' remuneration).

5.1.2 Entry Conditions

Specific "Entry Conditions" are set at Group level, measuring annual profitability, capital position and liquidity results. The combined evaluation of the Entry Conditions defines three possible scenarios that allow the confirmation to increase, reduce or cancel the bonus pool.

The malus condition (Zero Factor or Reduced scenarios) will apply in case the specific metrics on profitability, capital and liquidity are not achieved (box A and B included in the scheme "Entry Conditions definition"). Specifically, the

[41] Operating EVA defined as Net Operating Profit – Cost of Capital. Cost of Capital is the average Allocated Capital multiplied by the Cost of Equity (Ke) plus excess capital adjustment, Additional Tier 1 impacts and Cashes coupons.

Zero Factor[42] is applied to the Group Material Risk Taker population, whereas for the non-Group Material Risk Taker population, a significant reduction will be applied. In case capital and liquidity conditions are met and profitability is not (box B included in the scheme "Entry Conditions definition"), a Reduced scenario is envisaged, with 50% bonus payout applied to the Group Material Risk Taker population, whereas for the non-Group Material Risk Taker population, a sizeable reduction will be applied.

Entry conditions in terms of capital and liquidity apply as well to external networks and agents, where applicable, as foreseen by regulation.

Entry Conditions are also verified during the cascading process at local level, where applicable. Legal Entities may consider further local conditions; in particular, Banks introduce local liquidity and capital metrics as further entry conditions.

ENTRY CONDITIONS DEFINITION

1. Group

- **Operating EVA** (NOP-Cost of Capital[A]) > 0
- **Net Profit** [B] > 0
- **Own Funds and Leverage ratios**[C] ≥ 2024 RAF "limit"[D]
- **Liquidity Coverage Ratio**[C,E] ≥ 2024 RAF "limit" (111%)
- **Net Stable Funding Ratio**[C,F] ≥ 2024 RAF "limit" (102.3%)

ENTRY CONDITIONS ASSESSMENT

A Zero Factor
- **Capital or Liquidity** conditions **not met** at Group level

B Reduced
- **Capital and Liquidity** conditions are **met** at Group level
- and **Profitability** is **not met** at Group level

C Open
- **Capital, Liquidity and Profitability** conditions are **met** at Group level

A In case Capital or Liquidity "entry conditions" are not met at Group level, the malus condition is activated, triggering the application of Zero Factor[G] on both current year bonus and previous years deferrals. For the other employees, a significant reduction will be applied.

B In case only the Profitability Entry Conditions are not met at Group level, the gate is "partially open" and a reduced bonus pool scenario is activated triggering a reduction of 50% of pool generation for Group material risk takers on both current year bonus and previous years deferrals. For the other employees, a sizeable reduction will be applied.

C In case the Entry Conditions at Group level are met, the gate is "fully open" meaning the Bonus Pool may be fully confirmed or even increased, in case of positive performance on Risk & Sustainability dashboard.

A. Cost of Capital defined as the average Allocated Capital multiplied by the Cost of Equity (Ke) plus the additional Tier 1 corrective factor) adjusted for AT1, excess of capital and cash charges.

B. Net profit according to market disclosure at budget FX.

C. In case of issues with capital and/or liquidity requirements at Legal Entity (LE) level, a zero factor scenario in the cascading phase is activated, even if the Entry Conditions at Group level are fully satisfied.

D. The Group variable remuneration policy shall comply with the ECB recommendation, issued in Jan. 2020, that requires to be "consistent with a conservative, at a minimum linear, path towards fully-loaded capital requirements and outcomes of SREP", including the so-called Pillar 2 Guidance. This implies for Own Funds ratios thresholds (based on requirements expected as of 4Q24) above RAF limits: CET1 ratio Transitional ≥ 11.11%; Tier 1 ratio Transitional ≥ 12.98%; Total Capital ratio Transitional ≥ 15.48%. Leverage Ratio Transitional 2024 RAF limit is 4.06%.

E. Liquidity Coverage Ratio: it aims to ensure that the bank maintains an adequate level of not restricted "High Quality Liquid Assets" in a sufficient quantity to cover the overall 'Net Cash Outflows', over a period of thirty days, under gravely stressed conditions specified by Supervisors.

F. Net Stable Funding Ratio: is defined as the amount of available stable funding relative to the amount of required stable funding and measures, under a long term perspective, the sustainability terms of maturities between asset and liabilities. In detail: the ratio between Available of Stable Funding – ASF (the amount of ASF is calculated by first assigning the carrying value of an institution's capital and liabilities; the amount assigned to each category is then multiplied by an ASF factor, and the total ASF is the sum of the weighted amounts) and Required Stable Funding – RSF (the amount of required stable funding is calculated by first assigning the carrying value of an institution's assets to the categories listed. The amount assigned to each category is then multiplied by its associated required stable funding (RSF) factor, and the total RSF is the sum of the weighted amounts added to the amount of Off Balance Sheet activity –or potential liquidity exposure- multiplied by its associated RSF factor).

G. For Executive & Material Risk Takers population. In any case, the Board of Directors can provide the CEO the possibility to allocate a separate and discretional pool for retention purposes only, subject to local relevant governance bodies' decision, eventually including positive feedback from ECB, if required (e.g. in a scenario of CET1r < threshold, in a context of a capital contingency plan defined with ECB). For the other employees, a significant reduction will be applied.

[42] The bonus pool of 2024 will be zeroed (for Group Material Risk Takers), while an ex-post correction mechanism is foreseen that determines a reduction of deferrals of previous year systems from 50% to 100% of their value, based on the entity of loss both at Group & local level and Risk Management assessment based on positioning vs. Risk Appetite Framework (next paragraph – Adjustments based on Sustainability and Risk).

5.1.3 Adjustments based on sustainability and risk

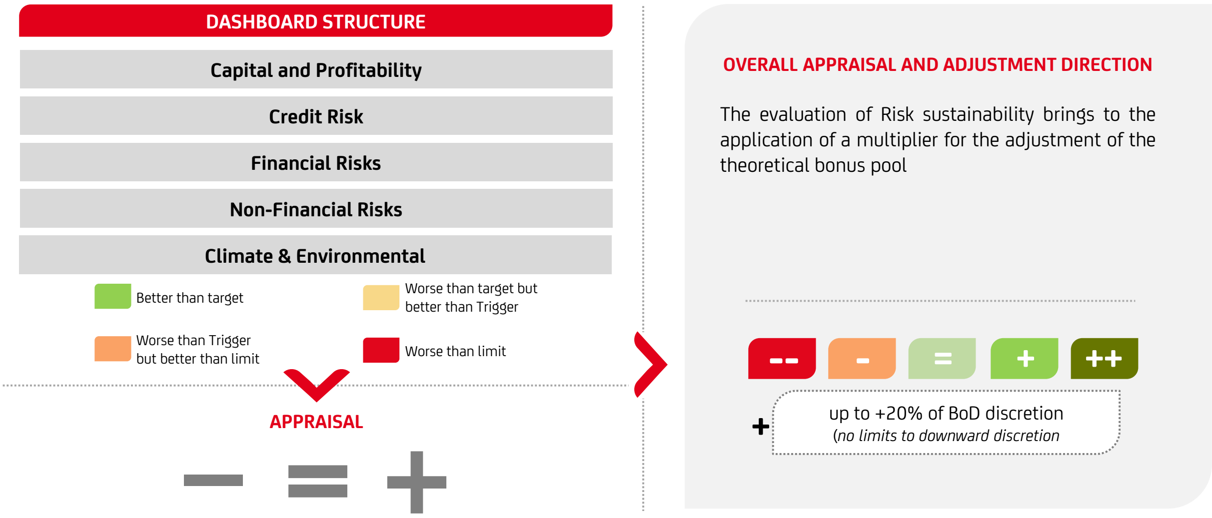
>>> Risk-adjustment based on RAF

In order to ensure consistency with the Group Risk Appetite Framework and the economic sustainability of the Group and Country/Division results over time, the bonus pool may be revised up/downwards, on the basis of the overall "quality of performance".

The methodology envisages the assessment performed by Group Risk Management based on a specific dashboard at Group level. In addition, the Group Finance presents to the Remuneration Committee a specific report providing commentary on Group results.

The Risk Adjusted KPIs dashboards include indicators covering all relevant risks, such as credit, market, liquidity, non-financial (operational, compliance), climate and the risk position assumed, the adherence to regulatory requirements and the relationship between risk and profitability. The specific metrics are measured with reference to the respective relevant thresholds (limit, trigger and target), established in line with the Group Risk Appetite Framework. By way of example, the standard structures of the Risk-Adjusted dashboard are shown in the following picture.

Risk-Adjusted Dashboard (illustrative)



The dashboard, used to evaluate the quality of performance from a risk perspective, is monitored on a quarterly basis.

Group Risk Management can either confirm or override the outcome and may exercise the right to override taking into consideration events with a qualitative nature or extraordinary events which are out of the ordinary business of the bank (e.g. significant asset disposals in addition to normal distressed asset management activities, mergers and acquisitions or business restructuring, business dismissals, capital increases, sanctions, goodwill impairment).

The Group Risk Management function provides an overall assessment on the dashboard and the evaluation leads to the definition of a "multiplier" in order to define the adjustment of the bonus pool, which could fall in the range of 50%-120%. Negative and neutral "multipliers" (i.e. 50%, 75% and 100%) are directly applied to bonus pool funding. Positive "multipliers" (i.e. 110% and 120%) represent the upper bound of the bonus pool theoretical value and are subject to managerial evaluation, considering the broader context of the company.

>>> Board discretion

The application of a further discretionary range up to +20% in the faculty of Board of Directors is foreseen with respect to the theoretical value on the basis of specific criteria (e.g. performance vs. the broader Strategic Plan execution, performance within the broader market context, macro scenario, compensation trends in the market, reputational impacts, regulatory recommendations), while there is no limit to a downward adjustment of the bonus pool[43].

In particular, based on the achievement of Entry Conditions, in the event the Risk Management assessment reports the maximum positive result, and the Board of Directors exercises the maximum discretion, the following scenarios may occur:

- in the event that only the profitability Entry Condition is not met at Group level, the gate is "partially open" and a reduced bonus pool scenario is activated triggering a reduction of 50% of the pool generation for Group material risk takers. For the other employees, a sizeable reduction will be applied;
- if all Entry Conditions are met, the gate is "fully open", meaning the bonus pool may be fully confirmed or even increased (up to max 144%[44]).

In any case, as requested by Bank of Italy regulations, the final evaluation of Group sustainable performance parameters and the alignment between risk and remuneration will be assessed by the Remuneration Committee and defined under the governance and accountability of the Board of Directors. The Board of Directors has the right to disregard, when deciding the bonus, extraordinary balance sheet items which do not impact operational performance, regulatory capital and liquidity.

Following potential changes in the laws or regulatory framework[45] in force and/or in relation to any extraordinary and/or unpredictable circumstances that may affect the Group, the Company or the market in which it operates (including, but not limited to, M&A or other extraordinary transactions or corporate events[46], changes in the macroeconomic scenarios, changes of the strategic plan and/or recasting to the strategic plan perimeters, etc.), the Board of Directors, having heard the opinion of the Remuneration Committee, reserves the right to adopt the necessary corrective measure to the 2024 System, the related rules and underlying KPIs, consistently with the overall structure approved by the Shareholders' Meeting and to that extent this is functional to keeping the essential contents of the 2024 System substantially unchanged as much as possible, preserving its main incentive and loyalty-enhancing purposes..

Moreover, in order to guarantee adequacy, fairness and internal consistency of the incentive system, in its particular provisions and among these as a whole, the mechanisms and instruments illustrated above must be interpreted as a single and inseparable whole, since the specific provisions envisaged herein may therefore be applied by analogy to further, similar and unregulated situations (or differently regulated), whenever the diversity of regulations would result in an objective inconsistency and unfairness of treatment.

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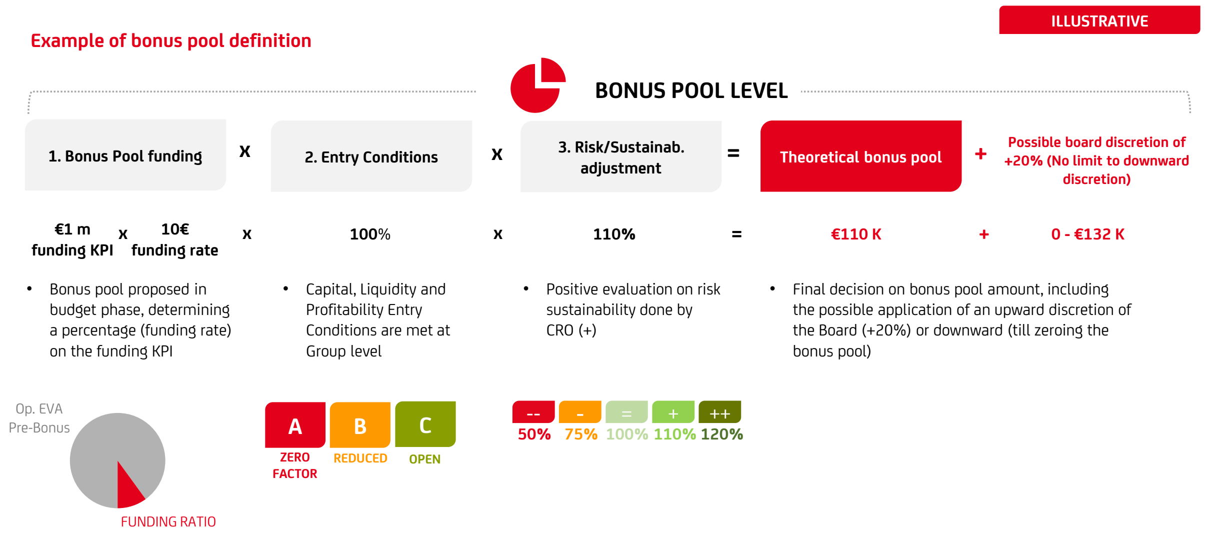
[43] Divisions and Legal Entities define mechanisms for bonus pool risk adjustment and Board discretionary adjustment, to be applied in the breakdown phase, consistently with the framework defined at Group level and properly documented.

[44] Maximum scenario achievable in case of positive Risk Management assessment and using all the Board of Directors' discretion to approve a bonus pool max +20% of the Theoretical one (100%*120% CRO dashboard + 20% BoD discretion).

[45] Including in the interpretation or application by the competent authorities of such laws and regulatory framework.

[46] Including any transactions affecting the shares (such as a rights issue, share split or consolidation, demerger, reduction or other variation of capital), in which case the Company may adjust the number of promised shares that may be awarded under the System, applying the adjustment factors recommended by the relevant authorities.



>>> Bonus Pool cascading

Once approved by the Board of Directors, the overall distributable bonus pool is cascaded down to the Segment/Divisions and to sub-levels in a consistent way ensuring fairness, transparency and within the maximum affordable bonus pool.

To ensure pay for performance and limited/justified subsidization among perimeters, the bonus pool cascading is structured in a pre-defined methodology based on:

- a theoretical bonus pool breakdown, estimated on the basis of the Divisional P&L budget, the annual divisional performance (Operating EVA vs. budget) within the available Group Bonus Pool, considering divisional entry conditions on capital, liquidity and profitability, as well as risk indicators (e.g. RAF), consistently with the methodology applied at Group level;
- managerial adjustments, considering cost affordability, per-capita bonus trend and quality of divisional performance (e.g. opEVA components' results, relative performance vs Group YoY and vs. budget, relative performance vs market).

5.1.4 Individual Allocation

Individual bonus will be allocated managerially, considering the scorecard result, the overall individual performance appraisal, in absolute and relative terms, and the maximum total variable opportunity.

>>> Performance assessment

Individual performance appraisals are based on 2024 goals defined during the goal setting phase. The performance appraisal is based on an overall outcome that reflects the deterministic evaluation of the financial KPIs and the qualitative assessment of non-financial goals including the behaviours adopted to achieve them.

Specifically, financial KPIs are assessed quantitatively (Results vs Target), considering specific ranges and thresholds defined for each KPI. The score of each KPI can range in a 0-120 points rating scale, as follows:

- is zeroed if achievement is below the lower threshold;
- is calculated in linear continuum between the lower and the upper threshold;
- is capped (120pts) if it is higher than upper threshold.

Performance Assessment (illustrative scorecard)

	KPIs	Target	Range	Assessment criteria[2]	Scoring
... % **FINANCIAL** KPIs assessed quantitatively: Result vs Target, with Range/ Thresholds defined for each KPI. Score for each KPI is zeroed if achievement is below lower threshold and capped (120pts) if it is higher than upper threshold	**KPI 1**	*Target (a)*	*+/- x%*	*Result* **>** *a*(1+x%)*	**120 pts**
				Result ***between*** *a*(1-x%)* ***and*** *a*(1+x%)*	**80-120 pts**[1]
				Result **<** *a*(1-x%)*	**0 pts**
	KPI 2	*Target (b)*	*+/- y%*	*Result* **>** *b*(1+y%)*	**120 pts**
				Result ***between*** *b*(1-y%)* ***and*** *b*(1+y%)*	**80-120 pts**[1]
				Result **<** *b*(1-y%)*	**0 pts**
	KPI ...	*Target (c)*	*+/- z%*	*Result* **>** *c*(1+z%)*	**120 pts**
				Result ***between*** *c*(1-z%)* ***and*** *c*(1+z%)*	**80-120 pts**[1]
				Result **<** *c*(1-z%)*	**0 pts**
... % **STRATEGIC PRIORITIES & CULTURE**	**Goal 1**, **Goal ...**	***Qualitative assessment*** *of each goal based on underlying KPIs and drivers into a 5-point rating scale*		Greatly exceeds	**120 pts**
				Exceeds	**110 pts**
				Meets	**100 pts**
				Mostly meets	**50 pts**
				Below	**0 pts**
Overall score as weighted average of Financial and Strategic Priorities & Culture goals					**(0-120 pts)**

[1] Linear continuum
[2] The formulas are illustrative since depending on single KPI functioning, e.g. to be adjusted in case of costs

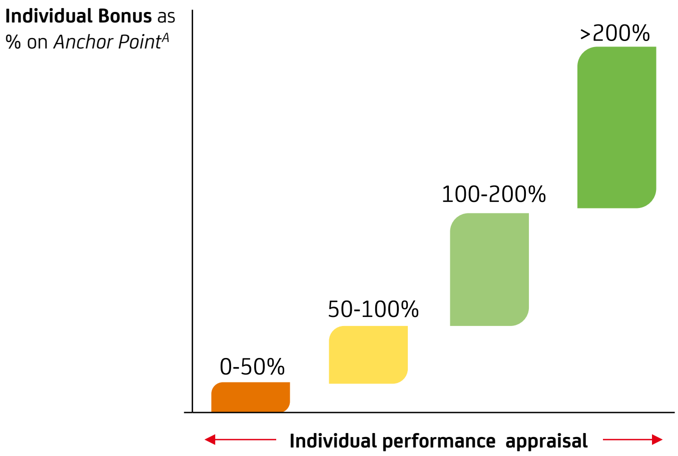
>>> Pay for Performance

Particular attention is dedicated to the level of correlation between proposed bonus and actual performance both at the bonus proposal step and the calibration/consolidation phase.

Pay for performance is the guiding principle, with the overall scorecard achievement - combined with behavioral assessment and the overall performance appraisals – considered as key drivers for bonus decisions. Such managerial decisions also take into account the individual "anchor point" for variable remuneration, defined as the amount of bonus reachable at targets' achievement, set according to several criteria such as: the internal and/or external benchmarking analysis for similar roles, the seniority level, the historical payouts, the maximum ratio between variable and fixed compensation as approved by the Annual General Meeting. Such value is adjusted according to the actual available bonus pool - stemming from both Group and Divisional performance - and represents the starting point for the individual bonus allocation.

The pay for performance curve is expected to be steeper than the linear one, with reduced pay in case of performance below target and increased pay for over-performance above targets.

Illustrative



A. In any case within the maximum regulatory variable to fixed remuneration cap, adjusted according to the actual available bonus pool (stemming from both Group and Divisional performance)

For the bonus decisions at individual level, it will be also considered the respect of provisions of law, Group's compliance rules, Company policies or Corporate values, Code of Conduct and the application of claw-back clauses, as legally enforceable.

Moreover, each participant has to complete the mandatory training courses and, for impacted roles, the customer due diligence periodic review (Know Your Customer), within a pre-defined threshold in order to be entitled to the bonus.

Each Group Material Risk Taker receives the Group Incentive System Rules with a detailed description of the system and its application.

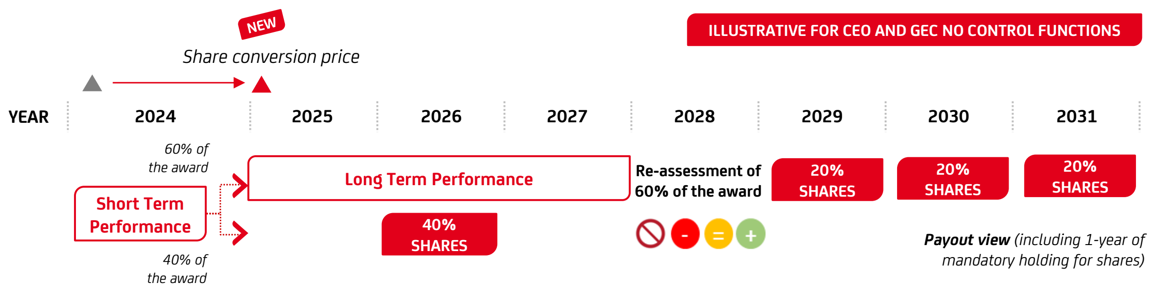
> Additional long-term performance conditions ("Sustainable Performance Plan")

For selected individuals[47], namely the CEO, the members of the Group Executive Committee and managers directly reporting to GEC members (hereinafter also "GEC-1"), the incentive plan ("Sustainable Performance Plan") has been structured to best support the Strategic Plan delivery on a yearly basis, while ensuring that results delivered are sustainable over time via long-term performance conditions, considering the significant transformational effort of the Strategic Plan.

The key design principles of the Sustainable Performance Plan remain unchanged versus 2023, in particular:

- the rolling structure, to allow for a yearly verification of the adequacy of the compensation arrangements;
- the double-assessment of performance, through a combined system which requires the reconfirmation of short-term performance (2024) over the long-term (2025-2027), to guarantee sustainability of the results
- the pay for performance, providing clear performance conditions anchored to UniCredit Strategic Plan pillars, with ambitious targets and rigorous pay for performance correlation to ensure meritocracy and fairness.

In the "Sustainable Performance Plan", 60% of the bonus award is deferred and subject to additional long-term performance conditions, which act as a modifier (from -100% to +20%[48]) of the deferred bonus award defined on the basis of the individual 2024 performance appraisal scorecard.



The long-term performance scorecard is based on specific goals defined at Group level covering the three years following the 2024 annual performance (ie from 2025 to 2027). The following KPIs have been selected for the rationales described below:

- **RoTE with CET1@13%, weighted 80%:** this metric is a key measure of the strategic plan and it reflects the core profitability of the Bank in terms of return on tangible equity, thus taking into consideration the efficiency in capital allocation. The CET1@13% is referred to the upper target capital ratio of the UniCredit Unlocked strategy plan and it operates to keep stable the denominator of the ratio at the target capital level, avoiding distortion in case of capital excess and facilitating comparison across the market. Target is to be above the cost of capital to testify our commitment to sustainable value creation, with target level defined at ca. 11% in line with mid-term cost of capital, with specific thresholds to adjust the scoring. In case of methodological changes or material change of the macro-economic scenario (e.g. more than 100 bps in

[47] Excluding Control Functions, People & Culture and Manager in Charge of Drafting the Company Financial Reports
[48] In any case in compliance with the maximum regulatory ratio of variable to fixed remuneration.

interest rate vs, budget assumptions), the board retain the faculty to mechanically recast LT targets according to the updated scenario.

- **Sustainability, weighted 20%:** the goal is focused in supporting clients' green and social transition, embedding sustainability and Diversity, Equity and inclusion ambitions in UniCredit culture. This goal has also a specific focus on climate-risk, through Net Zero commitments. The goal is qualitatively assessed in a 5-point rating scale, based on specific evidence from current and future ESG and DE&I strategy. Specifically, the current strategy foresees:

  - **ESG business penetration[49]**: support our clients in their sustainability journey offering ESG related products and services to ensure a fair share of ESG business over total, starting from 2024 ESG targets disclosed within the 2023 fixed income presentation and successive updates as per ESG strategy.
    - Percentage of ESG lending[50] new production on overall MLT lending new production: Group 2024 target set at 15%;
    - Percentage of Sustainable bonds[51] on all bonds: Group 2024 target set at 15%;
    - Percentage of ESG Assets under Management stock on Total Assets under Management stock: Group 2024 target set at 50%;
  - **D&I ambitions**:
    - Gender parity across our organization and a more diverse, inclusive and sustainable workplace, in accordance with Italy G20 Women's Forum CEO Champion Commitment "Towards the Zero Gender Gap";
    - c.€100 mn allocated to ensuring equal pay for equal work by 2024.
  - **Net zero**: Progress vs. Net Zero commitments on the most carbon intensive sectors within the portfolio which include Oil & Gas, Power Generation, Automotive and recently enhanced with the Steel sector (see the Strategy chapter of 2023 IR for more details). These targets aims at reaching Net Zero on our own emissions by 2030 and on our financed emissions by 2050. Targets have been set as per press release of January 31, 2023 and January 18, 2024, using the International Energy Agency (IEA) Net Zero 2050 pathway as the benchmark scenario.
    - *Oil & Gas sector* – UniCredit will target a 29% reduction in its Scope 3 financed emissions, starting from a baseline of 21.4Mt CO_2e in 2021. This target is related to the bank's Oil & Gas drawn balance of €7.8 billion, focusing on lending on-balance exposure, including NPEs. It relates to extraction, refining and distribution of Oil & Gas products. Meanwhile, our Coal Policy anticipates the phase-out of coal financing by 2028.
    - *Power Generation* – UniCredit will target a c. 47% reduction in Scope 1 weighted physical intensity at 111 gCO_2e/kWh from a baseline of 208 gCO_2e/ kWh in 2021, through rebalancing its portfolio and significantly increasing green lending activities. This target is related to the bank's Power Generation drawn balance of €8.9 billion and only includes electricity generation companies.
    - *Automotive* – UniCredit will target a c. 41% reduction in Scope 3 "Tank To Wheel"[5] weighted physical intensity at 95 gCO_2/vkm from a baseline of 161 gCO_2/vkm. This target is related to the bank's Automotive drawn balance of €1.8 billion, excluding parts' manufacturers, heavy-duty vehicles' manufacturers and small retail companies (c. 1% of total drawn balance).
    - *Steel* – UniCredit aims to achieve a physical intensity of 1.11 tCO_2/tSteel by 2030, which would correspond to a 23% reduction from its 2022 baseline. This target is fully aligned with the International Energy Agency's 1.5°C decarbonisation trajectory and corresponds to a c. 23% reduction in emissions from a baseline of 1.45 tCO_2/tSteel in 2022 pertaining to UniCredit's €2.2 billion steel lending portfolio. The bank's portfolio alignment score for 2022, calculated according to SSP guidelines, stood at -0.69 – positioning its emissions baseline below that set by the IEA Net Zero trajectory.

On all the above KPIs, also subject to the evolution of ESG regulation, a complete ex-post disclosure will be ensured according to ESG strategy at time-to-time approved.

[49] See 2023 Fixed Presentation for details.
[50] Including Environmental, Social and Sustainability linked lending.
[51] For corporates and financial institutions, excluding Sovereign, Supranational and Agency Long Term Credit.

2025-2027 Long-Term scorecard

Lever and KPIs		2025-27 Target	Criteria	Adj. of ST
80% Profitability	ROTE with CET1 @13%	Avg 25-27 vs. mid term Cost of Equity (11%)[B]	11,5% - 13%	100%-120%*
			10% - 11,5%	Confirmed (100%)
			5,5% - 10%	0%-100%*
			< 5,5%	Cancellation (0%)
20% Sustainability	ESG business DE&I ambitions Net Zero committments	**Qualitative assessment** based on specific evidence from **current and future ESG and DE&I strategy**. KPIs are subject to the evolution of ESG strategy and regulation. Current strategy foresees: • **ESG business penetration:** support our clients in their sustainability journey offering ESG related products and services to ensure a fair share of ESG business over total (lending new production, sustainable bonds, stock of AuM), starting from 2024 ESG targets[C] as disclosed in 4Q2023 Fixed income presentation and successive updates as per ESG strategy • **DE&I Ambitions,** including reduction on Gender Pay-Gap (through 100 m Eur investment in strategic plan horizon and successive updates as per DE&I strategy) and gender parity ambition across the organizational levels • **"Net Zero" commitments**: progress vs. Net Zero 2030 target on the four most carbon intensive sectors within the portfolio, which include Oil & Gas, Power Generation, Automotive, and Steel, recently added. Targets have been set as per press release of January 31, 2023 and January 18, 2024, using the International Energy Agency (IEA) Net Zero 2050 pathway as the benchmark scenario.	GREATLY EXCEEDS	120%
			EXCEEDS	110%
			MEETS	Confirmed (100%)
			MOSTLY MEETS	50%
			BELOW	Cancellation (0%)
		As weighted avg of Profitability and Sustainability	**Overall adjustment[A] (-100% ; +20%)**	

** Linear continuum*

*Linear continuum

A. BoD discretion: unlimited downward and up to +20% to evaluate broader performance and market context e.g. industry/global shocks, exceptional events, company performance notably above target in the first year of the sustainable performance plan **B**. RoTE calculated as per current methodology. In case of methodological changes or material change of the macro-economic scenario (eg more than 100 bps in interest rate vs, budget assumptions), the board retain the faculty to mechanically recast LT targets according to the updated scenario **C.** Percentage of ESG lending new production (including Environmental, Social and Sustainability linked lending) on overall medium/long term lending new production: group 2024 target set at 15%; percentage of Sustainable bonds (for corporates and financial institutions, excluding Sovereign, Supranational and Agency Long Term Credit) on all bonds (For corporates and financial institutions, excluding Sovereign, Supranational and Agency Long Term Credit): group 2024 target set at 15%; percentage of ESG assets under management stock on Total of assets under management stock: group 2024 target set at 50%

Furthermore, if the threshold for profitability, capital and/or liquidity is not reached, Malus conditions may apply pro-rata for each year of the long-term performance period.

The application of a further discretional range up to +20% in the faculty of Board of Directors is foreseen with respect to the overall adjustment, on the basis of specific criteria (e.g. performance vs. the broader Strategic Plan execution, performance within the broader market context, macro scenario, compensation trends in the market, reputational impacts, regulatory recommendations), while there is no limit to a downward adjustment of the overall adjustment.

5.1.5 Payout Structure

As approved by the Board of Directors on March 7, 2024, with reference to payout structure, the Group Material Risk Taker population will be differentiated into four clusters, using a combined approach of position and compensation:

- for Group CEO, GEC members and Group Chief Audit Executive (CAE) 6-year deferral schemes are applied, consisting in a payout structure of 7 years in total; a smoother deferral curve is applied in case of Control functions, People & Culture and Manager in Charge of Drafting the Company Financial Reports due to the absence of additional long-term performance conditions;
- for GEC-1 and Group CAE direct reports 5-year deferral schemes are applied, consisting in a payout structure of 6 years in total; a smoother deferral curve is applied in case of Control Functions and People & Culture, due to the absence of additional long-term performance conditions;
- for other Senior Management[52] 5-year deferral schemes are applied, consisting in a payout structure of 6 years in total; a higher deferral percentage is applied in case of variable remuneration > €430,000[53];

[52] Staff members below GEC-1 which are senior management of the Legal Entities of Group MBU. This includes: Group CEO, Heads of Group Businesses/Divisions, Heads of Group Competence Lines, Group CEO reporting lines and all other Senior Management roles in Group Legal Entities (as defined by Bank of Italy) receiving a significant amount of variable remuneration.
[53] €430,000 is the lower amount between 10 times the average Bank total compensation and the 25% of total compensation of Italian High Earner as reported by EBA in its Report on high earners for 2019. This threshold was calculated in 2022, thus the same amount is confirmed for 2024.

- for other Material Risk Takers 4-year deferral schemes are applied, consisting in a payout structure of 5 years in total; a higher deferral percentage is applied in case of variable remuneration > €430,000.

The payout of incentives will be done through upfront and deferred instalments, in cash or in UniCredit ordinary shares, over a multi-year period:

- for the CEO, GEC members and Group Chief Audit Executive, in 2026 the first instalment of the total incentive will be paid in free UniCredit ordinary shares subject to the evaluation of the individual adherence to compliance and conduct principles[54];
- for all other Group Material Risk Takers, the first instalment of the total incentive will be paid in cash, in 2025, and free UniCredit ordinary shares, in 2026, subject to the evaluation of the individual adherence to compliance and conduct principles[55];
- the remaining part of the overall incentive will be paid in cash and/ or free UniCredit ordinary shares
  - 2029-2031 for Group CEO and GEC (excluding Control Functions, People & Culture);
  - 2027-2031 for GEC belonging to Control Functions and People & Culture and Group CAE;
  - 2029-2030 for GEC-1 (excluding Control Functions, People & Culture and Manager in Charge of Drafting the Company Financial Reports);
  - 2027-2030 for GEC-1 belonging to Control Functions and People & Culture, Manager in Charge of Drafting the Company Financial Reports, Group CAE direct reports and other Senior Management;
  - 2027-2029 for other Material Risk Takers;
- Each further tranche will be subject to the application of the Zero Factor for the year of reference and in absence of any individual/values compliance breach.
- Each share tranche is subject to a 1-year retention period for both upfront and deferred shares, as foreseen by regulation.
- Dividends on vested shares under retention will be recognized to the beneficiaries.
- All the instalments are subject to the application of claw-back conditions, as legally enforceable.

Deferral scheme – "Payout view" i.e. considering 1-year mandatory holding period for shares

Payout view	2025	2026	2027	2028	2029	2030	2031
Group CEO, GEC (excluding Control Functions[A] and People & Culture)		40% shares			20% shares	20% shares	20% shares
GEC belonging to Control Functions[A], People & Culture and Group CAE		40% shares	12% shares	12% shares	12% shares	12% shares	12% shares
GEC-1 (excluding Control Functions[A], People & Culture and Manager in Charge of Drafting the Company Financial Reports)	20% cash	20% shares			20% shares	20% cash + 20% shares	
GEC-1 belonging to Control Functions[A], People & Culture, Manager in Charge of Drafting the Company Financial Reports, Group CAE direct reports and Other Senior Management[B] with variable remuneration >€430k	20% cash	20% shares	10% shares	10% shares	10% shares	20% cash + 10% shares	
Other Senior Management[B] with variable remuneration ≤ €430k	25% cash	25% shares	5% cash	10% shares	10% shares	10% cash + 15% shares	
Other Material Risk Taker with variable remuneration >€430k	20% cash	20% shares	15% shares	15% cash + 15% shares	15% cash		
Other Material Risk Taker with variable remuneration ≤ €430k	30% cash	30% shares	10% shares	10% cash + 10% shares	10% cash		

A. Audit, Compliance, Risk Management
B. Including other Material Risk Taker assimilated to Senior Management according with applicable regulations

[54] Considering also the severity of any internal/external findings (i.e. Audit, Bank of Italy, Consob and/or analogous local authorities).
[55] Considering also the severity of any internal/external findings (i.e. Audit, Bank of Italy, Consob and/or analogous local authorities).

At local level, Group Entities may perform calibrations on the length of the deferral schemes and/or the use of financial instruments to be aligned with more restrictive local regulations.

The number of shares to be allocated in the respective instalments shall be calculated on the basis of a share conversion price defined in 2025 considering the arithmetic mean of the official market price of UniCredit ordinary shares in the month prior the BoD resolution that approves 2024 results .

The Board of Directors assigns free UniCredit ordinary shares that will be freely transferable at the end of the retention period.

For Group Material Risk Takers, the annual variable remuneration has to be deferred if it:

- is above €50,000 , *or*
- represents more than one third of the total annual remuneration.

Below this threshold no deferral mechanisms will be applied, according to relevant regulatory indications.

The maximum value of the 2024 Group Incentive System for the Group Material Risk Takers receiving UniCredit ordinary shares is approximately €183 mn, equivalent to approximately 0.65% of UniCredit share capital, at the publication date of the document, assuming that all free shares for employees are distributed.

Out of this amount, the estimated portion that could be awarded, exceeding the 1:1 ratio between variable and fixed remuneration, is ca. 12% of the overall estimated pool (approx. €22 mn distributed to approx. 140 beneficiaries), equivalent to approximately less than 0.1% of UniCredit share capital, assuming that all free shares for employees are distributed.

The overall number of shares under all other current outstanding Group equity-based plans, at the publication date of the document, equals 1.63% of UniCredit share capital.

The beneficiaries cannot activate programmes or agreements that specifically protect the value of unavailable financial instruments assigned within the incentive plans. Any form of coverage (hedging) will be considered a violation of compliance rules and imply the consequences set out in the regulations, rules and procedures. With the goal to respect this provision, Corporate Control Functions perform sample checks on custody and administration internal accounts for Material Risk Takers and require them to communicate the existence towards other intermediaries of custody and administration accounts and their performed transactions and financial investments, if any.

As foreseen by the incentive systems of previous years, also for the 2024 Group Incentive System, in case of termination of the employment relationship, the Employee will lose all rights under the System unless he/she qualifies as a Good Leaver.

Specifically, in the case of a Good Leaver, if the termination occurs during the performance period, the Employee will be entitled to a pro-rata temporis award of the deferrals, subject to the achievement of relevant performance conditions at the end of the performance period and according to the deferred payout scheme and all other terms and conditions under the Rules of the 2024 Group Incentive System. For the purpose of the Rules, a “Good Leaver” is exclusively an Employee who ceases to be an Employee of any Company during the performance period of the System due to the following reasons:

- termination of the employment relationship due to any physical impediment including ill-health, injury or permanent disability, as established by applicable laws;
- retirement, also in case of agreement with the Company and/or enrolment into early retirement or redundancy plans;
- the company employing the Employee ceasing to be a member of the Group;
- a transfer of the undertaking, or the part of the undertaking, in which the Employee works to a person or legal entity which is not a member of the Group.

The status of “Good Leaver” may also be granted, taking into account the specific circumstances and the company’s interest, within the scope of specific agreements entered into with the beneficiary.

FOCUS

Compliance breach, Malus and Claw-back

The Group reserves the right to activate malus and claw-back mechanisms, namely the reduction/cancellation and the return respectively of any form of variable compensation.

In case of ex-ante risk adjustment, the Malus mechanism (the reduction/cancellation of all or part of the variable remuneration) can be activated to the variable remuneration to be awarded. In addition to the adjustment on the variable remuneration, promotion and merit salary reviews might as well be subject to the compliance breach assessment. In case of ex-post risk adjustment, the Malus mechanism (the reduction/ cancellation of all or part of the variable remuneration) can be applied to the deferred components that have already been awarded and have not yet been paid out, for the year in which the breach occurred. If the outstanding variable remuneration is not sufficiently large to ensure an appropriate malus mechanism, the reduction may be applied also to other variable remuneration components (e.g. deferred component from other years than the year in which the breach occurred or the variable remuneration awarded for the year and not yet paid).

Claw-back mechanism (the return of all or part of the variable remuneration) can be activated on the overall variable remuneration already paid, awarded for the time period during which the breach occurred, unless different provisions by local regulations or more restrictive provisions are in force.

The claw-back mechanisms can be activated up to a period of 5 years after the payment of each instalment, also after the employee's contract termination and/or the end of the appointment and take into account legal, social contributions and fiscal profiles and the time limits prescribed by local regulations and applicable practices.

Malus and claw-back mechanisms may apply in the case of verification of behaviours adopted in the reference period (performance period), for which the employee:

- contributed with fraudulent behaviour or gross negligence to the Group incurring significant financial losses, or by his/her conduct had a negative impact on the risk profile or on other regulatory requirements at Group or country/division level;
- engaged in misconduct and/or failed to take expected actions which contributed to significant reputational harm to the Group or to the country/division, or which were subject to disciplinary measures by the Authority;
- is the subject of disciplinary measures and initiatives envisaged in respect of fraudulent behaviour or characterized by gross negligence during the reference period;
- infringed the requirements set out by articles 26 TUB and 53 TUB, where applicable, or the obligations regarding the remuneration and incentive system.

Malus mechanisms are also applied to take into account the performance net of the risks actually assumed or achieved, the performance related to the balance sheet and liquidity situation.

According to the EBA guidelines[56] and to further strengthen the governance framework, the key rules of compliance breaches management, as well as, their related impact on remuneration components, through the application of both malus and claw-back clauses, are given below.

Specific guidelines about the application of the Malus and Claw-back procedure to be adopted throughout the Group were formalized and provided by the Holding Company to the Legal Entities that apply local adaptations consistent with the overall Group approach and with regulations in the various countries in which the Group operates.

The process is specifically applicable to the Material Risk Takers population, as per regulatory provisions, while general principles are applicable to all individuals within the Group who are beneficiaries of variable remuneration, including external networks and agents, where applicable.

The main elements of the Malus and Claw-back procedure are the following:

- breaches identification, based on the roles and responsibilities of the functions involved according to their ordinary activities. The Identification is based both on internal and external sources (e.g. special investigation, disciplinary sanctions, regulatory sanctions);

[56] Guidelines on sound remuneration policies, published on July 2, 2021

- breaches evaluation, based on the assessment of the breach materiality following a scoring system, from lowest to highest value. The drivers of materiality assessment are:
    - gravity of the individual conduct[57], including the circumstances of a law violation;
    - nature (fraud or gross negligence) of the trigger event;
    - repetitiveness of the breach;
    - impact on financials;
    - seniority of the individual;
    - organizational role;
    - impact on the Group external reputation (e.g. Cyber Risk, Climate Related issues, etc.);
    - other circumstances aggravating or mitigating the reported breach.
- In coherence with the score assigned and the reference period of the breach, the impact on the variable remuneration is defined according to two elements:
    - perimeter of the variable remuneration (upfront or deferred) that can be reduced/cancelled based on predefined scenarios, according to the breach materiality. In case of heavy breaches, fulfilling certain pre-conditions, the claw-back (return) of already paid variable remuneration may be activated;
    - percentage of the variable remuneration that can be reduced/cancelled and/or returned back.
- Relevant breaches by Group Material Risk Taker population will be submitted for evaluation and proposal to the Group People & Culture Officer, Group Compliance Officer and Head of Group People Succession, Analytics & Rewards. The Chief Audit Executive is also attending the meeting as permanent guest, without voting rights;
- decision making process and relevant measure adoption are defined according to the internal HR Delegation of Powers.

For Executive Directors and Executives with Strategic Responsibilities specific contractual provisions are envisaged, that allow the Company to ask the return, partially or totally, of the variable remuneration components already paid (or retain deferred amounts), defined according to data proved to be manifestly incorrect at a later time and other circumstances which may have been identified by the company.

FOCUS

Incentive System for Financial Advisors - other than employees - performing off-site offering (Consulenti Finanziari abilitati all'offerta fuori sede – OFS)

> Bonus Pool Funding

The relevant Bonus Pool is funded on non-HR costs and is defined through a self-financing mechanism. It is calculated as the sum of commissions paid as "non-recurring" remuneration, based on specific targets assigned to Financial Advisors (e.g.: percentage on managed net inflows, or on loans granted).

> Entry Conditions

The relevant Bonus Pool for Financial Advisors is subject to:

- Capital, Liquidity conditions set at Group level and applicable to the division in scope (e.g. Italy);
- Risk and sustainability adjustments, depending on the "quality of performance" of the division in scope (e.g. Italy), that may revise it downwards. (Adjustments based on Risk Appetite Framework – RAF annual, and Risk Management judgement).

The joint verification of the access conditions results in 2 possible scenarios whereby the bonus pool can be confirmed or zeroed.
The malus condition (Zero Factor scenario) will apply in case the specific metrics on Capital and Liquidity are not achieved (box A).

[57] As per ESMA Guidelines on certain aspects of the MIFID II remuneration requirements "Ex-post adjustment mechanisms referred to in the previous paragraph should be triggered by relevant events impacting the firm's or relevant persons' compliance with the applicable provisions under MiFID II and its delegated acts aiming at the fair treatment of clients and the quality of services provided to clients."

Specifically, the Zero Factor is applied to the Group Material Risk Taker population, whereas for the non-Group Material Risk Taker population, a significant reduction will be applied.

ENTRY CONDITIONS DEFINITION

1. Group

- **Own Funds and Leverage ratios**[A] ≥ 2024 RAF “limit”[B]
- **Liquidity Coverage Ratio**[A,C] ≥ 2024 RAF "limit" (111%)
- **Net Stable Funding Ratio**[A,D] ≥ 2024 RAF "limit" (102.3%)

ENTRY CONDITIONS ASSESSMENT

A Zero Factor

B Open

A In case Capital or Liquidity “entry conditions” are not met at Group level, the malus condition is activated, triggering the application of Zero Factor[E] on both current year bonus and previous years deferrals. For the other employees, a significant reduction will be applied.

B In case the Entry Conditions at Group level are met, the gate is “fully open” meaning the Bonus Pool may be fully confirmed.

A. In case of issues with capital and/or liquidity requirements at Legal Entity (LE) level, a zero factor scenario in the cascading phase is activated, even if the Entry Conditions at Group level are fully satisfied.
B. The Group variable remuneration policy shall comply with ECB recommendation, issued in Jan. 2020, that requires to be “consistent with a conservative, at a minimum linear, path towards fully-loaded capital requirements and outcomes of SREP”, including the so-called Pillar 2 Guidance. This implies for Own Funds ratios thresholds (based on requirements expected as of 4Q24) above RAF limits: CET1 ratio Transitional ≥ 11.11%; Tier 1 ratio Transitional ≥ 12.98%; Total Capital ratio Transitional ≥ 15.48%. Leverage Ratio Transitional 2024 RAF limit is ≥4.06%.
C. Liquidity Coverage Ratio: it aims to ensure that the bank maintains an adequate level of not restricted “High Quality Liquid Assets” in a sufficient quantity to cover the overall ‘Net Cash Outflows’, over a period of thirty days, under gravely stressed conditions specified by Supervisors
D. Net Stable Funding Ratio: is defined as the amount of available stable funding relative to the amount of required stable funding and measures, under a long term perspective, the sustainability terms of maturities between asset and liabilities. In detail: the ratio between Available of Stable Funding – ASF (The amount of ASF is calculated by first assigning the carrying value of an institution’s capital and liabilities; the amount assigned to each category is then multiplied by an ASF factor, and the total ASF is the sum of the weighted amounts) and Required Stable Funding – RSF (The amount of required stable funding is calculated by first assigning the carrying value of an institution’s assets to the categories listed. The amount assigned to each category is then multiplied by its associated required stable funding (RSF) factor, and the total RSF is the sum of the weighted amounts added to the amount of Off Balance Sheet activity –or potential liquidity exposure- multiplied by its associated RSF factor)
E. For Executive & Material Risk Takers population. In any case, the Board of Directors can provide the CEO the possibility to allocate a separate and discretional pool for retention purposes only, subject to local relevant governance bodies’ decision, eventually including positive feedback from ECB, if required (e.g. in a scenario of CET1r < threshold, in a context of a capital contingency plan defined with ECB). For the other employees, a significant reduction will be applied.

>Individual allocation

Individual allocation will be based on a managerial appraisal, which takes into account the results of a specific scorecard, the overall individual performance appraisal.

Furthermore, access to the variable remuneration will be in line with the applicable regulatory requirements (circ. 285 and Disposizioni di Trasparenza Bankit) and will be subject to the completion of specific compliance gates, defined in the relevant Incentive System for the Financial Advisors, in force (eg. Mandatory training, KYC, etc.), including malus & claw back clauses (for a complete overview on the latter please refer to paragraph 5.1.5).

Without prejudice to all the regulatory provisions applicable to the Group Material Risk Taker population (among others: the deferral threshold, malus & claw-back clauses, etc.) described in the preceding paragraphs, for the Financial Advisors identified as GMRTs, the payment of the variable component of remuneration shall take place over a multi-year period and shall be made through immediate and deferred tranches, in cash and in UniCredit ordinary shares. The applicable deferral scheme will be set in line with those envisaged for Group Material Risk Taker personnel, as described in paragraph 5.1.5.

Finally, it should be noted that the provisions of art. 1751 of the Civil Code shall apply upon termination of the relationship. The status of “Good Leaver” may possibly be granted, taking into account the specific circumstances and the company’s interest, within the scope of specific agreements entered into with the beneficiary.

5.2 Performance Management framework

5.2.1 The Framework

The Group Incentive System, described in paragraph 5.1, is supported by the annual performance management process assuring coherence, consistency, and clarity of performance objectives and behavioural expectation aligned with business strategy. The setting of the annual objectives (known as Goal Setting) is the initial phase of this process and is supported by a structured framework that includes a catalogue of performance indicators (the "KP! Bluebook") annually reviewed by relevant group key functions (e.g. People & Culture, Finance, Risk Management, Group Strategy & ESG) and guidelines. The framework is in line with regulatory provisions and Group standards as verified by Compliance and it is related to:

- the selection of goals based on year-to-year priorities defined by business/perimeter and the assignment of individual goals customized on the single position;
- the indication of measurable goals, both qualitative and quantitative. In case of customized goals, clear and pre-defined parameter for future evaluation performance shall be set and made transparent;
- the adequate mix of financial and non-financial goals, taking into account the single role's specificities;
- the use of risk-adjusted/related goals (e.g. at least one KPI in the goals card);
- the use of sustainability goals for value creation over time (e.g. about half of the goals shall be related to long-term value creation);
- the link with ESG and Diversity, Equity & Inclusion ("DE&I") strategies (e.g. at least one ESG KPI for all GMRT with a particular focus on DE&I KPIs for staff reporting to GEC and their direct reporting line). For selected individuals (see chapter 5.1.4) ESG goal is included as additional long term condition;
- the use of goals related to business, corporate values, conduct and compliance/risk culture, with a focus on:
  - being a role model for Group culture, values and purpose;
  - setting the proper tone from the Top and from the Middle on Compliance culture and Risk mindfulness.;
- the selection of goals for the Control Functions, in order to ensure their independence (e.g. avoid KPIs linked to profitability results, use KPIs independent of results of monitored areas to avoid conflict of interests);
- the selection of goals, defined in a perspective of avoidance of conflicts of interest with customers, particularly for Commercial/ Network roles;
- the inclusion of appropriate credit quality metrics and KPIs in line with the institution's credit risk appetite, for staff engaged in credit granting, credit administration and monitoring;
- the selection of goals for staff assigned to two or more positions (i.e., "double-hat") balanced and respectful of the independence of each position, to avoid any conflict of interest.

The *KPI Bluebook* includes KPIs among which:

Main clusters	Exemples of KPIs for each cluster
Value Creation	• ROAC (Return On Allocated Capital) • ROTE (Return on Tangible Equity) • Net Revenues • ....
Risk and capital governance	• Net CET1 generation • Organic Capital Generation • New Business EL% • ...
Clients	• Gross New Clients • Internal Service Quality (ISQ) • Reputation Index • Net Promoter Score (NPS) • ...
Industrial levers	• Operating costs • Cross-selling excellence (CSE) • Cost /Income • ...
People & Culture	• Diversity, Equity & Inclusion ambitions • People&Culture Processes Execution • Sustain value through excellence in execution • ...
Compliance culture	• "Winning, the Right Way, Together" • Regulatory requirements and policy implementation • KYC Quality • ...
ESG	• ESG Strategy • Social Lending • Net Zero Project

Financial and non-financial goals included into the KPI Bluebook are mapped into clusters, as illustrated in the picture above, to help identifying the most relevant standardized KPIs: they are also categorised based on being risk-adjusted/related or on sustainability drivers.

Sustainability KPIs and ESG related KPIs are the goals that meet current needs without compromising the ability of the Company to generate profit in the future and which have an impact on the creation of medium/long-term value for one or more stakeholders.

In general, the KPI Bluebook, in addition to being the reference catalogue for the assignment of objectives within the Group Incentive System, can also be applied to the assignment of annual objectives for all Group personnel.

5.2.2 2024 Goal Setting Framework

The annual objectives are defined starting from the business strategy and in compliance with the KPI framework described above.

The process starts with the definition of the objectives for Top Management, which serves as a starting point for the cascading of objectives to lower levels, where applicable.

2024 CEO scorecard is confirmed around the key pillars of Unicredit Unlocked Strategy, both for financial KPIs and non-financial goals.

The max targets disclosed for the financial KPIs are In line or even above the last available market consensus I.e. the one disclosed after the FY 2023 financial results disclosure.

This means that the CEO will have the opportunity to get 2024 total max remuneration, as done In 2023, only by reaching all of those financial max targets, assuming to get also the max score on the non-financial goals.

2024 CEO Scorecard

Lever	KPIs and weights	2024 Max Target	Criteria	Points
80% **Financial** *(KPIs equally weighted)*	**Net Revenues (20%)** (Revenues – LLPs)	**22,5 bn**	> 22,5	120[B]
			20,4 – 22,5	80-120*
			< 20,4	0
	Costs (20%) Cost/Income	**41,0 %**	< 41,0%	120[B]
			44,4 – 41,0%	80-120*
			> 44,4%	0
	Opex	**9,4 bn**	< 9,4	120[B]
			9,6 – 9,4	80-120*
			> 9,6	0
	Organic capital generation (20%)	**300 bps**	> 300	120[B]
			243 – 300	80-120*
			< 243	0
	Net profit[C] (20%)	**~ 8,5 bn**	> 8.5	120[B]
			6,9 – 8,5	80-120*
			< 6,9	0
20% **Non Financial**	***"Win, The right way, Together" (20%)*** *Qualitative assessment* based on fostering corporate values and expected conduct, with a balanced approach across sustainable growth and risk management, with a focus on: • results of **360° behavioral assessment** based on corporate values adherence; quality of culture related events/activities, roadshows, learnings and workshops in holding functions and legal entities to spread **UniCredit culture** across the countries • nr of employees involved in initiatives to set the **tone on compliance culture** and **risk mindfulness** (e.g. impact of Tone from the Top, Tone from the Middle initiatives, Mandatory Training outcomes, Risk university) • **Industrial KPIs achievements** on business operating model transformation with focus on **clients** (e.g. customer experience NPS, net revenues per client) and **digitization** (e.g. remote sales index, # IT incidents)		GREATLY EXCEEDS	120
			EXCEEDS	110
			MEETS	100
			MOSTLY MEETS	50
			BELOW	0
		As weighted average of Financial and Non-Financial[A]	**Tot. score *(0-120 pts)***	

** Linear continuum*

A. BoD discretion: unlimited downward and up to +20% to evaluate broader performance and market context **B.** The over-performance of a single KPI above the max threshold can be used – calculated in points as linear continuum at the same range of each KPI capped at 140 pts max – to compensate only those KPIs that reach at least their minimum threshold level, still within the maximum 120 points of the overall scorecard. **C.** Net profit equal to stated net profit adjusted for impacts from TLCF DTAs, potential one-offs related to strategic items, financial effects of strategic decisions

A balanced set of KPIs have been selected for the CEO scorecard, with a higher weight on financial goals (80%), supported by Non-financial strategic priorities & culture goals (20%).

The choice of the specific KPIs, fully confirmed versus 2023 scorecard, have been made in alignment with the strategic plan and supported with specific rationales:

- **Net Revenues:** optimization of the risk-return curve sustaining business growth driven by fees, capital light and revenue that delivers profitability above the cost of equity, while maintaining risk discipline and a stable cost of risk;
- **Costs (Cost/Income & Opex):** delivery of lower absolute cost base while improving operational efficiency through process simplification, digitalization, and operating model transformation;
- **Organic Capital generation:** strengthening of the Bank's capital position through a healthy organic capital generation leveraging on net profit growth and RWA optimization as well as active portfolio management;
- **Net Profit**: another key measure of the Unlocked Strategic Plan, reflecting the profitability of the Bank.

Each financial KPI is assessed quantitatively (Result vs Target), considering specific range and thresholds defined for each KPI. The score of each KPI can move in a 0-120 points rating scale, as follows:

- is zeroed if achievement is below lower threshold;
- is calculated in linear continuum between the lower and the upper threshold;
- is capped (120pts) if it is higher than upper threshold.

On the non-financial section **Winning, the right way, together** has been confirmed as fundamental goal, since Culture is a key driver of Unlocked Plan. This goal aims at fostering corporate values and expected conduct and behaviors aligned with corporate culture, with a balanced approach across sustainable growth and risk management for all stakeholders.

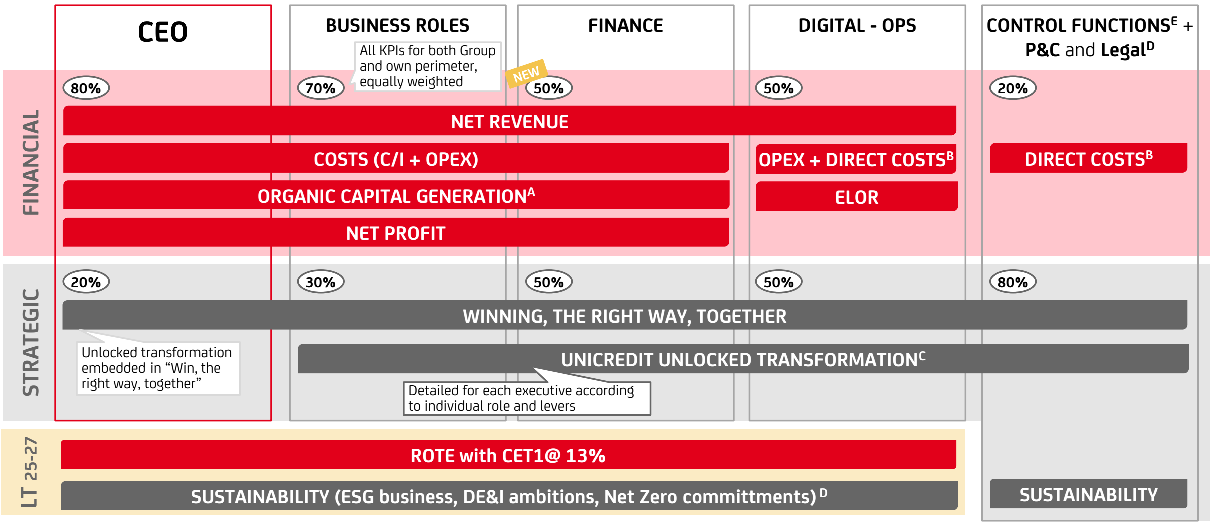
It is based on a qualitative assessment (on a 5-point rating scale), with a focus on:

- being a role model for corporate values (Integrity, Ownership, Caring) – supported by results of 360° behavioral assessment based on corporate values adherence; nr and quality of culture related events/activities, roadshows, learnings and workshops in holding functions and legal entities to spread UniCredit culture across the countries;

- set the proper tone from the top and from the middle on compliance culture and risk mindfulness – supported by nr of employees involved in initiatives to set the tone on compliance culture and risk mindfulness (e.g. impact of TftT, TftM initiatives and Mandatory Training, risk university)
- deliver process simplification and foster customer mindset as enablers of the business and operating model transformation – supported by industrial KPIs achievements on business operating model transformation with focus on clients (e.g. customer experience NPS, net revenues per client) and digitization (e.g. remote sales index, # IT incidents)

The CEO scorecard is back-bone for the goals' cascading across the organization. Below is the illustrative structure of the objectives for the rest of the top management.

Overview on 2024 Goal Setting for Executives with Strategic Responsibilities (illustrative)



Note: all KPIs are referred to own perimeter, unless otherwise specified

A. At own perimeter level, NET CET1 generation; **B.** For Digital & Operation direct costs as TCO of own perimeter, for Group People & Culture Officer as Group Staff Expenses; **C.** For Chief Legal Officer, including "High quality legal support"; for Chief Audit Executive: including "Internal Audit independence and governance"; **D.** Legal is also eligible for LT conditions (sustainability included in LT); **E.** Also included: Manager in Charge of drafting the Company's financial reports.

The financial section is differently weighted depending on the role and, in compliance with regulations, for the Corporate Control Functions includes objectives non related to profitability. Financial goals are evaluated in a deterministic way based on a quantitative assessment as described above.

Goals within the non-financial section are assessed on a qualitative 5-point rating scale.

Within the non-financial section (Strategic Priorities & Culture) a specific Goal "Winning, The Right Way, Together" is mandatory for all the executives and it is related to Corporate values, conduct and compliance/risk culture, with a focus on Group culture, values and purpose and Tone from the Top and tone from the middle on Compliance culture and Risk mindfulness.

Additionally, to support UniCredit's commitment to ESG targets and DE&I ambitions specific "Sustainability" goals have been assigned to Executives with strategic responsibilities, which can also be assigned to lower levels in order to Support clients' green and social transition, embedding sustainability in UniCredit culture, valorising people diversity and promoting equity & inclusion. For selected Executives with strategic responsibilities (see chapter 5.1.4) "Sustainability" goal is included as an additional long term condition.

Finally, for Executives with strategic responsibilities an annual objective for the implementation of "UniCredit Unlocked Trasformation" is defined, customized on the specific role and with reference to specific strategic initiatives and projects linked for example to process simplification and fostering customer mindset as enablers of the business and operating model transformation.

These goals are calibrated and cascaded across the managerial chains.

5.3 Employee Share Ownership Plan – U Share

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

The participation and active involvement of our People in the achievement of corporate results is one of the pillars of our remuneration strategy and a core principle that integrates our value set, Integrity, Ownership and Caring.

This is reflected in the introduction of **U Share**, the new share ownership plan to be launched for the Group employees.

The Plan, coherently with the Board resolution approved on March 7, 2024, and the regulatory requirements in force, will offer to employees the opportunity to invest in UniCredit ordinary shares on favourable conditions, with a global and consistent approach across the Group.

KEY FEATURES

- **Employees Voluntary investment** in UniCredit Ordinary shares, with pre-defined investment packages capped at 10k eur max for each individual
- **all Group employees** eligible, **excluding MRT at Plan's launch** - as already exposed to shares for regulation - or personnel operating in those legal entities where it is not possible to activate the plan for any reason
- **Shares purchased on the market** via selected broker on behalf of plan participant as preferred funding option to **minimize dilutive impact** on share capital

PLAN MECHANISM

1 **Discount** 20% *of invested amount* — If:
- **18-months hold**
- continuous employment

2 **Matching** 20% *of invested amount* — If:
- **36-months vesting**
- continuous employment
- **Group achievements** over the Plan horizon such as:
  - **Capital & Liquidity** e.g. CET1 and LCR above RAF[1]
  - **Asset quality**: e.g. NPE above RAF[1]
  - **Sustainability**: e.g. Own Emissions (scope 1 and 2) reduction[2]

(1) in line with the RAF trigger at end of the vesting period
(2) 3-years Avg direct GHG emissions below GHG emissions at plan's launch

All Group employees are potential beneficiaries of the U Share plan, with the exception of the Chief Executive Officer, the other Executives with Strategic Responsibilities and, more generally, personnel identified as Material Risk Takers, or personnel operating in those legal entities where it is not possible to activate the plan for any reason.

The Plan will offer to participants the opportunity to purchase UniCredit ordinary shares, receiving a 20% discount on the invested amount, in the form of free shares granted by the Company, subject to an 18 months holding period.

Additionally, following the completion of 3 years vesting period, and subject to specific long term Group performance conditions, such as capital, liquidity, asset quality and sustainability achievements, participants will be awarded free *matching shares* equal to 20% of the initial invested amount.

The Plan provides for the shares to be purchased preferably on the market thus minimizing the diluting impact on share capital.

Section II

Remuneration Report

1. Introduction

The Remuneration Report discloses all relevant Group compensation-related information and methodologies with the aim of increasing stakeholders' awareness of the compensation, practices and outcomes in UniCredit, demonstrating their coherence with the business strategy and performance and the sustainability over time, responsible remuneration and sound risk management.

The report provides ex post information on 2023 outcomes, covering both the Group Material Risk Taker population and corporate bodies' members. Remuneration solutions implemented in 2023 provided for:

- compliance of incentive structures with all relevant regulations, including deferred and equity incentives based on financial instruments;
- comprehensive performance measurement to foster sound behaviours aligned with the management of different types of risk.

The disclosure provided within the Remuneration Report considers the:

- alignment to the national and international regulatory provisions in force;
- continuous monitoring of market trends and practices, supported by PricewaterhouseCoopers, as external advisor of the Remuneration Committee as well as other national and European Banking Associations;
- annual engagement process with international investors and proxy advisors.

The activities performed in 2023 from a compensation standpoint are in line with the 2023 Group Remuneration Policy, which was built based on the relevant national and international regulatory framework, as made available along the years, among which:

- on January 1, 2014 the Capital Requirements Directive (CRD IV) was implemented, providing a cap on variable remuneration for Material Risk Takers and requesting local regulators to issue regulations for local implementation;
- on March 4, 2014 the European Commission issued the Delegated Regulation (EU) 604/2014 with regard to regulatory technical standards (RTS) to identify the Material Risk Taker population;
- on March 19, 2019 Bank of Italy issued the provisions on "Transparency of banking and financial transactions and services – Fairness of relations between intermediaries and clients", applicable from 2020;
- on December 10, 2020 Consob Issuers Regulation Nr. 11971 was updated under resolution no. 21623 to transpose the Directive (EU) 2017/828 (Shareholders Rights Directive II) requirements of May 17, 2017 already implemented in the legal system with the Legislative Decree no. 49 of May 10, 2019;
- on March 2021 the Commission Delegated Regulation (EU) 2021/923 on the criteria to identify Material Risk Takers;
- on July 2, 2021 EBA published an updated version of the document "Guidelines on sound remuneration policies"58;
- on November 24, 2021 Bank of Italy published the 37th update to Circular 285 on remuneration and incentive matters.

In 2023, in continuity with the past, UniCredit interacted with the Remuneration Committee's external advisor which provided:

- recommendations on remuneration based on specific benchmarking analysis versus our defined peer group to inform any decision, also related to executives of the Group;
- analysis of emerging trends in market compensation practices;

with the goal to improve Group policies and practices.

In 2023 and in the first months of 2024, UniCredit continued its annual structured dialogue with the international investors and proxy advisors, as well as national and European Banking Associations, receiving valuable feedback on

[58] Guidelines on sound remuneration policies under Article 74(3) and 75(2) of Directive 2013/36/EU and disclosures under Article 450 of Regulation (EU) No 575/2013.

the compensation approach and specific inputs for an effective compensation disclosure, considering Italian and international standards.

Moreover, to be noted the positive feedback gathered during the shareholders' General Meeting held on March 31, 2023 on the Remuneration Report on 2022, with an approval percentage higher than 92%.

UniCredit also interacted with Regulators to properly consider issued recommendations.

The Remuneration Report, a document providing complete and comprehensive information on compensation, includes also this year details referring to:

- the activity of the Remuneration Committee and the corporate functions involvement in the compensation processes;
- the remuneration processes and outcomes, including the implementation and outcome of the 2023 Group Incentive System, with specific details on the CEO compensation for 2023;
- a status update on the Group Long Term Incentive Plans;
- the summary outcome and statistics of the Group Material Risk Takers identification process;
- Remuneration data for the members of Administrative and Auditing bodies, General Managers and Executives with Strategic Responsibilities as well as broader remuneration data as required according to Pillar 3 disclosures.

In particular, data pursuant to sect. 84-quater Consob Issuers Regulation Nr. 11971, Compensation Report-Section II (last modified under resolution no. 21623 of December 10, 2020), as well as the information on incentive systems under 114-bis[59] are included in the attachments to the 2024 Group Remuneration Policy and Report, published on UniCredit website, in the section dedicated to the Shareholders' Meeting.

[59] Legislative decree no. 58 of February 24, 1998 as well as to the provisions of the issuer "Regulations" adopted by CONSOB with resolution no. 11971 of May 14, 1999 regarding the information to be disclosed to the market in relation to the granting of awarding plans based on financial instruments.

2. Governance

Unless expressly specified otherwise, the information contained in this section refers to the approval date of the document.

2.1 Report on the Remuneration Committee

› Description of the Remuneration Committee

The Remuneration Committee performs a fundamental role in supporting the Board in the oversight of Group Remuneration Policy and for the design of incentive plans. As established in the UniCredit Corporate Bodies and Committees Regulation with regards to the composition of the Board committees, the Committee consists of three non-executive members. The Committee's tasks are coordinated by the Chair chosen from among its independent members.

At the date of approval of this document, the Remuneration Committee is composed of Directors Mr. Jeffrey Alan Hedberg (Chairman), Mr. Luca Molinari and Ms. Renate Wagner. All members of the Committee are independent according to the Section 13 of the Italian Decree issued by the Ministry of Economics and Finance no. 169/2020 (the "Decree") and to Section 148 of the TUF, and the majority of them complies with the independence requirements prescribed by Section 2, recommendation 7, of in the Italian Corporate Governance Code. Further on, details on the independence of the members of the Committee are provided, in accordance with the Italian Corporate Governance Code, as well as with the Decree and the 'TUF'.

All Committee's members meet the experience requirements, in accordance with current legal and regulatory provisions and ensure that any further corporate offices they hold in other companies or entities (including foreign ones) are compatible with the commitment and availability required to serve as a member of the Committee. Some members have specific technical know-how and experience on financial matters or remuneration policies.

During the year, the members of the senior management team, and among–them - as per Bank of Italy request - the Heads of the Corporate Control Functions in Group Risk Management (Group Chief Risk Officer - Group CRO) and Internal Audit functions, attended Committee's meetings with regard to the topics specified in the dedicated table. Moreover, the Head of Group People & Culture always attended the meetings of the Committee as a guest.

The Remuneration Committee - in performing its duties - has made use of the information received from the competent corporate functions thanks to the support and collaboration of the heads of the corporate structures.

During the year, the spending requirements of the Committee were met by a specific budget. In particular, in 2023, by means of this budget, the Remuneration Committee availed itself of the services of PricewaterhouseCoopers (PwC) for the entire exercise of the Remuneration Committee's decision-making process. PwC is an external independent advisor, which provides advice on compensation practices and trends, as well as up-to-date remuneration benchmarking studies[60].

The absence of situations/relationships that could compromise the autonomy (independence) of the consultant has been assessed in advance. PwC has collaborated with the Committee since the fourth quarter of 2021. During its mandate, the external advisors' representatives were invited to attend the meetings of the Committee, providing their independent opinion to the Remuneration Committee on the various topics on the Agenda.

The Chair of the Remuneration Committee at the first available meeting informed, with the help of appropriate documentation, the Board of Directors about the activities carried out in the meetings by the Committee itself.

The Remuneration Committee shared, after their meetings, the discussed documentation with the Board of Statutory Auditors. Furthermore, in 2023, individual members of the Board of Statutory Auditors attended (with rotation) the majority of the meetings.

[60] Based on an external data provider analysis.

The following table summarizes the composition of the Committee in 2023 and, in addition to the information on the independence of the Committee members, provides details regarding their attendance of the meetings that have been called during the year.

Further details are reported in the Report on corporate governance and ownership structure published on the UniCredit website.

› Activities of the Committee 2023

In 2023 the Remuneration Committee met 12 times. The meetings had an average duration of about one hour and ten minutes.

From January 2024 to March 7, 2024, 5 meetings of the Committee have been held and it is expected that the Committee will meet 8 times in total in 2024.

Each meeting of the Remuneration Committee is placed on record by the Secretary designated by the Committee itself.

During 2023, officers of the following additional corporate functions participated in the work of the Committee with respect to relevant issues that were placed on the agenda from time to time:

- Group Risk Management: in 1 meeting;
- Group Finance: in 1 meeting;
- Internal Audit: in 1 meeting.

Remuneration Committee (period 01/01/2023 - 31/12/2023)

MEMBERS IN OFFICE	Independency according to Articles of Association and Code	Not Executive	Office covered C=Chair M=Member	Nr. of attended meetings in 2023	% of participation
Jeffrey Alan Hedberg[A] **Chairman**	✓	✓	C	10	100%
Molinari Luca[B] **Director**	✓	✓	M	12	100%
Wagner Renate[B] **Director**		✓	M	11	92%
MEMBERS NO LONGER IN OFFICE					
Gadhia Jayne-Anne[C] **Chairwoman**	✓	✓	C	-	-

In the period from February 7, 2023, to February 16, 2023, the Committee consisted of 2 members following the resignation of Ms Jayne-Anne Gadhia. During this period, the Committee held only one meeting, in which Mr Jeffrey Alan Hedberg participated as a guest.

A. Office held since February 16, 2023
B. Office held since April 15, 2021
C. Office held until February 7, 2023

The key activities of the Remuneration Committee in 2023 are represented in the following chart:

Key activities of the Remuneration Committee in 2023

BoD Submitted to the BoD AGM Submitted to the AGM AUDIT CRO CFO Participation of other Group functions

	Topics	January	February (3 meetings)	March	April	May	June
Strategy, Policy and Governance	**Group Short Term Incentive System**		• 2023 Group Incentive System [BoD+AGM] • Application of the ratio between variable and fixed remuneration of 2:1 across the organization [BoD+AGM]				
	Long Term Incentive Plan		• 2020-2023 LTIP status update				
	Group Policies – new / update		• 2023 Group Remuneration Policy and Report [AUDIT+BoD+AGM]				
	Local adaptation						
Annual compensation review and decisions	**Annual compensation decisions**		• 2022 Bonus Pool distribution & execution of previous years' plans - including approval of capital increase related to previous years' incentive plans [CRO+CFO] • Information on 2022 Group Incentive System for Group Material Risk Takers [BoD]				
	Identification of group identified staff (MRTs)					• 2023 Group Material Risk Takers 1st cycle [BoD]	
	Compensation for Executives		• Compensation Review for Executives with Strategic Responsibilities [BoD]	• "Dirigente Preposto" (Manager Charged with Preparing Company Financial Reports): Compensation and 2023 Goal Setting [BoD] • 2022 Group Incentive System – evaluation, payout and execution of previous years' plans for Executives with Strategic Responsibilities [BoD]			
	Goal setting		• 2023 Goal Setting for CEO and other Executives with Strategic Responsibilities [BoD]				
	Severance payments		• Annual Disclosure on 2022 Severance Payments				
Benchmarking provided by the external independent advisor	**Market trends**						
	Compensation for the Top Management						
Other	**Other**	• Preparation to Investors' Roadshow	• Roadshow with Investors and roadmap to AGM	• Latest available AGM voting projections on the compensation proposals and Rebuttal Letter to Proxy Advisors			• Updates concerning GEC

	Topics	July	August	September	October	November	December
Strategy, Policy and Governance	**Group Short Term Incentive System**					• 2024 Variable Remuneration Framework - Group Bonus Pool, Incentive System and Goal Setting - First Discussion	• 2024 Variable Remuneration Framework - Second Discussion
	Long Term Incentive Plan						
	Group Policies – new / update				• Gender Neutral Remuneration Policy		
	Local adaptation				• Local adaptations to 2023 Group Policies		
Annual compensation review and decisions	**Annual compensation decisions**				• 2022 Bonus payout and 2023 salary review outcomes	• 2023 Group Incentive System: Bonus Pool Distribution - Preliminary Discussion	• Delegation for capital increase for 2025 annual share-based installments and amendment of the articles of association [BoD + AGM]
	Identification of Group Material Risk Takers						
	Compensation for Executives						
	Goal setting				• Updates on 2023 Goal Setting for GEC members		
	Severance payments						
Benchmarking provided by the external independent advisor	**Market trends**				• Emerging trends in market remuneration practices and regulatory updates (independent consultant) • Chair and Non-Executive Directors Fees Bench-marking (independent consultant)		
	Compensation for the Top Management						• 2023 Competitive positioning vs market of Executive with Strategic Responsibilities
Other	**Other**	• Updates concerning GEC (2° meeting)		• Updates concerning GEC (3° meeting) • Information on ECB deep-dive on remuneration	• ECB deep-dive on remuneration outcomes and response	• Shares Unlocked - UniCredit ESOP 2024 Concept Proposal • Chair and Non-Executive Directors Fees Bench-marking – second discussion	• ESG Targets update – impact on Remuneration

2.2 Role of Corporate Control Functions and other relevant functions

In 2023, the **Compliance** function:

- evaluated, by issuing a preventive opinion, the conformity of the Group Remuneration Policy and Report with the regulations, the Articles of Association, the Group Code of Ethics and the Code of Conduct;
- verified that the identification of Group Material Risk Takers and the guidelines for the incentive system for the Non Material Risk Taker population were consistent with the criteria established by the remuneration and incentive policies;
- contributed to the definition of Compliance KPIs, within the KPI Bluebook, with the aim of promoting appropriate behaviour towards compliance risk-taking.

In 2023, to ensure the link between compensation and risk, the Group **Risk Management** function was involved:

- in the identification of Material Risk Takers, according to risk criteria;
- in supporting the definition/updating of KPIs and thresholds of Group Incentive System entry conditions;
- in the assessment of the risk adjustment multiplier to be applied to the Bonus pool as part of overall Group Remuneration framework;
- in the definition of KPIs, part of the KPI Bluebook, identified as risk-related with the aim of promoting appropriate risk taking behaviors;

so that incentives in taking risk are appropriately counterbalanced by incentives in managing risk.

Additionally, the Group Chief Risk Officer was invited to attend Remuneration Committee meetings to ensure that incentive schemes are appropriately updated to take into account all of the risks that the Bank has taken on, pursuant to methodologies in compliance with those adopted by the Bank in managing risk for regulatory and internal purposes.

Group **Finance** contributed to 2023 compensation processes mainly through:

- the definition of the Financial KPIs adopted for Group Incentive System entry conditions, bonus pool funding KPIs and performance Scorecard KPIs for the Group Material Risk Taker population;
- the provision of the relevant budget, forecast and actual data in Group Planning area of competence.

Furthermore, the Chief Financial Officer attended the Remuneration Committee meetings on the occasion of the presentation of the company performance, which determines the size of the bonus pool.

In particular, the Board of Directors and Remuneration Committee draw upon the input of involved functions to define the link between profitability, risk and reward within Group incentive systems.

Internal Audit Report on Group Remuneration Policies and procedures

Group Audit Department performed the annual audit on the Group remuneration policies and practices, according to Bank of Italy and EBA requirements[61] , aimed at verifying the design and implementation of the remuneration process. Internal Audit's "Mostly Adequate" evaluation was driven by the correct application overall of the Group Incentive System, including the execution of decisions taken by UniCredit's Remuneration Committee and Board of Directors. Internal Audit verified the overall correct implementation of 2023 Group Remuneration Policy and the application of Group Incentive System rules to Group Material Risk Takers. Internal Audit also verified, on a sample basis, the adequacy of specific aspects of the remuneration process, such as Group Material Risk Takers identification, goal setting, bonus pool calculation and distribution, procedures to comply with caps of the ratio between variable and fixed components of remuneration, performance appraisal, as well as the payment and deferral phase of the previous year incentive system. Severances paid in 2023 were in line with the Group Termination Payments Policy and severance guidelines and followed relevant escalation processes.

The main audit results were presented to the Remuneration Committee on 5 March 2024.

[61] Bank of Italy Circular 285 on "Policies and practices on remuneration and incentive" last available update and EBA "Guidelines on sound remuneration policies".

3. Remuneration Processes and Outcomes

3.1 2023 Incentive System implementation and outcomes

The 2023 Group Incentive System, approved by the UniCredit Board of Directors on February 26, 2023, provided for a 'bonus pool' approach that directly links bonuses with company results at Group and country/division level and ensures a strong connection between profitability, risk and reward.

Such a system, implemented within the framework of the policy and governance, provides for the allocation of a performance related bonus in cash and/or free ordinary shares over up to seven years (including the performance year). UniCredit's annual incentive system is designed to align the interests of shareholders and management and to reward for performance.

The 2023 Budget Bonus Pool approved in February 2023, as part of the annual Group Incentive System, was defined at Group level and then cascaded at divisional level, consistently with segment reporting disclosure (i.e. Italy, Germany, Central Europe, Eastern Europe, Group Corporate Center) based on the actual divisional performance adjusted taking into account quality and risk indicators as well as the cost of capital.

› Bonus pool sizing

The bonus pool dimension was related to the actual profitability measures multiplied by the bonus pool funding rate defined in the budgeting phase. This calculation determined the so called "theoretical bonus pool" that has then been adjusted to consider broader context, pay for performance effective application and cost affordability.

› 2023 Entry Conditions at group and local level

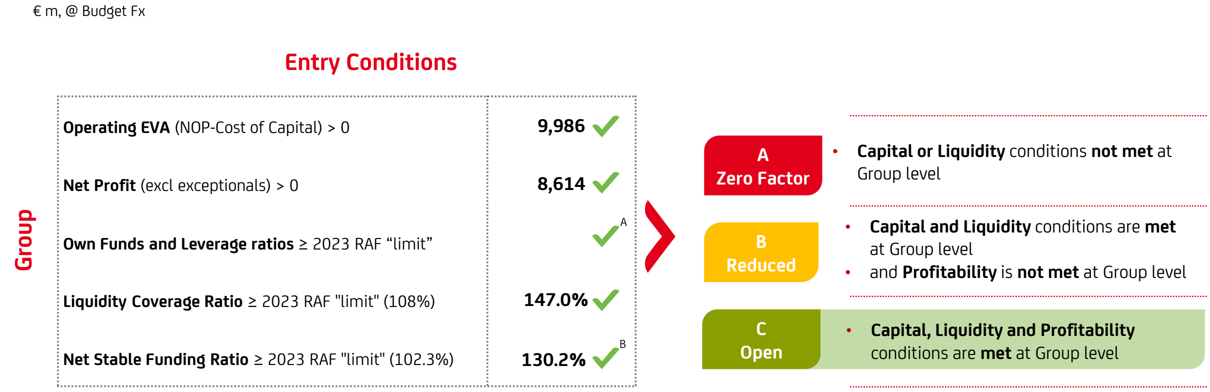
In order to align to regulatory requirements, specific indicators measuring annual profitability, capital and liquidity results were set at both local and Group level as Entry Conditions.

In particular, risk metrics and thresholds for the 2023 Group Incentive System as defined within the Entry Conditions - that confirm, reduce or cancel upfront and deferred payouts - included:

- **Operating EVA** defined as Net Operating Profit – Cost of Capital;
- **Net Profit** to measure profitability;
- **Own Funds and Leverage ratios**:The Group variable remuneration policy shall comply with ECB recommendation, issued in Jan. 2020, that requires to be "consistent with a conservative, at a minimum linear, path towards fully-loaded capital requirements and outcomes of SREP", including the so-called Pillar 2 Guidance. This implies for Own Funds ratios thresholds (based on requirements expected as of 4Q23) above RAF limits: CET1 ratio Transitional ≥ 10.82%; Tier 1 ratio Transitional ≥ 12.69%; Total Capital ratio Transitional ≥ 15.19%. Leverage Ratio Transitional 2023 RAF limit is 4.15%; TLAC ratio ≥ 22,56%.;
- **Liquidity Coverage Ratio**: it aims to ensure that the bank maintains an adequate level of not restr"cted "High Quality Liquid "ssets" in a sufficient quantity to cover the overall 'Net Cash Outflows', over a period of thirty days, under gravely stressed conditions specified by Supervisors;
- **Net Stable Funding Ratio** is defined as the amount of available stable funding relative to the amount of required stable funding and measures, under a long term perspective, the sustainability terms of maturities between asset and liabilities. In detail: the ratio between Available of Stable Funding – ASF (The amount of ASF is calculated by first assigning the carrying value of an institution's capital and liabilities; the amount assigned to each category is then multiplied by an ASF factor, and the total ASF is the sum of the weighted amounts) and Required Stable Funding – RSF (The amount of required stable funding is calculated by first assigning the carrying value of an institution's assets to the categories listed. The amount assigned to each category is then multiplied by its associated required stable funding (RSF) factor, and the total RSF is the

sum of the weighted amounts added to the amount of Off Balance Sheet activity –or potential liquidity exposure- multiplied by its associated RSF factor)

According to the actual results, approved by the Board of Directors on February 4, 2024, the relevant Entry Conditions have been achieved as reported in the picture below.



A. Own Funds ratios : CET1 ratio Transitional = 16,14%; Tier 1 ratio Transitional = 17,84%; Total Capital ratio Transitional = 20,90%. Leverage Ratio Transitional 2023 = 5,78%. Rapporto TLAC = 26,97%.
B. Entry Condition considered achieved at Group and Local level considering the latest available NSFR data, but reserving the possibility to submit the actual data, as soon as it is available, to a future BoD that could take a different decision in case the NSFR would result lower than the threshold

› 2023 Bonus Pool funding

As a consequence of the positive Entry Conditions assessment, the Group bonus pool is in the fully open scenario (scenario C).

2023 Group Incentive System rules therefore have been applied.

The theoretical bonus pool value has been calculated applying the funding rate percentage to the actual profitability results.

The Risk Management assessment based on RAF was good, with a positive "multiplier" which anyhow has not been activated since the theoretical bonus pool generation driven by Operating EVA results was sufficient to match the bonus pool proposed size.

In this context, the Remuneration Committee resolved to submit to the Board of Directors' approval the bonus pool amount grounded on performance results. In particular, the proposal submitted to the Board resulted in a total bonus pool amount which was lower than the total theoretical value (depending on the funding KPI which was extremely positive vs. the budget), calibrated considering broader context, the effective application of pay for performance and cost affordability. Among the criteria used to define the bonus pool size, it is worth to mention: i. the assessment of the quality of the performance by breaking down OpEVA into the most relevant business drivers assessed internally (both YoY and vs budget) and also externally (vs EU peers); the analysis of bonus per capita trend, used as driver to ensure the proper reward at the right cost.

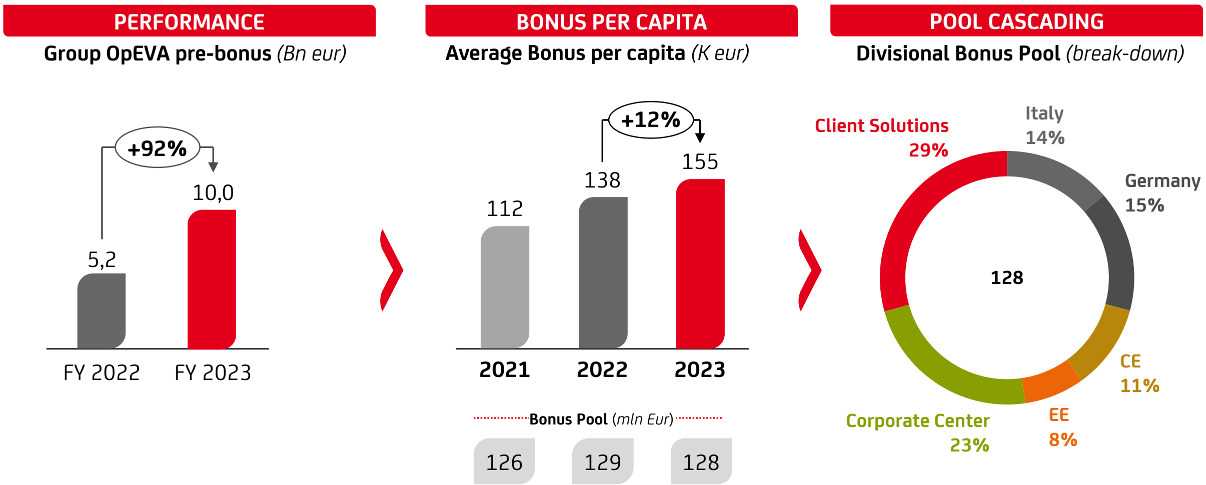
› Bonus pool distribution

The results of the above-mentioned steps, led to the distribution of the bonus pool for the Group Material Risk Taker population (827 individuals in 2023), as reported below, with a positive trend year-on-year of the average bonus per-capita (+12%), consistent with the company performance in terms of Operating EVA.

For 2023, the UniCredit Board of Directors took into consideration the Remuneration Committee's proposals and regulatory guidelines regarding variable remuneration. The assessment related to remuneration decisions, as in previous years, has been supported by a strict Group governance process in order to guarantee consistency and transparency towards all parties involved in the decision-making process.

The total amount of variable compensation for Group Material Risk Takers, detailed in paragraph 4.2, is sustainable given the bank's financial position and does not limit the bank's ability to hold an adequate level of capital and liquidity.

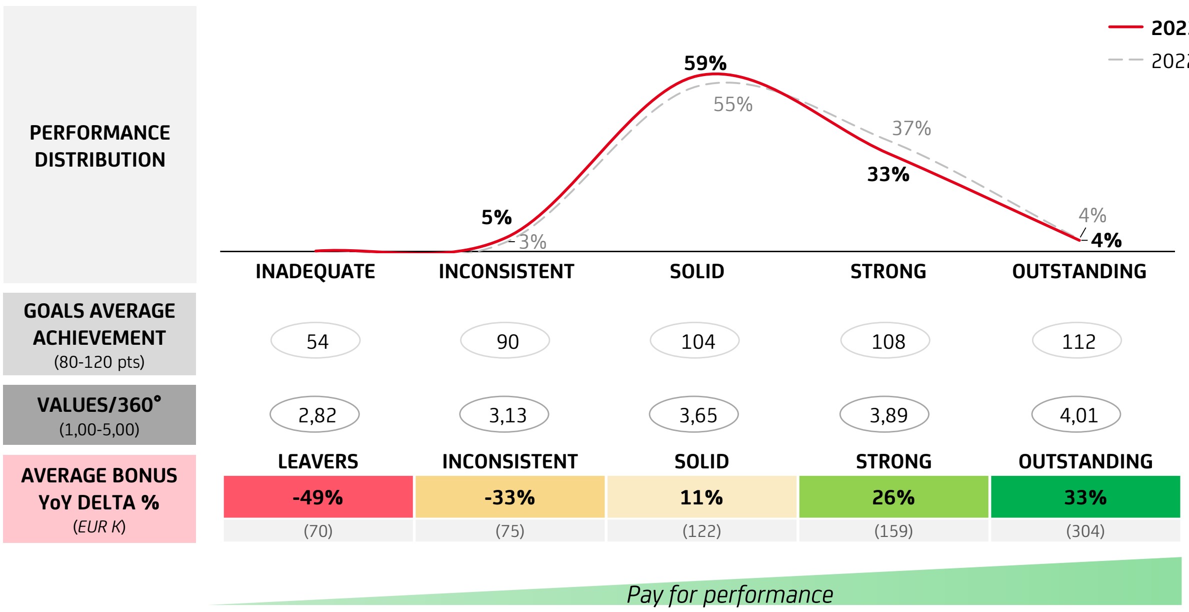
2023 Bonus distribution for GMRT



Details>>

For further details on the execution of the 2023 Group Incentive System and the deferrals of previous years' Plans, refer to Paragraph 4.2 and to the attachment to 2024 Group Remuneration Policy and Report, published on the UniCredit website, in the section dedicated to the 2024 Shareholder's Meeting.

The Individual allocation of the bonus for the Group Material Risk Taker population is set out below and testifies the consistency and correlation of the bonus outcomes with the performance appraisals, the goals' achievement and the 360-assessment based on company values.



With reference to 2023 Group Incentive System, upon the assessment of the achievement level for goals defined for 2023 and subsequent governance step in the Board of February 4th 2024 the allocation of ca. 4.8 million UniCredit ordinary shares was promised to ca. 480 Group Material Risk Takers to be distributed in 2025, 2026, 2027, 2028, 2029 and 2030.

The actual allocation of the deferred installments is subject to the application of Zero Factor for 2024, 2025, 2026, 2027 and 2028 respectively. Therefore, the 2023 Group Incentive System impact would be equivalent to approximately 0.33% of UniCredit share capital, assuming the achievement of Group performance thresholds without the application of Zero Factor scenario.

› Execution of previous years plans

With reference to previous years Plans, the Board of Directors resolved to proceed with the payments of the outstanding deferrals for the cash instalments, due in 2024, and for the equity instalments due in 2025, after the mandatory 1-year holding period, (deferred from 2018, 2019, 2020 2021, 2022 Plans and 2020-23 LTI Plan and from severance payments related to 2019, 2020, 2021, 2022, 2023 and 2024 Plans).

FOCUS
Severance Payments – Calibrations and exceptions

As provided by the Group Termination Payments Policy (Severance Policy), starting from its approval by the 2021 Annual General Meeting, some calibrations, submitted to the Holding by non-Italian Group Legal Entities, were approved.

Most of the calibrations aim at ensuring the compliance with regulatory requirements, laws and practices of the local markets and, additionally to formal amendments, were related to the:

- exclusion from the Severance Policy field of applicability of some categories/typologies of payments, being not discretionarily defined by laws and labor contracts;
- possibility not to apply deferral mechanisms and/or malus and claw-back clauses if not envisaged by local regulations or inconsistent with local labor laws.

With reference to Austria, in connection to the so called "protected" contracts ("Definitivum"), which cannot be unilaterally terminated by the Company before retirement, as provided by the Severance Policy paragraph 4.1.2, the maximum limit for severance payments has been raised from 24 to 36 months of total compensation.

For Germany, which is characterized by a particularly protective legislation with regard also to Executives, a calibration proposal was approved in compliance with paragraph 4.1.1 of the Severance Policy, allowing for the notice to be paid on top to the general limit of 24 month and - in exceptional cases and with a particular governance - to also increase the maximum number of months to 36 or 48, depending on the circumstances. In consideration of this context, a change in the formula calculating the severance and the provision that the formula does not apply to the severance considered privileged based on local regulatory legislation was also approved.

None of the local calibrations and exceptions have an impact on the Executives with Strategic Responsibilities, except the Head of Germany who has a German employment contract.

During 2023, all severance payments were managed in line with the approved governance and all 51 Executives[62] cases were managed in total consistency with the approved Policy.

For other details on severance payments defined in 2023 for Group Material Risk Takers refer to paragraph 4.2.

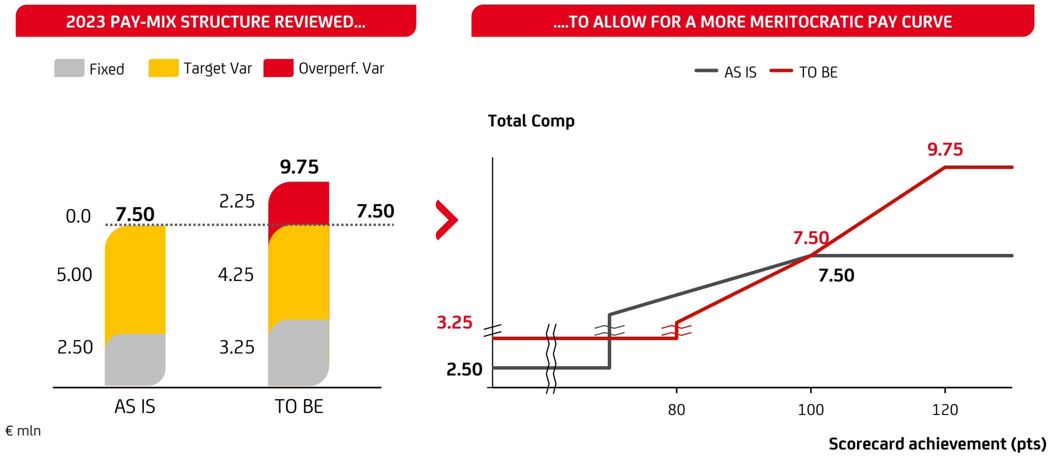
[62] In this context, Executives are the employees with global band title equal to Senior Vice President or higher..

3.2 2023 fixed and variable compensation for the Chief Executive Officer

As disclosed in 2023 Remuneration Policy, the compensation package of the CEO for 2023 was reviewed providing for a fixed remuneration increase from €2.5mn to €3.25mn, an unchanged total target remuneration of €7.5m at targets' achievement, with headroom to reward overperformance until a maximum total remuneration of €9.75m.

As already disclosed in the 2023 Remuneration Policy, such pay review was the only possible way to restore the proper functioning of the incentive system, impacted by the unfortunate combination of hiring commitment and EU two to one cap on variable which created a conundrum where the remuneration target and max coincided, hence no reward could be assigned for performance above target. That review was in the spirit of pay-for-performance and alongside the other interventions applied to the remuneration framework for the whole organization, including the CEO (e.g. 100% payout of variable remuneration in shares, increased share ownership requirements, more severe incentive-curve).

2023 CEO Pay review



With reference to 2023 and in line with the 2023 Group Remuneration Policy provisions, Mr. Orcel received the following remuneration:

- fixed remuneration of €3.25 mn, split 80% under an open-ended executive employment contract and 20% as directorship fees;
- a variable remuneration connected to the 2023 Group Incentive System, determined by the Board of Directors based on performance achievements and actual results vs. KPIs and targets embedded in the 2023 CEO scorecard disclosed in the 2023 Remuneration Policy, as follows:
  - the average score of the financial KPIs (80% overall weight) reached an average score of 120 pts[63];
  - the overall non-financial section (Strategic Priorities & Culture, 20% overall weight) set a score of 120 pts[64];
  - bringing the overall CEO performance scorecard to 120 pts, i.e. largely exceeding the 2023 targets.

The detailed outcomes of the 2023 CEO scorecard, both on financial KPIs actual results and qualitative goals achievements, are reported as follow.

[63] In a range between 0 and 120 pts

[64] Assessed in a 5-point qualitative rating scale, converted into a score ranging between 0-120 pts.

2023 CEO scorecard: Results

Financial Goals (80%)

KPIs	Weight	Target (range)	Criteria	Scoring	Result (% achievement)	Score
Net Revenues	20%	18.5 bn (± 7.5%)	> 19.9	120 pts	23.3 bn (126%)	120 pts ✓ capped
			17.1 – 19.9	80-120 pts[A]		
			< 17.1	0 pts		
Total Costs	20%	9.7 bn (± 2.5%)	< 9.5	120 pts	9.5 bn (98%)	119.1 pts ✓
			9.9 – 9.5	80-120 pts[A]		
			> 9.9	0 pts		
Cost / Income		48.3% (± 5%)	< 45.9%	120 pts	39.6% (82%)	120 pts ✓ capped
			50.7% - 45.9%	80-120 pts[A]		
			> 50.7%	0 pts		
Organic capital generation	20%	150 bps avg 2021-24 (± 20%)	> 180	120 pts	389 (259%)	120 pts ✓ capped
			120 - 180	80-120 pts[A]		
			< 120	0 pts		
Net profit[C]	20%	c. 5 bn (± 10%)	> 5.5	120 pts	8,2 bn (165%)	120 pts ✓ capped
			4.5 – 5.5	80-120 pts[A]		
			< 4.5	0 pts		
Overall financial section average						120 pts[B]

Overall Financial Score

*Record 2023 results crowning three years of **success and exceeding expectation**. **Outstanding RoTE** with a **robust CET1r** up despite distributing **100% of FY23** net profit, reflecting strong capital efficiency, profitability and organic capital generation. Transformed **and strong asset quality** maintained with **robust lines of defence** to protect against risks.*

Strategic priorities & Culture (20%)

KPI	Achievements	Score[C]
Winning, the right way, together Qualitative assessment (on a 5-point ratings scale), based on: i. being a role model for **corporate values** ii. set the proper **tone on compliance culture and risk** mindfulness iii. deliver process simplification and foster customer mindset as enablers of the business and **operating model transformation**	Similarly to 2022, in 2023 the CEO has demonstrated a **relentless commitment** and **has pushed the organsiation to excel** and **imrpove** under all of the corporate culture, the risk and compliance mindset and the transformation of the operating model. As detailed below the CEO has acted on the matter **by personally leading by example** (as recongized by the 360 degrees feedback) and by **promoting, sponsoring and requesting the launch of specific activites** that are functional to the achievement of the overall goal. The culture of the organisation has profoundly been changed and signficant steps were taken during the year to make sure **the change cements and is set to endure over time**. The initiatives on Risk and Compliance were further **extended and made more meaningful**.The **industrial transformation** of the organisation **is well on track** and the only areas that are deviating from the plan are those were a conscous decision was taken (e.g. on the internalization of the digital FTEs), hence still remain under the optimal path to success There is a general **recognition among the investor community as well as the internal team** that this degree of evolution and acceleration on these topics **was made possible only thanks to the activity and leadership of the CEO** The overall appraisal stems from the qualitative assessment of these topics, as further detailed below: • **360-feedback inspired by values** • **Group culture transformation journey** • **Compliance and Risk culture** • **dashboard key achievements**	**Greatly Exceeds 120 pts**
Overall Strategic priorities & Culture section average		120 pts
OVERALL PERFORMANCE ACHIEVEMENT – WEIGHTED AVERAGE		120 pts

A. Linear continuum **B.** Formulaic weighted average at 119,8 pts, leading to 120 pts, including 0,2 pts deriving from the compensation mechanism across KPIs in case of over-performance foreseen by 2023 approved system ("*The over-performance of a single KPI above the max threshold can be used – calculated in points as linear continuum at the same range of each KPI capped at 140 pts max - to compensate only those KPIs that reach at least their minimum threshold level, still within the maximum 120 points of the overall scorecard*") **C.** Net profit after AT1 / Cashes coupons **D.** 5-point rating scale converted into score as follows: Below = 0 pts – Mostly meets = 50 pts - Meets = 100 pts - Exceeds = 110 pts - Greatly exceeds = 120 pts. **E.** 360 feedback based on 5-point rating scale as follows: Area of development = 1 ; Mostly consistent = 2 ; Consistent = 3 Significant strenght = 4 ; Role model= 5

To further support the qualitative assessment of the "Winning the right way together" goal, the Board of Directors have also evaluated the following elements and achievements.

360-feedback inspired by values

- CEO 360-assessment: overall outcome on the 3 values at 4.1 in the 1-5 rating scale[E] (higher than the average score of 3.7 achieved by the overall eligible population)
- 360-feedback extended to 2k executives with 13k respondents upon CEO's input
- onboarding and performance management: enhanced with a stronger link to values upon CEO's input

Group culture transformation journey

>>> CEO as the key sponsor and promoter at GEC level of an impressive series of initiative across the Group:

- 2023 Culture Day: CEO directly involved in the Group event, spread over 30k colleagues (17k in 2022) through the local events organized in all countries' banks
- 9 Culture Roadshows: 7k colleagues involved (3k in 2022) in the countries with Group CEO and top management
- Culture Jour Fixe in Branches 23k colleagues involved in 3k branches
- Culture Bootcamps/trainings: over 1.8k colleagues reached in various countries and Group functions
- Culture network: Culture Sponsors & Champions across the Group developing 50 best-in-class initiatives
- CEO Connect: Group CEO met and listened to 55 people with 88% of positive feedbacks
- GEC Connect: c. 1k people involved across Europe through 85 meetings

Compliance and Risk culture

>>> CEO has maintained a continued and unmatched push / example setting on compliance and risk culture, as also demonstrated by the numerous initiatives on the matter across the Group:

- "Tone from the Top": 2023 initiatives lead by Compliance focused on emerging risks to continue mitigating 6 potential risk area on AML, Financial Sanctions, Processing of personal data , Greenwashing prevention, Anti Bribery and Corruption, Payment & Open Banking, through 6 episodes with GEC quotes and video pills by GEC-1/GEC-2, cascaded to all 70k+ employees through Group Intranet
- "Tone from the Middle": 2023 initiatives lead by business Italy, Germany and CEE, involving c.30k colleagues as 1st line of defense
- Mandatory Training: c.99% completion rate across the entire Group population
- Internal Controls: framework further enhanced, with a new quarterly reporting on second level risk management controls and a new harmonized credit risk controls framework including organizational set up guidelines, controls catalogues and methodology.
- Risk University: launched in 2023 to enhance / upgrade current risk training, with >8k hours of trainings provided and 10k colleagues involved in a specialised risk management learning offer for all Risk employees groupwide covering both risk core skills and specific risk roles, with focus on 3 key areas (Climate Risk, ICT & Cyber Risk and Quants, in line with the 2023 Supervisory priorities and the rising need to manage and measure the emerging risks).

Strategy dashboard key achievements

>>> The firm and secure drive of the CEO has allowed UniCredit to meet all the industrial targets set, besides one that is driven by a conscious decision and methodology change:

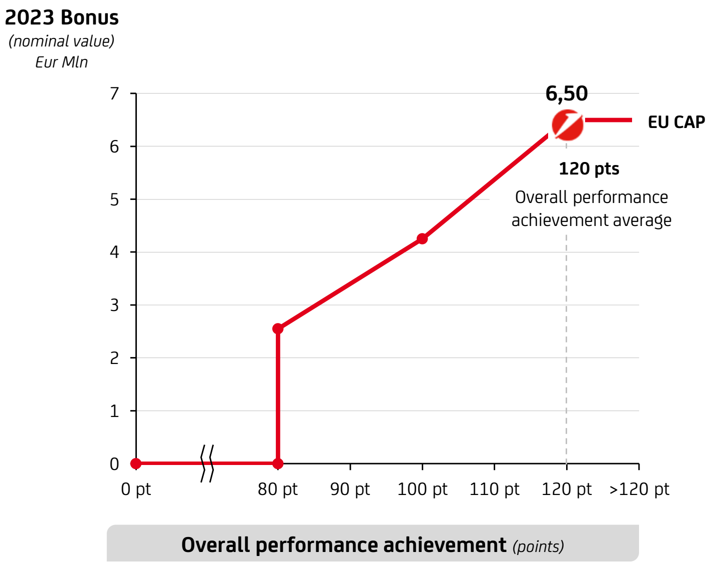
- Net clients evolution, Net revenues per client and NPV above targets
- Digitalization KPIs generally above targets in most of the areas (commercial impact, resiliency & Risk) apart from inhouse capability due to internal FTE streamlining and a methodological change on external FTE pricing

DASHBOARD				GROUP EXCL. RUSSIA
CLIENTS		Net clients evolution	*#K*	6.4 ●
		Net revenues per client	*€K*	1.48 ●
		Customer experience – S-NPS	*Gap to competitors*	3 ●
		Customer experience – RNPS	*Index number*	
DIGITALIZATION	Comm. Impact	Active digital users	%	61.7% ●
		Remote sales index	%	43.8% ●
		Fully Digital Sales Index	%	35.5% ●
	Resilience & Risk	Direct Channels availability	%	99.97% ●
		IT Performance – LE View	# incidents	78 ●
		IT Performance – Single Event View	# incidents	49 ●
	Model Change	% Inhouse capability	%	49% nd

LEGEND
KPIs measured against target
● In line with target
● Almost in line with target (<5%)
● Areas of attention (>5%)

- Not meaningful assessment given the change of strategy on the matter.
- c. 1000 resources mainly in managerial roles were exited in the last year artificially lowering the ratio. .

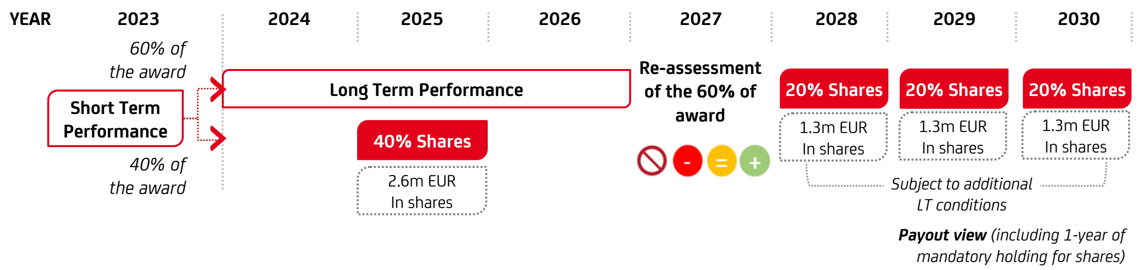
In light of the excellent performance achievements, as reported above, the Board of Directors has defined the 2023 bonus of Mr Orcel at €6.5 mn (maximum nominal amount, within the variable to fixed remuneration 200% cap).



According to 2023 Group incentive system rules, the nominal amount of bonus will be paid-out 100% in shares, as follows:

- 40% of the award (€2.6 mn nominal amount) will vest upfront and will be paid out - all in shares - in 2025 after the mandatory 1-year holding period required by regulation;
- 60% of the award (€ 3.9mn nominal amount) will be subject to additional long-term performance conditions over the period 2024-2026 (specifically RoTE with CET1@13%, weighting 80%, and Sustainability KPIs on ESG volumes, DE&I Ambitions and Net Zero, weighting 20%). Once re-assessed at the end of 2026, the final award will vest starting from 2027 and will be paid out - all in shares – with three deferred installments over the period 2028-2030, after the 1-year mandatory holding period required by regulation.

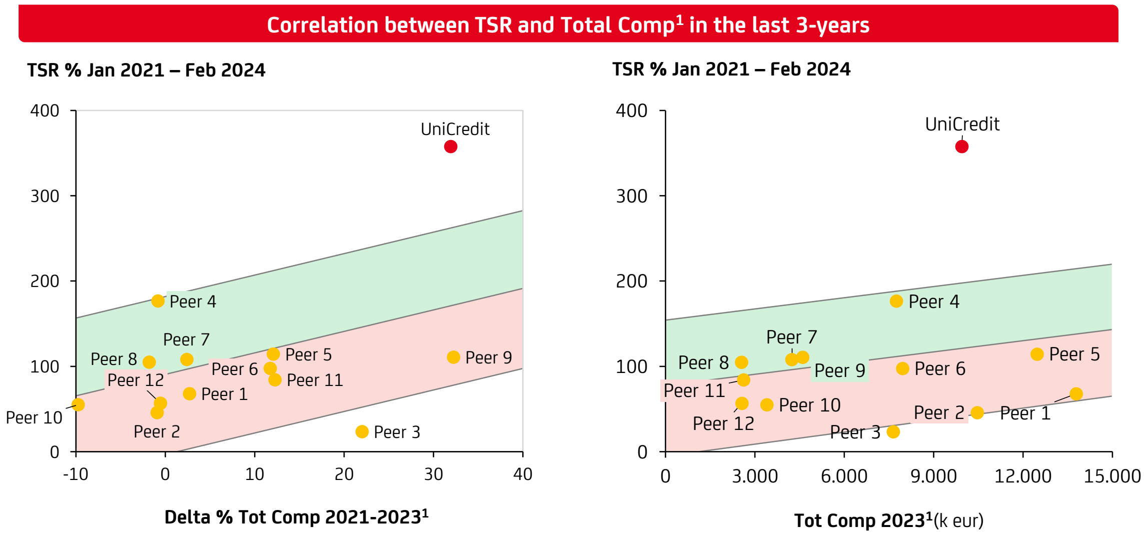
The payments are subject to all standard rules including those related to malus / claw-back.



The nominal amount of the bonus (€6.5 mn) has been converted in 458,520 total number of shares (of which 183,408 upfront and 275,112 deferred in 3 instalments and subject to additional performance conditions) by using a share conversion price of €14.176, set in line with 2023 approved Group Incentive System rules i.e. calculated starting from the UniCredit market share price measured at the beginning of the performance period (€17.011 as average market price from 01.01.2023 to 31.03.2023 i.e. the date of 2023 AGM approving 2023 Group Incentive System), adjusted to restore a fair financial evaluation of shares, considering the availability constraints as per regulatory requirements e.g. missed dividend payment during the deferral period. The share price adjustment was estimated after AGM 2023 through an ad hoc model, certified by Risk Management function, based on expected dividends from public source i.e listed futures, discounted via a cash flow approach to infer expected dividends till instruments delivery, weighted according to the sizes and the time periods of each deferrals plan. The overall effect of such adjustment was of c.16.7% on the market share price (€17.011), leading to a final share adjusted conversion price of €14.176.

The 2023 Total actual remuneration of the CEO was € 9,957,000 (as reported in EU REM1- Remuneration awarded for the financial year), including € 3,250,000 fixed remuneration, € 6,500,000 actual variable remuneration awarded in 2023, plus € 207,000 other fixed remuneration (fringe benefits, as foreseen by UniCredit policies, whose value is included in the reporting filed according to Consob requirements).

The degree of relative correlation vis-à-vis performance is explained by the following graph, showing the relative positioning of UniCredit versus our European Peer Group, in terms of TSR evolution over the period January 2021-February 2024 and the CEO total remuneration (2021-23 trend and absolute level).



1. Total nominal compensation as sum of fixed remuneration, other fixed remuneration (e.g. benefits, pension funds), STI bonus award and LTI target (if any). Data referred to 2023 for UniCredit and other players which have already disclosed 2023 remuneration report.

3.3 Group Long-Term Incentive Plans and Sustainable Performance Plan (additional long-term performance conditions) status update

› 2020-2023 Group Long-Term Incentive Plan (2020-23 LTIP)

The Group Long Term Incentive Plan (2020-2023 LTI Plan), approved by the Board of Directors on December 2, 2019, was aimed at aligning top and senior management interests to the long-term value creation for the shareholders, to share price and Group performance appreciation and sustaining a sound and prudent risk management, orienting the performance management measurement on a multi-year horizon, in line with prior strategic plans targets.

The 2020-2023 LTI Plan provided for an incentive in UniCredit free ordinary shares in several installments and over a multi-year period, subject to the achievement of specific performance targets linked to the previous strategic plan.

On February 29, 2024, the Board of Directors approved the 2020-23 LTI Plan achievement at 97.5% considering that all entry conditions on profitability, capital, liquidity and Risk Appetite Framework were met and the KPIs on the Scorecard were achieved at 97,5%, as below represented.

Lever	KPIs	Weight	Target	Criteria	Payout on actual	Results	Payout *(weighted)*	
Profitability	RoTE[1] with CET1 underpin[2]	60%	**8,1%** average 20-23	> 8,1%	> 100%	2020: 2,5% 2021: 7,5% 2022: 10,7% 2023: 16,6% **9,3%** avg 20-23 *overperformed*	60%	✓
				7,3% - 8,1%	0 - 100%			
				< 7,3%	0%			
Asset Quality	NPE ratio	20%	**3,8%** average 20-23	< 3,8%	> 100%	2020: 3,8% 2021: 3,6% 2022: 0,3% 2023: 2,7% **2,6%** avg 20-23 *overperformed*	20%	✓
				4,2% - 3,8%	0 - 100%			
				> 4,2%	0%			
	Expected Loss (new biz flow[3])		**0,39%** average 20-23	< 0,39%	> 100%	2020: 0,25% 2021: 0,27% 2022: 0,26% 2023: 0,28% **0,27%** avg 20-23 *overperformed*		✓
				0,44% - 0,39%	0 - 100%			
				> 0,44%	0%			
Industrial	OpEx	10%	**10,2 bn** end of 23	< 10,2 bn	> 100%	*for reference* 2020: 9,80 bn 2021: 9,79 bn 2022: 9,52 bn **9,479 bn** end of 2023 *overperformed*	10%	✓
				10,5 - 10,2 bn	0 - 100%			
				> 10,5 bn	0%			
Sustainability	ESG rating (Sustainalytics)	10%	**3rd in ranking vs. peers** end of 23	1st – 2nd in rank.	150% - 125%	*for reference* 2020: 5th 2021: 4th 2022: 3rd **2nd in ranking** end of 2023 (125%)	4,2%	✓
				3rd in ranking	100%			
				4th in ranking	75%			
				5th in ranking	50%			
				below 5th	0%			
	Customer Satisfaction		**+3 pts vs. competition** end of 23	< +3 pts	> 100%	*for reference* 2020: +4 pts 2021: +7 pts 2022: +3 pts **+1 pt vs. competition** end of 2023	**min threshold** reached, allowing overperforming KPIs to compensate up to 100% 3,3%	✓
				+1 pt to +3 pts	0 - 100%			
				<+1pt	0%			
	People Engagement		**73 pts** twice in Plan	> 73 pts	> 100%	*for reference* 2020: 70 2021: 69-70-67 2022: n.a. **not achieved** end of 2023	0%	✗
				71 – 73 pts	0 - 100%			
				< 71 pts	0%			
OVERALL SCORECARD OUTCOME							**97,5%**	

Goals within the lever are equally weighted; overperformance (KPI result above MYP target) can be used to compensate those KPIs that reach at least their minimum threshold level, still within the 100% opportunity of the LTI Plan.
1. Bases on underlying Net Profit until 2021. From 2022, Net Profit in accordance with market disclosure
2. Bonus gate for CET1 at least 200 bps above minimum regulatory target
3. Without model impact

No Board discretion has been applied, despite the outstanding TSR results, measured over the performance period of the Plan (UniCredit ranked first in the Peer Group, improving by ten places compared to its position at the start of the Plan).

All the gateways of the LTI Plan were achieved over the Plan's horizon, including positive assessment on Risk Appetite Framework as carried out through the annual risk dashboard in group incentive systems.

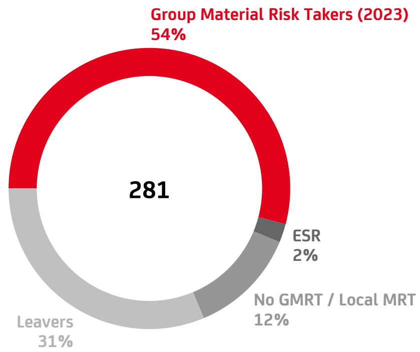
GATEWAYS	2020 RESULTS	2021 RESULTS	2022 RESULTS	2023 RESULTS	STATUS
∑ 2020-23 and 23 **Underlying NOP**[A] > 0	3.264 m	7.465 m	8.888 m	13.823 m	✓
∑ 2020-23 and 23 **Underlying Net Profit**[A] > 0	1.284 m	3.896 m	5.599 m	8.614 m	✓
CET1 ratio (transitional)[B] ≥ Min Regulatory Target (in each year)	15,90%	14,9%	16,7%	16,1%	✓
Tier 1 (transitional)[B] ≥ Min Regulatory Target (in each year)	18,16%	17,1%	18,6%	17,8%	✓
Total Capital (transitional)[B] ≥ Min Regulatory Target (in each year)	20,66%	19,3%	21,4%	20,9%	✓
Leverage Ratio (transitional)[B] ≥ Min Regulatory Target (in each year)	6,19%	5,4%	6,1%	5,8%	✓
TLAC ≥ Min Regulatory Target (in each year)	26,92%	24,6%	26,9%	26,97%	✓
LCR ≥ Min Regulatory Target (in each year)	177,6%	169,5%	155,8%	147,0%	✓
NSFR ≥ Min Regulatory Target (in each year)	125,3%	137,0%	129,6%	131,2%	✓
RISK ADJUSTMENT	**2020**	**2021**	**2022**	**2023**	
RAF assessment	+ (110%)	++ (120%)	+ (110%)	+ (110%)	✓

Note: in case no regulatory target is foreseen, RAF limit will be used as threshold
A.NOP/Net Profit stated in the Balance Sheet, excluding any extraordinary items (e.g. disposal of real estate assets, sale of companies, restructuring costs, Regulatory headwinds) as considered appropriate by the Board of Directors upon Remuneration Committee proposal; Underlying Net Profit is the one used as basis for capital distribution. Starting from 2022, NOP / Net Profit as per Market presentation are used instead of Underlying NOP / Net Profit
B. CET 1 ratio, Tier 1, Total Capital, Leverage Ratio and Total Loss Absorbing Capacity (TLAC) where applicable

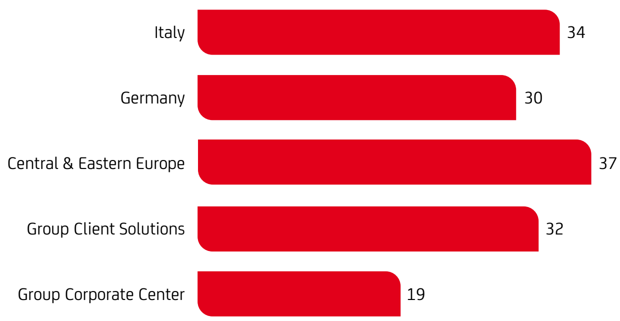
The beneficiaries of the Plan are 281, including neither the previous CEO Mr. J.P. Mustier (who waived his potential rights under the Plan upon termination of his contractual relationship with UniCredit), nor the current CEO Mr Andrea Orcel, as the plan is linked to the past strategy. The beneficiaries include also 88 leavers.

Data in HC; terminated staff incl.

Distribution by cluster



Distribution by Division (GMRT 2023)[A]

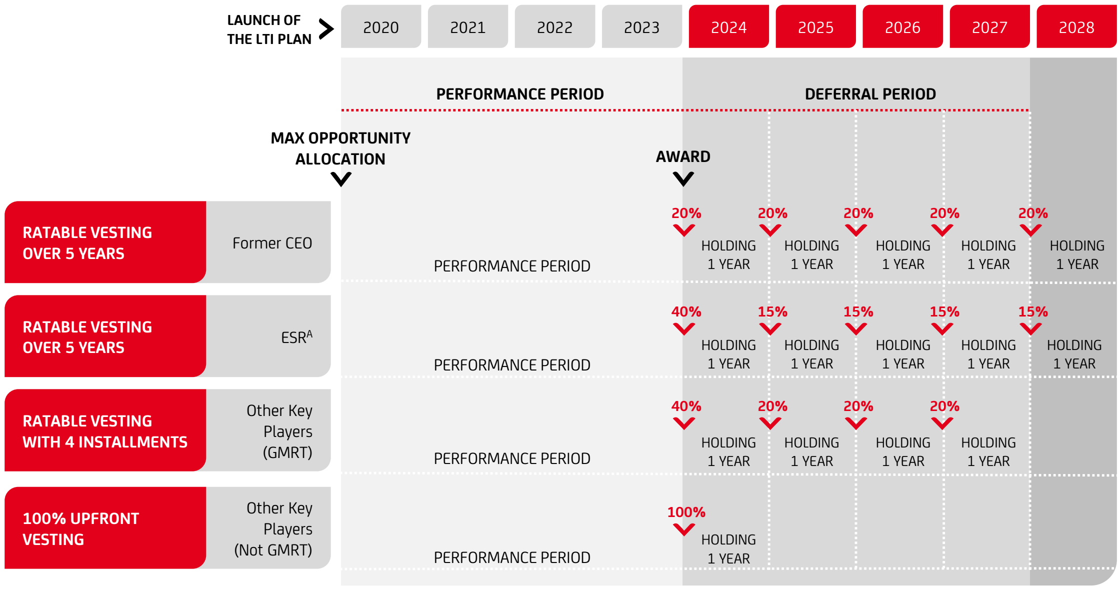


A. GEC members/ESR are excluded

Considering the above, the overall share award for the 281 beneficiaries is c. €44,6 mn as nominal amount, converted in 3,352,291 shares (estimated capital dilution 0.19%), according to the share conversion price defined at the beginning of the performance period according to the approved Plan rules (average price of UniCredit ordinary shares during the 30 days prior the Board of Directors of January 14, 2020 approving the share conversion price of the Plan, equal to € 13.305).

As approved in 2022 AGM, a portion of the overall shares promised to beneficiaries at Plan's launch (specifically the 2022 and 2023 annual quotas) has been waived in 2022 by the beneficiaries on a voluntary basis and shifted to the new Group Incentive System, considering the review of UniCredit Strategic Plan and the connected review of the variable remuneration framework.

The shares are awarded to beneficiaries over a number of installments according to the deferral schemes that vary according to the relevant clusters of population as per the structure approved in Board of Directors in 2020. As required by law, each share payment is subject to a share retention period of one year.



Allocation view

A. Stricter criteria may be applied at local level depending on specific beneficiaries' sub-clusters. For a complete overview please refer to 2020 Group Remuneration Policy;

Moreover, the shares are assigned only on the basis of the achievement during the performance period of the entry conditions, as well as in terms of the conduct of compliance with respect to the law, Company and Group compliance rules and policies, and to the integrity values mentioned in the Code of Conduct (including malus and claw-back clauses).

Evidence of misconduct or gross negligence by the beneficiary during the performance, deferral and claw-back period (e.g. breach of code of conduct and other internal rules, especially concerning risks) will trigger malus & claw-back conditions, according to the performance period. The claw-back rules are applied for the next five years to all payments regardless of the specific deferral scheme.

› 2022 Group Incentive System - Sustainable Performance Plan (2023-25 Long Term additional performance conditions)

An update on the progress against the 2023-25 long term additional performance conditions linked to the 2022 Group Incentive System (Sustainable Performance Plan), was provided to the Remuneration Committee on January 29, 2024, as follows:

- RoTE with CET 1 underpin[A] (70% weight), measured as avg 2023-35 vs Target 2022 (7,1%): 2023 result equal to 16.6%;
- Relative TSR vs Peers[B] (30% weight), measured over the period 2023-25: 2023 result at top quartile – Rank 1st .

A. Min b/w 12.5% as RAF target and3 50 bps over MDA.
B. As defined by UCG as peer group in UniCredit Remuneration Policy 2022 - Compensation peer Group including: Santander, Barclays, Commerzbank, Crédit Agricole, Deutsche Bank, ING, Intesa Sanpaolo, Nordea, Société Générale, UBS, Erste BBVA. Potential extraordinary events that might impact the Peer Group in asymmetric ways should duly be taken into consideration.

The final assessment will be performed at the end of 2025, based on 2023-25 overall results, leading to the confirmation or adjustments (from 0% till 130%, up to the variable to fixed regulatory cap) of the deferred part of the 2022 award, as per 2022 Sustainable Performance Plan rules.

3.4 Group Material Risk Takers identification process outcomes

The 2023 second cycle of Group Material Risk Takers (GMRT) identification process led to the identification of 827 GMRT (129 of which were new compared with last year and 94 of whom identified for the first time), resulting in 108 individuals fewer than the Group Material Risk Takers at the end of 2022. Approximately 500 individuals (see also chart below) amongst the total of Group Material Risk Takers belong to the Business and Support Functions, for whom the adoption of a maximum ratio between variable and fixed remuneration of 2:1 can be applied in 2023.

The Group Material Risk Taker population represented ca. 1.2% of the Group employee population, with this outcome being in line with the results of the 2022 process and with the peers' median.

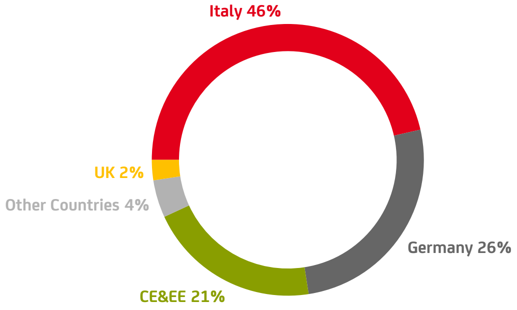
At the end of 2023, there were no Agents and Financial Advisors identified within the Group Material Risk Takers as per Commission Delegated Regulation 923/2021 and CRD V qualitative criteria (during 2023 an exclusion process for 4 agents and financial advisors was activated and completed).

The outcome of the second cycle of the 2023 GMRT identification process was submitted to the Board of Directors on March 7, 2024 as included in this Remuneration Report.

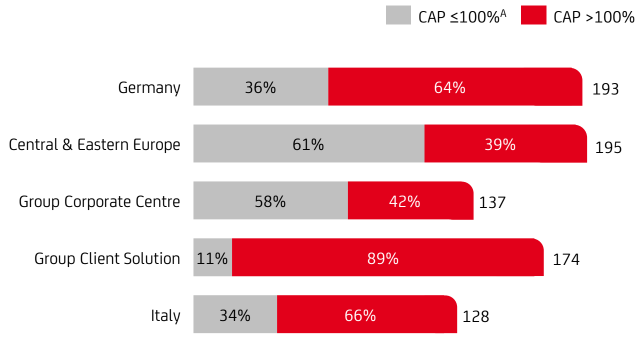
Here below a representation of 2023 Group Material Risk Taker population.

2023 Group Material Risk Takers Distribution

Geographical Distribution



Distribution by Division



TOTAL NUMBER OF GROUP MATERIA RISK TAKERS[B]: 827 (o/w 94 IDENTIFIED FOR THE FIRST TIME)

Numbers may not sum-up due to rounding.
A. Variable to fixed cap is the ratio between variable and fixed compensation applicable according to the regulatory provisions.
B. Total number of GMRTs does not include Group Management Body members not employees of UniCredit Group.

4. 2023 Remuneration Data

4.1 Compensation to Directors, Statutory Auditors and Executives with Strategic Responsibilities

4.1.1 Board of Directors

The ordinary Shareholders' Meeting held on April 15, 2021 appointed UniCredit's Board of Directors for the financial years 2021-2023 whose mandate expires upon approval of the 2023 financial statements. The Board thus elected is chaired by Mr. Pietro Carlo Padoan.

The Shareholders' Meeting of April 15, 2021 also approved the proposal of the outgoing Board of Directors to set in €1,805,000 the overall remuneration due, for each year in office, to the Directors for the activities they perform in relation to the Board of Directors and the Board Committees, of which €1,170,000 aimed at remunerating the members of the Board and €635,000 the members of the Board's Committees.

The same Shareholder's Meeting also approved the granting of an attendance fee for the attendance to each Board and Committee meeting formally convened, differentiated as follows:

- Board of Directors and Internal Controls & Risks Committee: €1,000 for physical presence of the Director;
- other Board Committees: €800 for physical presence of the Director;
- Board and Board Committees: €400 if the participation of the Director occurs through remote communication means.

The proposal was drawn taking into consideration, *inter alia*, the following elements:

- the reduction of the number of Directors to 13;
- the market reference data (benchmark) - provided by Willis Towers Watson, a primary independent consultant - related to the remuneration of the members of the administrative body and board committees of the UniCredit's peer group and the major companies within the FTSE MIB financials. Such data showed, inter alia, that the positioning of the compensation that was proposed for the members of the Board was consistent with the 2021 Group Remuneration Policy, subject to approval in the same ordinary Shareholders Meeting;
- the different commitments requested in relation to the activities of the single Committees[65], in terms both of time commitment and span of the activities falling within their area of competence.

It is recalled that members of the Board of Directors benefit from an insurance policy covering the third party liability, inclusive of the related defense costs, of Directors and Officers (D&O). Such policy is renewed annually, based also on the authorization granted by the Shareholders' Meetings, most recently on April 15, 2021. The policy currently in place, valid for the period 16/05/2023 – 15/05/2024, envisages a maximum overall coverage of €160 mn and implies a cost, borne by the Bank, of €10,420 for each director or statutory auditor of UniCredit S.p.A. The overall cost for the whole Board of Directors amounts therefore to €125,040.

Adding up the corresponding cost for the Board of Statutory Auditors (€52,100), the overall amount borne by the Bank for its corporate bodies corresponds to €177,140, versus a maximum amount authorized by the Shareholders' Meeting of €250,000. The value of the D&O Policy may represent, depending on fiscal regulations, a taxable fringe benefit for the beneficiaries.

The above overall compensation (€1,805,000) was then split by the Board of Directors of May 5, 2021 leading to a final resolution of €1,790,000, €15,000 lower than AGM approved level, due to a remix of memberships between

[65] For detailed information, reference is made to the document "Report on corporate governance and ownership structure", section 5 "Board of Directors internal Committees", published on the Company's website in the Governance section.

IC&RC and other Committees. The Board of Directors, during the same meeting- in compliance with Clause 26 of the Articles of Association - also defined the remuneration of Directors holding specific roles vested with particular offices pursuant Art. 2389, 3rd paragraph, of the Italian Civil Code (please refer to table "2023 Compensation to Directors, Statutory Auditors and Executive with Strategic Responsibilities" for further details).

Specifically, these retainers defined by the Shareholders' Meeting were allocated as follows:

- €90,000 for each Board member;
- €50,000 for each member of the Internal Controls & Risks Committee;
- €35,000 for each member of the Remuneration, Corporate Governance & Nomination (previously Corporate Governance, Nomination & Sustainability) and Related-Party Committees. Upon creation of the ESG Committee in the course of 2021 the same retainer was subsequently allocated to the members of such Committee, without anyhow increasing the overall spending in view of a restructuring of the numerical composition of the other Committees.

Moreover, heard the opinion of the Board of Statutory Auditors, the Board defined the following special remuneration ex Art. 2389, 3rd paragraph of the Italian Civil Code:

- €789,000 for the Chair of the Board of Directors, in addition to an insurance for non-occupational accidents;
- €560,000 for the Chief Executive Officer;
- €100,000 for the Chair of Internal Controls & Risks Committee;
- €10,000 for the Chairs of the other Committees.

In February 2023 the Board resolved, heard the positive opinion of the Board of Statutory auditors, an increase in the Chief Executive Officer overall fixed remuneration of € 750,000, to € 3,250,000, that was reflected for 20% in an increase in the special remuneration pursuant art. 2389 to € 560,000.

As required by the Supervisory Regulations of the Bank of Italy, the level of remuneration for the Chair of the Board of Directors did not exceed the fixed component of the one received by the Chief Executive Officer.

Finally, it is recalled that the overall remuneration of the Chief Executive Officer, including the remuneration from employment as General Manager and net of the attendance fees for the participation to Committee meetings, in 2023 was equal to € 9,750,000 on a full year basis (€ 9,957,000, including € 207,000 other fixed - such amount does not include pension funds as CEO does not participate in the pension plans offered by the Group).

4.1.2 Board of Statutory Auditors

On April 8, 2022 the ordinary Shareholders' Meeting appointed the members of the Board of Statutory Auditors for the 2022-2024 financial years.

The outgoing Board of Statutory Auditors had provided the 2022 Shareholders' Meeting with information on the time commitment required to carry out their functions, including the activity related to the Supervisory Board pursuant to Legislative Decree no. 231 of June 8, 2001. This commitment, for 2021, was estimated in 94,5 days, equal to 756 hours (140 days, equal to 1,120 hours, as to the Chair).

To the Shareholders' Meeting of April 8, 2022 was also communicated that:

- the annual remuneration approved by the Shareholders' Meeting of April 11, 2019 for the outgoing Board of Statutory Auditors was €170,000 for the Chair of the Board of Statutory Auditors and €125,000 for each permanent Statutory Auditor, as well as an attendance fee of € 400 for each Board of Statutory Auditors meeting and of €400 as attendance fee for taking part in any meeting of the other corporate bodies;

- as mentioned in the section related to the Board of Directors, the Shareholders' Meeting held on April 15, 2021 resolved to renew the terms of the insurance policy to cover the third-party liability of the Company's Directors and Officers, covering also the Statutory Auditors. The value of the policy amounts to €10,420 for each permanent statutory auditor, corresponding to €52,100 for the entire Board of Statutory Auditors. The value of the D&O Policy represents a taxable fringe benefit for the Statutory Auditors.

On the basis of this information - and taking specific account of the fact that the Board of Statutory Auditors also performs the functions of the Supervisory Board - a shareholder of UniCredit SpA proposed to the Shareholders' Meeting, which approved, an annual remuneration of:

- €190,000 for the Chair of the Board of Statutory Auditors;
- €125,000 for each permanent Auditor;

plus an attendance fee of €400 for each meeting of the Board of Statutory Auditors and an attendance fee of €400 for taking part in any meeting of the other corporate bodies. Such remuneration was consistently awarded to the Board of Statutory Auditors in 2023.

4.1.3 Executives with Strategic Responsibilities

In the context of the latest Group reorganization and top management composition, with particular reference to the creation of the Group Executive Committee (GEC), a change in the definition of Executives with Strategic Responsibilities was implemented, in order to optimize the Group governance framework. On the basis of the current organizational structure, the Board of Directors identified the following roles as Executives with Strategic Responsibilities: Chief Audit Executive; GEC Members having a direct and significant impact on Group strategy (Group CEO, Head of Italy, Head of Germany, Group Head of Central Europe and Eastern Europe, Head of Client Solutions, Chief Financial Officer, Head of Group People and Culture Officer, Group Digital & Information Officer, Group Chief Operating Officer, Group Risk Officer, Group Compliance Officer, Group Legal Officer).

› Pay-mix structure

For 2023, according to the Group Remuneration Policy, in line with regulatory provisions, the maximum ratio between variable and fixed compensation has been defined ex-ante for the Group CEO (the sole executive director sitting on the Board of Directors and employee of the Company) and the other Executives with Strategic Responsibilities.

The balance between variable and fixed components has been defined considering also the company's strategic goals, risk management policies and other elements influencing the business of the company.

With reference to the following table, for Executives with Strategic Responsibilities it is specified that:

- the fixed component was defined taking into consideration market information and in such a way to be sufficient to reward the activity rendered even if the variable part of the remuneration package were not paid due to non-achievement of performance goals;
- in 2023, the CEO's fixed remuneration was increased from € 2.5 mn to € 3.25 mn, while the target variable remuneration remained unchanged, providing headroom to reward overperformance. The CEO's variable remuneration was determined on the basis of the Group Incentive System 2023;
- in line with the latest regulatory requirements, the other Executives with Strategic Responsibilities have a balanced part of their remuneration linked to the economic results of UniCredit, taking into consideration the overall profitability, weighted by risk and cost of capital, as well as sustainability goals (based on capital and liquidity ratios).

According to the 2023 Group Incentive System, with specific reference to the variable component and the weight of short-term and long-term components, the compensation pay-mix structure for Executives with Strategic Responsibilities in 2023 was:

- for members of Group Executive Committee, excluding control functions, People & Culture and Dirigente Preposto, 60% of the award subject to additional long-term performance conditions.
- for Group Chief Audit Executive and GEC members in control functions, People & Culture, "Dirigente Preposto", all plan subject to short term conditions.

› Goals

In light of the above, the annual incentive took into consideration the achievement of specific goals which were previously approved by the Board upon proposal of the Remuneration Committee and the opinion of the Board of Statutory Auditors and the Internal Controls & Risks Committee, as appropriate.

Specific individual goals were set out taking into consideration the market practices and the role assigned within the Group, through the systematic use of specific indicators aimed at strengthening the sustainability of business, such as the customer satisfaction, risk and financial sustainability indicators and capital measures.

For the Heads of the Corporate Control Functions, pursuant to the provisions of Bank of Italy, the goals were established by the Board of Directors in line with the tasks assigned to them and avoiding goals linked to Bank's performance. In the decision making process related to Corporate Control Functions, the Board of Statutory Auditors and the Internal Controls & Risks Committee were also properly involved.

Specifically, for 2023, the individual goals of the Heads of Group CAE, Group Compliance, Group Risk Management (CRO), Group People & Culture and the Manager in charge of preparing the company's financial reports were not connected to the Company's economic results.

The long-term performance conditions are based on specific goals defined at Group level covering the three years following the 2023 annual performance.

› Payout

In line with Group governance, 2023 performance assessment and bonus payment for the Executives with Strategic Responsibilities have been reviewed by the Remuneration Committee and approved by the Board of Directors, heard the Statutory Auditors and Internal Controls & Risks Committee as relevant.

It was foreseen the deferral/holding of 100% of the incentive over 6 years, fully in shares.

All the installments are subject to the application of malus and claw-back conditions, as legally enforceable.

100% of the overall incentive is paid in UniCredit shares, whose number to be allocated in the respective installments was defined on the basis of the arithmetic mean of the daily official closing market price of UniCredit ordinary shares, from the beginning of the year until the Shareholders' meeting approving the 2023 Group Incentive System, adjusted to take into account availability constraints during deferral period, as per regulatory requirements[66].

For further information on individual allocation related to the 2023 Group Incentive System, refer to the 2023 Group Remuneration Policy, Section I, paragraph 5.1.

Details>>
Further information regarding the 2023 incentive plans implementation and outcomes is provided in paragraph 3.1

[66] Converted in shares by using a share conversion price set in line with 2023 approved Group Incentive System rules i.e. calculated starting from the UniCredit market share price measured at the beginning of the performance period (eur 17.011 as average market price from 01.01.2023 to 31.03.2023 i.e. the date of 2023 AGM approving 2023 Group Incentive System), adjusted to restore a fair financial evaluation of shares, considering the availability constraints as per regulatory requirements e.g. missed dividend payment during the deferral period. The share price adjustment was estimated after AGM 2023 through an ad hoc model, certified by Risk Management function, based on expected dividends from public source i.e listed futures, discounted via a cash flow approach to infer expected dividends till instruments delivery, weighted according to the sizes and the time periods of each deferrals plan.

› Shareholding requirements

For the CEO and for other Executives with Strategic Responsibilities, share ownership guidelines are in place, further details in Section I, paragraph 4.8. For them and for all the other executives to whom the guidelines apply, share ownership levels have been verified at the end of October 2023.

For ~75% of the executives in scope the levels are already in line with the guidelines' requirements (the remaining Executives are below the threshold but accumulating shares).

In the following charts the synthetic information regarding the perceived remuneration for 2023 by the Directors, Statutory Auditors and Executives with Strategic Responsibilities is shown.

2023 Compensation to Directors, Statutory Auditors and Executives with Strategic Responsibilities

Beneficiaries	Remuneration Component	Approved by	Amount	Remarks
Non-Executive Directors	Only fixed compensation	Shareholders' Meeting of April 15, 2021. Board of Directors of May 5, 2021 pursuant to sect. 2389 of the Civil Code par. 3 and Articles of Association, heard the opinion of Statutory Auditors.	• € 1,790,000, of which € 1,170,000 aimed at remunerating the members of the Board and € 620,000 as remuneration of the members of the Board's Committees • Attendance fee for participating to each meeting[A]: – Board of Directors and Internal Controls & Risks Committee: € 1,000 in case of physical presence of the Director, € 400 if the participation occurs through remote communication means; – other Board Committees: € 800 in case of physical presence of the Director, € 400 if the participation occurs through remote communication means. • € 1,339,000 for each year of activity, split between: – BoD Chairman; – Chief Executive Officer (executive); – Chairmen of Board's Committees.	The compensation is determined on the basis of the importance of the position and the time required for the performance of the tasks assigned. The remuneration is not linked to the economic results achieved by UniCredit, non-executive directors and statutory auditors do not take part in any incentive plans based on stock options or, generally, based on financial instruments.
Statutory Auditors	Only fixed compensation	Shareholders' Meeting of April 8, 2022.	• Compensation for each year of activity[B]: – for the Chairman of Board of Statutory Auditors: € 190,000; – for each permanent Auditor: € 125,000; • € 400 attendance fee for participating to each meeting of the Statutory Auditors, of the BoD and of the Board Commit-tees.	
Executives with Strategic Responsibilities	Fixed and variable compensation	Board of Directors	2023 compensation level on a full year basis: • for the CEO: € 3,250,000 fixed[C] , € 6,500,000 variable; • for the other Executives with Strategic Responsibilities: • € 10,214,332 fixed; • € 11,394,830 variable.	For 2023, the maximum ratio between variable and fixed compensation is: • 200% for the CEO, the GM (if any) and for the other Executives with Strategic Responsibilities[D]; • 33% for the Executives with Strategic Responsibilities, responsible for Corporate Control Functions;

A. Even if meetings are held in the same day.
B. Alternate Auditors do not receive any compensation .
C. Including the compensation paid for the director relationship (excluding attendance fee).
D. For People & Culture function and Manager in Charge of Drafting the Company Financial Reports the fixed remuneration is expected to be predominant in respect to the variable one.

2023 Compensation paid to members of the administrative and auditing bodies, to general managers and to other executives with strategic responsibilities.

Compensation to Directors

Board of Directors (Eur)	BoD	Internal Controls & Risks Committee	Remuneration Committee	Corporate Governance and Nomination Committee	ESG Committee	Related-Parties Committee	Total fixed comp.*	Variable non equity compensation bonuses and other incentives	Non-monetary benefits	Other Remuneration	Total	Fair value of equity comp.**	Severance indemnity for end of office or termination of employment
Pier Carlo Padoan	C	M[A]					946.945 €	- €	21.404 €	- €	968.349 €	- €	- €
Lamberto Andreotti	DC			C			156.800 €	- €	- €	- €	156.800 €	- €	- €
Andrea Orcel (CEO)	M						3.265.800 €	- €	1.440 €	22.368 €	3.289.608 €	3.605.376 €	- €
Vincenzo Cariello	M					M	151.800 €	- €	10.461 €	- €	162.261 €	- €	- €
Elena Carletti	M	C				M	323.800 €	- €	- €	- €	323.800 €	- €	- €
Jayne-Anne Gadhia	M[B]		C[C]	M[D]			20.299 €	- €	- €	- €	20.299 €	- €	- €
Jeffrey Alan Hedberg	M		C[E]		M		196.129 €	- €	- €	- €	196.129 €	- €	- €
Beatriz Lara Barolomé	M				M		144.800 €	- €	- €	- €	144.800 €	- €	- €
Luca Molinari	M		M				143.000 €	- €	- €	- €	143.000 €	- €	- €
Maria Pierdicchi	M	M[F]		M[G]		C	219.953 €	- €	- €	- €	219.953 €	- €	- €
Francesca Tondi	M	M			C		217.200 €	- €	- €	- €	217.200 €	- €	- €
Renate Wagner	M		M				138.400 €	- €	- €	- €	138.400 €	- €	- €
Alexander Wolfgring	M	M		M			213.600 €	- €	10.461 €	- €	224.061 €	- €	- €
Total Board of Directors							**6.138.526 €**	**- €**	**43.766 €**	**22.368 €**	**6.204.660 €**	**3.605.376 €**	**- €**

C Chair; **DC** Deputy Chair; **M** Member

A. Office held since March 30, 2023
B. Office held until February 07, 2023
C. Office held until February 07, 2023
D. Office held until February 07, 2023
E. Office held since February 16, 2023
F. Office held until March 30, 2023
G. Office held since March 30, 2023

* Included compensation for committee participation and attendance tokens
** The "Fair value of equity compensation" does not represent a value actually paid to/gained by the beneficiaries of equity plans, being instead the cost that the Company is booking - on an accrual basis and during the vesting period - in consideration of the provision of the incentives based on financial instruments.

Compensation to the Board of Statutory Auditors

Board of Statutory Auditors (Eur)	Role	Total fixed comp.*	Variable non equity compensation bonuses and other incentives	Non-monetary benefits	Other Remuneration	Total	Fair value of equity comp.**	Severance indemnity for end of office or termination of employment
Marco Rigotti	Chairman	241,200 €		10,420 €		251,620 €		
Antonella Bientinesi	Standing auditor	162,200 €		10,420 €		172,620 €		
Claudio Cacciamani	Standing auditor	161,800 €		10,420 €		172,220 €		
Benedetta Navarra	Standing auditor	168,463 €		10,612 €		179,074 €		
Giudo Paolucci	Standing auditor	178,000 €		11,615 €		189,615 €		
Total Statutory Auditors		**911,663 €**		**53,487 €**		**965,149 €**		

* Included compensation for committee participation and attendance tokens
** The "Fair value of equity compensation" does not represent a value actually paid to/gained by the beneficiaries of equity plans, being instead the cost that the Company is booking - on an accrual basis and during the vesting period - in consideration of the provision of the incentives based on financial instruments.

Compensation to Executives with Strategic Responsibilities

Executives with Strategic Responsibilities (Eur)	Total fixed comp.*	Variable non equity compensation bonuses and other incentives	Non-monetary benefits	Other Remuneration	Total	Fair value of equity comp.**	Severance indemnity for end of office or termination of employment
Other Executives with Strategic Responsibilities (Total 11,5 FTE on yearly bases)	10,660,347 €	402,038 €	551,697 €	81,696 €	11,695,778 €	7,957,997 €	385,951 €

** Il fair value dei compensi azionari non rappresenta un valore effettivamente pagato/ottenuto dai beneficiari dei Piani azionari, essendo invece il costo che la Società contabilizza – secondo un criterio di competenza e durante il periodo di maturazione – in considerazione dell'offerta di incentivi basati su strumenti finanziari

* Included compensation for committee participation and attendance tokens
** The "Fair value of equity compensation" does not represent a value actually paid to/gained by the beneficiaries of equity plans, being instead the cost that the Company is booking - on an accrual basis and during the vesting period - in consideration of the provision of the incentives based on financial instruments.

Details>>
For further details, refer to the Annex 1 document attached to the 2024 Group Remuneration Policy and Report, published on the UniCredit website, in the section dedicated to the Shareholders' Meeting.

Development of CEO and Directors Total Remuneration, Average Employee Remuneration and Company Performance

EUR K – accounting based		2019	2020	2021	2022	2023	Delta 2023 vs 2022
Chief Executive Officer	Andrea Orcel	-	-	6,700	4,719	6.895	46%
Chairman of the Board of Directors	Pier Carlo Padoan	-	26	708	922	968	5%
Member of the Board of Directors	Lamberto Andreotti	141	166	169	178	157	-12%
	Vincenzo Cariello	146	151	164	168	162	-3%
	Elena Carletti	178	224	298	332	324	-2%
	Jayne-Anne Gadhia[A]	-	-	149	208	20	-90%
	Jeffrey Alan Hedberg	-	-	109	151	196	30%
	Beatriz Lara Bartolomé	-	87	139	153	145	-5%
	Luca Molinari	-	-	110	156	143	-8%
	Maria Pierdicchi	171	217	236	235	220	-6%
	Francesca Tondi	155	227	239	233	217	-7%
	Renate Wagner	-	-	110	151	138	-8%
	Alexander Wolfgring	314	327	269	231	224	-3%
Chairman of the Statutory Auditors	Marco Rigotti	154	224	230	241	252	4%
Member of the Statutory Auditors	Antonella Bientinesi	160	167	174	169	173	2%
	Claudio Cacciamani	-	-	-	127	172	36%
	Benedetta Navarra	190	200	202	184	179	-3%
	Guido Paolucci	178	188	187	185	190	2%
Employees	Group Average[B]	53	52	55	57	60	5%
Company Performance *(mln)*	Net Profit[C]	4,675	1,264	3,539	5,227	8,189	57%
CEO to Employee Ratio		43x	101x	121x	82x	115x	33x

As represented in the CONSOB Table and in line with accounting principles: overall total remuneration including equity fair value
A. Office held until February 7, 2023.
B. 2019 and 2020 calculated according to the total compensation of the former CEO Mr. Mustier: 2.248 K€ in 2019 and 5.241 K€ in 2020.
D. In 2019, 2020, Net Profit calculated with underlying logic. 2023 Net Profit after AT1/Cashes

FOCUS

Severance Payments - Members of the Board of Directors, General Managers, and other Executives with Strategic Responsibilities

During 2023, no indemnities and/or other benefits were allocated for the termination of office or termination of employment of the members of the administrative and control bodies.

The terminations of 3 former Executives with Strategic Responsibilities - that occurred in the course of 2023, in connection with an ordinary managerial turnover, were managed in strict compliance with the provisions of the Group Termination Payments Policy.

FOCUS

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

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

The employment, as Executive, of the Chief Executive Officer, Mr. Andrea Orcel, is governed - also with regards to the event of resignations, dismissal/revocation or termination - by the ordinary provisions of the law and National Labor Agreement for Banking Industry Executives dated July 13, 2015, complemented by some specific provisions contained in his individual contract that, in particular, provide for:

- an indemnity in lieu of notice equal to 12 months of aggregate compensation, calculated conventionally including also the director's fees and considering, for the purposes of the Italian Collective Labor Agreement for Banking Industry Executives, the seniority already accrued within the banking sector in executive positions
- the right to keep any possible deferred compensation at the time of termination, except in case of layoff for cause or if Mr. Orcel, within 6 months from termination, should start a new employment or directorship with a direct competitor of UniCredit listed in a specific annex.

Non-executive Directors do not receive, within incentive plans, UniCredit subscription rights.

For Directors currently in office, provisions do not exist regarding the establishment of advisory contracts for a term following the termination of the directorship, nor the right to keep post-retirement perks. No agreements exist either providing compensation for non-competition undertakings.

One of the other Executives with Strategic Responsibilities currently employed has a contract providing a conventional notice of 12 months, taking into consideration a 20-year tenure in other executive roles.

4.2 Granular Remuneration Data

Total compensation policy for non-Executive Directors, Group Material Risk Takers and for the overall Group employee population shows in particular how:

- remuneration of the non-Executive Directors, as approved by the AGM, does not include variable performance-related pay;
- variable remuneration for Group Material Risk Takers is in line with their strategic role, regulatory requirements and pay for performance culture;
- the general employee population is offered a balanced pay-mix in line with the role, scope and business or market context of reference.

› Group Material Risk Takers

For 2023 the assessment process, regularly reported in the 2023 Group Remuneration Policy, led to the identification of about 800 people at the beginning of 2023.

During 2023 the Group Material Risk Takers list has been constantly updated, taking into account resources turnover and banding and organizational changes review process, bringing the amount of Material Risk Takers to 827 by the end of the year.

› Group overall population[67]

The total compensation costs at Group level amounted at €5,861 mn in 2023, out of which the variable compensation amounted to €602 mn[68].

Compensation pay-mix by cluster of population/type of business

	Compensation Pay Mix	
Group employee population	Fixed and other non-performance related Pay	Variable performance-related Pay
Non-Executive Directors		
Chairman and Vice-Chairman	100%	0%
Directors	100%	0%
Statutory Auditors	100%	0%
Group employee population		
Business Areas[A]	90%	10%
Corporate Center/Support functions[B]	89%	11%
Overall Group Total	90%	10%

A. Italy, Germany, CE and EE business divisions (i.e. excluding Local Corporate Centers).
B. Group Corporate Center and Local Corporate Centers of Italy, Germany, CE and EE.

[67] Overall Group population 70,752 FTEs, December 31, 2023.
[68] Net of one-off releases.

› Benefits

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

In Italy, among the complementary pension plans, there are defined benefit plans and defined contribution plans. In most cases, benefits are paid out once the retirement requirements are satisfied. In defined benefit plans the benefit's calculation is known in advance, while in defined contribution plans the benefit depends on allocated asset management results.

Complementary pension plans of UniCredit Group in Italy are external pension funds, legally autonomous from the Group.

These plans are closed and do not allow new subscriptions, the only exception is represented by the defined contribution plan section of the “Fondo Pensione per il Personale delle Aziende del Gruppo UniCredit” (which was composed by approximately 41,299 enrolled active employees, as reported in the 2022 Pension Fund Annual Report).

Within this section subscribers can distribute contribution depending on their own risk appetite - among various investment lines (one in the Insurance sector, three in the Finance sector - corresponding to Short, Medium and Long-Term options), characterized by different risk/yield ratios. In addition, the enrolled employees may open complementary pension plan positions in favor of their family members dependent for tax purposes.

Moreover, in most countries where UniCredit is present, complementary pension plans are available for Group employees.

More details and information can be found in the UniCredit Integrated Report and the relevant Supplement.

4.2.1 Pillar 3 disclosures on Group Material Risk Takers' remuneration and disclosures on the highest-paid employees

This section contains a number of disclosures which are required in accordance with Article 450 of the Capital Requirements Regulation (CRR II)[69].

Specifically, with reference to table REM 3, the vested component of variable remuneration from previous years refers to cash and equity awards to which the right has matured as the performance conditions have been achieved:

- the vested components in cash refer to 2018, 2020, 2021 and 2022 Group Incentive Systems and, if present, to other forms of variable remuneration;
- the vested components in shares refer to 2019, 2020, 2021 and 2022 Group Incentive Systems and, if present, to other forms of variable remuneration.

Instead, the unvested component of variable remuneration from previous years refers to cash and equity awards to which the right has not yet matured and for which any potential future gain has not been yet realized and remains subject to future performance:

- the unvested components in cash refer to 2019, 2020, 2021 and 2022 Group Incentive Systems and, if present, to other forms of variable remuneration;
- the unvested components in shares refer to 2020, 2021 and 2022 Group Incentive Systems and, if present, to other forms of variable remuneration.

Variable remuneration paid with reference to 2023 from previous years includes payouts based on demonstrated multi-year performance achievements related to Group Incentive Systems plans and, if present, to other forms of variable remuneration.

[69] In this context, Identified staff and Material Risk Taker are used interchangeably.

Table EU REMA - Remuneration policy

Institutions shall describe the main elements of their remuneration policies and how they implement these policies. In particular, the following elements, where relevant, shall be described:

Qualitative Disclosure	
a) Information relating to the bodies that oversee remuneration. Disclosures shall include:	
1. Name, composition and mandate of the main body (management body or remuneration committee as applicable) overseeing the remuneration policy and the number of meetings held by that main body during the financial year.	At the end of 2023, the Remuneration Committee was composed of members Mr. Jeffrey Alan Hedberg (Chairman), Mr. Luca Molinari and Ms. Renate Wagner. All members of the Committee in its current composition are independent according to the article 13 of the Italian Decree issued by the Ministry of Economics and Finance no. 169/2020 (the "Decree") and to the article 147-ter, paragraph 4, in conjunction with article 148, paragraph 3, of the Italian Legislative Decree n. 58/98 (the 'Testo Unico della Finanza' 'Consolidated Law on Finance' or 'TUF') and the majority of them meets the requirements of independence provided for described in the Italian Corporate Governance Code and in the Articles of Association. In order to foster an efficient information and advisory system to enable the Board of Directors to better assess the topics for which it is responsible, in compliance with the Supervisory Regulations on corporate governance issued by the Bank of Italy and in accordance with the provisions of the Italian Corporate Governance Code for the listed companies ("Italian Corporate Governance Code"), the Remuneration Committee has been established by the Board, vested with research, advisory and proposal-making powers. In particular, the Remuneration Committee is entrusted with the role of providing advice and opinions on the proposals submitted to the Board of Directors regarding the Group remuneration strategy. In 2023 the Remuneration Committee met 12 times.
2. External consultants whose advice has been sought, the body by which they were commissioned, and in which areas of the remuneration framework.	In 2023 the Remuneration Committee has availed itself with the services of PricewaterhouseCoopers (PwC), an external independent advisor, who provides advice on compensation practices and trends, as well as up-to-date benchmarking studies. PwC has collaborated with the Committee since the fourth quarter of 2021. During its mandate, PwC representatives were invited to attend the meetings of the Committee, providing their independent opinion to the Remuneration Committee on the various topics in agenda.
3. A description of the scope of the institution's remuneration policy (eg by regions, business lines), including the extent to which it is applicable to subsidiaries and branches located in third countries.	The principles of the Group Remuneration Policy apply across the organization and shall be reflected in all remuneration practices applying to the several employee categories across businesses, including staff belonging to external distribution networks, considering their remuneration peculiarities. With specific reference to Material Risk Takers, the Group People & Culture function establishes guidelines and coordinates a centralized and consistent management of compensation and incentive systems. In compliance with Group Remuneration Policy and local regulation, Legal Entities, countries and divisions apply compensation framework for all employees, with local adaptations based on specific regulations and/or business specifics.
4. A description of the staff or categories of staff whose professional activities have a material impact on institutions' risk profile.	As a result of the analysis on Group Material Risk Takers and as approved by the Board of Directors, upon Remuneration Committee proposal and in compliance with Delegated Regulation (EU) n. 923/2021 issued by the European Commission, the following categories of employees have been defined for 2023 as Material Risk Takers. All members of the management body, including the CEO and all Board Members, as well as Senior Management who exercise executive functions within an institution and who are responsible, and accountable to the management body, for the day-to-day management of the institution. Moreover, additional positions with managerial responsibility over the institution's control functions (Audit, Risk Management, Compliance) or material business units were identified, as well as other roles responsible for the Group's decisions which may have a relevant impact on the Bank's risk profile. Finally, other specific roles of the legal entities have been defined as Material Risk Takers according to regulatory provisions. For further details, please refer to the paragraph 2.4 Group Material Risk Takers identification process within the 2023 Group Remuneration Policy.
b) Information relating to the design and structure of the remuneration system for identified staff. Disclosures shall include:	
1. An overview of the key features and objectives of remuneration policy, and information about the decision-making process used for determining the remuneration policy and the role of the relevant stakeholders.	UniCredit's compensation governance model aims at assuring clarity and reliability of remuneration decisional processes by controlling group-wide remuneration practices and ensuring that decisions are made in an independent, informed and timely manner at appropriate levels, avoiding conflicts of interest and guaranteeing appropriate disclosure in full respect of the general principles defined by regulators. Relying on the governance model, the Group Remuneration Policy sets the framework for a coherent and consistent design, implementation and monitoring of compensation practices across the entire Group. Within this common policy framework, guidelines are defined to implement compensation programs and plans that reinforce sound risk management policies and the long-term strategy and generally pursue long-term value creation and sustainability of the company. In doing so, UniCredit effectively meets the specific and evolving needs of the different businesses, market contexts and employee populations while ensuring that business and people strategies are always appropriately aligned with the remuneration approach, including external networks and agents, where applicable, as foreseen by regulation. On an annual basis, the Group Remuneration Policy is drawn up by the Group People & Culture function with the involvement of the Group Risk Management and other relevant functions (e.g. Group Finance) and is validated by the Group Compliance function for all compliance related aspects, before being submitted to the Remuneration Committee. After its review, the document is submitted to the Board of Directors and presented to the shareholders' Annual General Meeting for approval, in line with regulatory requirements. Once approved, the Group Remuneration Policy is formally adopted by competent bodies in the relevant Legal Entities across the Group in accordance with applicable local legal and regulatory requirements.
2. Information on the criteria used for performance measurement and ex ante and ex post risk adjustment.	The 2023 Group Incentive System is based on a bonus pool approach, compliant with the most recent national and international regulatory requirements and links bonuses with company results at Group and country/division level, ensuring a strong connection between profitability, risk and reward, combining annual goals with additional long-term conditions to steer the performance management measurement towards sustainable results over time. In order to align to regulatory requirements, specific indicators measuring annual profitability, capital and liquidity results have been set at Group level as Entry Conditions. The evaluation of the Entry Conditions at Group level and after the cascading process at local level defines possible scenarios that allow the confirmation to increase, reduce or cancel the bonus pool. The ex-ante malus condition (Zero Factor) applies in case the specific metrics on profitability, capital and liquidity are not achieved at Group level. Entry conditions are verified also during the cascading at local level where applicable. Specifically, the Zero Factor is applied to the Material Risk Taker population, whereas for the non-Material Risk Taker population, a significant reduction will be applied. More in general, the Group reserves the right to activate ex post malus and claw-back mechanisms, namely the reduction/cancellation and the return respectively of any form of variable compensation in case of verification of behaviors adopted by the employees as described in the Focus "Compliance Breach, Malus and Claw-back". For details on the criteria used for performance measurement, please refer to the item e)1. of this same table as well as directly to the 2023 Group Remuneration Policy content, paragraphs 5.1 2023 Group Incentive System and 5.2 Performance Management framework.
3. Whether the management body or the remuneration committee where established reviewed the institution's remuneration policy during the past year, and if so, an overview of any changes that were made, the reasons for those changes and their impact on remuneration.	In 2023, the Remuneration Committee reviewed the institutions' Remuneration Policy. Main changes of the 2023 Group Remuneration Policy and Report compared to the previous year were driven by the aim to ensure the remuneration strategy may attract Directors, Executives and key people for the long-term objectives of the Group, while complying with the latest regulatory updates. These changes included, among others: review of the Group Incentive System in alignment with the Group strategic direction, including a) update of performance conditions, targets and payout curve for short-term and long-term scorecard of CEO and Executives with strategic responsibilities, in line with the Strategic Plan;b) full variable remuneration paid-out in shares for CEO, GEC members and Group CAE to further enhance investors' alignment; c) share conversion price calculation based on the market share price at the beginning of the performance period (average price from the beginning of the year untill AGM approving incentive system to reduce the possible volatility stemming from a shorter observation period), adjusted to take into account availability constraints during deferral period, as per regulatory requirements (1)2) share-ownership: enhancement of the requirements for CEO (from 2x to 3x base salary) and GEC members not belonging to control functions (from 1x to 1.5x base salary) alongside the update of criteria to identify the population in scope; 3) restoring of the wider application of the 2:1 ratio between variable and fixed remuneration to the whole population, excluding Corporate Control Functions and staff for whom more stringent local regulatory cap apply. (1) Considering the regulatory prohibition to distribute dividends or to accrue them and pay them ex-post (Bank of Italy Circolare 285; EBA guidelines), a discount for the share conversion price is applied for unavailability of shares so to restore the value at arm's length with the market. The model, certified by Risk Management function, is based on expected dividends from public source i.e listed futures, discounted via a cash flows approach to infer expected dividends till instruments delivery, weighted according to the sizes and the time periods of each deferrals plan.

4. Information of how the institution ensures that staff in internal control functions are remunerated independently of the businesses they oversee.	The KPI Bluebook, framework that supports the definition of Scorecards providing a set of performance indicators and guidelines, provides specific guidelines related to the selection of goals for the Corporate Control Functions, in order to ensure their independence (e.g. avoid KPIs linked to economic measure, use KPIs independent of results of monitored areas to avoid conflict of interests). To support the design of remuneration and incentive systems, also the following "compliance and sustainability drivers" have been defined, in line with applicable regulation to also address the independency of Corporate Control Functions. - design incentive systems to set minimum performance thresholds below which zero bonus will be paid. In order to maintain the adequate independence levels for Corporate Control Functions, for People & Culture and the Manager in Charge of Drafting the Company Financial Reports, provide a maximum threshold for the progressive reduction of the bonus pool, which can be phased out to zero only in presence of exceptionally negative situations with an approval process including a governance step by the Board of Directors; - avoid bonuses linked to economic results for Corporate Control Functions, for People & Culture and Manager in Charge of Drafting the Company Financial Reports and set, for the employees in these functions, individual goals that shall reflect primarily the performance of their own function and that will be independent of results of monitored areas, in order to avoid conflict of interest.
5. Policies and criteria applied for the award of guaranteed variable remuneration and severance payments.	The guaranteed variable remuneration is a non-standard compensation and as such, the compensation elements are considered as exceptions and limited only to specific situations, as appropriate based on the regulation in force from time to time (e.g. recruitment of new staff and limited to the first year of employment and cannot be awarded more than once to the same person). Non Standard Compensation are managed by People & Culture function with the involvement of Compliance function and are approved according to the internal P&C Delegation of Powers. With regards to severance payments, according to the regulatory requirements, a specific Policy on payments to be agreed in case of early termination of a contract was firstly submitted for approval to the 2015 Annual General Meeting. Subsequently, updates were submitted for approval to the Annual General Meetings of April 11, 2019 and April 15, 2021. For further details, please refer to "Group Termination Payments Policy" available on the corporate website.
Qualitative Disclosure	
c) Description of the ways in which current and future risks are taken into account in the remuneration processes. Disclosures shall include an overview of the key risks, their measurement and how these measures affect remuneration.	
	The Group Incentive System is based on a bonus pool approach. In order to ensure consistency with the Group Risk Appetite Framework, the bonus pool may be revised up/downwards, on the basis of the overall "quality of performance". The methodology envisages the assessment performed by Group Risk Management based on specific dashboards at Group and local level. The Risk Adjustment-CRO dashboards include indicators covering all relevant risks, such as credit, market and liquidity and the risk position assumed, the adherence to regulatory requirements and the relationship between risk and profitability. The specific metrics are measured with reference to the respective relevant thresholds (limit, trigger and target), established in line to the Group Risk Appetite Framework. The Group Risk Management function provides an overall assessment on the dashboard and the evaluation leads to the definition of a "multiplier" in order to define the adjustment of the bonus pool, which could fall in the range of 50%-120%. Negative and neutral "multipliers" (i.e. 50%, 75% and 100%) are directly applied to bonus pool funding. Positive "multipliers" (i.e. 110% and 120%) are representing the upper bound of the bonus pool theoretical value and subject to managerial evaluation, considering the broader context of the company.
d) The ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) CRD.	
	In compliance with applicable regulations, the adoption of a maximum ratio between variable and fixed remuneration of 2:1 was approved by the Shareholders' Meeting held on May 13th, 2014, to be applied for the overall population, with the exception of the employees belonging to company control functions, People and Culture and the Manager in Charge of drafting financia repots, for whom a more restrictive regulatory cap applies. Since 2014, successive annual remuneration policies have provided more detailed guidance on the target population for the 2:1 cap, focusing primarily on business functions and specific roles, while providing for the application of the 1:1 ratio for other roles not belonging to business or control functions. In February 2023, the Board of Directors approved to submit to the Ordinary Shareholders' Meeting on March 31st 2023 the proposal to restore the wider application of the 2:1 ratio between variable and fixed to the whole population(1), excluding Corporate Control Functions (Audit, Risk, Compliance), People & Culture and the Manager in charge of drafting financial reports for which it is expected that fixed remuneration is a predominant component of total remuneration, as per Bank of Italy provisions (Circolare 285). For the Material Risk Takers of Corporate Control Functions in Italy, the ratio between the variable and the fixed components of remuneration cannot exceed the limit of one third, as per Bankit provision (Circular 285 of December 17, 2013, 37th update of November 24th, 2021). (1) Incl. external credit intermediaries and financial advisors.
e) Description of the ways in which the institution seeks to link performance during a performance measurement period with levels of remuneration. Disclosures shall include:	
1. An overview of main performance criteria and metrics for institution, business lines and individuals.	The 2023 Group Incentive System, as approved by UniCredit Board of Directors on February 26th, 2023, is based on a bonus pool approach, similarly to last years, which is compliant with the most recent national and international regulatory requirements and links bonuses with company results at Group and country/division level, ensuring a strong connection between profitability, risk and reward. The bonus pool is set at Group level and then cascaded down for each division following the external reporting structure. It is initially proposed during the budgeting phase as a percentage of the pre-defined Funding KPI (i.e. Operating EVA (1) pre-bonus). In such a definition, the following elements are considered: business context and perspectives, previous years amount and forecasts of profitability. The budget is submitted to the approval of UniCredit Board of Directors. Furthermore, bonus pool size takes into consideration any recommendation issued by European or local regulators on variable remuneration. Individual bonus will be allocated managerially, considering the individual performance appraisal and the Reference Value (considering the internal and/or external benchmarking analysis on similar roles, the seniority, the maximum ratio between variable and fixed compensation), adjusted according to the actual available bonus pool. At individual level it will be also considered the respect of provisions of law, Group's compliance rules, Company policies or integrity values, Code of Conduct and the application of claw-back clauses, as legally enforceable. Moreover, each participant has to complete the mandatory trainings courses and, for impacted roles, the customer due diligence periodic review (Know Your Customer), within a predefined threshold in order to be entitled to the bonus. Individual performance appraisal is based on an overall outcome that reflects the deterministic evaluation of the financial KPIs and the qualitative assessment of non-financial goals including the behaviors adopted to achieve them. The setting of the annual objectives (known as Goal Setting) is supported by a structured framework that includes a catalogue of performance indicators (the "KPI Bluebook") annually reviewed by relevant Group key functions (i.e. People & Culture, Finance, Risk Management, Compliance, Group Strategy & ESG).The different categories of the KPI Bluebook represent financial and non-financial goals and are mapped into clusters of business, to help identifying the most relevant standardized KPIs (all certified by relevant functions), with specific focus on risk-adjusted, sustainability-driven metrics and economic measures. In particular, to the Group Material Risk Takers it is possible to assign from four to eight goals with an adequate financial/non-financial mix, also in terms of number of objectives assigned and the weight given to each cluster (financial/non-financial). The goals are mandatorily selected from the KPI Bluebook. Corporate Values and behaviors considered as relevant are taken into account by the manager for the overall performance appraisal. For the Executives with Strategic Responsibilities, according to their roles, the 2023 goals were considering the following drivers for performance: Net Revenues; Net Profit; Costs (C/I and Opex); Organic Capital generation; UniCredit Unlock Transformation; Winning the right way together (related to Corporate Values, conduct and compliance/risk culture). Amongst the additional LT performance conditions (applicable for selected individuals excluding corporate control functions, People&Culture and Dirigente Preposto): Sustainability (e.g. ESG volumes, DE&I ambitions, Climate-risk), and RoTE with CET1 @13%. (1) Operating EVA defined as Net Operating Profit - Cost of Capital. Cost of Capital is the average Allocated Capital multiplied by the Cost of Equity (Ke) plus the additional Tier 1 corrective factor adjusted for AT1, excess of capital and cash charges.
2. An overview of how amounts of individual variable remuneration are linked to institution-wide and individual performance.	Individual variable remuneration is driven primarily by institution-wide performance, in order to determine the size of the available bonus pool (the larger the profitability level of the institution, the higher the available bonus pool), and secondly by individual performance considering individual Pay-for-Performance principles (the higher the individual performance rating, the higher the variable remuneration awarded to individuals). The bonus pool may be revised up/downwards, on the basis of the overall "quality of performance", in order to ensure consistency with the Group Risk Appetite Framework and the economic sustainability of the Group's and country/division results over time. The methodology envisages the assessment performed by Group Risk Management based on specific dashboards at Group and local level.
3. Information on the criteria used to determine the balance between different types of instruments awarded including shares, equivalent ownership interest, options and other instruments.	The individual bonus is composed of 100% of shares for Group CEO, Group Chief Audit Executive and GEC members, more than 50% in shares for GEC-1 MembersGroup CAE direct reports, Senior Management (1) and of 50% cash and 50% shares for the remaining Group Material Risk Takers. It is paid out over a period up to seven years, ensuring alignment with shareholders' interests and malus and claw-back conditions, as legally enforceable. The balance between shares and cash is guided by the specific regulatory requirements on the matter. (1) Staff members below GEC-1 which are senior management of the Legal Entities of Group MBU. This includes: Group CEO, Heads of Group Businesses/Divisions, Heads of Group Competence Lines, Group CEO reporting lines and all other Senior Management roles in Group Legal Entities (as defined by Bank of Italy) receiving a significant amount of variable remuneration.
4. Information of the measures the institution will implement to adjust variable remuneration in the event that performance metrics are weak, including the institution's criteria for determining "weak" performance metrics.	The Incentive System methodology foresees specific "Entry Conditions" set at both Group and country/division level that impact bonus pool size. The evaluation of the Entry Conditions at Group level first and local level afterwards (also depending on weak performance metrics) defines three possible scenarios that allow the confirmation to increase, reduce or cancel the bonus pool for each cluster. A. In case Capital or Liquidity "entry conditions" are not met at Group level, the malus condition is activated, triggering the application of Zero Factor on both current year bonus and previous years deferrals. For the other employees, a significant reduction will be applied. B. In case only the Profitability Entry Conditions are not met at Group level, the gate is "partially open" and a reduced bonus pool scenario is activated triggering a reduction of 50% of pool generation for Group material risk takers on both current year bonus and previous years deferrals. For the other employees, a sizeable reduction will be applied. C. In case the Entry Conditions at Group level are met, the gate is "fully open" meaning the Bonus Pool may be fully confirmed or even increased, in case of positive performance on Risk & Sustainability dashboard. The entry conditions of each year act as ex ante malus for the deferrals in payment in the year and, in case the entry conditions are not met both at Group and local level activating the Zero Factor, the deferrals are cancelled.

f) Description of the ways in which the institution seeks to adjust remuneration to take account of long-term performance. Disclosures shall include:	
1. An overview of the institution's policy on deferral, payout in instrument, retention periods and vesting of variable remuneration including where it is different among staff or categories of staff.	With reference to the payout structure of the Group Incentive System, the Material Risk Takers population will be differentiated into four clusters, using a combined approach of position and compensation: - for Group CEO, GEC members and Group Chief Audit Executive (CAE) 6-year deferral schemes are applied, consisting in a payout structure of 7 years in total; a smoother deferral curve is applied in case of Control functions, People & Culture and Manager in Charge of Drafting the Company Financial Reports; - for GEC-1 and Group CAE direct reports 5-year deferral schemes are applied, consisting in a payout structure of 6 years in total; a smoother deferral curve is applied in case of Control Functions and People & Culture; -- for other Senior Management(1) 5-year deferral schemes are applied, consisting in a payout structure of 6 years in total; a higher deferral percentage is applied in case of variable remuneration > € 430,000 (2) - for other Material Risk Takers 4-year deferral schemes are applied, consisting in a payout structure of 5 years in total; a higher deferral percentage is applied in case of variable remuneration > € 430,000. The payout of incentives will be done through upfront and deferred installments, in cash or in UniCredit ordinary shares, up to a multi-year period. Each share tranche is subject to a 1 year retention period for both upfront and deferred shares, as foreseen by regulation. All the installments are subject to the application of claw-back conditions, as legally enforceable. On the other hand, the 2020-2023 Group Long Term Incentive Plan - which provides for the allocation of UniCredit free ordinary shares - foresees: - 4 years deferral period (from the date of the award of the LTI Plan) subject to "malus" conditions (3) and - additional compulsory holding year (after which the shares become free to sell, only if the share ownership guidelines are respected). At local level, Group Entities may perform calibrations on the length of the deferral schemes and/or the use of financial instruments to be aligned with more restrictive local regulations. (1)Staff members below GEC-1 which are senior management of the Legal Entities of Group Material Business Units. This includes: Group CEO, Heads of Group Businesses/Divisions, Heads of Group Competence Lines, Group CEO reporting lines and all other Senior Management roles in Group Legal Entities (as defined by Bank of Italy) receiving a significant amount of variable remuneration. (2)430.000 Euro is the lower amount between 10 times the average Bank total compensation and the 25% of total compensation of Italian High Earner as reported by EBA. (3)Malus conditions that reduce the payable amount based on profitability, liquidity, capital position.
Qualitative Disclosure	
2.Information of the institution' criteria for ex post adjustments (malus during deferral and clawback after vesting, if permitted by national law).	Malus and claw-back mechanisms may apply in the case of verification of behaviors adopted in the reference period (performance period), for which the employee: - contributed with fraudulent behavior or gross negligence to the Group incurring significant financial losses, or by his/her conduct had a negative impact on the risk profile or on other regulatory requirements at Group or country/division level; - engaged in misconduct and/or fails to take expected actions which contributed to significant reputational harm to the Group or to the country/division, or which were subject to disciplinary measures by the Authority; - is the subject of disciplinary measures and initiatives envisaged in respect of fraudulent behavior or characterized by gross negligence during the reference period; - infringed the requirements set out by articles 26 TUB and 53 TUB, where applicable, or the obligations regarding the remuneration and incentive system. Malus mechanisms are also applied to take into account the performance net of the risks actually assumed or achieved, the performance related to the balance sheet and liquidity situation.
3.Where applicable, shareholding requirements that may be imposed on identified staff.	Share ownership guidelines set minimum levels for company share ownership by relevant Executives(1), aiming to align managerial interests to those of shareholders by assuring appropriate levels of personal investment in UniCredit shares over time. The Board approved at the end of 2011 the share ownership guidelines applied to the Chief Executive Officer, to General Manager and Deputy General Manager roles, if any, starting from 2023, in line with the current organisational structure, the share ownership guidelines are applicable to the members of the Group Executive Committee (GEC) and their first reporting line, the so-called GEC-1, with managerial responsibilities: - 3 x annual base salary for Chief Executive Officer; - 1,5 x annual base salary for Group Executive Committee (GEC) Members - 0,5 x annual base salary for GEC-1 with managerial responsibilities. The established levels should be reached, as a rule, within five years from the appointment to the above indicated Executives categories within the scope of the guidelines and should be maintained until the position is held. The achievement of the share ownership levels should be accomplished through a pro-rata approach over a 5-year period, granting the minimum amount of shares each year, taking into consideration potential vested plans. Involved Executives are also expected to refrain from entering into schemes or arrangements that specifically protect the unvested value of equity granted under incentive plans (so called "hedging"). Such clauses are contained in all relevant incentive plan rules and apply to all beneficiaries, since involvement in such schemes undermines the purpose of limiting the risk. Any form of violation of share ownership guidelines as well as any form of hedging transaction shall be considered in breach of Group compliance policies with such consequences as provided for under enforceable rules, provisions and procedures. Local adaptations based on specific regulations and/or business shall be envisaged consistently with the global approach at Group level. (1) Considering the application, from 2016, of the new ratio between the variable and the fixed components of remuneration (which cannot exceed the limit of one third for the Material Risk Takers within Italian Control Functions, while fixed remuneration is expected to be the predominant component for the Control Functions of other geographies), share ownership guidelines are not applied to Executives who are part of Corporate Control Functions.
g) The description of the main parameters and rationale for any variable components scheme and any other non-cash benefit in accordance with point (f) of Article 450(1) CRR. Disclosures shall include:	
1. Information on the specific performance indicators used to determine the variable components of remuneration and the criteria used to determine the balance between different types of instruments awarded, including shares, equivalent ownership interests, share-linked instruments, equivalent non cash-instruments, options and other instruments.	The variable component of remuneration is mainly determined by the Operating EVA (1) pre-bonus as performance indicator of operative performance. The Group Incentive System provides for a balanced structure of upfront (following the moment of performance evaluation) and deferred payments, in cash and/or shares for Material Risk Takers. The distribution of share payments takes into account the applicable regulatory requirements regarding the application of share retention periods. For Group Material Risk Takers, the annual variable remuneration has to be deferred if it: - is above 50,000 EUR or - represents more than one third of the total annual remuneration. Below this threshold no deferral mechanisms will be applied, according to relevant regulatory indications. The individual bonus is composed of 100% of shares for Group CEO, Group Chief Audit Executive and GEC members, more than 50% in shares for GEC-1 Members, Group CAE direct reports, Senior Management (2) and of 50% cash and 50% shares for the remaining Group Material Risk Takers. It is paid out over a period up to seven years, ensuring alignment with shareholders' interests and malus and claw-back conditions, as legally enforceable. The balance between shares and cash is guided by the specific regulatory requirements on the matter. (1) Operating EVA defined as Net Operating Profit - Cost of Capital. Cost of Capital is the average Allocated Capital multiplied by the Cost of Equity (Ke) plus the additional Tier 1 corrective factor adjusted for AT1, excess of capital and cash charges. (2) Staff members below GEC-1 which are senior management of the Legal Entities of Group MBU. This includes: Group CEO, Heads of Group Businesses/Divisions, Heads of Group Competence Lines, Group CEO reporting lines and all other Senior Management roles in Group Legal Entities (as defined by Bank of Italy) receiving a significant amount of variable remuneration..
h) Upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management.	
	Please refer to the tables Compensation to Directors and Compensation to Executives with Strategic Responsibilities present in the paragraph 4.1 Compensation to Directors, Statutory Auditors and Executives with Strategic Responsibilities of the Remuneration Report within the 2024 Group Remuneration Policy and Report.
i) Information on whether the institution benefits from a derogation laid down in Article 94(3) CRD in accordance with point (k) of Article 450(1) CRR.	
1. For the purposes of this point, institutions that benefit from such a derogation shall indicate whether this is on the basis of point (a) and/or point (b) of Article 94(3) CRD. They shall also indicate for which of the remuneration principles they apply the derogation(s), the number of staff members that benefit from the derogation(s) and their total remuneration, split into fixed and variable remuneration.	Derogation based on point (b): - nr. of staff members that benefit from the derogation: 280 - total remuneration: 50,522 k Eur - o/w fixed remuneration: 38,155 k Eur - o/w variable remuneration: 12,367 k Eur
j) Large institutions shall disclose the quantitative information on the remuneration of their collective management body, differentiating between executive and non-executive members in accordance with Article 450(2) CRR.	
	Please refer to the tables present in the paragraph 4.1 Compensation to Directors, Statutory Auditors and Executives with Strategic Responsibilities of the Remuneration Report within the 2024 Group Remuneration Policy and Report.

Template EU REM1 - Remuneration awarded for the financial year

			a	b	c	d
			MB Supervisory function[1]	MB Management function	Other senior management	Other identified staff
1	Fixed remuneration	Number of identified staff	**12**	**1**	**320**	**452**
2		Total fixed remuneration	**2.585**	**3.457**	**104.260**	**97.431**
3		Of which: cash-based	2.543	3.250	89.644	88.077
4		(Not applicable in the EU)	-	-	-	-
EU-4a		Of which: shares or equivalent ownership interests	-	-	-	-
5		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-5x		Of which: other instruments	-	-	-	-
6		(Not applicable in the EU)	-	-	-	-
7		Of which: other forms[2]	42	207	14.616	9.354
8		(Not applicable in the EU)	-	-	-	-
9	Variable remuneration	Number of identified staff	**-**	**1**	**320**	**452**
10		Total variable remuneration	**-**	**6.500**	**117.172**	**80.079**
11		Of which: cash-based	-	-	35.970	41.530
12		Of which: deferred	-	-	10.002	11.922
EU-13a		Of which: shares or equivalent ownership interests	-	6.500	79.752	38.417
EU-14a		Of which: deferred	-	3.900	49.328	19.565
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments	-	-	1.271	-
EU-14b		Of which: deferred	-	-	786	-
EU-14x		Of which: other instruments	-	-	-	-
EU-14y		Of which: deferred	-	-	-	-
15		Of which: other forms[2]	-	-	179	132
16		Of which: deferred	-	-	-	-
17	**Total remuneration (2 + 10)**		**2.585**	**9.957**	**221.433**	**177.510**

Data in K Eur

Note:
- number of Group Material Risk Takers reported in the table refers to FTEs at 31/12/2023 (net of 54 leavers during 2023)
- other Senior Management includes employees identified as per art 92.3 a together with GEC -1 with managerial responsibility
- the fixed payments are referred at data as of 31/12/2023 for current GMRTs employed, while for the GMRTs who left/joined the company during 2023 a pro rata approach has been applied.
- the variable remuneration includes: 2023 bonus outcome, non standard compensations awarded in 2023, 2023 severance payments excluding notice period and other payments, benefit ad personam and LTI 20-23 awarded at italian fiscal price 2024.

1 Number and remuneration of MB in Supervisory Function are pro-rated as represented in Consob tables.

2 Value related to a sub-set of benefits - accommodation, company car, health insurance, integrative pension fund, and schooling - assigned according to Group/Local Policies. Values are estimated, based on the costs borne by the Company to grant the mentioned benefits and includes also one off payments; amounts are net, gross only if defined as such within the Policies. For new hirings and terminated employees pro-quota values were considered.

Template EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

		a	b	c	d
		MB Supervisory function	MB Management function	Other senior management	Other identified staff
	Guaranteed variable remuneration awards				
1	Guaranteed variable remuneration awards - Number of identified staff	0	0	2	9
2	Guaranteed variable remuneration awards -Total amount	0	0	650	2.226
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	0	0	650	2.038
	Severance payments awarded in previous periods, that have been paid out during the financial year				
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	0	1	46	39
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	0	217	12.276	7.971
	Severance payments awarded during the financial year				
6	Severance payments awarded during the financial year - Number of identified staff	0	0	29	41
7	Severance payments awarded during the financial year - Total amount	0	0	27.407	20.843
8	Of which paid during the financial year	0	0	12.138	11.728
9	Of which deferred	0	0	15.269	9.114
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	0	0	12.138	11.728
11	Of which highest payment that has been awarded to a single person	0	0	3.290	1.337

Data in K Eur

Note:

The severance payments awarded in previous periods includes previous years Group Material Risk Takers

The severance payments awarded during the financial year includes 2023 Group Material Risk Takers and also those that were identified in the previous year GMRT cycle but not confirmed in 2023

The severance amounts include all elements of the exit package (e.g. Indemnity in Lieu of Notice)

Template EU REM3 - Deferred remuneration

Deferred and retained remuneration	a Total amount of deferred remuneration awarded for previous performance periods[1]	b Of which due to vest in the financial year	c Of which vesting in subsequent financial years	d Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	e Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	f Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e.changes of value of deferred remuneration due to the changes of prices of instruments)[2]	EU - g Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year[3]	EU - h Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods[1]
MB Supervisory function	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cash-based	-	-	-	-	-	-	-	-
Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
Other instruments	-	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-	-
MB Management function	**8.946**	**-**	**8.946**	**-**	**-**	**7.705**	**5.108**	**2.926**
Cash-based	168	-	168	-	-	-	1.000	-
Shares or equivalent ownership interests	8.778	-	8.778	-	-	7.705	4.108	2.926
Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
Other instruments	-	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-	-
Other senior management	**121.709**	**25.275**	**96.434**	**-**	**-**	**77.450**	**45.858**	**50.812**
Cash-based	23.714	7.064	16.650	-	-	-	20.923	-
Shares or equivalent ownership interests	96.298	17.932	78.366	-	-	77.450	24.175	50.223
Share-linked instruments or equivalent non-cash instruments	1.697	279	1.418	-	-	-	760	589
Other instruments	-	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-	-
Other identified staff	**60.602**	**22.422**	**38.180**	**-**	**-**	**33.374**	**51.253**	**32.666**
Cash-based	20.726	4.924	15.802	-	-	-	23.900	-
Shares or equivalent ownership interests	39.876	17.498	22.378	-	-	33.374	27.353	32.666
Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
Other instruments	-	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-	-
Total amount	**191.257**	**47.697**	**143.560**	**-**	**-**	**118.528**	**102.219**	**86.404**

Data in K Eur

Note: Population in scope refers to 2023 Group Material Risk Takers

[1] For UniCredit Shares: equity-based deferral based on the 2024 Italian Fiscal price 2024 as average of the month preceding the shares delivery (28,343 EUR);
For Zaba Shares: based on average Zaba share price from 29/01/24 to 28/02/24 (18,2435 EUR).

[2] Delta between share price at grant and share price as reported in note 1.

[3] For UniCredit Share: Italian fiscal value (normal value: average of the month preceding the share allocation 2023 Jan24th - Feb 24th): 17,931 EUR
For Zaba Shares: average share price in the period of 2023 Feb 17th - March 17th, one month prior to SB: 11,757 EUR

Template EU REM4 - Remuneration of 1 million EUR or more per year

	EUR	a **Identified staff that are high earners as set out in Article 450(i) CRR**
1	1 000 000 to below 1 500 000	40
2	1 500 000 to below 2 000 000	11
3	2 000 000 to below 2 500 000	3
4	2 500 000 to below 3 000 000	7
5	3 000 000 to below 3 500 000	1
6	3 500 000 to below 4 000 000	1
7	4 000 000 to below 4 500 000	1
8	4 500 000 to below 5 000 000	0
9	5 000 000 to below 6 000 000	2
10	6 000 000 to below 7 000 000	1
11	7 000 000 to below 8 000 000	0
12	8 000 000 to below 9 000 000	0
13	9 000 000 to below 10 000 000	1

Note: remuneration includes severance payments as per REM1 table and LTI 2020-23 awarded. The number of Identified staff reported in the table includes also leavers during 2023.

Template EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

		Management body remuneration			**Business areas**						
		MB Supervisory function	**MB Management function**	**Total MB**	**Investment banking**	**Retail banking**	**Asset management**	**Corporate functions**	**Independent internal control functions**	**All other**	**Total**
1	**Total number of identified staff**										**785**
2	Of which: members of the MB	12	1	13							
3	Of which: other senior management				33	57	0	167	63		
4	Of which: other identified staff				131	109	0	57	155		
5	**Total remuneration of identified staff**	**2.585**	**9.957**	**12.542**	**121.673**	**80.255**	**-**	**136.288**	**60.725**	**-**	
6	Of which: variable remuneration	-	6.500	6.500	71.420	40.292	-	69.788	15.751	-	
7	Of which: fixed remuneration	2.585	3.457	6.042	50.254	39.963	-	66.500	44.974	-	

Note: remuneration data as per REM1 table
Data in K Eur