

One Bank
One Team
One  UniCredit



Capital Markets Day 2019

Team 23

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Banking that matters. |  **UniCredit**

Team 23

Dedicated long term incentive plan supports Team 23 execution

Key pillars for the UniCredit compensation strategy confirmed

- Align Top Management and stakeholders' interest through long-term share-based compensation
- Reward long-term sustainable performance
- Ensure fair remuneration

Focus on long-term sustainable results and value creation for all stakeholders



Team 23

Long term incentive plan framework and KPIs aligned to Team 23 targets

Framework

100% equity plan

100% of variable remuneration for the CEO¹,
50% for the Top Managers
and a variable rate for other executives

Plan total duration of 9 years²

Levers and KPIs

60%

Profitability

- RoTE³ with CET1 underpin⁴

20%

Asset quality

- NPE ratio "Core"
- Expected Loss - new business flow⁵

10%

Cost

- Operational expenses

10%

Sustainability

- People engagement
- Market ESG Rating
- Customer experience

Note: Goals within the section are equally weighted.

1. A portion of which is also linked to annual targets achievement, no fixed compensation review foreseen for the CEO.

2. Four performance years (plan horizon); four years deferral, one additional year of holding of the shares.

3. Based on underlying net profit.

4. Bonus gate for CET1 at least 200 bps above minimum regulatory target.

5. Without model impact.



Team 23: a clear commitment to deliver

Proven ability to execute as confirmed by Transform 2019 success

16bn value creation,
8bn capital distribution and 8bn tangible equity increase¹

"Do the right thing!"

1. Based on Team 23 economic assumptions.





Team 23

Long term incentive plan framework

Structure	▪ 100% equity plan ▪ Single grant, covering the whole duration of the Plan
Participants	▪ c. 300 executives, comprising: – CEO and Executive Management Committee members – Executive Vice Presidents
Amount	▪ 100% of variable remuneration for the CEO ▪ Substantial weight of variable remuneration for other executives ▪ 20% of CEO's yearly opportunity further subject to yearly goals achievement¹
Duration	▪ 9 years in total² ▪ Ratable vesting of the award for CEO, Top and Senior Management³

1. Based on yearly achievement of LTIP KPIs and specific key priorities (which could change every year).
For 2020, key focus on Governance, Sustainability and Operational Risks (AML and Cyber Security).

2. Four performance years (plan horizon); four years deferral, one additional year of compulsory holding.

3. More front-loaded for Senior Management and progressively more diluted for Top Management and CEO.



Team 23

Dedicated long term incentive plan to support Team 23 execution



Note: Goals within the section are equally weighted.

1. Based on underlying net profit.

2. Bonus gate for CET1 at least 200 bps above minimum regulatory target.

3. Without model impact.

4. Based on Strategic Net Promoter Score (NPS). Definition in glossary.



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