



# Common representative of savings shares

**Savings shares** are characterized by a limitation of shareholders' rights (they actually don't provide the right to vote), against particular financial privileges (normally in the profit distribution) and they are principally designed for the **small shareholders** not interested in exercising management rights, but interested into the economic advantages which represent the particular aspect of such share investment.

Savings shares were introduced in the Italian legal system by Law no. 216/1974 and were subjected to remarkable modifications of the applicable legal provisions which find today the main source in sections no. 145-147 of the TUIF (Legislative Decree of 24 February 1998 no. 58). Comparing to the original framework that analytically provided the content and the minimum standard of the privileges which had to be mandatorily recognized to saving shares, the 1998 reform cancelled the strict discipline of **financial privileges**, providing only that these shares are "provided with particular financial privileges" and that the certificate of incorporation "specify the substance of the privilege, the conditions, limits, the procedures and the terms for its exercise", as well as the rights of holders of savings shares where ordinary or savings shares are excluded from trading (section 145, subsection 2, of the TUIF).

With specific reference to UniCredit, savings shares are regulated by clauses 5, 7 and 32 of the By-law. Regarding the main financial privileges recognized to the shares themselves, the clauses provide that:

- i) part of the net profit reported in the accounts is allocated to savings shares as follows:
  - the savings shares are allocated **up to 5%** of Euro 63 per share;
  - when, in any given operating year, to the savings shares are allocated a dividend of less than 5% of Euro 63 per share, the difference is added to the **preferential dividend** for the next two years;
  - any earning that remains after allocating the above dividend to the savings shares are distributed among all shares, in such a way that the savings shares are assigned **a higher global dividend** that due to ordinary shares, at a level equal to 3% of Euro 63 per share (clause 32 of the By-law).
- ii) any reduction of **share capital** due to losses does not have any effect on savings shares, other than for the portion of any loss that eventually exceed the overall amount of the capital represented by other shares; in the event of the Bank being wound up, savings shares enjoy the right of pre-emption in respect of the redemption of capital, up to Euro 63 per share. In the event of reserves being distributed, savings shares bear the same rights as other shares (clause 7, paragraph 1 of the By-law).

The law provides **a saving shareholders group organization** for the protection of common interests, which partially follows the one provided for the bondholders and that is composed by the Special Shareholders' Meeting of holders of savings shares and the Common Representative.

The Special Shareholders' Meeting, more specifically, resolves on matters of common interest such as the approval of resolutions adopted by the Shareholders' Meeting of the Company that prejudice the rights of the category and the appointment of the **Common Representative** (section 146 of the TUIF).

The Common Representative provides to the execution of the resolutions adopted by the Special Shareholders' Meeting and **protects interests of holders of savings shares** toward the Company. Within such duty, he also has the right to join the Company's Meeting (section 147 of the TUIF).

## Nicola Borgonovo

**The Special Meeting of UniCredit Savings Shareholders**, held on May 29, 2017, confirmed Mr. Nicola Borgonovo, attorney at law, as Common Representative of UniCredit S.p.A. Savings Shareholders for the period 2017-2019 with term of office expiring at the date of the AGM called upon to approve the 2019 financial statements.

In the framework of the professional activity, **Mr. Nicola Borgonovo** deals with corporate law issues, such as the ones concerning the corporate governance and the protection of minorities.

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