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**BANCA IMI S.p.A.**

(*incorporated with limited liability in the Republic of Italy*)

**€ 20,000,000,000**

# WARRANTS AND CERTIFICATES PROGRAMME

Under the terms of its Warrants and Certificates Programme (the "**Programme**"), Banca IMI S.p.A. (the "**Issuer**") may from time to time issue warrants or covered warrants (respectively, "**Warrants**" and "**Covered Warrants**", and together, save as otherwise specified in this Programme, "**Warrants**") or certificates ("**Certificates**" and, together with the Warrants, "**Securities**") relating to one or more specified indices or one or more baskets of indices, provided that any of such indexes will not be composed by the Issuer or by any legal entity belonging to the same group ("**Index Securities**"), one or more specified shares or one or more baskets of shares or one or more global depository receipts (GDRs) or American depository receipts (ADRs) or one or more baskets of GDRs and/or ADRs (together, "**Share Securities**"), one or more specified exchange rates or one or more baskets of exchange rates ("**Exchange Rate Securities**"), one or more specified future contracts or one or more baskets of future contracts ("**Futures Contract Securities**"), one or more specified interest rates or one or more baskets of interest rates ("**Interest Rate Securities**"), one or more specified funds or one or more baskets of funds ("**Fund Securities**"), one or more specified commodities or one or more baskets of commodities ("**Commodity Securities**"), one or more specified government bonds or one or more baskets of government bonds or one or more supranational bonds or one or more baskets of supranational bonds or the yield of one or more specified government/supranational bonds or the yield of one or more baskets of government/supranational bonds ("**Govies Securities**"). The Securities may also be a combination of two or more of the foregoing types, as indicated from time to time in relation to the relevant issue ("**Combined Securities**"). Each issue of Securities will be made on the terms set out herein which are relevant to such Securities under "*Terms and Conditions of the Securities*" (the "**Conditions**") and in the form of the relevant final terms document (the "**Final Terms**"). Securities may be issued in bearer form ("**Bearer Securities**") or registered form ("**Registered Securities**"). Securities may also be issued in bearer, uncertificated and dematerialised book-entry form in accordance with the applicable provisions of the Italian law, regulations and operating procedures applicable to and/or issued by the relevant Italian central securities depository ("**Italian Dematerialised Securities**").

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in its capacity as competent authority under the *loi relative aux prospectus pour valeurs mobilières* dated 10 July 2005 as amended (the "**Prospectus Law 2005**"), which implements the Directive 2003/71/EC, as amended or superseded (the "**Prospectus Directive**") to approve this document as a base prospectus. The CSSF assumes no responsibility for the economic and financial opportuneness of the transactions set out under this Programme or the quality or solvency of the Issuer in compliance with the provisions of article 7(7) of the Prospectus Law 2005. Application has also been made to the Luxemburg Stock Exchange for Securities issued under the Programme to be admitted to trading on (i) the Luxembourg Stock Exchange's regulated market (the "**Main Securities Market**") (including the professional segment of the regulated market of the Luxembourg Stock Exchange) and to be listed on the official list of the Luxembourg Stock Exchange (the "**Official List**") and (ii) the multilateral trading facilities, EuroMTF, of the Luxembourg Stock Exchange (the "**EuroMTF**") (including the professional segment of the Euro MTF). The Main Securities Market is a regulated market for the purposes of the Directive 2014/65/EU, as amended. The EuroMTF is not a regulated market for the purposes of the Directive 2014/65/EU, as amended, but it is subject to the supervision of the CSSF.

The CSSF has neither reviewed nor approved any information in this Base Prospectus concerning the Securities admitted to trading on the EuroMTF. The CSSF assumes therefore no responsibility in relation to the issues of Securities admitted to trading on the EuroMTF.

The Programme provides that Securities may be listed or admitted to trading, as the case may be, on such further or other stock exchanges or markets as the Issuer may determine. The applicable Final Terms will specify whether or not

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Securities are to be listed on the Luxembourg Stock Exchange and/or any other stock exchange(s). The Issuer may also issue unlisted Securities and/or Securities not admitted to trading on any market.

**Prospective purchasers of Securities should ensure that they understand the nature of the relevant Securities and the extent of their exposure to risks and that they consider the suitability of the relevant Securities as an investment in the light of their own circumstances and financial condition. Securities involve a high degree of risk, including the risk of their expiring worthless. Potential investors should be prepared to sustain a loss of all or part of the purchase price of their Securities. It is the responsibility of prospective purchasers to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the Securities and are not relying on the advice of the Issuer or, if relevant, any Manager in that regard. See Section "*Risk Factors*". The language of the prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.**

**IMPORTANT – RETAIL INVESTORS -** If the Final Terms in respect of any Securities includes a legend entitled "Prohibition of Sales to Retail Investors", the Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor either in the European Economic Area (the "**EEA**") or in one or more specified jurisdictions in the EEA, and/or in one or more specified jurisdictions outside the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU ("**IDD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive; or (iv) a retail client within the meaning of any equivalent definition under the applicable legislation of the specified jurisdiction outside the EEA. Consequently no key information document required by Regulation (EU) No 1286/2014 as amended (the "**PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the EEA and/or in the specified jurisdiction(s) only has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA and/or in the specified jurisdiction(s) only may be unlawful under the PRIIPS Regulation.

Amounts payable under the Securities may be calculated or otherwise determined by reference to one or more underlyings that may constitute "benchmarks" for the purposes of Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 (the "**Benchmark Regulation**" or "**BMR**"). If any such underlying does constitute such a benchmark the applicable final terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the BMR. Not every underlying will fall within the scope of the Benchmark Regulation. Furthermore, pursuant to article 51 of the BMR, transitional provisions in the Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the applicable final terms. The registration status of any administrator under the BMR is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the applicable final terms to reflect any change in the registration status of the administrator.

The Securities and, in case of Physical Delivery Securities, the Entitlement (as defined herein) to be delivered upon the exercise of such Securities, have not been, and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or with any securities authority of any State or other jurisdiction of the U.S., and trading in the Securities has not been approved by the Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act of 1936, as amended (the "**Commodity Exchange Act**"). The Securities and the Entitlements may not be offered, sold, pledged or otherwise transferred, directly or indirectly, within the United States or to a U.S. person unless such offer or sale has been registered under the Securities Act or pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act.

The Securities and the Entitlements are being offered and sold outside the U.S. to persons that are not U.S. persons (as defined in Regulation S ("**Regulation S**") under the Securities Act) in reliance on Regulation S. No Securities of any series, or interests therein, or Entitlements may at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in or into the United States or to, or for the account or benefit of, any U.S. person and any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised. The Securities and Entitlements may not be legally or beneficially owned at any time by any U.S. person. For a description

of certain further restrictions on offers and sales of the Securities and on the distribution of this Base Prospectus, see "*Offering and Sale*" below.

The Securities have not been approved or disapproved by the U.S. Securities and Exchange Commission, any State securities commission in the United States or any other U.S. regulatory authority, nor has any of the foregoing authorities passed upon or endorsed the merits of the offering of Securities or the accuracy or the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

The date of this Base Prospectus is 8 July 2019.

## IMPORTANT NOTICES

**This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive.**

**The Issuer (the Responsible Person) accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.**

**Subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus in connection with an offer of Securities are the Issuer, the persons named in the applicable Final Terms as the relevant Manager(s) and the persons named in or identifiable following the applicable Final Terms as the Financial Intermediaries, as the case may be.**

**This Base Prospectus is to be read and construed in conjunction with any supplement hereto and with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*" below) and, in relation to any Securities, should be read and construed together with the applicable Final Terms. This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus.**

**A description of the Final Terms is set out herein at Section "*Form of Final Terms*" and will specify with respect to the issue of Securities to which it relates, *inter alia,* the specific designation of the Securities, the aggregate number and type of the Securities, the date of issue of the Securities, the issue price, the credit event of the specified entity or entities to which the Certificates relate, certain other terms relating to the offering and sale of the Securities including whether they bear remuneration and the exercise date.**

**The applicable Final Terms will (if applicable) contain information relating to the underlying asset, index or other item(s) (each an Underlying) to which the Securities relate and which is contained in such Final Terms. However, unless otherwise expressly stated in the applicable Final Terms, any information contained therein relating to an Underlying will only consist of extracts from, or summaries of, information contained in financial and other information released publicly by the issuer, owner or sponsor, as the case may be, of such Underlying. The Issuer will, unless otherwise expressly stated in the applicable Final Terms, confirm that such extracts or summaries have been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by the issuer, owner or sponsor, as the case may be, of such Underlying, no facts have been omitted that would render the reproduced inaccurate or misleading, but the Issuer does not accept any further or other responsibility in respect of such information.**

**As specified in the applicable Final Terms, each issue of Securities will entitle the holder thereof to receive a cash amount, or in the case of Physical Delivery Securities, the Entitlement to be delivered upon the exercise of such Securities from the Issuer calculated in accordance with the Conditions on such terms as are set out in the Conditions, all as set forth in the Conditions.**

**To purchase any Security or, upon exercise of Physical Delivery Securities, in order to receive the relevant Entitlement, each Securityholder will be required to certify (in accordance with the provisions outlined in "Offering and Sale" below) that it is not a U.S. person or a person who has purchased such Security or received such Entitlement for resale to, or for the account or benefit of, U.S. persons and that it is not receiving such Security or exercising a Physical Delivery Security on behalf, or for the account or benefit, of a U.S. person.**

**Copies of Final Terms will be available from the registered office of the Issuer and, in respect of Securities which are not Italian Dematerialised Securities, also from the specified offices set out below of the Security Agents (as defined below).**

**No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or in the Final Terms or any other information supplied in connection with the Programme or the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any other manager of an issue of Securities (each a Manager).**

**No Manager has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any Manager as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.**

**Neither this Base Prospectus nor any other information supplied in connection with the Programme or the Securities (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Securities should purchase any Securities. Each investor contemplating purchasing any Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Securities constitutes an offer or an invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Securities.**

**Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Securities shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same or that there has been no material adverse change in the prospects of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented. Investors should review, inter alia, the most recently published documents incorporated by reference into this Base Prospectus when deciding whether or not to purchase any Securities.**

**Warrants create options which are exercisable by the relevant holder and/or will be automatically exercised as provided herein. There is no obligation on the Issuer to pay any amount to any holder of a Warrant or to deliver any asset to any holder of a Warrant unless the relevant holder duly exercises such Warrant or such Securities are automatically exercised and, in certain circumstances, an Exercise Notice is duly delivered. Securities will be exercised or exercisable in the manner set forth herein and in the applicable Final Terms.**

**Bearer Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 as amended (the "Code") and the U.S. Treasury regulations promulgated thereunder.**

**IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF SECURITIES GENERALLY**

**This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Securities may be restricted by law in certain jurisdictions. The Issuer does not represent that this Base Prospectus may be lawfully distributed, or that any Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuer**

**which is intended to permit a public offering of any Securities or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Securities or Entitlements may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Securities may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Securities. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Securities or Entitlements in the United States or its possession and the European Economic Area (including Luxembourg, Austria, Belgium, Croatia, Cyprus, Czech Republic, Denmark, France, Germany, Hellenic Republic, Hungary, Ireland, Malta, Netherlands, Poland, Portuguese Republic, Republic of Italy, Slovak Republic, Slovenia, Spain, Sweden and United Kingdom) (see "*Offering and Sale*").**

**The Securities of each issue may be sold by the Issuer and/or any Manager at such time and at such prices as the Issuer and/or the Manager(s) may select. There is no obligation upon the Issuer or any Manager to sell all of the Securities of any issue. The Securities of any issue may be offered or sold from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer.**

**This Base Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Securities. Accordingly any person making or intending to make an offer in that Relevant Member State of Securities which are the subject of an offering contemplated in this Base Prospectus as completed by the Final Terms in relation to the offer of those Securities may only do so (i) in circumstances in which no obligation arises for the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or publish a supplement to a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State, such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of such offer. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Manager have authorised, nor do they authorise, the making of any offer of Securities in circumstances in which an obligation arises for the Issuer or any Manager to publish or supplement a prospectus for such offer.**

**In connection with the issue of any Securities, the person or persons (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Securities or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Securities is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Securities and 60 days after the date of the allotment of the relevant Securities. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.**

**PROSPECTIVE INVESTORS ARE HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION CONTAINED OR REFERRED TO IN THIS BASE PROSPECTUS IS NOT INTENDED TO BE RELIED UPON BY PROSPECTIVE INVESTORS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE INTERNAL REVENUE CODE; AND (B) PROSPECTIVE INVESTORS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.**

**All references to "USD", "U.S.$", "$", "US Dollars", "US dollars" and "U.S. dollars" are to United States dollars and references to "euro", "EUR" and "€" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.**

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## SUMMARY OF THE PROGRAMME

*Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).*

*This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.*

*Even though an Element may be required to be inserted in the summary due to the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "Not applicable".*

| | | |
|---|---|---|
| ***Section A – INTRODUCTION AND WARNINGS*** | | |
| **A.1** | This summary should be read as an introduction to the Base Prospectus.<br>Any decision to invest in the Securities should be based on consideration of the Base Prospectus as a whole by the investor.<br>Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.<br>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in such securities. | |
| **A.2** | [Not applicable – The Issuer does not consent to the use of the Base Prospectus for subsequent resales.]<br>"[([*Individual/General*] *consent*): Subject to the conditions set out below, the Issuer consents to the use of this Base Prospectus in connection with a Public Offer of Securities by [[*(names of the Distributor(s)*), whose name(s) is(are) published on the Issuer's website and identified as an Authorised Offeror(s) in respect of the relevant Public Offer]; [and/or]] [any financial intermediary which is authorised to make such offers under the applicable legislation implementing Directive 2014/65/EU (MiFID II) and publishes on its website the following statement (with the information in square brackets being completed with the relevant information):<br>"We, [(*insert name of financial intermediary*)], refer to the [(*insert title of relevant Securities*)] (the "**Securities**") described in the Final Terms dated [*insert date*] (the "**Final Terms**") published by Banca IMI S.p.A. (the "**Issuer**"). We hereby accept the offer by the Issuer of its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Securities in [(*specify each Relevant Member State in which the particular Tranche of Securities can be offered*)] (the "**Offer**") in accordance with the Authorised Offeror Terms and subject to the conditions to such consent, each as specified in the Base Prospectus, and we are using the Base Prospectus in connection with the Offer accordingly".<br>([each] an "**Authorised Offeror**")."]<br>"(*Offer period)* The Issuer's consent referred to above is given for Public Offers of Securities during [(*offer period for the Securities to be specified here*)] (the "**Offer Period**")."<br>"*(Conditions to consent):* The conditions to the Issuer's consent, [(*in addition to the conditions referred to above*)], are that such consent (a) is only valid during the Offer Period; (b) only extends to the use of this Base Prospectus to make Public Offers of the relevant Tranche of Securities in [Austria/ Belgium/ Croatia/ Cyprus/ Czech Republic/ Denmark/ France/ Germany/ Hellenic Republic/ Hungary/ Ireland/ Luxembourg/ Malta/ Netherlands/ Poland/ Portuguese Republic/ Republic of Italy/ Slovak Republic/ Slovenia/ Spain/ Sweden/ United Kingdom], and (c) [(*specify any other conditions applicable to the Public Offer of the particular Tranche*).]"<br>**AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY SECURITIES IN A PUBLIC OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH SECURITIES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE OFFER IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER.** | |
| ***Section B – ISSUERS AND GUARANTOR*** | | |
| **B.1** | **Legal and Commercial Name of the** | Banca IMI S.p.A.. |

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| | | |
|---|---|---|
| | **Issuer** | |
| **B.2** | **Domicile/ Legal Form/ Legislation/ Country of Incorporation** | Domicile: Largo Mattioli 3, 20121 Milan, Italy.<br>Legal form: Public limited liability company (*società per azioni*).<br>Legislation under which the Issuer operates: Italian law.<br>Country of incorporation: Italy. |
| **B.4b** | **Description of trends** | In accordance with the Intesa Sanpaolo Group's 2018-2021 Business Plan (approved on 6 February 2018 by the Board of Directors of Intesa Sanpaolo S.p.A.) the Issuer will be merged into the parent company Intesa Sanpaolo S.p.A.. As at the date of this Base Prospectus, it is not yet known when the merger will take place.<br>Merger transactions could cause uncertainties to business operations, particularly when unrelated companies are involved. Considering that Intesa Sanpaolo S.p.A. is the parent company of Banca IMI and that the merger takes place between two entities belonging to the same banking group, such merger is not expected to have any material adverse effects on the business of Banca IMI or the parent company.<br>There are no other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for its current financial year. |
| **B.5** | **Description of the group of the Issuer** | The Issuer is a company belonging to the Intesa Sanpaolo banking group (the "**Intesa Sanpaolo Group**"), of which Intesa Sanpaolo S.p.A. is the parent company.<br>The Intesa Sanpaolo Group is the result of the merger effective 1 January 2007 of Sanpaolo IMI S.p.A. with Banca Intesa S.p.A. The former Banca Intesa banking group, prior to the merger, was also the result of a series of mergers, having been brought into existence in 1998 by the merger of Cariplo and Ambroveneto, followed in 1999 by the public exchange offer for 70 per cent. of Banca Commerciale Italiana, which was merged by incorporation in 2001. The former Sanpaolo IMI group was the result of the merger of Istituto Bancario San Paolo di Torino and Istituto Mobiliare Italiano in 1998, and of the subsequent integration of Banco di Napoli, in 2000 and of Gruppo Cardine, in 2002.<br>The Issuer is the investment banking arm and securities firm of the Intesa Sanpaolo Group. |
| **B.9** | **Profit forecast/estimate** | Not applicable. No profit forecasts or estimates have been made in the Base Prospectus. |
| **B.10** | **Qualifications in the audit report** | Not applicable. No qualifications are contained in any audit report included in the Base Prospectus. |
| **B.12** | **Selected historical key information** | **SELECTED FINANCIAL AND BALANCE SHEET FIGURES RELATING TO THE ISSUER**<br>The audited consolidated balance sheets and income statements as of, and for each of the years ended, 31 December 2017 and 2018 have been extracted without any adjustment from, and are qualified by reference to and should be read in conjunction with, the Issuer's consolidated financial statements in respect of those dates and periods: |

***Audited Consolidated Balance Sheets for the year ending 31 December 2018 compared with corresponding figures for the year ending 31 December 2017***

| **Assets** | **31 December 2018** *(EUR thousand)* | **31 December 2017** |
|---|---|---|
| Cash and cash equivalents | 3 | 4 |
| Financial assets measured at fair value through profit or loss | 46,155,082 | 44,692,894 |
| *a) financial assets held for trading* | *45,768,926* | *44,692,894* |
| *b) financial assets designated at fair value* | - | - |
| *c) other financial assets mandatorily measured at fair value* | *386,156* | - |
| Financial assets measured at fair | 17,145,107 | 14,473,923 |

| | | |
|---|---|---|
| value through other comprehensive income | | |
| Financial assets measured at amortised cost | 100,921,959 | 88,254,351 |
| *a) due from banks* | *63,484,617* | *55,288,763* |
| *b) loans to customers* | *37,437,342* | *32,965,588* |
| Hedging derivatives | 50,837 | 69,789 |
| Equity investments | 45,141 | 53,034 |
| Property and equipment | 418 | 562 |
| Intangible assets | 57 | 126 |
| Tax assets | 452,204 | 321,008 |
| *a) current* | *121,648* | *97,068* |
| *b) deferred* | *330,556* | *223,940* |
| Non-current assets held for sale and discontinued operations | 32,838 | - |
| Other assets | 444,442 | 646,126 |
| **Total assets** | **165,248,088** | **148,511,817** |

| **Liabilities and Equity** | **31 December 2018** *(EUR thousand)* | **31 December 2017** |
|---|---|---|
| Financial liabilities measured at amortised cost | 110,875,700 | 94,610,398 |
| *a) due to banks* | *83,981,662* | *71,615,809* |
| *b) due to customers* | *20,528,242* | *15,195,941* |
| *c) securities issued* | *6,365,796* | *7,798,648* |
| Financial liabilities held for trading | 48,319,070 | 48,076,068 |
| Hedging derivatives | 426,166 | 212,943 |
| Tax liabilities | 163,348 | 127,264 |
| *a) current* | *145,315* | *112,965* |
| *b) deferred* | *18,033* | *14,299* |
| Other liabilities | 540,041 | 520,617 |
| Post-employment benefits | 8,732 | 8,918 |
| Provisions for risks and charges | 29,327 | 54,673 |
| *a) commitments and guarantees given* | *6,684* | *32,333* |
| *b) pension and similar obligations* | *12* | *12* |
| *c) other provisions* | *22,631* | *22,328* |
| Valuation reserves | (229,334) | (131,168) |
| Equity instruments | 1,200,000 | 1,200,000 |
| Reserves | 1,568,254 | 1,617,916 |
| Share premium reserve | 581,260 | 581,260 |
| Share capital | 962,464 | 962,464 |
| Equity attributable to non-controlling interests (+/-) | - | - |
| Profit for the period / year | 803,060 | 670,464 |
| **Total liabilities and equity** | **165,248,088** | **148,511,817** |

***Audited Consolidated Income Statements for the year ending 31 December 2018 compared with corresponding figures for the year ending 31 December 2017***

| | **31** | **31** |
|---|---|---|

| | December 2018 | December 2017 |
|---|---|---|
| | *(EUR thousand)* | |
| Interest and similar income | 1,138,805 | 1,081,963 |
| Interest and similar expense | (566,697) | (576,964) |
| Net interest income | 572,108 | 504,999 |
| Fee and commission income | 576,828 | 504,943 |
| Fee and commission expense | (298,203) | (173,166) |
| Net fee and commission income | 278,625 | 331,777 |
| Dividends and similar income | 29,289 | 38,242 |
| Profits (Losses) on trading | 546,178 | 493,215 |
| Profit (Losses) on hedging | (2,100) | 3,812 |
| Profits (Losses) on disposal or repurchase of: | 221,492 | 178,675 |
| *a) financial assets measured at amortised cost* | *16,067* | *(665)* |
| *b) financial assets measured at fair value through other comprehensive income* | *206,641* | *198,144* |
| *c) financial liabilities* | *(1,216)* | *(18,804)* |
| Profit (Losses) on other financial assets and liabilities measured at fair value through profit or loss: | 22,013 | - |
| *a) financial assets and liabilities designated at fair value* | - | - |
| *b) other financial assets mandatorily measured at fair value* | *22,013* | - |
| Total income | 1,667,605 | 1,550,720 |
| Impairment losses/reversals of impairment losses for credit risk associated with: | 26,176 | (71,847) |
| *a) financial assets measured at amortised cost* | *33,636* | *(71,378)* |
| *b) financial assets measured at fair value through other comprehensive income* | *(7,460)* | *(469)* |
| Profits (Losses) on changes in contracts without derecognition | (4,321) | - |
| Net financial income | 1,689,460 | 1,478,873 |
| Net banking and insurance income | 1,689,460 | 1,478,873 |
| Administrative expenses | (522,402) | (505,757) |
| *a) personnel expenses* | *(165,598)* | *(165,403)* |
| *b) other administrative expenses* | *(356,804)* | *(340,354)* |
| Net accruals to provision for risks and charges | 11,925 | (83) |
| *a) commitments and guarantees given* | *11,925* | *917* |
| *b) other net provisions* | - | *(1,000)* |
| Depreciation and net impairment losses on property and equipment | (254) | (301) |
| Amortisation and net impairment losses on intangible assets | (73) | (97) |
| Other operating income (expenses) | 4,340 | (15,317) |
| Operating expenses | (506,464) | (521,555) |

| | | |
|---|---|---|
| | | Net gains on sales of equity investments: 10,874 / 18,896<br>Pre-tax profit from continuing operations: 1,193,870 / 976,214<br>Income tax expense: (390,810) / (305,750)<br>Post-tax profit from continuing operations: 803,060 / 670,464<br>Profit for the year: 803,060 / 670,464<br>Profit (loss) attributable to non-controlling interests: - / -<br>**Profit attributable to the owners of the parent: 803,060 / 670,464** |
| | **No material adverse change statement** | There has been no material adverse change in the prospects of the Issuer since 31 December 2018. |
| | **Significant changes in the financial or trading position** | Not applicable. There has been no significant change in the financial or trading position of the Issuer since 31 December 2018. |
| **B.13** | **Recent events impacting the Issuer's solvency** | Not applicable. There are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency. |
| **B.14** | **Issuer dependent upon other entities within the group** | The Issuer is subject to the management and co-ordination of its sole shareholder, Intesa Sanpaolo S.p.A., which is the parent company of the Intesa Sanpaolo banking group, to which the Issuer belongs.<br>In accordance with the Intesa Sanpaolo Group's 2018-2021 Business Plan (approved on 6 February 2018 by the Board of Directors of Intesa Sanpaolo S.p.A.) the Issuer will be merged into the parent company Intesa Sanpaolo S.p.A.. |
| **B.15** | **Description of the principal activities of the Issuer** | The Issuer is a banking institution engaged in investment banking activities. The Issuer offers a wide range of capital markets, investment banking and special lending services to a diversified client base including banks, companies, institutional investors, entities and public bodies. The Issuer's business is divided into three business segments: *Global Markets, Investment Banking* and *Structured Finance*. |
| **B.16** | **Control of Issuer** | The Issuer is a wholly-owned direct subsidiary of Intesa Sanpaolo S.p.A., the parent company of the Intesa Sanpaolo banking group.<br>In accordance with the Intesa Sanpaolo Group's 2018-2021 Business Plan (approved on 6 February 2018 by the Board of Directors of Intesa Sanpaolo S.p.A.) the Issuer will be merged into the parent company Intesa Sanpaolo S.p.A.. |
| | ***Section C – SECURITIES*** | |
| **C.1** | **Type and class of securities being offered / Security identification number** | The Securities are [Certificates] [Warrants]. The Securities are issued in [bearer form ("**Bearer Securities**")][registered form ("**Registered Securities**")][Italian dematerialized form ("**Italian Dematerialized Securities**").]<br>[The Warrants are [European Style Warrants] [American Style Warrants] The Warrants are [Call] [and] [Call Spread] [and] [Put] [and] [Put Spread] [[Covered] Warrants] [as specified for each Series in the Annex to the Summary]].<br>[The [Certificates] [Warrants] are [cash settled] [or] [physically settled].]<br>The [ISIN][*specify other security identification code if different from ISIN Code*] of the [Certificates][Warrants] is [[•][specified for each Series in the Annex to the Summary]]. |
| **C.2** | **Currency** | [The Securities are issued in [•] (the "**Issue Currency**").]<br>[The Securities provide for a Settlement Currency that [is][may be] different from the currency in which the |

| | | |
|---|---|---|
| | | Issue Price was denominated (the "**Dual Currency Securities**").]<br>[The Settlement Currency is [•] [the Issue Currency or the Dual Currency, as set out in Element C.18.]<br>[*In relation to Dual Currency FX Certificates specify:* The Dual Currency is [•].] |
| **C.5** | **Restrictions on free transferability** | There are restrictions on the offer, sale and transfer of the Securities in the United States, the European Economic Area (including Luxembourg, Austria, Belgium, Croatia, Cyprus, Czech Republic, Denmark, France, Germany, Hellenic Republic, Hungary, Ireland, Malta, Netherlands, Poland, Portuguese Republic, Republic of Italy, Slovak Republic, Slovenia, Spain, Sweden and United Kingdom) and Switzerland. |
| **C.8** | **Description of rights and ranking** | [(*Insert in case of Cash Settled Securities*): Each [Certificate] [Warrant] entitles its holder to receive from the Issuer on the Settlement Date the Cash Settlement Amount, [where positive] [and an Early Redemption Event has not occurred].]<br>[(*Insert in case of Physical Settled Securities*): Each [Certificate] [Warrant] entitles its holder to receive from the Issuer on the Settlement Date the Entitlement, where positive [and an Early Redemption Event has not occurred].]<br>[The Certificates provide also for the Remuneration Amount[s] specified at Element C.18 below.]<br>The [Certificates] [Warrants] constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and, unless provided otherwise by law, rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.<br>The [Certificates] [Warrants] and any non-contractual obligations arising out of or in connection with the [Certificates] [Warrants] will be governed by, and shall be construed in accordance with, English Law. [*Insert in case of Italian Dematerialised Securities*: The registration and transfer of the Securities in Monte Titoli shall be governed by, and shall be construed in accordance with, Italian law.] |
| **C.11** | **Admission to trading of Securities** | [Application [has been][will be] made by the Issuer (or on its behalf) for the Securities to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from [[a date] [after] [or] [around]] the Issue Date.]<br>[Application [[has] [may] [will]] [also] [been] [be] made][is expected to be made] by the Issuer (or on its behalf) for the Securities to be [admitted to trading on [•] (*specify the market in Luxembourg, Austria, Belgium, Croatia, Cyprus, Czech Republic, Denmark, France, Germany, Hellenic Republic, Hungary, Ireland, Malta, Netherlands, Poland, Portuguese Republic, Republic of Italy, Slovak Republic, Slovenia, Spain, Sweden and United Kingdom*)] [admitted to trading on [•] (*specify the trading venue in Luxembourg, Austria, Belgium, Croatia, Cyprus, Czech Republic, Denmark, France, Germany, Hellenic Republic, Hungary, Ireland, Malta, Netherlands, Poland, Portuguese Republic, Republic of Italy, Slovak Republic, Slovenia, Spain, Sweden and United Kingdom*)] with effect from [a date] [after] [or] [around]] the Issue Date [•] (*specify any condition applicable to the admission to trading in the relevant market, if any*).]<br>[After the Issue Date, application may be made to list the Securities on other stock exchanges or regulated markets or admitted to trading on other trading venues as the Issuer may determine.] |
| **C.15** | **Description of how the value of the investment is affected by the value of the underlying instrument** | The Underlying[s] [[is [•]] [are the [•] specified for each Series in the Annex to the Summary]]<br>(*Select one or more among the following: share or GDRs/ADRs, index, exchange rate, interest rate, fund, commodity, government bond/yield of government bond, future contract*)<br>[*In case of Securities linked to a Basket:* the Basket (the "**Underlying**") composed by the following financial assets (each a "**Basket Constituent**"): |

| ***i*** | **Basket Constituent** | **[Basket Constituent Weight]** | **[Cap]** |
|---|---|---|---|
| [ ] | [ ] | [ ] | [ ] |
| [ ] | [ ] | [ ] | [ ] |

]

[*In case of Securities linked to a Basket of Baskets:* the Basket (the "**Underlying**") composed by the following baskets (each a "**Basket Constituent**"):

| ***i*** | **Basket** | **[Basket** | **[Cap]** | **t** | **Financial** | **Weight of the** |
|---|---|---|---|---|---|---|

| | Constituent | Constituent Weight] | | | assets composing the Basket Constituent | financial asset composing the Basket Constituent |
|---|---|---|---|---|---|---|
| [ ] | [ ] | [ ] | [ ] | [ ] | [ ] | [ ] |
| | | | | [ ] | [ ] | [ ] |
| | | | | [ ] | [ ] | [ ] |
| | | | | [ ] | [ ] | [ ] |
| | | | | [ ] | [ ] | [ ] |
| [ ] | [ ] | [ ] | [ ] | [ ] | [ ] | [ ] |
| | | | | [ ] | [ ] | [ ] |
| | | | | [ ] | [ ] | [ ] |
| | | | | [ ] | [ ] | [ ] |
| | | | | [ ] | [ ] | [ ] |
| | | | | [ ] | [ ] | [ ] |

]

[*In case of Multiperformance Certificates:* the following Underlyings:

| *i* | Underlying |
|---|---|
| [ ] | [ ] |
| [ ] | [ ] |
| [ ] | [ ] |

]

[*In case of Spread Certificates:* the following two Underlyings:
- Underlying A: [•] [a Basket composed of [(*specify basket constituents)* [•]] (each a Basket Constituent)] (*Select one or more among the following: share or GDRs/ADRs (or basket of shares or GDRs/ADRs), index (or basket of indices), exchange rate (or basket of exchange rates), interest rate (or basket of interest rates), fund (or basket of funds), commodity (or basket of commodities), government bond/yield of government bond (or basket of government bonds/yield of government bond), future contract (or basket of futures contracts), basket of baskets composed by the aforementioned financial assets*); and
- Underlying B: [•] [a Basket composed of [(*specify basket constituents)* [•]] (each a Basket Constituent)] (*Select one or more among the following: share or GDRs/ADRs (or basket of shares or GDRs/ADRs), index (or basket of indices), exchange rate (or basket of exchange rates), interest rate (or basket of interest rates), fund (or basket of funds), commodity (or basket of commodities), government bond/yield of government bond (or basket of government bonds/yield of government bond), future contract (or basket of futures contracts), basket of baskets composed by the aforementioned financial assets*)

the ("**Spread**")]

[*In case of Multiperformance Certificates:* In relation to the calculation of [*specify remuneration amount* [•]] [and of the Early Redemption Amount] [and of] the Settlement Amount, the sum of the performances of each Underlying (the "**Cumulated Performance**") will be considered.]

[*In case of Gap Certificates:* In relation to the calculation of [the Premium Gap Amount[s]] [and of the Early Redemption Amount] [and of] the Settlement Amount, the daily performance of the Underlying on the basis of its Reference Value (the "**Gap Daily Performance**") will be considered.]

[*In case of Buffer Protection Certificates:* In relation to the calculation of [*specify remuneration amount* [•]]

| | | |
|---|---|---|
| | | [and of the Early Redemption Amount] [and of] the Settlement Amount, the sum of the performances of the Underlying (the "**Performance Sum**") in respect of any Performance Observation Date, will be considered.]<br>[*In case of Currency Certificates:* the following Exchange Rates:<br><br>**Exchange Rates** / **Exchange Rate Weights**<br>[ ] / [ ]<br>[ ] / [ ]<br>[ ] / [ ]<br>]<br>[*In case of Global Performance Certificates:* in relation to the calculation of [*specify remuneration amount* [•]] [and of the Early Redemption Amount] [and of] the Settlement Amount, the [sum][average] of the performances of the Underlying (the "**Performance Sum**") in respect of any Performance Observation Date, will be considered.]<br>The Securities are linked to the performance of the Underlying[s] and their value depends also on the volatility of such Underlying[s], [the applicable interest rates], the time from the Issue Date [and the correlation between the Basket Constituents]. |
| **C.16** | **The expiration or maturity date of the derivative securities – the exercise date or final reference date** | <u>*Exercise Date*</u><br>[*In case of Warrants insert*:<br>[The Securities are European Style Warrants. The Exercise Date of the Securities is [[•] [specified for each Series in the Annex to the Summary]].]<br>[The Securities are American Style Warrants. The American Style Warrants are exercisable on any Exercise Business Day during the Exercise Period [from [•] to [•]] [specified for each Series in the Annex to the Summary].]<br>[*In case of Certificates insert:*<br>Each Certificate shall be automatically exercised on the Exercise Date. The Exercise Date is [•]. [Otherwise, they may be redeemed before the Exercise Date upon the occurrence of an Early Redemption Event.]<br>[*If a Call Option/Put Option is applicable:* the Certificates may be redeemed also in the case of the exercise of the [Call Option by the Issuer (on [the] [a] Call Valuation Date, i.e. [•])] [or] [Put Option by the investor (on [the] [a] Put Valuation Date, i.e. [•])].]<br>[*In case of Benchmark Certificates, if the Open End Feature is applicable*: No Exercise Date will be provided and the Certificates may only be redeemed following the exercise of the [Call Option by the Issuer (on [the] [a] Call Valuation Date, i.e. [•])] [or] [Put Option by the investor (on [the] [a] Put Valuation Date, i.e. [•])].]<br>[<u>*Valuation Date[s]*</u><br>The Valuation Date[s] of the Securities [is][are]: [[•] [specified for each Series in the Annex to the Summary]].]<br>[<u>*Settlement Date*</u><br>[[The Settlement Date of the Securities is [[•] [specified for each Series in the Annex to the Summary]].] |
| **C.17** | **Settlement procedure** | [*Insert if the Securities are Cash Settled Securities:*<br>The Issuer shall pay or cause to be paid the Cash Settlement Amount (if any) for each Security by credit or transfer to the Securityholder's account with Euroclear or Clearstream, Luxembourg, as the case may be, for value on the Settlement Date, less any Expenses not already paid, such payment to be made in accordance with the rules of Euroclear or Clearstream, Luxembourg, as the case may be. The Issuer's obligations will be discharged by payment to, or to the order of, Euroclear or Clearstream, Luxembourg (as the case may be) of the amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular amount of the Securities must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for their share of each such payment.]<br>[*insert if the Securities are Italian Dematerialised Securities*:<br>The Securities are cleared through Monte Titoli S.p.A.and settlement will be in accordance with the procedures and local practices relevant to such clearing system.]<br>[*Insert if the Securities are Physically Settled Securities:* |

| | | |
|---|---|---|
| | | [In the case of physical delivery, subject] [Subject] to payment of any Expenses [*Insert in case of Warrants*: and of the Premium] with regard to the relevant Securities, the relevant Issuer shall, on the Settlement Date, deliver, or procure the delivery of, the Entitlement[.] [for each Security pursuant to the details specified in a notice (the "**Physical Delivery Confirmation Notice**") provided by the relevant Securityholder.<br>In the event that no valid Physical Delivery Confirmation Notice has been duly delivered at or prior to 10.00 a.m. (Brussels or Luxembourg time, as the case may be) on the Exercise Date in respect of a Security, the Issuer in respect of such Security shall pay or cause to be paid the Assessed Value Payment Amount by credit or transfer to the Securityholder's account with Euroclear or Clearstream, Luxembourg as soon as reasonably practicable following the determination of the Assessed Value Payment Amount. Upon payment of the Assessed Value Payment Amount as aforesaid, the Issuer's obligations in respect of such Certificate shall be discharged. The "Assessed Value Payment Amount" means an amount determined by the Calculation Agent to be the fair market value of the Relevant Assets comprised in the Entitlement in respect of the relevant Certificate, less any Expenses.]]<br>[*Insert if the Securities have an option to vary settlement:*<br>Upon a valid exercise of Securities, the Issuer may, at its sole and unfettered discretion, in respect of each such Security, elect not to pay the relevant Securityholders the Cash Settlement Amount or not to deliver or procure delivery of the Entitlement to the relevant Securityholders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Settlement Date to the relevant Securityholders, as the case may be. Notification of such election will be given to Securityholders no later than 10.00 a.m. (Luxembourg time) on the second Business Day following [the Exercise Date] [the Actual Exercise Date].] |
| **C.18** | **Description of how the return on derivative securities takes place** | [The issue price of the Certificates is equal to [•] (the "**Issue Price**").]<br>[The indicative price of the [Covered] Warrants, determined on [•] on the basis of the market parameters, is equal to [•] [the amount specified for each Series in the Annex to the Summary] the ("**Indicative Price**").]<br>[*If the Discount Price is applicable insert:* The [Certificates][Warrants] will be traded on the basis of the discount price, which is lower than the Issue Price and is equal to [•] (the "**Discount Price**").]<br>[*If the Purchase Price is applicable insert:* The Digital Certificates [will be][have been] subscribed, in the context of an exempt offer, at a price that is lower than the Issue Price and is equal to [•] (the "**Purchase Price**").]<br>**[REMUNERATION AMOUNT[S]**<br>The Certificates provide for the following remuneration amount[s]. [*For each remuneration amount specify, if applicable:* The [*specify remuneration amount* [•]] [will cease to be due upon occurrence of a Knock-out Event, described as follows.][becomes payable after the occurrence of a Knock-in Event, described as follows.]<br>[*Knock-out Feature*<br>The [*specify remuneration amount(s)* [•]] will cease to be due and payable to the Securityholders if the [Reference Value] [Spread] [Cumulated Performance] [on the following date[s]][during the following period[s]] [*specify the date(s) of the period and for each period:* [•]] (the "**[*specify the number if more than one* [•]] Knock-out Valuation Period[s]**") [is][has never been][has been at least once] [lower than] [higher than] [[or] equal to] [has fallen at least once] [has never fallen] [within/out of] the following range] [*specify the level of the period and for each period:* [•]] (the "**Knock-out Level[s]**") (such event a "**Knock-out Event**"). [Upon the occurrence of a Knock-out Event the investor will not benefit from the payment of any further [*specify remuneration amount* [•]]].]<br>[*Knock-in Feature*<br>The [*specify remuneration amount(s)* [•]] will become payable to the Securityholders if the [Reference Value] [Spread] [Cumulated Performance] [on the following date[s]][during the following period[s]] [*specify the date(s) of the period and for each period:* [•]] (the "**[*specify the number if more than one* [•]] Knock-in Valuation Period[s]**") [is][has never been][has been at least once] [lower than] [higher than] [[or] equal to] [has fallen at least once] [has never fallen] [within/out of] the following range] [*specify the level of the period and for each period:* [•]] (the "**Knock-in Level[s]**") (such event a "**Knock-in Event**").]<br>**[**DIGITAL AMOUNT[S]<br>The Certificates provide for the payment of the [relevant] Digital Amount upon occurrence of the [relevant] Digital Event.<br>The Digital Event will occur if the [Reference Value][Spread][Cumulated Performance]<br>[on the][during the] [relevant] Digital Valuation Period, |

| | | |
|---|---|---|
| | | [[is][has never been][has been at least once] [lower than] [higher than] [[or] equal to] the [relevant] Digital Level]<br><br>[has fallen at least once] [has never fallen] [within/out of] the Up Range Digital Level [included/excluded] and the Down Range Digital Level [included/excluded]].<br><br>The Digital Valuation Period[s] [is][are]: [•] [*specify for each period if more than one* (the "**[•] Digital Valuation Period**").<br><br>[The Digital Level[s] [[is][are]: [•] [*specify one or more levels for each period if different* (the "**[•] Digital Level**") [in relation to each Digital Valuation Period].]]<br><br>[The Up Range Digital Level[s] [[is][are]: [•] [*specify one or more levels for each period if different* (the "**[•] Up Range Digital Level**") [in relation to each Digital Valuation Period].]]<br><br>[The Down Range Digital Level[s] [[is][are]: [•] [*specify one or more levels for each period if different* (the "**[•] Down Range Digital Level**") [in relation to each Digital Valuation Period].]]<br><br>[*If the Cliquet Feature is applicable insert:* [if [•],] the Digital Level will be [*specify the level(s) of the period and for each period:* [•]% [of the Initial Reference Value] [and/or] [of the [Reference Value][Spread][Cumulated Performance] determined on [*specify the date(s) of the period and for each period:* [•]] (the "**[•] Cliquet Valuation Period**")] (the "**Cliquet Feature**").]<br><br>The Digital Amount[s]<br><br>[is [•] in relation to each Digital Valuation Period]<br><br>[are [•] [*specify one or more amount for each period*]<br><br>[*If the Cliquet Feature is applicable insert:* [•] or [•] [*specify details*] in relation to [*specify for each Digital Valuation Period*].]<br><br>[*If the Multiple Level Option is applicable insert:* On the [relevant] Digital Valuation Period, the investor will receive only the Digital Amount corresponding to the higher Digital Level reached by the Reference Value of the Underlying.]<br><br>[*If Coupon Event is applicable:* is equal to [•] (the "**Coupon Premium 1**"), if the [Reference Value] [Spread] [Cumulated Performance] on [*specify the date(s) of the period:* [•]] (the "**Coupon Determination Period**") is [lower than] [higher than] [[or] equal to] [•] (the "**Coupon Level**") (such event a "**Coupon Event**"). Otherwise, if the Coupon Event does not occur, the Digital Amount[s] will be equal to [•] (the "**Coupon Premium 2**").]<br><br>[In relation to the Digital Amount[s], the following effect[s] [applies][apply]:<br><br>[*Consolidation Effect*<br><br>If the [Reference Value][Spread][Cumulated Performance] [on the following date[s]][during the following period[s]] [*specify the date(s) of the period and for each period:* [•]] (the "**[*specify the number if more than one* [•]] Consolidation Valuation Period[s]**") [is][has never been][has been at least once] [lower than] [higher than] [[or] equal to] [has fallen at least once] [has never fallen] [within/out of] the following range] [*specify the level of the period and for each period:* [•]] (the "**Consolidation Level[s]**"),] the Digital Event will automatically occur without further determinations for all the Digital Valuation Periods following the occurrence of the Consolidation Effect.]<br><br>[*Memory Effect*<br><br>If the [Reference Value][Spread][Cumulated Performance] [on the following date[s]][during the following period[s]] [*specify the date(s) of the period and for each period:* [•]] (the "**[*specify the number if more than one* [•]] Memory Valuation Period[s]**") [is][has never been][has been at least once] [lower than] [higher than] [[or] equal to] [has fallen at least once] [has never fallen] [within/out of] the following range] [*specify the level of the period and for each period:* [•]] (the "**Memory Level[s]**"),] the investor will receive the previously unpaid Digital Amount[s] [(except where such Digital Amount[s] [was][were] already paid due to the occurrence of a Memory Effect in a previous Memory Valuation Period)].]<br><br>[*Path Dependency Effect*<br><br>The Digital Amount increase in relation to each Digital Valuation Period. Such increase will depend on the occurrence of the Digital Events in the previous Digital Valuation Periods. In particular, the increase will be calculated as the product of (i) [•] (the "**Path Dependency Amount**") and (ii) the number of the Digital Events that have occurred from the first Digital Valuation Period (included) until the Digital Valuation Period on which such Digital Amount is calculated.]<br><br>**[**ACCUMULATED AMOUNT[S] |

| | | |
|---|---|---|
| | | The Certificates provide for the Accumulated Amount[s].<br>In particular, the investor will be entitled to receive, in relation to the following date[s]: [*specify the dates:* [•]] (the "**[*specify the number if more than one* [•]] Accumulated Valuation Date[s]**") the [relevant] amount (the "**Accumulated Amount**"), that will be equal to the product between an amount, equal to [*specify the amount(s) for each period:* [•]] (the "**Accumulating Amount[s]**"), and the number of Accumulating Events (as defined below) occurred during the [relevant] period (such period, the "**Accumulating Valuation Period**"). The Accumulating Valuation Period[s] [is][are]: [*specify the date(s) of the period and for each period:* [•]] [*if more than one period, insert*: (the "**[*specify the number if more than one* [•]] Accumulating Valuation Period**")].<br>The occurrence of the Accumulating Event[s] will be contingent upon the [Reference Value][Spread][Cumulated Performance] on the [relevant] Accumulating Valuation Period [is][has never been][has been at least once] [lower than][higher than][or][equal to] [has fallen at least once] [has never fallen] [within/out of] the following range] [*specify the level of the period and for each period:* [•]] (the "**Accumulating Level[s]**"),].<br><br>[*If an Early Redemption Level is provided, and if applicable, specify*: The Accumulated Amount will be paid only upon occurrence of an Early Redemption Event (as indicated in relation to the Early Redemption Amounts). In such case, the Accumulated Amount will be paid on the Accumulated Payment Date coinciding with, or immediately after, the Early Payment Date in relation to which an Early Redemption Event has occurred.]]<br><br>**[**PLUS AMOUNT[S]<br><br>The Certificates provide for the unconditional payment of the Plus Amount[s], that [is][are] not linked to the performance of the Underlying. The Plus Amount[s] [is][are] equal to [*specify the amount(s) for each payment date if more than one:* [•]], and will be paid on the following date[s]: [*specify the date(s):* [•]] (the "**[*specify the number if more than one* [•]] Plus Payment Date[s]**").]<br><br>**[**INTERNAL RETURN AMOUNT[S]<br><br>The Certificates provide for the Internal Return Amount[s].<br>In this case, the Internal Return Amount, which is [IRA Compound] [IRA Simple], will be linked to the performance of the Underlying and calculated on such performance which is annualised in relation to the following date[s]: [*specify the date(s):* [•]] (the "**[*specify the number if more than one* [•]] Annual Valuation Date[s]**"). [*if a IRA Cap is applicable*: In addition, the Internal Return Amount[s] will be subject to a maximum amount represented by the IRA Cap, i.e. [•]].]<br><br>**[**PARTICIPATION REMUNERATION AMOUNT[S]<br><br>The Certificates provide for the Participation Remuneration Amount[s].<br>The Participation Remuneration Amount[s] [is][are] [Long Participation Remuneration Amount[s] [Form A] [and] [Form B] / Spread Participation Remuneration Amount[s]] [linked to the long performance of the [relevant] [Underlying] [Spread]] [and] [Short Participation Remuneration Amount] [linked to the short performance of the [relevant] [Underlying] [Spread]] (the "**Participation Remuneration Amount[s]**"). Such performance will be determined from [•] (the "[•] **Participation Valuation Date$_j$**") to [•] (the "[•] **Participation Valuation Date$_t$**") [*specify the date(s) for each amount if more than one*. [*If a Cap is applicable*: The Participation Remuneration Amount[s] will not be higher than [•] (the "**Cap**").]<br><br>[[The Long Participation Remuneration Amount[s] [Form A] [and] [Form B]] [and] [the Short Participation Remuneration Amount[s]] will be paid only if the [relevant] Participation Remuneration Event will occur. The Participation Remuneration Event will occur if the [Reference Value][Spread][Cumulated Performance]<br><br>[on the][during the] [relevant] Participation Remuneration Event Valuation Period,<br><br>[[is][has never been][has been at least once] [lower than] [higher than] [[or] equal to] the [relevant] Participation Remuneration Level]<br><br>[has fallen at least once] [has never fallen] [within/out of] the Up Range Participation Remuneration Level [included/excluded] and the Down Range Participation Remuneration Level [included/excluded]].<br><br>The Participation Remuneration Event Valuation Period[s] [is][are]: [•] [*specify for each period if more than one* (the "**[•] Participation Remuneration Event Valuation Period**").<br><br>[The Participation Remuneration Level[s] [[is][are]: [•] [*specify one or more levels for each period if different* (the "**[•] Participation Remuneration Level**") [in relation to each Participation Remuneration Event Valuation Period].]]<br><br>[The Up Range Participation Remuneration Level[s] [[is][are]: [•] [*specify one or more levels for each period if different* (the "**[•] Up Participation Remuneration Level**") [in relation to each Participation Remuneration |

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| | | Event Valuation Period].]]<br><br>[The Down Range Participation Remuneration Level[s] [[is][are]: [•] [*specify one or more levels for each period if different* (the "**[•] Down Range Participation Remuneration Level**") [in relation to each Participation Remuneration Event Valuation Period].]]<br><br>[*If the Cliquet Feature is applicable insert:* [if [•],] the Participation Remuneration Level will be [*specify the level(s) of the period and for each period:* [•]% [of the Initial Reference Value] [and/or] [of the [Reference Value][Spread][Cumulated Performance] determined on [*specify the date(s) of the period and for each period:* [•]] (the "**[•] Cliquet Valuation Period**")] (the "**Cliquet Feature**").]]<br><br>[In relation to the Participation Remuneration Amount[s], the following feature[s] [applies][apply]:<br><br>[*Consolidation Effect*<br><br>If the [Reference Value][Spread][Cumulated Performance] [on the following date[s]][during the following period[s]] [*specify the date(s) of the period and for each period:* [•]] (the "**[*specify the number if more than one* [•]] Consolidation Valuation Period[s]**") [is][has never been][has been at least once] [lower than] [higher than] [[or] equal to] [has fallen at least once] [has never fallen] [within/out of] the following range] [*specify the level of the period and for each period:* [•]] (the "**Consolidation Level[s]**"),] the Participation Remuneration Event will automatically occur without further determinations for all the Participation Remuneration Event Valuation Periods following the occurrence of the Consolidation Effect.]<br><br>[*Memory Effect*<br><br>If the [Reference Value][Spread][Cumulated Performance] [on the following date[s]][during the following period[s]] [*specify the date(s) of the period and for each period:* [•]] (the "**[*specify the number if more than one* [•]] Memory Valuation Period[s]**") [is][has never been][has been at least once] [lower than] [higher than] [[or] equal to] [has fallen at least once] [has never fallen] [within/out of] the following range] [*specify the level of the period and for each period:* [•]] (the "**Memory Level[s]**"),] the investor will receive the previously unpaid Participation Remuneration Amount[s] [(except where such Participation Remuneration Amount[s] [was][were] already paid due to the occurrence of a Memory Effect in a previous Memory Valuation Period)].]<br><br>[*Participation Rebate Feature*<br><br>If the [Reference Value of the [relevant] Underlying][Spread] on the following period[s]: [*specify the date(s) of the period and for each period:* [•]] (the "**[*specify the number if more than one* [•]] Participation Rebate Valuation Period[s]**"), is [lower than] [higher than] [[or] equal to] [*specify the level of the period and for each period:* [•]] (the "**Participation Rebate Level[s]**"),] (such event a "**Participation Rebate Event**"), the investor will receive the amount[s] equal to [*specify the amount(s) in relation to each period:* [•]] (the "**Participation Rebate Amount[s]**") following the Participation Rebate Valuation Period on which the Participation Rebate Event has occurred. Otherwise, if a Participation Rebate Event has not occurred during a Participation Rebate Valuation Period, the Certificates will pay the [relevant] Participation Remuneration Amount.]<br><br>[*Net Profit Feature*<br><br>The sum of the [*specify remuneration amount* [•]] already paid prior to [each] [the] [Participation Valuation Date] will be deducted from the Participation Remuneration Amount to be paid, provided that the resulting amount cannot be lower than zero.]<br><br>**[**PREMIUM GAP AMOUNT[S]<br><br>Gap Certificates provide for the payment of the Premium Gap Amount[s].<br>Such amount[s] may vary depending on the occurrence of a Barrier Gap Event. The Barrier Gap Event occurs if the Gap Daily Performance on the following period[s]: [*specify the date(s) of the period and for each period:* [•]] (the "**[*specify the number if more than one* [•]] Barrier Gap Observation Period[s]**"), is [lower than] [higher than] [[or] equal to] [*specify the level of the period and for each period:* [•]] (the "**Barrier Gap Level[s]**"),] (such event a "**Barrier Gap Event**"). The date on which the Barrier Gap Event has occurred is the "**Barrier Gap Event Date**".<br>After the occurrence of the Barrier Gap Event:<br>– The Premium Gap Amount[s] will be determined on the basis of the actual number of days within the [relevant] Premium Gap Observation Period and not on the basis of all the days of the [relevant] Premium Determination Period and<br>– [after the payment of the Premium Gap Amount that will be paid on the payment date following the Barrier Gap Event Date on which a Barrier Gap Event has occurred, no further Premium Gap Amount will be paid to the investors.]<br>The Premium Determination Period[s] [is][are] the following: [*specify the date(s) of the period and for each period:* [•]] [(the "**[*specify the number if more than one* [•]] Premium Determination Period[s]**")]. |

[Each] [The] Premium Gap Observation Period will be the period form the initial date of the [relevant] Premium Determination Date [included][excluded], to the [relevant] Barrier Gap Event Date [included][excluded]. If the Barrier Event has not occurred the Premium Gap Observation Period will coincide with the [relevant] Premium Determination Period.

[*Specify the determination method for each Premium Determination Method*: The determination method of the Premium Gap Amount [in relation to the [•] Premium Determination Period] is:

[FLOATING PREMIUM: the investor will receive a Premium Gap Amount linked to a percentage equal to [•] (the "**Premium Percentage**") of the [•] [[+/-][•] (the "**Premium Margin**")]. In any case, the Premium Gap Amount will not result in an amount lower than zero. Such amount shall be calculated on the basis of the number of days during of the [relevant] Premium Gap Oservation Period, according to the day count fraction [ACT/360][Actual/Actual].]

[FIXED PREMIUM: the investor will receive a Premium Gap Amount linked to a percentage equal to [•] (the "**Premium Percentage**"). Such amount shall be calculated on the basis of the number of days during of the [relevant] Premium Gap Oservation Period, according to the day count fraction [ACT/360][Actual/Actual].]

[DIFFERENCE IN RATES: the investor will receive a Premium Gap Amount linked to a percentage equal to [•] (the "**Premium Percentage**") of the difference between [*specify the relevant Reference Rate 1 which can be a Reference Rate* [•]] and [*specify the relevant Reference Rate 2 which can be a Reference Rate* [•]], provided that if such amount is less than zero, it shall be deemed to be zero. Such amount shall be calculated on the basis of the number of days during of the [relevant] Premium Gap Oservation Period, according to the day count fraction [ACT/360][Actual/Actual].]]

[FLOATING AMOUNT(S)

Interest Rate Warrants provide for the payment of [a] Floating Amount[s]. Each Floating Amount will be determined by the Calculation Agent on the relevant Floating Amount Determination Date for each Floating Amount Determination Period and will be paid, if positive, on the relevant Floating Amount Payment Date, as specified below. Each Floating Amount will be equal to the product between: (i) the difference between [•](the "**Reference Rate**") less [•] (the "**Interest Cap**") and (ii) [the Notional Amount equal to [•]] [the Notional Amount$_t$ for the relevant Floating Amount Determination Period], all as specified below.

| ***t*** | **Floating Amount Determination Period$_t$** | | **[Notional Amount$_t$]** | **Floating Amount Payment Date** |
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| | **from** | **to** | | |
| [ ] | [ ] | [ ] | [ ] | [ ] |
| [ ] | [ ] | [ ] | [ ] | [ ] |
| [ ] | [ ] | [ ] | [ ] | [ ] |
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The Floating Amount Determination Date[s][for each Floating Amount Determination Period] [is][are] [•].

The day count fraction is [•]] **]**

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**[EARLY REDEMPTION AMOUNT[S]**

The Certificates provide the possibility of an automatic early redemption if an Early Redemption Event has occurred.

[In particular, if the [Reference Value][Spread][Cumulated Performance] [on the following date[s]][during the following period[s]] [*specify the date(s) of the period and for each period:* [•]] [(the "**[*specify the number if more than one* [•]] Early Redemption Valuation Period[s]**")

[*specify in relation to each period if different:* [is][has never been][has been at least once] [lower than] [higher than] [[or] equal to] [has fallen at least once] [has never fallen] [within/out of] the following range] [*specify the level (for each date if more than one):* [•]] (the "**Early Redemption Level** [•]"),

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| | | the certificate will be automatically redeemed and the Securityholder will receive the payment of the [relevant] amount, [equal to [*specify the amount(s) in relation to each period:* [•]] (the "**Early Redemption Amount[s]**")] [*In the case the Coupon Event is applicable:* equal to [•] (the "**Coupon Premium 1**"), if the [Reference Value of the [relevant] Underlying] [Spread] [the Cumulated Performance] on [*specify the date(s) of the period:* [•]] (the "**Coupon Determination Period**") is [lower than] [higher than] [[or] equal to] [•] (the "**Coupon Level**") (such event a "**Coupon Event**"). Otherwise, if the Coupon Event does not occur, the Early Redemption Amount[s] will be equal to [•] (the "**Coupon Premium 2**").]] **]**<br><br>[In particular, if the Accumulated Amount[s] payable on the [relevant] Accumulated Valuation Date is [lower than][higher than][or][equal to] the [relevant] [*specify the amount(s) in relation to Accumulated Valuation Date if more than one:* [•]] (the "**Accumulating Autocallable Trigger**"), the certificate will be automatically redeemed and the Securityholder will receive, the payment of the [relevant] amount, equal to [*specify the amount(s) in relation to each period:* [•]] (the "**Early Redemption Amount[s]**").]]<br><br>[[**CORRIDOR EARLY AMOUNT**<br><br>In relation to the Corridor Warrants, if a Barrier Event has occurred, the Corridor Warrants will be automatically early redeemed and the Securityholder will [not] receive [any] [an] amount[ equal to [•] (the "**Corridor Early Amount**") on the Corridor Early Payment Date]. Therefore the investor will be exposed to the [total] [partial] loss of the capital invested.]<br><br>****<br><br>**[SETTLEMENT AMOUNT]**<br><br>The Securityholder will receive on the Settlement Date [if an Early Redemption Event has not occurred] for each Minimum Exercise [Amount][Number] [specified for each Series in the Annex to the Summary] [the payment of the Cash Settlement Amount [(if positive)] determined as follows [*Insert In the event of Non Quanto Securities,* provided that, since the Underlying Reference Currency is different from the Settlement Currency, the Cash Settlement Amount will be exchanged into the Settlement Currency at the applicable Exchange Rate][and] [or] [the Entitlement, determined as follows].<br><br>[*In relation to Certificates providing an Early Partial Capital Payment, insert*: The Cash Settlement Amount to be paid (if positive) on the Settlement Date will be adjusted on the basis of the Outstanding Amount[1] after the Early Partial Capital Payment Date. Accordingly, the Multiplier will be [•], in order to reflect the Outstanding Amount from time to time.]<br><br>**CALCULATION METHOD IN THE CASE OF [POSITIVE] [AND] [NEGATIVE] PERFORMANCE OF THE [RELEVANT] UNDERLYING [([BARRIER EVENT] [BARRIER GAP EVENT] NOT OCCURRED)]**<br><br>**[CASH SETTLEMENT AMOUNT]**<br><br>[STANDARD [LONG][SHORT] CERTIFICATES<br><br>The investor will receive an amount linked to a percentage of the Initial Reference Value, equal to [•] (the "**Initial Percentage**").]<br><br>[MAX [LONG] [SHORT] [CONSOLIDATION] [CAP] CERTIFICATES<br><br>[*If a Consolidation Floor Event is applicable insert:* If a Consolidation Floor Event has not occurred] [the/The investor will receive a percentage of the Issue Price equal to [•] with the possibility to receive a higher amount participating to the [long] [short] performance of the Underlying depending on a percentage equal to [•] (the "**Participation Factor**").] [*If a Cap is applicable*: The Cash Settlement Amount will not exceed the Cap Level, equal to [*Specify the level or the levels of the range and relevant details*: [•]].]] [*If the Restrike Feature is applicable insert*: Upon the occurrence of a Restrike Event, which occurrs if, on [*specify the date(s) of the period and for each period:* [•]] [(the "**[*specify the number if more than one* [•]] Restrike Observation Period[s]**"), the Reference Value is [higher than] [lower than] [[or] equal to [•] (the "**Restrike Level**"), [*Insert in the case of Cap Style 1:* the Initial Reference Value will be automatically set at a percentage of the Initial Reference Value which is equal to the Restrike Percentage, equal to [•]. All the values that depend on the Initial Reference Level will be consequently amended.][*Insert in the case of Cap Style 2:* the Cap Level will not be taken into consideration for the purposes of the Cash Settlement Amount.] |

[1] The Outstanding Amount is equal, from time to time, on the relevant Outstanding Amount Determination Date(s), to the Issue Price less the sum of any Early Partial Capital Payment Amounts paid up to and including such relevant Outstanding Amount Determination Date.

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| | | [*If a Consolidation Floor Event is applicable insert:* If a Consolidation Floor Event has occurred, the investor will receive an amount equal to the maximum between (i) [•][%] of the Initial Reference Value and (ii) the Final Reference Value, both multiplied by the Multiplier. [The Cash Settlement Amount will not exceed the [*specify the level(s) of the period(s):* [•]] (the "**Cap Consolidation Amount**"). The Consolidation Floor Event will occur if the Reference Value on [*specify the date(s) of the period(s):* [•]] (the "**[*specify the number if more than one* [•]] Consolidation Floor Valuation Period[s]**"), is [lower than] [higher than] [[or] equal to] [*specify the level(s) of the period(s):* [•]] (the "**Consolidation Floor Level[s]**").]<br>]<br>[TYPE A SPREAD CERTIFICATES<br>The investor will receive an amount linked to the average between: (i) a percentage of the Initial Reference Value of the Underlying A equal to [•] [[+/-] [•]] and (ii) a percentage of the Initial Reference Value of the Underlying B equal to [•] [[+/-] [•]], multiplied by the relevant multipliers.]<br>[TYPE B [CAP] SPREAD CERTIFICATES<br>The investor will receive (1) an amount linked to the average between (i) a percentage of the Initial Reference Value of the Underlying A equal to [•] [[+/-] [•]] and (ii) a percentage of the Initial Reference Value of the Underlying B equal to [•] [[+/-] [•]], multiplied by the relevant multipliers and (2) an amount linked to a percentage of the Spread equal to [•] (the "**Participation Factor**"). [In any case, the Cash Settlement Amount will not be higher than the CAP, equal to [•].]]<br>[TYPE C [CAP] SPREAD CERTIFICATES<br>**a. If the Spread [[+/-] [•]] is higher than or equal to 0:**<br>In this case, the investor will receive an amount that will depend on the Participation Factor, equal to [•] multiplied by the Spread [[+/-] [•]] [, but it will not be higher than [•] (the "**Cap Amount**").]<br>**b. If the Spread [[+/-] [•]] is lower than 0:**<br>In this case, the investor will receive an amount that will depend on the Down Participation Factor, equal to [•] multiplied by the Spread [[+/-] [•]] [, but it will not be lower than [•] (the "**Protection Amount**").]]<br>[TYPE D [CAP] SPREAD CERTIFICATES<br>The investor will receive an amount that will depend on the Spread [[+/-] [•]] multiplied by the Multiplier [, but it will not be higher than [•] (the "**Cap Amount**").]<br>[TWIN WIN [LONG] [SHORT] [CAP] CERTIFICATES<br>**a. If the Final Reference Value is higher than or equal to the Initial Reference Value, multiplied by the Strike Percentage (equal to [•]):**<br>In this case, the investor will receive the Issue Price plus an amount linked to the performance of the Underlying multiplied by a percentage equal to [•] (the "**Participation Factor**"). [In any case, the Cash Settlement Amount will not be higher than the CAP, equal to [•].]<br>**b. If the Final Reference Value is lower than the Initial Reference Value, multiplied by the Strike Percentage (equal to [•]) (and the Barrier Event, if applicable, has not occurred):**<br>In this case, the investor will receive the Issue Price plus an amount linked to the [absolute value of negative (decreasing)] performance of the Underlying, multiplied by a percentage equal to [•] (the "**Down Participation Factor**"). [In any case, the Cash Settlement Amount will not be higher than the Cap Down Amount, equal to [•].]]<br>[BENCHMARK [LONG] [SHORT] CERTIFICATES<br>[The investor will be exposed to the performance of the Underlying. As a result, on the Settlement Date, the investor will receive an amount, if positive, equal to the Final Reference Value multiplied by the Multiplier][The exposure of the investor will be inversely proportioned to the performance of the Underlying, therefore the investor will receive an amount, if positive, equal to the difference between the Strike Price, equal to [•], and the Final Reference Value, multiplied by the Multiplier] [net of [the Annual Management Fee, which will be calculated on the basis of a percentage equal to [•] (the "**AMF Percentage**")] [the Variable Management Fee, which will be calculated on the basis of a percentage equal to [•] (the "**AMF Percentage**") and on the basis of a percentage equal to [•] (the "**VMF Percentage**")]]] [*Insert in the case of physically settled Certificates*: the Entitlement, being the quantity of [*specify relevant assets*] (the "**Relevant Assets**")].<br>[OUTPERFORMANCE [LONG] [SHORT] [CAP] CERTIFICATES |

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| | | **a. If the Final Reference Value is equal to or higher than the Initial Reference Value:**<br>In this case, the investor will receive a Cash Settlement Amount, if positive, linked to the performance of the Underlying, depending on a percentage equal to [•] (the "**Up Participation Factor**"). [*If a Cap is applicable*: The Cash Settlement Amount will not exceed the Cap Level, equal to [*Specify the level or the levels of the range and relevant details*: [•]].]<br>**b. If the Final Reference Value is lower than the Initial Reference Value:**<br>In this case, the investor will receive a Cash Settlement Amount, if positive, linked to the performance of the Underlying, depending on a percentage equal to [•] (the "**Down Participation Factor**").]<br><br>[BUFFER PROTECTION CERTIFICATES]<br><br>[The Cash Settlement Amount will depend on whether a Buffer Event has occurred. In particular, the Buffer Event will occur if on [•] (the "**Buffer Valuation Date[s]**"), the Performance Sum is [lower than] [higher than] [[or] equal to] [•] (the "**Buffer Percentage**").<br>**a. If the Buffer Event has not occurred during the life of the Certificates:**<br>In this case, the investor will receive an amount linked to a percentage of the Initial Reference Value equal to [•].<br>**b. If the Buffer Event has occurred during the life of the Certificates**<br>In this case, the investor will receive in any case at least a percentage of the Issue Price equal to [•] (the "**Protection Percentage**"), with the possibility to receive a higher amount which will depend on the Performance Sum and on the Buffer Percentage.]<br><br>[GLOBAL PERFORMANCE [CAP] CERTIFICATES]<br><br>[The investor will receive in any case at least a percentage of the Issue Price equal to [•] (the "**Protection Percentage**"), with the possibility to receive a higher amount which will depend on the Global Performance. [In any case, the Cash Settlement Amount will not be higher than the Cap Down Amount, equal to [•].]]<br><br>[LUCKY PROTECTION [LONG] CERTIFICATES<br><br>**a. if the Final Reference Value is equal to or higher than the Initial Reference Value:**<br>[In this case the investor will receive a Cash Settlement Amount which reflects the positive performance of the Underlying, depending on a percentage equal to [•] (the "**Participation Factor**").]<br>[In this case the investor will receive a Cash Settlement Amount linked to a percentage of the Initial Reference Value equal to [•] (the "**Initial Percentage**").]<br>**b. if the Final Reference Value is lower than the Initial Reference Value:**<br>In this case the investor will never receive an amount lower than the Dropdown Protection Level, equal to [•].]<br><br>[LUCKY PROTECTION [SHORT] CERTIFICATES<br><br>**a. if the Final Reference Value is equal to or lower than the Initial Reference Value:**<br>[In this case the investor will receive a Cash Settlement Amount which reflects the negative performance of the Underlying, depending on a percentage equal to [•] (the "**Participation Factor**").]<br>[In this case the investor will receive a Cash Settlement Amount linked to a percentage of the Initial Reference Value equal to [•] (the "**Initial Percentage**").]<br>**b. if the Final Reference Value is lower than the Initial Reference Value:**<br>In this case the investor will never receive an amount lower than the Dropdown Protection Level, equal to [•].]<br><br>[DYNAMIC PROTECTION [LONG] CERTIFICATES<br><br>**a. if the Final Reference Value is equal to or higher than the Initial Reference Value:**<br>[In this case, the investor will receive a Cash Settlement Amount which reflects the positive performance of the Underlying, depending on a percentage equal to [•] (the "**Participation Factor**").]<br>[In this case the investor will receive a Cash Settlement Amount linked to a percentage of the Initial Reference Value equal to [•] (the "**Initial Percentage**").]<br>**b. if the Final Reference Value is lower than the Initial Reference Value but equal to or higher than the Dynamic Protection Level:**<br>In this case, the investor will receive a Cash Settlement Amount linked to the performance of the Underlying multiplied by a percentage whose value will determined by subtracting to a percentage equal to [•] (the "**Initial Gearing**") the Final Gearing. The Final Gearing is calculated as the number of Gearing Events occurred during the life of the Certificates, multiplied by a percentage equal to [•] (the "**Gearing**"). The Gearing Event will occur when the Reference Value of the Underlying is [lower than] [higher than] [[or] equal to] the [relevant] Gearing Level, which is equal to [•].<br>**c. if the Final Reference Value is lower than the Dynamic Protection Level:** |

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| | | In this case, the investors will receive a Cash Settlement Amount represented by the sum of (i) the Protection Amount, equal to [•] and (ii) the Step Up Amount, equal to [•], multiplied by the number of Gearing Events occurred during the life of the Certificates.]<br><br>[DYNAMIC PROTECTION [SHORT] CERTIFICATES<br><br>**a. if the Final Reference Value is equal to or lower than the Initial Reference Value:**<br>[In this case, the investor will receive a Cash Settlement Amount inversely proportioned to the performance of the Underlying, depending on a percentage equal to [•] (the "**Participation Factor**").]<br>[In this case the investor will receive a Cash Settlement Amount linked to a percentage of the Initial Reference Value equal to [•] (the "**Initial Percentage**").]<br>**b. if the Final Reference Value is higher than the Initial Reference Value but equal to or higher than the Dynamic Protection Level:**<br>In this case, the investor will receive a Cash Settlement Amount linked to the performance of the Underlying multiplied by a percentage whose value will be determined by subtracting to a percentage equal to [•] (the "**Initial Gearing**") the Final Gearing. The Final Gearing is calculated as the number of Gearing Events occurred during the life of the Certificates, multiplied by a percentage equal to [•] (the "**Gearing**"). The Gearing Event will occur when the Reference Value of the Underlying is [lower than] [higher than] [[or] equal to] the [relevant] Gearing Level, which is equal to [•].<br>**c. if the Final Reference Value is higher than the Dynamic Protection Level:**<br>In this case, the investors will receive a Cash Settlement Amount represented by the sum of (i) the Protection Amount, equal to [•] and (ii) the Step Up Amount, equal to [•], multiplied by the number of Gearing Events occurred during the life of the Certificates.]<br><br>[CURRENCY CERTIFICATES<br><br>In relation to such type, the investor will receive a percentage of the Issue Price depending on the weighted sum of the performances of the Underlyings.][*Insert if a Protection Percentage is applicable*: In any case the Cash Settlement Amount will not be lower than an amount equal to the Protection Percentage equal to [•], multiplied by the Issue Price.]<br><br>[MULTIPERFORMANCE [LONG] [SHORT] CERTIFICATES<br><br>The investor will receive on the Settlement Date an amount linked to a percentage of the Initial Reference Value equal to [•] (the "**Initial Percentage**").]<br><br>[MULTIPERFORMANCE MAX LONG [CAP] CERTIFICATES<br><br>[The investor will receive a percentage of the invested capital, equal to [•], with the possibility to participate to the increasing Cumulated Performance of the Underlyings depending on the Up Participation Factor, equal to [•].] [The amount will not be higher than [•] (the "**Cap Amount**").]<br><br>[MULTIPERFORMANCE MAX SHORT [CAP] CERTIFICATES<br>[The investor will receive a percentage of the invested capital, equal to [•], with the possibility to participate to the decreasing Cumulated Performance of the Underlyings depending on the Up Participation Factor, equal to [•].] [The amount will not be higher than [•] (the "**Cap Amount**").]<br><br>[DUAL CURRENCY FX [LONG] [SHORT] CERTIFICATES<br><br>The investor will receive an amount in the Issue Currency linked linked to a percentage of the Initial Reference Value equal to [•] (the "**Initial Percentage**").]<br><br>[GAP [LONG] [SHORT] CERTIFICATES<br>The investor will receive a percentage of the invested capital, equal to [•] (the "**Initial Percentage**").]<br><br>[SWITCH CERTIFICATES<br><br>**a. if the Switch Event has not occurred:**<br>In this case, the Cash Settlement Amount will be calculated as follows [•].<br>**b. if the Switch Event has occurred:**<br>In this case, the Cash Settlement Amount will be calculated as follows [•].<br>The Switch Event will occur if the Reference Value of the [relevant] [Underlying] on [*specify the date(s) of the period and for each period:* [•]] (the "**[*specify the number if more than one* [•]] Switch Valuation Period[s]**"), is [lower than] [higher than] [[or] equal to] [*specify the level of the period and for each period:* [•]] (the "**Switch Level[s]**"),]<br><br>[CALL CERTIFICATES |

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| | | The investor will receive an amount equal to the Issue Price multiplied by the maximum between (i) 0% and (ii) the difference between the Final Reference Value and the Initial Reference Value, multiplied by [•] (the "**Strike Percentage**"), divided by Initial Reference Value.<br>[The amount will not be higher than [•] (the "**Cap Amount**").]]<br>[DIGITAL CERTIFICATES<br>**a. if the Final Reference Value is higher than, or equal to, the Settlement Level (i.e. a Settlement Event has occurred):**<br>*Issue Price x Digital Percentage x Minimum Exercise Amount*<br>The investor will receive on the Settlement Date an amount linked to a percentage of the Issue Price equal to [•] (the "**Digital Percentage**"). For the purposes of determining the occurrence of the Settlement Event, the Settlement Level is equal to [•].<br>**b. if the Final Reference Value is lower than the Settlement Level (i.e. a Settlement Event has not occurred):**<br>The investor will not receive any amount on the Settlement Date, and therefore will be exposed to the total loss of the capital invested.]<br>[[CALL][PUT][CALL SPREAD][CORRIDOR] WARRANTS<br>The investor is entitled to receive, [upon payment of the Premium,] [*in case of cash settled Warrants*: a Cash Settlement Amount equal to: [*in case of Call Warrants:* the Notional Amount [specified for each Series in the Annex to the Summary] multipled for the maximum between 0% and the performance of the Underlying] [*in case of Call Spread Warrants*: the Notional Amount [specified for each Series in the Annex to the Summary] multiplied by the minimum between the CAP (equal to [•]) and the maximum between 0% and the performance of the Underlying] [*in case of Put Warrants*: the Notional Amount [specified for each Series in the Annex to the Summary] multipled for the maximum between 0% and the difference between 1 and the ratio between the Final Reference Value and the Initial Reference Value] [*in case of Put Spread Warrants*: the Notional Amount [specified for each Series in the Annex to the Summary] multipled for the minimum between the CAP (equal to [•]) and the maximum between 0% and the difference between 1 and the ratio between the Final Reference Value and the Initial Reference Value][*in case of Corridor Warrants:* [•]][specified for each Series in the Annex to the Summary] if, within [*specify the date(s) of the period and for each period:* [•] and [•]] [(the "**[*specify the number if more than one* [•]] Barrier Valuation Period[s]**")]the Reference Value has never been lower than the Lower Barrier Level [equal to [•]][specified for each Series in the Annex to the Summary] and higher than the Upper Barrier Level [equal to [•]][specified for each Series in the Annex to the Summary]] [*in case of physically settled Warrants*: the Entitlement, being the quantity of [specify relevant assets] (the "**Relevant Assets**") equal to: [•]]]<br>[[CALL][PUT] COVERED WARRANTS<br>(*in case of Call Covered Warrant:*) The investor will receive an amount equal to the maximum between (i) 0 and (ii) the Final Reference Value less the Exercise Price. The result will be multiplied by the Multiplier (equal to [•]) and the Minimum Exercise Number (equal to [•]).<br>(*in case of Put Covered Warrant:*)The investor will receive an amount equal to the maximum between (i) 0 and (ii) the Exercise Price less the Final Reference Value. The result will be multiplied by the Multiplier (equal to [•]) and the Minimum Exercise Number (equal to [•]).<br>[INTEREST RATE WARRANTS<br>The Cash Settlement Amount will be determined by the Calculation Agent on [•] (the "S**ettlement Determination Date**") in relation to the period from [•] to [•] (the "**Settlement Determination Period**") and will be equal to the product between: (i) the difference between [•] (the "Reference Rate") less [•] (the "**Interest Cap**") and (ii) the Final Notional Amount equal to [•]. The applicable day count fraction is [•]]]<br>**]**<br>**[PHYSICAL DELIVERY**<br>For each Minimum Exercise [Amount][Number] [specified for each Series in the Annex to the Summary] the investor will receive the Entitlement, being the quantity of [*specify relevant assets*] (the "**Relevant Asset[s]**")] determined as [*specify details*] [rounded [down][up] to the nearest unit of each Relevant Asset capable of being delivered (the "**Equity Element**"), equal to [*specify details*] and in lieu thereof the Issuer will pay a residual amount equal to [*specify details*]].] |

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| | | **[CALCULATION METHOD IN THE CASE OF [NEGATIVE] [POSITIVE] PERFORMANCE OF THE [RELEVANT] UNDERLYING – ([BARRIER EVENT] [BARRIER GAP EVENT] OCCURRED)**<br><br>[The [Barrier Event] [Barrier Gap Event] will occur if [on the [last] Valuation Date] [during the Barrier Event Determination Period[s]] [during the Barrier Gap Observation Period[s]], the [Final Reference Value] [Reference Value][Spread][Cumulated Performance] [Gap Daily Performance] of the [relevant] Underlying[s] [*Specify in relation to which Underlying if more than one* [•]]] is [lower than] [higher than] [[or] equal to] [the Barrier Level][the Barrier Gap Level] [the Lower Barrier Level] equal to [*specify the level of the period or the different levels for the same period and for each period:* [•] [[and][or] [has been, at least once during the [relevant] [Barrier Event Determination Period] [Barrier Gap Observation Period] [lower than] [higher than] [[or] equal to] [the Barrier Level][the Barrier Gap Level] [the Upper Barrier Level] equal to [*specify thelevel of the period or the different levels for the same period and for each period:* [•][%]] [[and] [or] has never been, during the [relevant] [Barrier Event Determination Period] [Barrier Gap Observation Period]] [lower than] [higher than] [[or] equal to] [the Barrier Level][the Barrier Gap Level] equal to [*specify the level of the period or the different levels for the same period and for each period:* [•]]<br><br>**[CASH SETTLEMENT AMOUNT]**<br><br>[[STANDARD] [MAX] [TWIN WIN] [LONG] [CONSOLIDATION] CERTIFICATES<br><br>[If a Barrier Event has occurred, the Cash Settlement Amount will be linked [to the performance of the [relevant] Underlying (i.e. the investment in the Certificate is a direct investment in the Underlying) and therefore might be exposed to the partial [or total] loss of the capital invested.] [to a percentage equal to [•] (the "**Down Participation Factor**")]]<br>[*Insert if a Protection Level is applicable:* The protection of the Issue Price will depend on the percentage of the Initial Reference Value equal to [•] (the "**Protection Level**").]<br>[*Insert if Air Bag Factor is applicable:* The investor will receive at the maturity an amount which is not directly proportionate to the performance of the Underlying due to the Air Bag Factor. Consequently, the investment loss is lower than the loss in value of the Underlying. Such reduction of the loss decreases with the reduction of the Final Reference Value until the Final Reference Value is equal to zero.]<br>[*Insert if Sigma Amount is applicable:* The investor will receive at least an amount equal to [•] (the "**Sigma Amount**").]<br>[*Insert if Predetermined Loss is applicable:* The investor will receive an amount which will depend on the Predetermined Loss Percentage equal to [•].]<br>[*Insert if a Cap Barrier Amount is applicable:* The Cash Settlement Amount will not exceed the Cap Barrier Amount equal to [•].]]<br><br>[[STANDARD] [MAX] [TWIN WIN] [SHORT] CERTIFICATES<br><br>[If a Barrier Event has occurred,] [the Cash Settlement Amount will be [linked to the short performance of the Underlying] [linked to a percentage equal to [•] (the "**Down Participation Factor**")] [and therefore may be exposed to the partial [or total] loss of the capital invested.]]<br>[*Insert if a Short Protection is applicable:* the Cash Settlement Amount will be an amount equal to [•] (the "**Short Protection**").]<br>[*Insert if Predetermined Loss is applicable:* The investor will receive an amount which will depend on the Predetermined Loss Percentage equal to [•].]<br>[*Insert if a Cap Barrier Amount is applicable:* The Cash Settlement Amount will not exceed the Cap Barrier Amount equal to [•].]]<br><br>[SPREAD CERTIFICATES<br><br>If the Barrier Event has occurred,<br>[*Insert if Predetermined Loss is applicable:* the investor will receive an amount which will depend on the Predetermined Loss Percentage equal to [•].]<br>[*Insert if Spread Protection is applicable:* The investor will receive an amount which will depend on the Spread Protection, equal to [•].]<br>[*Insert if the Cash Settlement Amount will be linked to the Spread:* the investor will receive an amount directly linked to the Spread [(the difference between the Performance of the Underlying A and the Performance of the Underlying B)][the difference between the [Final] [Initial] Reference Value of the Underlying A and the [Final] [Initial] Reference Value of the Underlying B)] and therefore the investor may be exposed to the total or partial loss of the capital invested.]<br>[*Insert if the Cash Settlement Amount will be linked to the performance of Underlying A:* the investor will receive an amount linked to the Performance of the Underlying A (i.e. the investment in the Certificate is a |

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| | | direct investment in the Underlying A) and therefore the investor may be exposed to the total or partial loss of the capital invested.]<br>[*Insert if the Cash Settlement Amount will be linked to the performance of Underlying B:* the investor will receive an amount linked to the Performance of the Underlying B (i.e. the investment in the Certificate is a direct investment in the Underlying B) and therefore the investor may be exposed to the total or partial loss of the capital invested.]<br>[*Insert if a Cap Barrier Amount is applicable:* The Cash Settlement Amount will not exceed the Cap Barrier Amount equal to [•].]]<br><br>[MULTIPERFORMANCE [MAX] [LONG] [SHORT] CERTIFICATES<br>If the Barrier Event has occurred, the investor will receive a Cash Settlement Amount which will depend on the Cumulated Performance of the Underlyings and the Down participation Factor, equal to [•]. [The Cash Settlement Amount will not be lower than [•].]]<br><br>[GAP [LONG][SHORT] CERTIFICATES<br>If a Barrier Gap Event has occurred the investor will receive an amount that will depend on the Barrier Gap Leverage (equal to [•]), the Gap Daily Performance and the Barrier Gap Level. Therefore the investor may be exposed to the total or partial loss of the capital invested.]<br><br>[DUAL CURRENCY FX [LONG] [SHORT] CERTIFICATES<br>If a Barrier Event has occurred the investor will receive an amount in [the Issue Currency] [or] [the Dual Currency],<br>[*If the Barrier Event depends on the Final Reference Value:* which is a predetermined amount that depends on the Conversion Rate (equal to [•]) and on the Initial Percentage (equal to [•]).]<br>[*If the Barrier Event depends on the Reference Value*: that depends on:<br>**a. If the Final Reference Value [is equal to or higher than] [is equal to or lower than] the Strike Level (equal to [•]):**<br>In this case the investor will receive a predetermined amount in the Issue Currency that depends on the Initial Percentage (equal to [•]).<br>**b. If the Final Reference Value [is lower than] [higher than] the Strike Level (equal to [•]):**<br>In this case the investor will receive a predetermined amount in the Dual Currency that depends on the Conversion Rate (equal to [•]) and on the Initial Percentage (equal to [•]).]]<br><br>**[PHYSICAL DELIVERY**<br><br>For each Minimum Exercise [Amount][Number] [specified for each Series in the Annex to the Summary] the investor will receive the Entitlement, being the quantity of [*specify relevant assets*] (the "**Relevant Asset[s]**")] determined as [*specify details*] [rounded [down][up] to the nearest unit of each Relevant Asset capable of being delivered (the "**Equity Element**"), equal to [*specify details*] and in lieu thereof the Issuer will pay a residual amount equal to [*specify details*]].]<br><br>****<br><br>[In relation to [*specify the Remuneration Amount(s) and for what valuation period(s):* [•]] [and] [the Early Redemption Amount[s]] [and] [the Cash Settlement Amount] the following option[s] apply:<br><br>*Best Of Feature*<br><br>The Calculation Agent selects the Best Of Underlying which is the underlying asset with the [*specify, on the basis of the number of the Underlyings:* [•]] best performance [compared with the other underlying assets].]<br><br>[In relation to [*specify the Remuneration Amount(s) and for what valuation period(s):* [•]] [and] [the Early Redemption Amount[s]] [and] [the Cash Settlement Amount] the following option[s] apply:<br><br>*Worst Of Feature*<br><br>The Calculation Agent selects the Worst Of Underlying which is the underlying asset with the [*specify, on the basis of the number of the Underlyings:* [•]] worst performance [compared with the other underlying assets].]<br><br>[In relation to [*specify the Remuneration Amount(s) and for what valuation period(s):* [•]] [and] [the Early Redemption Amount[s]] [and] [the Cash Settlement Amount] the following option[s] apply:<br><br>*Digital Combo Feature*<br><br>The Calculation Agent will determine whether a Digital Event has occurred [and] [the Consolidation Effect] [and] [the Memory Effect] in relation to each [Basket Constituent][Underlying]. The amount of the Digital |

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| | | Amount will therefore depends on the numer of [Basket Constituents][Underlyings] in relation to which the Digital Event has occurred.]<br><br>[In relation to [*specify the Remuneration Amount(s) and for what valuation period(s):* [•]] [and] [the Early Redemption Amount[s]] [and] [the Cash Settlement Amount] the following option[s] apply:<br><br>*Participation Combo Feature*<br><br>The Calculation Agent will determine the [arithmetic mean][weighted average][sum] of the Participation Remuneration Amounts for each [Basket Constituent] [Underlying].]<br><br>[In relation to [*specify the Remuneration Amount(s) and for what valuation period(s):* [•]] [and] [the Early Redemption Amount[s]] [and] [the Cash Settlement Amount] the following option[s] apply:<br><br>*Rainbow Feature*<br>[*Insert: (i) the financial assets which represent the Basket Constituents, (ii) the relative weighting within the Basket without any preliminary reference to specific financial activities and (iii) the objective criteria pursuant to which the weight will be allocated by the Calculation Agent* (*for instance, in a Basket constituted by three financial activities, the Basket would be weighted as follows: 50% for the Basket Constituent with the best performance; 30% for the Basket Constituent with the worst performance; and 20% for a Basket Constituent with the second best performance*).]<br>The Calculation Agent will weigh the relevant Basket Constituents on the basis of the performance registered on such determination date and pursuant to the objective criteria provided above. The allocation of the weights within a Basket may result differently on each determination date and depending on the performance of the Basket Constituents.]] |
| **C.19** | **Exercise price or final reference price of the underlying** | [The Reference Value will be calculated [*specify the calculation method*].]<br><br>[For the purposes of the [determination of the] [Accumulating Event] [Barrier Event] [Barrier Gap Event] [Coupon Event] [Digital Event] [Cliquet Valuation Period] [Consolidation Floor Event] [Early Redemption Event] [Extra Consolidation Digital Event] [Gearing Event] [Knock-in Event] [Knock-out Event][Participation Rebate Event] [Participation Remuneration Amount] [Participation Remuneration Event] [Restrike Event] [Switch Event] [Memory Effect] [Consolidation Effect][Internal Return Amount]] [calculation of the performance in relation to the [Global Performance][Performance Sum]] the [Settlement Event] Reference Value will be calculated [*specify the calculation method*]]<br><br>[The Final Reference Value will be calculated on [*specify date(s)*] and will be an amount equal to [*specify the calculation method*].]<br><br>[The Initial Reference Value [in relation to each Underlying] [will be][has been] calculated on [*specify date(s)*] and [will be][is] an amount equal to [*specify the calculation method*].]<br><br>[[In relation to each Series, the][The] Initial Reference Value is [equal to [•]] [set out in the Annex to the Summary]]<br><br>[The Exercise Price [is equal to [•]] [is equal to the amount specified for each Series in the Annex to the Summary] [will be calculated on [*specify date(s)*]]<br><br>[*Insert if Open End Feature is applicable:* No Exercise Date will be provided and the Valuation Date, for the calculation of the Cash Settlement Amount, will be identified following the exercise of [the Call Option by the Issuer (Call Valuation Date)] [or] [the exercise of the Put Option by the investor (Put Valuation Date)]. Without prejudice to the calculation methods of the Cash Settlement Amount, the Final Reference Value will be determined by the Calculation Agent on [the Call Valuation Date] [or] [the Put Valuation Date].]<br><br>[*Insert if Call Option/Put Option apply: T*he Valuation Date, for the calculation of the Cash Settlement Amount, will be identified following the exercise of [the Call Option by the Issuer (Call Valuation Date)] [or] [the exercise of the Put Option by the investor (Put Valuation Date)]. Without prejudice to the calculation methods of the Cash Settlement Amount, the Final Reference Value will be determined by the Calculation Agent on [the Call Valuation Date] [or] [the Put Valuation Date].]<br><br>[*Inser in the case of Warrants*: The Strike Percentage is [•]] |
| **C.20** | **Type of underlying** | The Underlying[s] [is] [are] [•] (*Select one or more among the following: share or GDRs/ADRs (or basket of shares or GDRs/ADRs), index (or basket of indices), exchange rate (or basket of exchange rates), interest rate* |

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| | **and where the information on the underlying can be found** | *(or basket of interest rates), fund (or basket of funds), commodity (or basket of commodities), government bond/yield of government bond (or basket of government bonds/yield of government bond), future contract (or basket of futures contracts), basket of baskets composed by the aforementioned financial assets*) [and the relevant [Exchange][Reference Source][Sponsor of the Index] [is] [specified for each Series in the Annex to the Summary].<br><br>[*If the Underlying qualifies as "benchmark" for the purposes of the Benchmark Regulation insert:* [*specify benchmark(s)*] [is/are] provided by [*insert administrator(s) legal name(s)*] [*repeat as necessary*]. [As at the date of these Final Terms, [*insert administrator(s) legal name(s)*] [appear[s]]/[[does]/[do] not appear] [*repeat as necessary*] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. [As far as the Issuer is aware, [[*insert benchmark(s*)] [does/do] not fall within the scope of the Benchmark Regulation by virtue of Article 2 of that Regulation] [*repeat as necessary*] *OR* [the transitional provisions in Article 51 of the Benchmark Regulation apply], such that [*insert administrator(s) legal name(s)*] [is/are] not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence). [*repeat as necessary*].]<br><br>In respect of [•], [*specify the relevant ISIN code and the relevant source of information* [•]]. |
| ***Section D – RISKS*** | | |
| **D.2** | **Key risks specific to the Issuer** | There are certain factors that may affect each Issuer's ability to fulfil its obligations under the Certificates issued under the Programme. These include the following risk factors:<br><br>i) Banca IMI is exposed towards governments, with particular reference to the Republic of Italy, and other public bodies in Europe and outside the Eurozone. The worsening of sovereign debt and its volatility, with particular reference to the differential in yield between Italian government bonds and other benchmark government bonds (the so-called spread), may have adverse effects on Banca IMI's business, financial condition or operating results. Furthermore, reductions in the rating of Italy, or forecasts that such reductions may occur, may cause the markets to become unstable and have a negative impact on the Issuer's operating results, financial conditions and prospects;<br><br>ii) In accordance with the Intesa Sanpaolo Group's 2018-2021 Business Plan, Banca IMI will be merged into the parent company Intesa Sanpaolo S.p.A.. Merger transactions could cause uncertainties to business operations, particularly when unrelated companies are involved. Considering that Intesa Sanpaolo S.p.A. is the parent company of Banca IMI and that the merger takes place between two entities belonging to the same banking group, such merger is not expected to have any material adverse effects on the business of Banca IMI or the parent company;<br><br>iii) Banca IMI's business may be adversely affected by international and Italian economic conditions, by financial markets trends, and by the developments and conditions in the markets in which Banca IMI operates;<br><br>iv) Banca IMI's business is exposed to counterparty credit risk. Banca IMI routinely executes transactions with counterparties in the financial services industry. Many of these transactions expose Banca IMI to the risk that Banca IMI's counterparty in a foreign exchange, interest rate, commodity, equity or credit derivative contract defaults on its obligations prior to maturity when Banca IMI has an outstanding claim against that counterparty;<br><br>v) Banca IMI's business is exposed to market risk, as the value of the financial and other assets held by Banca IMI in its trading portfolio may decrease as a result of changes in market variables;<br><br>vi) Banca IMI's business is exposed to operational risks (i.e. the risks of incurring losses as a result of the inappropriateness or the malfunctioning of procedures, mistakes or shortcomings of human resources and internal systems, or external events);<br><br>vii) Banca IMI's business is exposed to liquidity risk (i.e. the risk that Banca IMI will be unable to meet its obligations as they fall due or meet its liquidity commitments only at an increased cost);<br><br>viii) Banca IMI is party to a number of legal proceedings including civil, tax and administrative proceedings that may lead to significant liabilities;<br><br>ix) Banca IMI is exposed to risks arising from assumptions and methodologies for assessing financial assets and liabilities measured at fair value and linked to the entry into force of new accounting principles and to amendments to the applicable accounting principles. The estimates and assumptions used may vary from time to time and, as a result, in subsequent financial years the current values may differ, even significantly, due to changes in subjective assessments made or be otherwise reviewed to take account of changes occurred in that period;<br><br>x) Banca IMI operates within a highly regulated industry and it is subject to the supervision activity |

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| | | carried out by the relevant institutions (in particular, the European Central Bank, the Bank of Italy and CONSOB). Both the applicable regulation and the supervision activity are subject to ongoing updates and developments in the practice;<br>xi) In the normal course of its business, Banca IMI is exposed to different types of risk (liquidity risk, credit risk, operational risk, risks linked to compliance, business risk, as well as reputational risk). In the event that Banca IMI's internal policies and procedures for managing these risks are not effective, Banca IMI will incur loss, which may also be significant, with adverse effects on Banca IMI's business or financial condition;<br>xii) Banca IMI's business is exposed to risk related to transactions in financial derivatives. Derivatives transactions expose the Issuer to the risk that the counterparty in derivative contracts defaults on its obligations or becomes insolvent before the relevant contract expires, when amounts are still payable to the Issuer by such party. |
| **D.6** | **Key risks specific to the securities** | An investment in relatively complex securities such as the [Certificates][[Covered] Warrants] involves a greater degree of risk than investing in less complex securities. [In some cases, investors may stand to lose [the value of their entire investment or part of it] [part of the value of their investment]]. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Securities issued under the Programme. In particular:<br>*(i) The [Certificates][[Covered] Warrants] may not be a suitable investment for all investors*<br>Certificates are complex financial instruments. A potential investor should not invest in Certificates which are complex financial instruments unless it has the expertise to evaluate how the Certificates will perform under changing conditions, the resulting effects on the value of the Certificates and the impact that this investment will have on the potential investor's overall investment portfolio.<br>*(ii) Option Risk*<br>The Securities are derivative financial instruments which may include an option right. Transactions in options involve a high level of risk.<br>[*(iii) The regulation and reform of Benchmarks may adversely affect the value of the Securities*<br>[The Underlying] [The [following] Basket Constituent[s] [•]] qualif[y][ies] as a benchmark (the "**Benchmark**") within the meaning of Regulation (EU) 2016/1011 of the European Parliament and of the Council dated 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**"). According to the Benchmark Regulation, a Benchmark could not be used as such if its administrator does not obtain authorisation or is based in a non-EU jurisdiction which (subject to applicable transitional provisions) does not satisfy the "equivalence" conditions, is not "recognised" pending such a decision and is not "endorsed" for such purpose. Consequently, it might be not possible to further utilise the Benchmark as [Underlying][Basket Constituent] of the Securities. In such event, depending on the particular Benchmark and the applicable terms of the Securities, the Securities could be de-listed, adjusted, redeemed prior to maturity or otherwise impacted.<br>The potential elimination of a Benchmark, or changes in the manner of administration of such Benchmark, as a result of the Benchmark Regulation or otherwise, could require an adjustment to the terms and conditions, or result in other consequences. These reforms and changes may cause a Benchmark to perform differently than it has done in the past or be discontinued. The application of the fallback methods may expose investors to certain risks including, but not limited to (i) conflicts of interest of the Calculation Agent when making the required adjustments to the Securities, or (ii) the replacement of the [Underlying][Basket Constituent] with a different [Underlying][Basket Constituent] which could perform differently than the original [Underlying][Basket Constituent] and therefore affect amounts payable in respect of the Securities, or (iii) the early redemption of the Securities.<br>Investors should be aware that they face the risk that any changes to the relevant Benchmark may have a material adverse effect on the value of and the amount payable under the Securities.<br>[The sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. On 27 July 2017, and in a subsequent speech by its Chief Executive on 12 July 2018, the UK Financial Conduct Authority ("**FCA**"), which regulates LIBOR confirmed that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcements**"). The FCA Announcements indicate that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forward. This may cause LIBOR to perform differently than it did in the past and may have other consequences which cannot be predicted.] [Investors should carefully consider that the EURIBOR may be subject, in the future, to cessations |

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| | | or changes in the calculation method in relation to one or more tenors, as already occurred on 14 June 2018 when the European Money Markets Institute (EMMI), the administrator of EURIBOR, approved the cessation of the 2 week, 2 month and 9 month tenors.]]<br>• ***Risks related to the structure of the Securities***<br>*( ) General risks and risks relating to the underlying asset or basis of reference*<br>The Securities involve a high degree of risk, which may include, among others, interest rate, foreign exchange, time value and political risks. [Purchasers should be prepared to sustain a partial [or total] loss of the purchase price of their Securities.]<br>*( ) Certain Factors Affecting the Value and Trading Price of Securities*<br>The Cash Settlement Amount at any time prior to the expiration is typically expected to be less than the trading price of the Securities at that time. The difference between the trading price and the Cash Settlement Amount will reflect, among other things, a "time value" for the Securities. The "time value" of the Securities will depend partly upon the length of the period left until they expire and the expectations concerning the value of the underlying asset. Securities offer hedging and investment diversification opportunities but also pose some additional risks with regard to interim value. The interim value of the Securities varies with the price of the underlying asset, as well as a number of other interrelated factors.<br>*( ) Certain considerations regarding hedging*<br>Prospective purchasers intending to purchase Securities to hedge against the market risk associated with investing in the underlying asset, should recognise the complexities of utilising Securities in this manner.<br>[*( ) Certain considerations associated with Share Securities*<br>In the case of Securities relating to a share or to a GDR/ADR (or basket of shares or basket of GDRs/ADRs), no issuer of such shares will have participated in the preparation of the relevant Final Terms or in establishing the terms of the Securities and neither the Issuer nor any Manager will make any investigation or enquiry in connection with such offering with respect to any information concerning any such issuer of shares contained in such Final Terms or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant issue date that would affect the trading price of the shares will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such an issuer of shares could affect the trading price of the shares and therefore the trading price of the Securities. Securityholders will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant shares to which such Securities relate.]<br>[*( ) Certain considerations associated with Exchange Rate Securities*<br>Fluctuations in exchange rates will affect the value of Exchange Rate Securities. Purchasers of Securities risk losing their entire investment if the relevant exchange rates do not move in the anticipated direction.]<br>[*( ) Certain considerations associated with Fund Securities*<br>An investment in Fund Securities may bear similar market risks to a direct investment in the relevant fund(s) and investors should take advice accordingly.]<br>[*( ) Certain considerations associated with Futures Contract Securities*<br>The yield on Securities which are linked to futures contracts may not be perfectly correlated to the trend in the price of the underlying asset of the future contract, as the use of futures contracts generally involves a rolling mechanism. Investors may only marginally benefit from any rise or fall in the price of the underlying asset of the future contract.[Since the feature Futures Contract First Near-by is applicable, the Issuer will be entitled to determine the Initial Reference Value on the basis of a Futures Contract First Near-by, i.e. the futures contract that has the same features of the Futures Contract indicated as Underlying, and has an expiration date which is the closest to the Determination Date. Since the Issuer will not make any adjustment to the price of the Securities following such rollover, investors should consider that the price of the futures contract used before the rollover may be different from the price of the futures contract used after the rollover.]]<br>[*( ) Certain considerations associated with Commodity Securities*<br>An investment in Commodity Securities may bear similar market risks to a direct commodity investment. The movements in the price of the Commodity may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices. The price of Commodities may be affected by economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which the relevant Commodities may be traded.]<br>[*( ) Certain considerations associated with Index Securities*<br>The underlying index may be a well-known and widely published index or an index which may not be widely published or available.]<br>[*( ) Certain considerations associated with Interest Rate Securities*<br>On the exercise of Interest Rate Securities, Securityholders will receive an amount (if any) determined by reference to the value of the underlying interest rate(s). Accordingly, an investment in Interest Rate Securities |

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| | | may bear similar market risks to a direct investment in the underlying interest rate, and investors should take advice accordingly.]<br>[*( ) Certain considerations associated with Govies Securities*<br>An investment in Govies Securities may bear similar market risks to a direct investment in the relevant [government/supranational] bond[s]. The movements in the [value][yield] of such bond[s] may be affected by economic, financial and political events in the [relevant countr[y][ies]] [relevant regional area]. [•]'s credit ratings may change and any ratings downgrade could adversely affect the value of the underlying bond[s] and, therefore, the value of the Securities.]<br>[*( ) Certain considerations associated with Combined Securities*<br>An investment in Combined Securities will entail significant risks depending on the specific underlying assets. The risk associated with the aforementioned types should be considered in accordance with the specific financial assets of each issue.]<br>[*( ) Certain considerations associated with Securities providing for the application of a Multiplier*<br>The Securities may provide for the application to the relevant Underlying of a Multiplier in order to increase or decrease the percentage of the Underlying used to determine the amounts payable or deliverable to investors. The Multiplier may be lower than 100 per cent.<br>In such case, the amounts payable or deliverable to investors will be reduced and, therefore, will contribute to the yield of the Securities only to such reduced extent. The performance of the relevant Underlying will, therefore, impact the yield of the Securities only to a limited extent.]<br>[*( ) Certain considerations associated with Securities providing for the application of a cap*<br>The Securities provides for the application of a [maximum return payable to investors] [maximum value of the Underlying]. Therefore, the amounts payable to investors will be subject to such predetermined maximum [amount][value].]<br>[*( ) Loss risk in relation to the investment*<br>The investor shall consider that, in relation to their investment, there is a risk of [total or] partial loss of the capital invested depending on the performance of the underlying asset.]<br>[*( ) Cash Settlement Amount or the physical delivery of the Entitlement less than the Value of an Investment in the Securities*<br>Each Securityholder may receive a Cash Settlement Amount, as applicable, or physical delivery of the Entitlement the aggregate value of which may be less than the value of the Securityholder's investment in the relevant Securities. In certain circumstances Securityholders may lose the entire value of their investment.]<br>[*( ) Risk related to a* [*protection level*] [*protection amount*] *lower than 100%*<br>The Certificates provides a protection [level][amount]. The protection [level][amount] represents the protection of the Issue Price of the Certificate and that the Cash Settlement Amount will not fall below such protection. The lower the protection, the higher the loss (if any) that the investor might suffer, given that the Issue Price of the Certificate will not be entirely protected and the Settlement Amount at the Exercise Date might be lower than the Issue Price.]<br>[*( ) Exchange risk related to the absence of a Quanto Option*<br>The investment in Securities which do not provide a Quanto Option may entail risks related to the exchange rate. The Underlying Reference Currency of the underlying is different from the Settlement Currency of the Securities. In particular, the return of the Securities without a Quanto Option might be negative as the value of the underlying asset shall be exchanged in the Settlement Currency at the applicable exchange rate. Therefore, any negative variation of the exchange rate might frustrate either the performance of the underlying asset at maturity [and the returns linked to the Remuneration Amount] might determine a loss of the capital invested.]<br>[*( ) Risk relating to Dual Currency Securities*<br>The Cash Settlement Amount [and the Remuneration Amount[s]] are paid in the Settlement Currency which is different from the Issue Currency.<br>Currency exchange rates may be subject to significant fluctuations that may not correlate with changes in the Cash Settlement Amount [and in the Remuneration Amount[s]] and the timing of changes in the exchange rates may affect the actual return to investors.<br>Therefore, fluctuations in exchange rates of the relevant currencies (i.e. the Issue Currency and the Settlement Currency) will affect the value of Dual Currency Securities, and may determine a loss of the capital invested.]<br>[*( ) Risk relating to Dual Currency FX Certificates*<br>Upon occurrence of a Barrier Event, the Cash Settlement Amount may be payable in the Dual Currency which is different from the currency in which the Certificates are denominated (the Issue Currency). The Issue Currency is [•], and the Dual Currency is [•].<br>Currency exchange rates may be subject to significant fluctuations that may not correlate with changes in the Cash Settlement Amount and the timing of changes in the exchange rates may affect the actual return to investors. |

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| | | Therefore, fluctuations in exchange rates of the relevant currencies (i.e. the Issue Currency and the Dual Currency) will affect the value of Dual Currency FX Certificates, and may determine a loss of the capital invested.]<br>*( ) Price Risk and components that determine the value of the Certificates*<br>The Certificates are composed of a combination of several options and the Securityholder shall take into account that the value of the Certificates will depend on the value of each option composing the certificate. The fluctuation over the time of the value of each optional components mostly depends on the current value of the underlying asset to which the Certificates relate, the volatility of the underlying asset, the residual life of the options composing the Certificates, [the levels of the interest rates of the monetary markets,] [the expected dividends], [the correlation] as well as the business of the Issuer of the underlying asset, speculative contractions and other factors.<br>[*( )Risk related to [the Participation Factor] [the Up Participation Factor] [and] [the Down Participation Factor]*<br>The Cash Settlement Amount will be calculated on the basis of the [Participation Factor, which is lower than 100% and, therefore, the investor will partially benefit from the [*Insert in case of Long Strategy:* positive performance] [*Insert in case of Short Strategy:* negative performance] of the Underlying.<br>[Up Participation Factor, which is lower than 100% and, therefore, the investor will partially benefit from the positive performance of the Underlying] [Down Participation Factor, which is higher than 100% and, therefore, the negative impact of the decresing performace of the Underlying will be amplified.]]<br>[*( ) Risk related to the determination method of the Digital Level*<br>In relation to the Certificates, the Issuer has set, at its own discretion, the Digital Level[s]. The more distant the Digital Level[s] [is][are] set in respect of the Initial Reference Value, the greater the possibility that the Digital Event will not occur and therefore that the relevant Digital Amount will not be paid. [*Insert if the Cliquet Feature is applicable:* The investors should also consider that the Digital Level might change in relation to one or more Digital Valuation Periods [and, in relation to each Digital Level, a different Digital Amount is provided.] [The possibility that a Digital Event will not occur and therefore that the relevant Digital Amount will not be paid will depend on how the Up Range Digital Level and the Down Range Digital Level are set by the Issuer and on whether the value of the Underlying will be closer (in case it is represented by a value falling within the range) or more distant (in case it is represented by a value falling out of the range) in respect of the Initial Reference Value.]<br>[*( ) Risk related to the determination method of the Participation Remuneration Level*<br>In relation to the Certificates, the Issuer has set, at its own discretion, the Participation Remuneration Level[s]. The more distant the Participation Remuneration Level[s] [is][are] set in respect of the Initial Reference Value, the greater the possibility that the Participation Remuneration Event will not occur and therefore that the relevant Participation Remuneration Amount will not be paid. [*Insert if the Cliquet Feature is applicable:* The investors should also consider that the Participation Remuneration Level might change in relation to one or more Participation Remuneration Event Valuation Periods.]<br>[The possibility that a Participation Remuneration Event will not occur and therefore that the relevant Participation Remuneration Amount will not be paid will depend on how the Up Range Participation Remuneration Level and the Down Range Participation Remuneration Level are set by the Issuer and on whether the value of the Underlying will be closer (in case it is represented by a value falling within the range) or more distant (in case it is represented by a value falling out of the range) in respect of the Initial Reference Value.]<br>[*( ) Risk related to the Knock-out Feature*<br>In relation to [*specify the remuneration amount:* [•]], a Knock-out Feature applies. In this case, if the Knock-out Event occurs, such remuneration amount provided in relation to [such Knock-out Valuation Period][and][the valuation period[(s)] following such Knock-out Valuation Period] will be deactivated and will not be paid. In relation to the Knock-out Feature, the Issuer has set, at its own discretion, the Knock-out Level[s]. The closer the Knock-out Level[s] [is][are] set in respect of the Initial Reference Value, the greater the possibility that the Knock-out Event will occur and therefore that the [*specify the remuneration amount:* [•]] will not be paid.]<br>[*( ) Risk related to the Knock-in Feature*<br>In relation to [*specify the remuneration amount:* [•]], a Knock-in Feature applies. In this case, if the Knock-in Event does not occur, such remuneration amount provided will not be activated and therefore will not be paid. The higher the Knock-in Level in respect of the Initial Reference Value, the greater the possibility that a Knock-in Event will not occur. In relation to the Knock-in Feature, the Issuer has set, at its own discretion, the Knock-in Level[s]. The more distant the Knock-in Level[s] [is][are] set in respect of the Initial Reference Value, the greater the possibility that the Knock-in Event will not occur and therefore that the [*specify the remuneration amount:* [•]] will not be paid.]<br>[*( ) Risk related to the occurrence of an Early Redemption Event*<br>If an Early Redemption Event occurs, the Certificates will be redeemed earlier than the Exercise Date (and |

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| | | therefore terminated). In such case, the Securityholders will receive the [relevant] Early Redemption Amount and no other amounts will be paid.<br>Investors should consider that the [relevant] Early Redemption Amount to be paid to the Securityholder is an amount predetermined by the Issuer. Such amount will not depend on the value of the Underlying and, therefore, the potential [positive][negative] performance of such Underlying will not be considered. [In addition, in the event that the Underlying is registering a positive performance when and Early Remption Event occurs, investors should consider that it may not be possible to reinvest in such Underlying at the same conditions applied to the initial investment made in the Certificates.]<br>[Furthermore, since the value of the underlying asset[s] is calculated as Intraday Value, the underlying asset[s] will be observed on a continuous basis and the probability that an Early Redemption Event occurs may be magnified.]<br>[*( ) Risk related to the Early Partial Capital Payment*<br>The Securities provides for the application of an Early Partial Capital Payment. In such case, the Securityholder will receive part of the Issue Price on the Early Partial Capital Payment Date(s).<br>The investors shall therefore consider that, in relation to their investment, the Cash Settlement Amount will be adjusted relative to the Outstanding Amount after the relevant Early Partial Capital Payment Date. Therefore, Early Partial Capital Payment might frustrate investment strategies pursued by the investors, by reducing their exposure (proportionately to the Early Partial Capital Payment Amount paid from time to time) to any potential gain arising out of the positive performance of the Underlying. ]<br>[*( ) Risk related to the [Barrier Event][Barrier Gap Event]*<br>If a [Barrier Event][Barrier Gap Event] occurs, the Cash Settlement Amount will be determined in accordance with a calculation method other than the calculation method applicable if the [Barrier Event][Barrier Gap Event] does not occur and such circumstance may have a negative influence on the price. This may entail the risk of partial [or total] loss of the investment.<br>[Furthermore, since the value of the underlying asset[s] is calculated as Intraday Value, the underlying asset[s] will be observed on a continuous basis and the probability that a [Barrier Event][Barrier Gap Event] occurs may be magnified.]<br>[Finally, in relation to the payment of the Premium Gap Amount[s] payable to the investor during the life of the Gap Certificates, the investor should consider that after the occurrence of the Barrier Gap Event the Premium Gap Amount will be determined on the basis of the actual number of days within the relevant Premium Gap Observation Period and not on the basis of all the days of the relevant Premium Determination Period and after the payment of the Premium Gap Amount that will be paid on the first Premium Payment Date following the Barrier Gap Event Date on which a Barrier Gap Event has occurred, no further Premium Gap Amount will be paid to the investors.]<br>[*( ) Risk related to the Predetermined Loss Percentage*<br>The lower the Predetermined Loss Percentage the smaller the Cash Settlement Amount that the investor will receive on the Settlement Date.]<br>[*( ) Risk related to the Digital Certificates*<br>The investor shall consider that, in relation to the Digital Certificates, there is a risk of total loss of the capital invested depending on the performance of the underlying asset. In particular, if the Settlement Event does not occur, the investor will not receive any Settlement Amount and will lose the entire capital invested.<br>Furthermore, if a Settlement Event occurs, the Cash Settlement Amount to be paid to the Securityholder will not depend on the value of the Underlying, but it will be a predetermined amount equal to [•].]<br>[*( ) Risk related to the [Best Of Feature] [and] [Worst Of Feature]*<br>[*Insert in the case of Best Of Feature:* The lower the Issuer selects the performance among the financial activities, the lower the amount that the investor will receive.] [*Insert in the case of Worst Of Feature:* The higher the Issuer selects the performance among the financial activities, the lower the amount that the investor will receive.]]<br>[*( ) Risk related to Baskets – [Risk related to the Rainbow Feature –] Correlation risk*<br>In the case of a Basket, the investor shall take into account that the value and the return of the Certificates depends on the value of each Basket Constituents, the weighting allocated to each Basket Constituents and the correlation between the Basket Constituent. In the case of a Basket, the investor shall consider that a different weighting allocated to the Basket Constituents entails a higher or lower value of the Basket. [In the case of a Rainbow Feature, the investor shall consider that upon the variation of even only one Basket Constituent, the Reference Value of the Basket that is recorded on a determination date might be completely different from a Reference Value recorded on a prior date.]<br>[*( ) Risk related to management fees applied by the Issuer in case of Benchmark Certificates*<br>The Issuer applies to the Benchmark Certificates [an Annual Management Fee which will be calculated according to the AMF Percentage. Such fee will accrue proportionally to the tenor of the Certificates and will not be affected in any way by the performance of the Underlying. The AMF will be deducted from the Cash |

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| | | Settlement Amount, and in case of listing of the Certificates on an exchange the price of the Certificates will include such AMF, as accrued progressively. [a Variable Management Fee, whose VMF Percentage may vary during the life of the Certificates. Any variation of the VMF Percentage will be published by the Issuer on its website and by appropriate communication to the relevant exchange where the Certificates are listed.]<br>Prospective investors in Benchmark Certificates should consider that the [*Insert in the case of Long Strategy:* positive][*Insert in the case of Short Strategy:* negative] performance of the Underlying during the life of the Certificates shall be considered net of the [AMF][VMF].]<br>[*( ) Risk related to the Restrike Feature*<br>In relation to the Restrike Feature, if a Restrike Event has occurred, the Initial Reference Value will be recalculated and set at the Restrike Percentage. Therefore, the amounts that the investor may receive, in case of Restrike Feature and upon occurrence of the Restrike Event, depend on the Restrike Percentage.]<br>[*( ) Risk related to the Call Option*<br>Prospective investors should consider that the Certificates will be exercised upon the Exercise of the Call Option by the Issuer. Therefore, the exercise of the Call Option by the Issuer might frustrate long term investment strategies pursued by the investors.]<br>[*( ) Risk related to the Accumulated Amount's payment contingent upon occurrence of an Early Redemption Event*<br>The Accumulated Amount will be paid only upon occurrence of an Early Redemption Event. As a result, even if one or more Accumulating Events have occurred, the Securityholders will not receive any Accumulated Amount unless an Early Redemption Event has occurred.]<br>[*( ) Risk related to the Strike Percentage (in case of Call Certificates)*<br>(*insert if the Strike Percentage is higher than 100%:*)The Cash Settlement Amount will be calculated also on the basis of the Strike Percentage, equal to [•]%. Such Strike Percentage contributes to the determination of the potential return of the Certificates. Since it is higher than 100%, the positive performance of the Underlying will be considered partially in order to calculate the Cash Settlement Amount. Furthermore, in case of negative performance of the Underlying, the Cash Settlement Amount will be equal to zero.]<br>[*( )Impact of running structuring fees on the value of the Securities*<br>Investors should also note that running structuring fees are applied by the Issuer in respect of the value of the Securities.<br>Such running structuring fees will not be affected in any way by the performance of the relevant Underlying.<br>[*specify the running structuring fee and how such fee will be charged*]. Prospective investors should consider that the value of the Securities will be affected by such fees also on the secondary markets.]<br>[*( )Impact of running [commissions][costs] on the value of the Securities*<br>Investors should be aware that the Securities embed running [commissions][costs] in favour of [•] and will be paid [*specify the commissions/costs and how they will be charged*].<br>Prospective investors should consider that the value of the Securities will be affected by such [commissions][costs] also on the secondary markets.]<br>• ***[Insert one or more of the following risk factors in case of Warrants***<br>[*( ) General risks of [Covered] Warrants*<br>Prospective investors should consider that (i) there will be a time lag between the time a Warrantholder gives instructions to exercise, or the time the Warrant is automatically exercised, and the time the applicable Cash Settlement Amount relating to such exercise is determined, (ii) the risks associated with Minimum Exercise Amounts and (iii) that there may be limitations on a Warrantholder's ability to exercise the Warrants.]<br>[*( ) Risk related to the Strike Percentage*<br>(*Insert if a Strike Percentage higher than 100% (in case of Call Warrants) or lower than 100% (in case of Put Warrants) is applicable:)* The Cash Settlement Amount will be calculated on the basis of the Strike Percentage. Such Strike Percentage contributes to the determination of the potential return of the Warrants.<br>[(*insert in relation to Call Warrants*:) Since it is higher than 100%, the positive performance of the Underlying will be considered partially in order to calculate the Cash Settlement Amount. Furthermore, in case of negative performance of the Underlying, the Cash Settlement Amount will be equal to zero.]<br>[(*insert in relation to Put Warrants*:) Since it is lower than 100%, the negative performance of the Underlying will be considered partially in order to calculate the Cash Settlement Amount. Furthermore, in case of positive performance of the Underlying, if the Strike Percentage is lower than 100% the Cash Settlement Amount will be equal to zero.]]<br>[*( ) Loss risk in relation to the Covered Warrants*<br>An investment in Covered Warrants entails the risk of loss of the capital invested. In particular,<br>[(*insert in relation to Call Covered Warrants*:), in case of negative performance of the Underlying, if the Final Reference Value is lower than the Exercise Price, the investor will bear a total loss of the capital invested. Furthermore, if the Final Reference Value is higher than the Exercise Price, but not enough to offset the price paid for the purchase of the Covered Warrants, the investor will bear a partial loss of the capital invested.] |

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| | | [(*insert in relation to Put Covered Warrants*:), in case of positive performance of the Underlying, if the Final Reference Value is higher than the Exercise Price, the investor will bear a total loss of the capital invested. Furthermore, if the Final Reference Value is lower than the Exercise Price, but not enough to offset the price paid for the purchase of the Covered Warrants, the investor will bear a partial loss of the capital invested.]<br>[*( ) Risk related to the Exercise Price*<br>The Cash Settlement Amount of the Covered Warrants will be calculated also on the basis of the Exercise Price, which is a value [predetermined by the Issuer] [determined on [•]]. Such Exercise Price contributes to the determination of the potential return of the Covered Warrants.]<br>[*( ) Risk related to the Interest Rate Warrants*<br>Prospective investors should consider that the payment of the Floating Amount and the Cash Settlement Amount will depend, among other things, on the Interest Cap. In particular, such rate will be detracted from the Reference Rate, reducing therefore the potential amount of the Floating Amount and/or Cash Settlement Amount as the case may be. The Interest Cap is equal to [•], and the Reference Rate is [•].<br>[(*if the Notional Amount is different on each Floating Amount Determination Period, insert:*)The Floating Amount will also depend on the Notional Amount specified for the relevant Floating Amount Determination Period. In particular, the Notional Amount may vary on each Floating Amount Determination Period and the Floating Amount received at a later Floating Amount Payment Date may differ considerably from the Floating Amount received on the first Floating Amount Payment Date. Furthermore, for the purposes of the calculation of the Cash Settlement Amount, also the Final Notional Amount is different from the Notional Amount considered for the purposes of the calculation of the Floating Amounts.]]<br>[*( ) Risk related to the Barrier Event (in case of Corridor Warrants)*<br>If a Barrier Event occurs, the term of the Securities will end immediately and the investors will [not] [only] receive [any amount] [Corridor Early Amount]. This may entail the risk of [partial] [total] loss of the investment. The Barrier Event could occur on any day within the Barrier Valuation Period, starting from the Determination Date (included) to the Valuation Date (included). [Furthermore, since the value of the underlying asset[s] is calculated as Intraday Value, the underlying asset[s] will be observed on a continuous basis and the probability that a Barrier Event occurs may be magnified.]]<br>]<br>• ***Risks Related to Securities generally***<br>[*( ) Option to Vary Settlement*<br>The Issuer may have an option to vary settlement in respect of the Securities, at its sole and unfettered discretion, and may elect (1) not to pay the relevant Securityholders the Cash Settlement Amount, but to deliver or procure delivery of the Entitlement or (2) not to deliver or procure delivery of the Entitlement, but to make payment of the Cash Settlement Amount on the Settlement Date to the relevant Securityholders]<br>*( ) Modification*<br>The Conditions provide that the Principal Security Agent and the Issuer may, without the consent of Securityholders, agree to (i) any modification (subject to certain specific exceptions) of the Securities or the Agency Agreement which is not prejudicial to the interests of the Securityholders or (ii) any modification of the Securities or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or proven error or to comply with mandatory provisions of law.<br>[*( ) Settlement Disruption Event*<br>In the case of Physical Delivery Securities, if a Settlement Disruption Event occurs or exists on the Settlement Date, settlement will be postponed until the next Settlement Business Day on which no Settlement Disruption Event occurs. The Issuer in these circumstances also has the right to pay the fair market value of such Security (less the cost of unwinding any underlying related hedging arrangements and any cost of funding in respect of such hedging arrangements) as determined by the Issuer in its sole and absolute discretion [plus, if already paid, the Premium] in lieu of delivering the Entitlement. Such a determination may have an adverse effect on the value of the relevant Securities.]<br>*( ) Expenses and Taxation*<br>The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any Security by any person and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.<br>*( ) U.S. Foreign Account Tax Compliance Withholding*<br>The Issuer and other financial institutions through which payments on the Securities are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, "foreign passthru payments" (a term not yet defined) made two years after the date of publication of final U.S. Treasury Regulations defining the term "foreign passthru payment" or later. This withholding would potentially apply to payments in respect of (i) any Securities characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for |

U.S. federal tax purposes that are issued after the "grandfathering date" which (A) with respect to Securities that give rise solely to foreign passthru payments, is the date that is six months after the date on which final U.S. Treasury Regulations defining the term foreign passthru payment are filed with the Federal Register, and (B) with respect to Securities that give rise to a dividend equivalent pursuant to Section 871(m) of the U.S. Code as discussed below (and therefore do not give rise to foreign passthru payments), is the date that is six months after the date on which obligations of their type are first treated as giving rise to dividend equivalents, or in either case are issued on or before the grandfathering date and are materially modified thereafter, and (ii) any Securities characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Securities are issued on or before the grandfathering date, and additional Securities of the same series are issued after that date, the additional Securities may not be treated as grandfathered, which may have negative consequences for the existing Securities, including a negative impact on market price.

[While the Securities are in global form and held within the clearing systems, it is not expected that FATCA will affect the amount of any payment received by the clearing systems. However,] FATCA may affect payments made to custodians or intermediaries in the [subsequent] payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. FATCA also may affect payment to any ultimate investor that is a financial institution not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose their custodians and intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligations under the Securities are discharged once it has paid the common depositary or common safekeeper for the clearing systems (as bearer or registered holder of the Securities) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the hands of the clearing systems and custodians or intermediaries. The documentation expressly contemplates the possibility that the Securities may go into definitive form and therefore that they may be taken out of the clearing systems. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA withholding.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from payments on the Securities, none of the Issuer, any paying agent or any other person would, pursuant to the conditions of the Securities, be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may receive a lesser amount than expected. Holders of Securities should consult their own tax advisers for a more detailed explanation of FATCA and how FATCA may apply to payments they receive under the Securities.

FATCA is particularly complex and its application to the Issuer, the Securities, and investors in the Securities is uncertain at this time. The application of FATCA to "foreign passthough payments" on the Securities or to Securities issued or materially modified after the grandfathering date may be addressed in the relevant Final Terms or a supplement to the Base Prospectus, as applicable.

On 10 January 2014, representatives of the Governments of Italy and the United States signed an intergovernmental agreement to implement FATCA in Italy (the "**IGA**"), which entered into force on 1st July 2014. The IGA ratification law entered into force on 8 July 2015. Under these rules, the Issuer, as a reporting financial institution, will be required to collect and report certain information in repect of its account holders and investors to the Italian tax authorities, which would automatically exchange such information periodically with the U.S. Internal Revenue Service.

*( ) U.S. Dividend Equivalent Payments*

U.S. Treasury Regulations under Section 871(m) of the Code imposing a withholding tax on certain "dividend equivalents" under certain "equity linked instruments" exclude from their scope instruments issued before calendar year 2021 that do not have a "delta of one" with respect to underlying securities that could pay U.S.-source dividends for U.S. federal income tax purposes (each an "Underlying Security"). Subject to this pre-2021 exemption, Section 871(m) of the Code will apply to a financial instrument (a "Specified Security") if it meets either (i) a "delta" test, if it is a "simple" contract, or (ii) a "substantial equivalence" test, if it is a "complex" contract. Section 871(m) of the Code provides certain exceptions to this withholding regime, in particular for instruments linked to certain broad-based indices that meet requirements set forth in the applicable Treasury regulations, as well as instruments that track such indices. If the terms of a financial instrument issued before calendar year 2021 (that is exempt from withholding under Section 871(m) of the Code) are "significantly modified" sometime after calendar year 2020 such that the financial instrument is treated as retired and reissued for U.S. federal income tax purposes, it will lose this exemption. Withholding in respect of dividend equivalents will generally be required when cash payments are made on a Specified

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| | | Security or upon the date of maturity, lapse or other disposition by the non-U.S. holder of the Specified Security. If U.S. Underlying Equities are expected to pay dividends during the term of the Specified Security, withholding generally will still be required even if the Specified Security does not provide for payments explicitly linked to dividends. If the Issuer or any other relevant withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld.<br>Section 871(m) of the Code is complex and its application may depend on your particular circumstances, including whether you enter into other transactions with respect to an Underlying Security. You should consult your tax advisor regarding the potential application of Section 871(m) of the Code to the Securities.<br>*( ) Other taxation considerations*<br>It is not possible to predict whether the taxation regime applicable to Securities on the date of purchase or subscription will be amended during the term of the Securities.<br>*( ) Illegality and Cancellation*<br>If the Issuer determines that its performance under any Securities has, or that any arrangements made to hedge the Issuer's obligations under any Securities have, become (i) illegal, in whole or in part for any reason, or (ii) by reason of a force majeure event (such as an act of God, fire, flood, severe weather conditions, or a labour dispute or shortage) or an act of state, impossible or impracticable, the Issuer may cancel the Securities. If the Issuer cancels the Securities, it will pay the holder of each Security an amount equal to the fair market value of such Security.<br>*( ) Hedging Disruption*<br>In connection with the offering of the Securities, the Issuer or its affiliates may enter into one or more hedging transaction(s) with respect to an Underlying or related derivatives, which may affect the market price, liquidity or value of the Securities.<br>In case of the occurrence of an Hedging Disruption the Calculation Agent may consider such event as an Early Redemption Event and the Issuer shall terminate its obligations under the Securities and shall pay or cause to be paid an amount on the basis of the fair market value of the Securities (the bid-value in case of Italian Traded Securities).<br>*( ) Change of law*<br>No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.<br>*( ) Potential Conflicts of Interest*<br>Some activities of the Issuer or any of its Affiliates could present certain conflicts of interest, influence the prices of such shares or other securities and adversely affect the value of such Securities.<br>[*( ) Physical Delivery Requirements and Settlement Risk*<br>[In order to receive the Entitlement in respect of a Physical Delivery Security, the holder of such Security must (1) deliver or send by authenticated swift message (confirmed in writing) to Euroclear or Clearstream, Luxembourg (as the case may be), with a copy to the Issuer and the Principal Security Agent [*Insert in the case of a Physical Delivery Warrant:* a duly completed Exercise Notice on or prior to the relevant time on the Expiration Date] [*Insert in the case of a Physical Delivery Certificate:* a duly completed Physical Delivery Confirmation Notice on or prior to the relevant time on the Exercise Date] and (2) pay [the relevant Premium and] Expenses, together with any other amounts payable. Failure to do so will result [*Insert in the case of a Warrant where Automatic Exercise is not specified:* the relevant Warrant's becoming void [*Insert in the case of a Warrant where Automatic Exercise is specified or in the case of a Certificate:* the Securityholder receiving the Assessed Value Payment Amount instead of the Entitlement. The Assessed Value Payment Amount will be determined by the Calculation Agent by reference to the fair market value of the assets comprised in the Entitlement.]] [Following the exercise of [Physical Delivery Warrants] [Physical Delivery Certificates], unless otherwise indicated, the Calculation Agent may determine that a Settlement Disruption Event or, if applicable, a Failure to Deliver due to Illiquidity is subsisting. Any such determination may affect the value of the Securities and/or may delay settlement and/or lead to cash settlement rather than physical settlement in respect of the Securities.]]<br>*( ) United Kingdom's exit from the European Union*<br>On 23 June 2016, the United Kingdom (the "**UK**") held a referendum on the UK's membership of the EU. The result of the referendum's vote was to leave the EU.<br>There are a number of areas of uncertainty in connection with the future of the UK and its relationship with the European Union and the negotiation of the UK's exit terms and related matters may take several years. Given this uncertainty and the range of possible outcomes, it is not currently possible to determine the impact that the referendum, the UK's departure from the European Union and/or any related matters may have on general economic conditions in the UK and the European Union. It is also not possible to determine the impact that |

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| | | these matters will have on the Issuer or any other party to the transaction documents, or on the regulatory position of any such entity or of the transactions contemplated by the transaction documents under EU regulation or more generally.<br>• **[** ***Risks Related to the Italian Dematerialised Securities***<br>*( ) No physical document of title issued in respect of the Italian Dematerialised Securities*<br>In no circumstance would physical documents of title be issued in respect of the Italian Dematerialised Securities. While the Italian Dematerialised Securities are represented by book entries, investors will be able to trade their beneficial interests only through Monte Titoli S.p.A. ("**Monte Titoli**") and the authorized financial intermediaries holding accounts on behalf of their customers with Monte Titoli. As the Italian Dematerialised Securities are held in dematerialised form with Monte Titoli, investors will have to rely on the procedures of Monte Titoli and the financial intermediaries authorised to hold accounts therewith, for transfer, payment and communication with the Issuer**.]**<br>• ***Risks Related to the Market Generally***<br>*( ) Impact of implicit fees on the Issue/Offer Price*<br>Investors should note that implicit fees may be a component of the Issue/Offer Price of Securities, but such fees will not be taken into account for the purposes of determining the price of the relevant Securities in the secondary market.<br>*( ) Certain considerations associated with public offers of Securities*<br>If Securities are distributed by means of a public offer, the Issuer may have the right to withdraw the offer, which in such circumstances will be deemed to be null and void.<br>*( ) Possible Illiquidity of the Securities in the Secondary Market*<br>If the Issuer does list or admit to trading an issue of Securities, there can be no assurance that at a later date, the Securities will not be delisted or that trading on such exchange or market will not be suspended. In the event of a delisting or suspension of listing or trading on a stock exchange or market, the Issuer will use its reasonable efforts to list or admit to trading the Securities on another exchange or market. The Issuer or any of its Affiliates may, but is not obliged to, at any time purchase Securities at any price in the open market or by tender or private treaty. Any Securities so purchased may be held or resold or surrendered for cancellation. To the extent that an issue of Securities becomes illiquid, an investor may have to wait until the Exercise Date to realise value.<br>*( ) Listing of Securities*<br>In respect of Securities which are to be listed on a stock exchange, market or quotation system, the Issuer shall use all reasonable endeavours to maintain such listing, provided that if it becomes impracticable or unduly burdensome or unduly onerous to maintain such listing, then the Issuer may apply to delist the relevant Securities, although in this case it will use all reasonable endeavours to obtain and maintain an alternative admission to listing, trading and/or quotation by a stock exchange, market or quotation system within or outside the European Union, as it may decide. If an alternative admission is not available or is, in the opinion of the Issuer, impracticable or unduly burdensome, an alternative admission will not be obtained.<br>*( ) Exchange rate risks and exchange controls*<br>There are certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit other than the Settlement Currency. These include the risk that exchange rates may significantly change and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls.<br>• ***Legal Risks***<br>*(i) Legal investment considerations may restrict certain investments*<br>Potential investors should consult with their own tax, legal, accounting and/or financial advisers before considering investing in the Securities.<br>*(ii) No reliance*<br>None of the Issuer, the Manager[s], if any, or any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Securities by a prospective purchaser of the Securities.<br>*(iii) Disclaimers*<br>Each type of structured Security will be issued subject to express disclaimers in respect of the risks involved in investing in such Securities. |
| ***Section E – OFFER*** | | |
| **E.2b** | **Reasons for the offer and use of** | [The Issuer intends to use the net proceeds from each issue of Certificates for general corporate purposes, including making a profit.] [A substantial portion of the proceeds may be used to hedge market risks with respect to the Certificates.][*specify if there is a particular identified use of proceeds* [•]]<br>[Not Applicable - the Securities are not being offered to the public as part of a public offer.] |

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| | **proceeds** | |
| **E.3** | **Terms and conditions of the offer** | [Public Offer Jurisdiction(s): [*Specify country(ies) of the offer*]<br>Maximum number of Securities offered: [•]<br>Offer Period: [*Specify the offer period*]<br>Offer Price: [*Specify the offer price*]<br>Conditions to which the offer is subject: [*Specify the conditions to which the offer is subject*]<br>Terms of the Offer: [*specify the terms of the offer*]]<br>[[Minimum] [and] [maximum] subscription amount: [•]]<br>[Not Applicable - the Securities are not being offered to the public as part of a public offer.] |
| **E.4** | **Material interests in the offer** | [Save as discussed above [and save for any fees payable to [the Manager] [and] [the Lead Manager][, *specify other* [•]],]] [so far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer.] [Not Applicable - the Securities are not being offered to the public as part of a public offer.] |
| **E.7** | **Estimated expenses** | [*Specify if there are fees specifically charged to purchasers of the Certificates* [•]]<br>[No expenses are being charged to an investor by the Issuer [or any Manager].]<br>[Investors should take into consideration that the Offer Price embeds placement commissions [payable by the Issuer to the Manager [and to the Lead Manager]] equal to [•] per cent of the Issue Price [in respect of Securities placed up to an aggregate of [•] Securities and in excess determined so that the aggregate commission will be [no [higher][lower] than] [•] per cent of the Issue Price of the aggregate Securities placed[, taking into account [*specify elements, if any, to be taken into account for the purposes of determining the variable commissions*] [•]].][*specify other* [•]]<br>[Not Applicable - the Securities are not being offered to the public as part of a public offer.] |

## RISK FACTORS

*The Issuer believes that the following factors may affect its ability to fulfil its obligations in respect of Securities issued under the Programme and/or are material for the purpose of assessing the market risks associated with Securities issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. An investment in relatively complex securities such as the Securities involves a greater degree of risk than investing in less complex securities. In some cases, investors may stand to lose the value of their entire investment or part of it, as the case may be.*

*The Issuer believes that the factors described below, represent the principal risks inherent in investing in Securities issued under the Programme, but the inability of the Issuer to pay the Cash Settlement Amounts in respect of the Cash Settled Securities or deliver the Entitlement in respect of Physical Delivery Securities may occur or arise for other unknown reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate and the Issuer does not represent that the statements below regarding the risks of holding any Securities are exhaustive. Additional risks and uncertainties not presently known to the Issuer or that the Issuer currently believes to be immaterial could also have a material impact on its business operations or the Securities. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

*Terms used in this section and not otherwise defined shall have the meanings given to them in "Terms and Conditions of the Securities".*

### Factors that may affect the Issuer's ability to fulfil its obligations under Securities issued under the Programme

***Risks related to Banca IMI's exposure to sovereign debt***

Banca IMI is exposed towards governments, with particular reference to the Republic of Italy, and other public bodies in Europe and outside the Eurozone.

As at 31 December 2018 the Issuer's exposure to sovereign debt was approximately EUR 26.8 billion (16.22% of total assets), compared to approximately EUR 21.3 billion as at 31 December 2017 (14.35% of total assets), and it is made up of approximately 55% (equal to approximately EUR 14.7 billion) of total exposure to sovereign debt (8.89% of total assets) from Italy, approximately 16% from USA, approximately 13% from Spain, approximately 3% from Germany and approximately 5% from France. In the European Union alone, the Issuer's exposure to sovereign debt amounts to approximately EUR 21 billion. With reference to debt securities, the percentage of the investment on the total amount of financial assets is 37.1%.

The worsening of sovereign debt and its volatility, with particular reference to the differential in yield between Italian government bonds and other benchmark government bonds (the so-called spread), may have adverse effects on Banca IMI's business, financial condition or operating results. Furthermore, reductions in the rating of Italy, or forecasts that such reductions may occur, may cause the markets to become unstable and have a negative impact on the Issuer's operating results, financial conditions and prospects.

***Risk related to the merger of Banca IMI into the parent company Intesa Sanpaolo S.p.A.***

On 6 February 2018 the Board of Directors of Intesa Sanpaolo S.p.A., the parent company of the Issuer, approved the Group’s 2018-2021 Business Plan (the "**Plan**"). The Plan lays down measures aimed, *inter alia*, at cost reduction through further simplification of the operating model. According to the Plan, 12 legal entities of the Intesa Sanpaolo Group, including Banca IMI, will be merged into the parent company Intesa Sanpaolo S.p.A..

Merger transactions could cause uncertainties to business operations, particularly when unrelated companies are involved.

Considering that Intesa Sanpaolo S.p.A. is the parent company of Banca IMI and that the merger takes place between two entities belonging to the same banking group, such merger is not expected to have any material adverse effects on the business of Banca IMI or the parent company.

***Banca IMI's business may be adversely affected by international markets and economic conditions***

Banca IMI's business may be adversely affected in a material extent by conditions in the global financial markets and economic conditions generally both in Italy and internationally. Factors such as the liquidity of the global financial markets; the level and volatility of equity and bond prices; interest rates and commodities prices; investor sentiment; inflation; and the availability and cost of credit may significantly affect Banca IMI's business and as a result Banca IMI's operating results, financial condition and prospects. Adverse changes in these factors, particularly during periods of economic and financial crisis, could result in losses, increases in financing costs and reductions in the value of the assets held by the Issuer, with a potential negative impact on the Issuer's liquidity and its own capital strength. Furthermore, the possibility that one or more EU Member State may leave the European Monetary Union or, in an extreme scenario, the European Monetary Union may be dissolved, may affect as well with unpredictable consequences Banca IMI's business and as a result Banca IMI's operating results, financial condition and prospects.

The international macroeconomic situation is currently characterized by uncertainty, due in part to: (i) the progressive heightening of tensions in international trade between the United States and China; (ii) the slowdown of the economic growth recorded in the Eurozone; (iii) the negative trend and the progressive increase in the volatility of international equity markets in a context of increased risk aversion among investors; (iv) the volatility that characterised the European corporate bond markets, which were negatively affected by the global macroeconomic scenario; (v) the forthcoming developments related to the United Kingdom's exit from the European Union (**Brexit**), insofar as the impacts of Brexit on the United Kingdom's economy, on the international economy, on financial markets and on the Italian and Issuer's condition are not reasonably foreseeable and (vi) the Italian political situation.

Although Banca IMI operates in many countries, Italy is its primary market. Banca IMI's businesses are therefore particularly sensitive to adverse macroeconomic conditions in Italy. In Italy, the acceleration in the economic growth continues to depend not only on the uncertain evolution of the international situation described above, but also on factors of internal instability, such as domestic demand which, although showing evidence of recovery, remains vulnerable, a labour market which has improved in recent years but which still shows areas (geographical and demographic) of extreme weakness, a situation of public finances which, despite some areas of flexibility negotiated with the European authorities, that still restricts the use of taxation.

In addition, any downgrade of the Italian sovereign credit rating, or the perception that such a downgrade may occur, may destabilise the markets and have a material adverse effect on Banca IMI's operating results, financial condition and prospects.

As Banca IMI's businesses and revenues are mainly derived from operations in the Italian and Euro-zone markets, they may be subject to negative fluctuations as a result of the above considerations. There can be no assurance that Banca IMI will not suffer losses in the future arising from its trading activities or operations in the Italian and Euro-zone markets. In addition, there is no assurance that the debt crisis in the Euro-zone will not affect Banca IMI's liquidity sources and funding capabilities.

***Banca IMI's business is exposed to counterparty credit risk***

Counterparty credit risk is the risk of losses due to the failure on the part of Banca IMI's counterparties to meet their payment and/or deliveries obligations to the Issuer, or the risk that Banca IMI's counterparties

creditworthiness may be adversely affected. Counterparty credit risk refers to all claims against customers, mainly loans, but also liabilities in the form of other extended credits, guarantees, holding of securities, approved and undrawn credits, as well as counterparty risk arising through derivatives (including over-the counter derivatives ) and foreign exchange contracts.

In particular, Banca IMI routinely executes transactions with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, funds and other institutional and corporate clients. Many of these transactions expose Banca IMI to the risk that Banca IMI's counterparty in a foreign exchange, interest rate, commodity, equity or credit derivative contract defaults on its obligations prior to maturity when Banca IMI has an outstanding claim against that counterparty. Due to volatility in foreign exchange and fixed income markets during the past years, this risk has remained at an elevated level compared to the period preceding the global financial and economic crisis.

Banca IMI's counterparties may be unable to meet their obligations to the Issuer due to bankruptcy, lack of liquidity, operational malfunctioning or for any other reasons and any such default could have an adverse effect on Banca IMI's operating results, financial condition and prospects.

In addition, the default of any important participant in the financial market or even the likelihood of such a default, even where such a participant is not a direct Banca IMI's counterparty, may give rise to significant liquidity problems or losses or defaults on the part of other banks, which in turn could have an adverse effect on the Issuer. Furthermore, a downgrading in the credit rating of third parties in which the Issuer holds securities and bonds could result in losses and/or have an adverse effect on the Issuer's capacity to enter into transactions on such securities or bonds, or to use such securities for liquidity purposes. A significant downgrading of the Issuer's counterparties could therefore have a negative impact on the Issuer's own results. Whereas, in many cases, the Issuer may be entitled to ask for additional guarantees from counterparties in financial difficulties, disputes may arise regarding the amounts of the guarantees that the Issuer is entitled to receive and/or the value of the assets required as security and/or additional security. Defaults, credit rating downgradings and disputes with counterparties regarding the valuation of guarantees usually increase substantially in circumstances where market turmoil and illiquidity are prevailing.

The credit quality of Banca IMI's on-balance sheet and off-balance sheet assets may be affected by business conditions. In a poor economic environment there is a greater likelihood that more of Banca IMI's customers or counterparties could become delinquent on their loans or other obligations to Banca IMI which, in turn, could result in a higher level of charge-offs and provision for credit losses, all of which are likely to adversely affect Banca IMI's operating results, financial condition and prospects.

***Banca IMI's business is exposed to market risk***

Banca IMI is exposed to market risk, as the value of the financial and other assets held by Banca IMI in its trading portfolio may decrease as a result of changes in market variables (such as interest rates, exchange rates and currencies, stock market prices, the prices of raw materials, credit spreads and/or other variables). Such changes could be generated by changes in general economic trends, changes in investors' propensity to invest, monetary and fiscal policies, market liquidity on a global scale, reduced availability and increased cost of capital, rating agency decisions, political events at both local and international level, military conflicts.

To the extent volatile market conditions persist or recur, the fair value of Banca IMI's bond, derivative and credit portfolios, as well as other classes, could fall more than estimated, and therefore cause Banca IMI to record write-downs. Future valuations of the asset for which Banca IMI has already recorded or estimated write-downs, which will reflect the then prevailing market conditions, may result in significant changes in the fair values of these assets. Further, the value of certain financial instruments are recorded at fair value, which is determined by using financial models incorporating assumptions, judgments and estimations that are inherently uncertain and which may change over time or may ultimately be inaccurate. Any of these factors could require Banca IMI to recognise further write-downs or realise impairment charges. There can be no assurance that any

reduction in value of the financial and other assets held by Banca IMI in its trading portfolio could not materially adversely affect Banca IMI's operating results, financial condition and prospects.

In addition, because Banca IMI's trading and investment income depends to a great extent on the performance of financial markets, volatile market conditions could result in a significant decline in Banca IMI's trading and investment income, or result in a trading loss, which in turn could have a material adverse effect on Banca IMI 's business, financial condition and results of operations.

***Banca IMI's business is exposed to operational risks***

Operational risk is the risk of incurring losses as a result of the inappropriateness or the malfunctioning of procedures, mistakes or shortcomings of human resources and internal systems, or external events. Among the main sources of operational risk there are: frauds, mistakes, business interruption, insecure information systems, failures to meet contractual obligations and finally social and environmental impacts. Legal risk is included, while strategic and reputational risks are not. It is not possible to identify a prevailing source of operational risk constantly present within the Group, since said risk is inherent in all corporate processes and activities.

Operational risk differs from credit and market risk since the Issuer does not assume such type of risk on the basis of strategic choices, but it is inherent in the Issuer’s business.

Banca IMI is exposed to many types of operational risk, and operational losses, including fraud from employees and other third parties, non-authorized transactions from employees and operating errors which may result from inadequacies or failures in internal processes, and systems (for example, information technology ("IT") systems).

Banca IMI has implemented risk controls and has taken other actions to mitigate exposures and/or losses. If any policies and internal procedure of risks control used by Banca IMI fail or have other significant shortcomings, Banca IMI's business, financial condition and results of operations could be materially adversely affected.

***Banca IMI's business is exposed to liquidity risk***

Liquidity risk is the risk that Banca IMI will be unable to meet its obligations as they fall due or meet its liquidity commitments only at an increased cost; as the risk of being unable to meet payment obligations caused by inability to obtain funding (the Funding Liquidity Risk) and the presence of restrictions on the ability to sell assets without incurring a capital loss, due to the illiquid nature of the market and/or due to the timing required for the transaction (the Market Liquidity Risk).

Potential conditions that could negatively affect Banca IMI's funding capability include events making Banca IMI unable to obtain access to capital markets by issuing debt instruments (with or without security) or materially impairing such ability, to receive funds from external counterparties or from the Group, to sell assets or redeem investments or it may be affected by unexpected outflows of cash or the obligation to provide greater security. This situation may arise from circumstances not dependent on the Issuer’s will, as market crisis, an operational issue which may affect the Issuer or third parties, or the perception of market participants are experiencing an increased liquidity risk. Liquidity risk or the loss of market confidence in financial institutions may increase the Issuer’s funding costs and limit its access to traditional funding sources.

The main sources of liquidity risk could be the failure of an important market participant or the concerns of breach by such market participants that could entail considerable liquidity issues or default by other banks, which in turn affects the Issuer. Moreover, a source of liquidity risk could be a downgrading in the credit rating of third parties in which the Issuer holds securities and bonds that could entail losses and/or have an adverse effect on the Issuer’s ability to make new arrangements for such securities or bonds, or to utilize them in another manner for liquidity purposes.

Although the Issuer monitors constantly its liquidity risk, potential adverse developments in the markets situation, in the general economic scenario and /or in the Issuer's credit rating, accompanied by the Issuer's need to adapt its liquidity situation to the legal requirements introduced for the implementation of the new European legislation may adversely affect Banca IMI's business, financial condition and results of operations.

***Legal risks***

In the normal course of its business, Banca IMI is party to a number of legal proceedings including civil, tax and administrative proceedings, as well as investigations or proceedings brought by regulatory agencies. Such actions brought against Banca IMI may result in judgments, settlements, fines, penalties or other results adverse to Banca IMI which could materially adversely affect Banca IMI's business, financial condition or results of operation, or cause it serious reputational harm.

As at 31 December 2018, provisions for risks and charges are in the amount of approximately € 25.3 million. The valuations of the liabilities is calculated on the basis of the most recent information available and necessarily requires to rely on estimates and assumptions. Therefore, the provisions for risks and charges may be insufficient to cover the potential costs which could arise from the pending proceedings and the actual costs related to pending proceedings might be significantly higher, with a resulting negative impact on Banca IMI's business, financial condition or results of operation.

Provisions for risks and charges refer to liabilities of an uncertain amount or maturity, which represent consequences deriving from a past event. Such provisions shall be charged to net income if it is probable that an outlay is due to meet obligations to pay compensation or the liabilities, and the amount of the provision could be calculated on the basis of valuations.

No provisions are made for liabilities that are merely potential but not probable.

Currently, the risk of outlay for pending proceedings is not considered probable or, otherwise, significant, or has involved cash disbursement.

For more detailed information, see Paragraph headed "Legal and Arbitration Proceedings" under Section headed "Description of the Issuer".

***Risks arising from assumptions and methodologies for assessing financial assets and liabilities measured at fair value and linked to the entry into force of new accounting principles and to the amendments to the applicable accounting principles***

Issuer's accounting policies and methods are fundamental to how the Issuer records and reports its financial condition and results of operations. Some of these policies require use of estimates and assumptions that may affect the value of Banca IMI's assets or liabilities and financial results and are critical because they require management to make difficult, subjective and complex judgments about matters that are inherently uncertain.

Estimates and assumptions are strongly influenced, inter alia, by the national and international market and economic context, the financial markets' performance, the volatility of financial parameters and credit quality, all factors that by their very nature are unpredictable and may have a significant impact on interest rate movements, price fluctuations and counterparties creditworthiness. Consequently, the estimates and assumptions used may vary from time to time and, as a result, in subsequent financial years the current values may differ, even significantly, due to changes in subjective assessments made or be otherwise reviewed to take account of changes occurred in that period.

Moreover, in the context of the regulatory interventions to accounting principles, the Issuer is exposed to both the effects deriving from the entry into force of new accounting principles and to the amendments to the existing ones, in particular concerning the international accounting principles IAS/IFRS. In this respect, it should be considered the new international accounting principle IFRS 9 *"Financial Instruments"* that replaced principle

IAS 39, with effect from 1 January 2018, concerning the classification and measurement of financial instruments.

For more detailed information on the regulatory content of the new provisions, see Paragraph headed "Selected financial and balance sheet figures relating to the issuer" under Section headed "*Description of the Issuer*" of this Base Prospectus. For further information on the overall policies adopted by Banca IMI in relation to the application of the new standard and the recognition of the impact of the application of the new impairment rules on own funds, as well as the representation of the comparative balances during the year of first application of the standard, see paragraph "*The transition to IFRS 9*" within the Issuer's financial statements for the financial year ended on 31 December 2018.

***Banca IMI operates within a highly regulated industry and its business and results are affected by the regulations to which it is subject including the Banking Resolution and Recovery Directive***

Banca IMI operates within a highly regulated environment and it is subject to extensive regulation and supervision by the Bank of Italy, the Italian Securities and Exchange Commission (CONSOB), the European Central Bank and the European System of Central Banks. The regulations to which Banca IMI is subject will continue to have a significant impact on Banca IMI's operations and the degree to which it can grow and be profitable. Regulators to which Banca IMI is subject have significant power in reviewing Banca IMI's operations and approving its business practices.

Areas where changes or developments in regulation and/or oversight could have an adverse impact include, but are not limited to (i) changes in monetary, interest rate and other policies, (ii) general changes in government and regulatory policies or regimes which may significantly influence investor decisions or may increase the costs of doing business in the markets where Banca IMI carries out its business, (iii) changes in capital adequacy framework, imposition of onerous compliance obligations, restrictions on business growth or pricing and requirements to operate in a way that prioritises other objectives over shareholder value creation, (iv) changes in competition and pricing environments, (v) differentiation amongst financial institutions by governments with respect to the extension of guarantees to banks and the terms attaching to such guarantees, and (vi) further developments in the financial reporting environment.

The regulatory framework governing international financial markets has been amended in response to the credit crisis, and new legislation and regulations have been introduced in Italy and the European Union that will affect Banca IMI. Such initiatives include, but are not limited to, requirements for liquidity, capital adequacy and handling of counterparty risks, regulatory tools provided to authorities to allow them to intervene in scenarios of distress and the introduction of a common system of financial transaction tax in the euro area.

In detail, the Basel Committee on Banking Supervision has proposed a number of fundamental reforms to the regulatory capital framework for internationally active banks, the principal elements of which are set out in its papers released on December 2010, January 2011 and July 2011 ("**Basel III**"). The European Commission proposed a legislative package to strengthen the regulation of the banking sector through the combination of an amendment to the Capital Requirements Directive (Directive 2013/36/EU, known as the **CRD IV**) and the implementation of the Capital Requirements Regulation (Regulation 575/2013, known as the **CRR**, together with the CRD IV, the **CRR/CRD IV Package**). The CRD IV and the CRR have entered into force on 1 January 2014 based on a progressive implementation plan.

A regulation (Regulation (EU) 2017/2401) to amend the CRR (the "**CRR Amendment Regulation**") and a regulation (Regulation (EU) 2017/2402) aiming to create a general European framework for securitisation and a specific framework for "simple, transparent and standardised" securitisation (the "**Securitisation Regulation**") were published in the Official Journal of the European Union on 28 December 2017 and entered into force on the twentieth day thereafter. The Securitisation Regulation applies to securitisations the securities of which are issued on or after 1 January 2019. The CRR Amendment Regulation applied from 1 January 2019 (subject to

certain transitional provisions regarding securitisations the securities of which were issued before 1 January 2019).

Developments in the regulatory framework include, among the main innovations, increased level and enhanced quality of banks' capital (with the introduction of the Common Equity Tier 1 - CET1), the introduction of the Leverage Ratio (ratio between the Core Tier I and Total Assets, including the off balance sheet adjusted for the actual exposure in derivatives), changes to the assessment of counterparty risk and introduction of two new regulatory liquidity ratios (Liquidity Coverage Ratio - LCR and Net Stable Funding Ratio - NSFR).

On 2 July 2014, the Directive 2014/59/EU of the Parliament and of the Council of the European Union establishing a framework for the recovery and resolution of credit institutions and investment firms, as subsequently amended and supplemented (the **BRRD**) entered into force. It is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures or supervisory action would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest:

(i) the sale of business – which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms;

(ii) the creation and use of a bridge institution – which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control);

(iii) asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and

(iv) bail-in which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims including Securities to equity, which equity could also be subject to any future application of the bail-in tool.

The BRRD also provides as a last resort the right for a Member State, having assessed and utilised the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

When applying the bail-in, the resolution authority must first reduce or cancel common equity tier one, thereafter reduce, cancel, convert additional tier one instruments, then tier two instruments and other subordinated debts to the extent required and up to their capacity. If and if only this total reduction is less than the amount needed, the resolution authority will reduce or convert to the extent required the principal amount or outstanding amount payable in respect of unsecured creditors in accordance with the hierarchy of claims in normal insolvency proceedings.

The BRRD excludes certain liabilities from the application of the bail-in tool and provides also that the resolution authorities may exclude or partially exclude certain further liabilities from the application of the bail-in tool. Accordingly, *pari passu* liabilities may be treated unequally and, for example, holders of Securities of a Series may be subject to write-down or conversion upon an application of the bail-in tool while other Series of Securities (or other *pari passu* ranking liabilities) are partially or fully excluded from such application of the bail-in tool. As a result, the claims of other holders of junior or *pari passu* liabilities may be excluded from the application of the bail-in tool and therefore the holders of such claims may receive a treatment which is more favourable than that received by Securityholders.

Furthermore, the resolution authorities will have the power to cancel debt instruments, and the power to amend or alter the maturity of debt instruments and other eligible liabilities or amend the amount of interest payable under such instruments and other eligible liabilities, or the date on which the interest becomes payable, including by suspending payment for a temporary period.

The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors.

Furthermore, when implemented in the Member States, the relevant provisions, including the bail-in tool, may be applied to the outstanding financial instruments, even to those already issued before 1 January 2016 and, therefore, it may have retroactive effect. In addition, the BRRD does not prevent Member States, from amending national insolvency regimes to provide other types of creditors, such as holders of deposits or other operating liabilities of Banca IMI with rankings in insolvency higher than ordinary, unsecured, non-preferred creditors such as the Securityholders. In Italy, the provisions of the BRRD have been implemented into national law through Legislative Decrees no. 180 and no. 181, published in the Official Gazette on 16 November 2015 (the "**Decrees**").

Securityholders should be aware that, as part of the reforms introduced by the Decrees, an extended depositor preference is applicable in national insolvency hierarchy. In particular, all deposits (including large corporate and interbank deposits) are preferred in the insolvency hierarchy ahead of all other unsecured senior creditors. Therefore, in addition to the statutory preference provided by Article 108 of the BRRD to (i) covered deposits and (ii) non-covered deposits from natural persons and micro, small and medium-sized enterprises (preferred after covered deposits), applicable as of 16 November 2015, the Decrees establish a further preference for all other deposits that entered into force on 1 January 2019.

The Securities may thus be subject to write-down or conversion into equity on any application of the bail-in tool, which may result in such holders losing some or all of their investment.

The powers set out in the BRRD and in the Decrees will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Holders of Securities may be subject to write-down or conversion into equity on any application of the general bail-in tool, which may result in such holders losing some or all of their investment. The exercise of any power under the BRRD and the Decrees or any suggestion of such exercise could therefore materially adversely affect the rights of Securityholders, the price or value of their investment in any Securities and/or the ability of the Issuer to satisfy its obligations under any Securities.

The Regulation 806/2014/EU of the European Parliament and of the Council of 15 July 2014 establishes a Single Resolution Mechanism (**SRM**) for the Banking Union (i.e. Euro-zone and participating countries). Under this Regulation, a centralised power of resolution is established and entrusted to a Single Resolution Board and to the national resolution authorities. The SRM is directly applicable in participating EU countries (including Italy) starting since 1 January 2016. It is aimed at ensuring a full harmonisation of the resolution, including the bail-in tool, in the Banking Union.

Under the Single Supervisory Mechanism (**SSM**), the European Central Bank has been granted direct powers of supervision over banks resident in the Euro area and other Member States that are part of the Banking Union with the responsibility to ensure, *inter alia*, consistent application of legal provisions across the Euro Area. The Issuer belongs to the Intesa Sanpaolo Group, which is one of the Italian banking groups that is monitored by the European Central Bank.

Such enhanced capital requirements, restrictions on liquidity, increased ratios applicable to the Issuer on the basis of laws and/or regulations that will be adopted and/or will enter into force in the future, are expected to have a significant impact on the capital and asset and liability management of Banca IMI and costs involved could have a material adverse effect on Banca IMI's business, financial condition and results of operations.

In addition, as Banca IMI expands its international operations, its activities will become subject to an increasing range of laws and regulations that will likely impose new requirements and limitations on certain of Banca IMI's operations.

***Banca IMI's framework for managing its risks may not be effective in mitigating risks and losses***

Banca IMI's risk management framework is made up of various processes and strategies to manage Banca IMI's exposure. Types of risk to which Banca IMI is subject include liquidity risk, credit risk, market risk, operational risk, reputational and legal risk among others.

There can be no assurance that Banca IMI's framework to manage risk, including such framework's underlying assumption, will be effective under all conditions and circumstances. There can be no assurance that, should Banca IMI's risk management prove to be ineffective and/or ineffective in certain conditions or circumstances, this will not result in Banca IMI suffering unexpected losses or that such risk management inefficiency will not materially adversely affect Banca IMI's business, financial condition or results of operation.

***Banca IMI is exposed to risk related to transactions in financial derivatives***

The Issuer is party to a large number of derivative transactions, including credit derivatives with financial and insurance companies, commercial and investment banks, funds and other institutional market participants.

As at 31 December 2018 the Issuer's exposure to financial derivatives was about EUR 29 billion against overall financial assets for Euro 165 billion.

Derivatives transactions expose the Issuer to the risk that the counterparty in derivative contracts defaults on its obligations or becomes insolvent before the relevant contract expires, when amounts are still payable to the Issuer by such party. This risk may arise notwithstanding the presence of collaterals, if – against the exposure to financial derivatives - said collaterals may be disposed of or liquidated at a value that is not sufficient to cover the exposure to the counterparty. For more information in this respect, see Paragraph "Banca IMI's business is exposed to counterparty credit risk" above.

The Issuer is also exposed to possible changes in the value of the financial instruments held (including financial derivatives), due to fluctuations in interest rates, exchange rates and currencies, the prices of equity markets and commodity markets, credit spreads, counterparty risk, risk of default of the reference entity with regard to derivatives exposure and/or other risks.

**Factors which are material for the purpose of assessing the market risks associated with Securities issued under the Programme**

***The Certificates may not be a suitable investment for all investors***

Each potential investor in the Certificates must determine the suitability of the investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to evaluate the Certificates, the merits and risks of investing in the Certificates and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement to the Base Prospectus and all information contained in the applicable Final Terms;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Certificates and the impact that the Certificates will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Certificates, including Certificates with amounts payable in one or more currencies, or where the Settlement Currency is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Certificates and be familiar with any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

In addition, an investment in Index Securities, Share Securities, Futures Contract Securities, Interest Rate Securities, Exchange Rate Securities, Fund Securities, Commodity Securities, Govies Securities or Combined Securities may entail significant risks not associated with investments in conventional securities such as debt or equity securities, including, but not limited to, the risks set out in "*Risks related to the structure of a particular issue of Securities*" set out below.

Certificates are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Certificates which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Certificates will perform under changing conditions, the resulting effects on the value of the Certificates and the impact this investment will have on the potential investor's overall investment portfolio.

***Option Risk***

The Certificates are derivative financial instruments which may include an option right and which, therefore, have many characteristics in common with options. Transactions in options involve a high level of risk. An investor who intends to trade in options must first of all understand the functioning of the types of contracts which he intends to trade in (for example, call options and put options). An investment in options constitutes a highly volatile investment and there is a high likelihood that the option may have no value whatsoever at expiration. In such case, the investor would lose the entire amount used to purchase the option (known as the "*premium*").

An investor who is considering the purchase of a call option over an Underlying, the market price of which is much lower than the price at which the exercise of the option would be opportune (known as "*deep out of the money*"), must consider that the possibility that the exercise of the option will become profitable is remote. Likewise, an investor who is considering the purchase of a put option over an Underlying, the market price of which is much higher than the price at which the exercise of the option would be opportune, must consider that the possibility that the exercise of the option will become profitable is remote.

The Certificates include some options on the Underlying(s). The amount potentially paid or deliverable on exercise will depend on the value of such options. Prior to the expiration of a Certificate, a variation in the value of the relevant options may involve a reduction in the value of such Certificate.

***Risk arising from the Benchmark Regulation***

The Underlying or a Basket Constituent may qualify as a benchmark (the "**Benchmark**") within the meaning of Regulation (EU) 2016/1011 of the European Parliament and of the Council dated 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**"). According to the Benchmark Regulation, a Benchmark could not be used as such if its administrator does not obtain authorisation or is based in a non-EU jurisdiction which (subject to applicable transitional provisions) does not satisfy the "equivalence" conditions, is not "recognised" pending such a decision and is not "endorsed" for such purpose. Consequently, it might be not possible to further utilise a Benchmark as Underlying or Basket Constituent of the Securities. In such event, depending on the particular Benchmark and the applicable terms of the Securities, the Securities could be de-listed, adjusted, redeemed prior to maturity or otherwise impacted.

Any changes to a Benchmark as a result of the Benchmark Regulation could have a material adverse effect on the costs of refinancing a Benchmark or the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with the Benchmark Regulation. Such factors may have the following effects on certain Benchmarks: (i) discourage market participants from continuing to administer or contribute to such Benchmark; (ii) trigger changes in the rules or methodologies used in the Benchmarks; or (iii) lead to the disappearance of the Benchmark. Any of the above changes or any other consequential changes as a result of international, national or other proposal for reform or other initiatives or investigations, could have a material adverse effect on the value of and the amount payable under the Securities.

The potential elimination of a Benchmark, or changes in the manner of administration of such Benchmark, as a result of the Benchmark Regulation or otherwise, could require an adjustment to the terms and conditions, or result in other consequences. These reforms and changes may cause a Benchmark to perform differently than it has done in the past or be discontinued. The application of the fallback methods may expose investors to certain risks including, but not limited to (i) conflicts of interest of the Calculation Agent when making the required adjustments to the Securities, or (ii) the replacement of the Underlying or Basket Constituent with a different Underlying or Basket Constituent which could perform differently than the original Underlying or Basket Constituent and therefore affect amounts payable in respect of the Securities, or (iii) the early redemption of the Securities.

Investors should be aware that they face the risk that any changes to the relevant Benchmark may have a material adverse effect on the value of and the amount payable under the Securities.

The sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such Benchmarks. On 27 July 2017, and in a subsequent speech by its Chief Executive on 12 July 2018, the UK Financial Conduct Authority ("**FCA**"), which regulates LIBOR confirmed that it will no longer persuade or compel banks to submit rates for the calculation of LIBOR benchmark after 2021 (the "**FCA Announcements**"). The FCA Announcements indicate that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forward. This may cause LIBOR to perform differently than it did in the past and may have other consequences which cannot be predicted.

Investors should carefully consider that also the EURIBOR may be subject, in the future, to cessations or changes in the calculation method in relation to one or more tenors, as already occurred on 14 June 2018 when the European Money Markets Institute (EMMI), the administrator of EURIBOR, approved the cessation of the 2 week, 2 month and 9 month tenors.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation reforms, investigations and licensing issues in making any investment decision with respect to the Securities linked to a Benchmark.

***Risks related to the structure of a particular issue of Securities***

A wide range of Securities may be issued under the Programme. A number of these Securities may have features which contain particular risks for potential investors. Set out below is a description of the most common features.

*General risks and risks relating to the underlying asset or basis of reference*

The Securities involve a high degree of risk, which may include, among others, interest rate, foreign exchange, time value and political risks. Purchasers should be prepared to sustain a partial or total loss of the purchase price of their Securities. This risk reflects the nature of a Security as an asset which, other factors held constant, tends to decline in value over time and which may become worthless on expiration. See "*Certain Factors Affecting the Value and Trading Price of Securities*" below. Prospective purchasers of Securities should be experienced with respect to options and option transactions, should understand the risks of transactions involving the relevant Securities and should reach an investment decision only after careful consideration with their advisers of the suitability of such Securities in light of their particular financial circumstances, the information set forth herein, the information regarding the relevant Securities and the particular Underlying.

The risk of the loss of some or all of the purchase price of a Security upon expiration means that, in order to recover and realise a return upon his or her investment, a purchaser of a Security must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the relevant Underlying. Assuming all other factors are held constant, the lower the value of a Security and the shorter its remaining term to expiration, the greater the risk that purchasers of such Security will lose all or part of their investment. The only means through which a holder can realise value from such Security prior to the Exercise Date in relation to such Security is to sell it at its then market price in an available secondary market. See "*Possible Illiquidity of the Securities in the Secondary Market*" below.

Fluctuations in the value of the relevant Underlying will affect the value of the Securities. Purchasers of Securities risk losing their entire investment if the value of the relevant underlying basis of reference does not move in the anticipated direction.

The Issuer may issue several issues of Securities relating to various reference indices, exchange rates, shares, funds, interest rates, commodities, or future contracts, as may be specified in the applicable Final Terms. At any given time, the number of Securities outstanding may be substantial. Securities provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the underlying investment. In general, certain of the risks associated with the Securities are similar to those generally applicable to other options of private corporate issuers. Options or Securities on equities or debt securities are priced primarily on the basis of the value of underlying securities. The trading value of Commodity Securities is likely to reflect primarily present and expected values of the commodity (or basket of commodities).

The Securities do not represent a claim against any Underlying (or any issuer, sponsor, manager or other connected person in respect of an Underlying) and Securityholders will not have any right of recourse under the Securities to any such Underlying (or any issuer, sponsor, manager or other connected person in respect of an Underlying). The Securities are in no way sponsored, endorsed or promoted by any issuer, sponsor, manager or other connected person in respect of an Underlying and such entities have no obligation to take into account the consequences of their actions on any Securityholders.

*Certain Factors Affecting the Value and Trading Price of Securities*

The Cash Settlement Amount (in the case of Cash Settled Securities) or the value of the Entitlement (less, in the

case of Warrants, the Premium) (in the case of Physical Delivery Securities) at any time prior to expiration is typically expected to be less than the trading price of such Securities at that time. The difference between the trading price and the Cash Settlement Amount or the Physical Delivery, as the case may be, will reflect, among other things, a "time value" for the Securities. The "time value" of the Securities will depend partly upon the length of the period remaining to expiration and expectations concerning the value of the Underlying. Securities offer hedging and investment diversification opportunities but also pose some additional risks with regard to interim value. The interim value of the Securities varies with the price of the Underlying, as well as by a number of other interrelated factors, including those specified herein.

Before exercising (in the case of Warrants) or selling Securities, Securityholders should carefully consider, among other things, (i) the trading price of the Securities, (ii) the value and volatility of the Underlying, (iii) the time remaining to expiration, (iv) in the case of Cash Settled Securities, the probable range of Cash Settlement Amounts, (v) any change(s) in interim interest rates and dividend yields if applicable, (vi) any change(s) in currency exchange rates, (vii) the depth of the market or liquidity of the Underlying and (viii) any related transaction costs.

*Certain considerations regarding hedging*

Prospective purchasers intending to purchase Securities to hedge against the market risk associated with investing in an underlying asset, should recognise the complexities of utilising Securities in this manner. For example, the value of the Securities may not exactly correlate with the value of the underlying asset which may be specified in the applicable Final Terms. Due to fluctuating supply and demand for the Securities, there is no assurance that their value will correlate with movements of the underlying asset which may be specified in the applicable Final Terms. For these reasons, among others, it may not be possible to purchase or liquidate securities in a portfolio at the prices used to calculate the value of any relevant index or basket.

The Issuer and/or any of its respective Affiliates or agents may from time to time hedge the Issuer's obligations under such Securities (and under other instruments and OTC contracts issued by or entered into from time to time by the Issuer and/or any of its respective Affiliates or agents relating to such securities) by taking positions, directly or indirectly, in the underlying asset. Although the Issuer has no reason to believe that such hedging activities will have a material impact on the price of any underlying, there can be no assurance that such hedging activities will not adversely affect the value of the Securities.

*Certain considerations associated with Share Securities*

An investment in Share Securities will entail significant risks not associated with an investment in a conventional debt security. On redemption or exercise, as the case may be, of Share Securities, Holders will receive an amount (if any) determined by reference to the value of the share(s), GDRs and/or ADRs and/or the physical delivery of a given number of share(s), GDRs and/or ADR/s. Accordingly, an investment in Share Securities may bear similar market risks to a direct equity investment and investors shold take advice accordingly. Share Securities pay amounts calculated by reference to the value of the underlying share(s), GDRs and/or ADRs.

In the case of Share Securities, no issuer of the underlying shares will have participated in the preparation of the relevant Final Terms or in establishing the terms of the Securities and neither the Issuer nor any Manager will make any investigation or enquiry in connection with such offering with respect to any information concerning any such issuer of shares contained in such Final Terms or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant issue date (including events that would affect the accuracy or completeness of the publicly available information described in this paragraph or in any relevant Final Terms) that would affect the trading price of the share, GDRs and/or ADRs will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such an issuer of shares could affect the trading price of the share, GDRs and/or ADRs and therefore the trading price of the Securities.

Except as provided in the Conditions in relation to Physical Delivery Securities, Securityholders will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant shares to which such Securities relate.

*Certain considerations associated with Exchange Rate Securities*

An Investment in Exchange Rate Securities will entail significant risks not associated with an investment in a conventional debt security. Fluctuations in exchange rates will affect the value of Exchange Rate Securities. Currency values related to the exchange rates may be affected by complex political and economic factors, including governmental action to fix or support the value of an exchange rate, regardless of other market forces (see "*Exchange rate risks and exchange controls*" below). Purchasers of Securities risk losing their entire investment if the relevant exchange rates do not move in the anticipated direction.

*Certain considerations associated with Fund Securities*

An investment in Fund Securities will entail significant risks not associated with an investment in a conventional debt security. An investment in Fund Securities may bear similar market risks to a direct investment in the relevant fund(s) and investors should take advice accordingly.

*Certain considerations associated with Futures Contract Securities*

An investment in Futures Contract Securities will entail significant risks not associated with an investment in a conventional debt security. The yield on Securities which are linked to futures contracts may not be perfectly correlated to the trend in the price of the underlying asset of the future contract, as the use of futures contracts generally involves a rolling mechanism. This means that any futures contracts which expire prior to the relevant payment date under the applicable underlying securities are replaced with futures contracts that have a later expiry date. Investors may, therefore, only marginally benefit from any rise or fall in the price of the underlying asset of the future contract.

In addition, the trend of futures contracts may differ significantly from that of the underlying asset's spot markets. In relation to commodity futures contracts, the trend in the price of a futures contracts compared to the underlying commodity is closely linked to the present and future level of production of the underlying commodity, or to the level of estimated natural reserves, particularly in the case of energy linked products. In addition, the price of the relevant commodity futures contract may not be considered an accurate prediction of a market price, since it also includes so-called "carrying costs" (for example, warehouse or insurance costs). These factors substantially explain the imperfect correlation between commodity spot markets and commodity futures contracts.

If the feature Futures Contract First Near-by is specified as applicable in the relevant Final Terms, the Issuer will be entitled to determine the Initial Reference Value on the basis of a Futures Contract First Near-by, i.e. the futures contract that has the same features of the Futures Contract indicated as Underlying, and has an expiration date which is the closest to the Determination Date. Since the Issuer will not make any adjustment to the price of the Securities following such rollover, investors should consider that the price of the futures contract used before the rollover may be different from the price of the futures contract used after the rollover.

*Certain considerations associated with Commodity Securities*

An investment in Commodity Securities may bear similar market risks to a direct commodity investment and potential investors should take advice accordingly. The movements in the price of the Commodity may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices.

The price of Commodities may be affected by economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which the relevant Commodities may be traded.

*Certain considerations associated with Index Securities*

An investment in Index Securities will entail significant risks not associated with an investment in a conventional debt security. The underlying index may be a well-known and widely published index or an index which may not be widely published or available. The index may reference, among others, equities, bonds, currency exchange rates or other securities or it may be a property index referencing certain property price data which will be subject to market price fluctuations or it may reference a number of different assets or indices. A property index may include valuations only and not actual transactions and the property data sources used to compile the index may be subject to change, which may adversely affect the return on the Securities. In addition, the property index may be sponsored and/or calculated by the Issuer or one of its affiliates.

*Certain considerations associated with Interest Rate Securities*

An investment in Interest Rate Securities will entail significant risks not associated with an investment in a conventional debt security. On exercise of Interest Rate Securities, Securityholders will receive an amount (if any) determined by reference to the value of the underlying interest rate(s). Accordingly, an investment in Interest Rate Securities may bear similar market risks to a direct investment in the underlying interest rate and investors should take advice accordingly.

*Certain considerations associated with Govies Securities*

An investment in Govies Securities may bear similar market risks to a direct investment in the relevant government/supranational bond. The movements in the value of such bond or in its yield may be affected by economic, financial and political events in the relevant country or regional area. The credit ratings of the relevant country may change and any ratings downgrade could adversely affect the value of the underlying bond and, therefore, the value of the Securities.

*Certain considerations associated with Combined Securities*

An investment in Combined Securities will entail significant risks depending on the specific underlying assets. The risk associated with the aforementioned types should be considered in accordance with the specific financial assets of each issue and investors should take advice accordingly.

*Certain considerations associated with Securities providing for the application of a Multiplier*

The Securities may provide for the application to the relevant Underlying of a Multiplier in order to increase or decrease the percentage of each Underlying used to determine the amounts payable or deliverable to investors. The Multiplier may be lower than 100 per cent.

In such case, the amounts payable or deliverable to investors will be reduced and, therefore, will contribute to the yield of the Securities only to such reduced extent. The performance of the relevant reference item(s) will, therefore, impact the yield of the Securities only to a limited extent.

*Certain considerations associated with Securities providing for the application of a cap*

The Securities may provide for the application of a maximum return payable to investors or of a maximum value or level to the relevant Underlying(s).

In such case, the amounts payable to investors will be subject to the predetermined maximum. If the relevant Underlying(s) outperforms the predetermined maximum, this will not be taken into consideration when calculating the amount payable or deliverable in respect of the Securities.

*Loss risk in relation to the investment*

The investor shall consider that, in relation to their investment, there is a risk of loss of the capital invested depending on the performance of the underlying asset. In particular, if the relevant Final Terms provides a Barrier Level, the investor shall consider that, in the event of a negative performance of the underlying asset at the Valuation Date or a negative Spread (in the case of Spread Certificates) or a negative Cumulated Performance (in the case of Multiperformance Certificates), in the event a Barrier Event or a Barrier Gap Event (in the case of Gap Certificates) has occurred, a loss will occur in respect of the capital invested. If the Final Reference Value of the underlying asset is equal to zero, the investor might suffer a total loss of the capital. Moreover, if prior to the exercise the investor decides to terminate the investment in the Certificates, the investor might be subject to the loss of the value of the certificate and, therefore, might be subject to the total or partial loss of the investment.

*The Cash Settlement Amount or the physical delivery of the Entitlement may be less than the Value of an Investment in the Securities*

Each Securityholder may receive a Cash Settlement Amount, as applicable, and/or physical delivery of the Entitlement the aggregate value of which may be less than the value of the Securityholder's investment in the relevant Securities. In certain circumstances Securityholders may lose the entire value of their investment.

*Risk related to a protection level lower than 100% or a protection amount lower than the Issue Price*

The Certificates may provide a protection level or a protection amount. The protection level represents the protection percentage of the Initial Reference Value of the Certificate and that the Cash Settlement Amount will not fall below such protection level. The protection amount represents the minimum amount of Cash Settlement Amount that the investor will receive. The lower the protection level or the protection amount, the higher the loss (if any) that the investor might suffer given that the Issue Price of the Certificate will not be entirely protected and the Cash Settlement Amount at the Exercise Date might be lower than the Issue Price.

*Exchange risk related to the absence of a Quanto Option*

The investment in Securities which do not provide a Quanto Option may entail risks related to the exchange rate. The Underlying Reference Currency of the underlying asset may be different from the Settlement Currency of the Securities. If the Underlying Reference Currency is different from the Settlement Currency, the Cash Settlement Amount will be exchanged in the Settlement Currency at the applicable Exchange Rate. Therefore, without a Quanto Option, any negative variation of the Exchange Rate might frustrate either the performance of the underlying asset at maturity and the returns linked to a remuneration amount and might determine a loss of the capital invested.

In the case of Securities without a Quanto Option, any negative variation of the exchange rate might also reduce the effect of total or partial protection on the capital invested (depending on the structure of the product) represented by such protection. In fact, the Cash Settlement Amount at the maturity (and, therefore, the protection level that is part of the calculation of such amount of Settlement, subject to certain conditions) shall be exchanged into the Settlement Currency at the applicable Exchange Rate with the consequence of suffering the decrease in value of the Underlying Reference Currency of the underlying asset in respect of the Settlement Currency.

In the case of a Quanto Option, however, the Underlying Reference Currency is in any case conventionally denominated in the Settlement Currency and the Exchange Rate is not applicable and therefore the effects of the Exchange Rates on the amount paid in relation to the Securities are neutralised. However, it cannot be excluded

that the variations on the Exchange Rates might have negative effects on the performance of the underlying asset and therefore, indirectly, also on the Securities with the Quanto Option.

*Risk relating to Dual Currency Securities*

An investment in Dual Currency Securities will entail significant risks not associated with an investment in a conventional debt security. In particular, the Cash Settlement Amount and the Remuneration Amount(s) are payable in a currency specified in the applicable Final Terms (the Settlement Currency) which is different from the currency in which the Certificates are denominated (the Issue Currency).

Currency exchange rates may be subject to significant fluctuations that may not correlate with changes in the Cash Settlement Amount and/or Remuneration Amount(s) and the timing of changes in the exchange rates may affect the actual return to investors.

Therefore, fluctuations in exchange rates of the relevant currencies (i.e. the Issue Currency and the Settlement Currency) will affect the value of Dual Currency Securities, and may determine a loss of the capital invested.

*Risk relating to Dual Currency FX Certificates*

An investment in Dual Currency FX Certificates will entail significant risks not associated with an investment in a conventional debt security. In particular, upon occurrence of a Barrier Event, the Cash Settlement Amount may be payable in a currency specified in the applicable Final Terms (the Dual Currency) which is different from the currency in which the Certificates are denominated (the Issue Currency).

Currency exchange rates may be subject to significant fluctuations that may not correlate with changes in the Cash Settlement Amount and the timing of changes in the exchange rates may affect the actual return to investors.

Therefore, fluctuations in exchange rates of the relevant currencies (i.e. the Issue Currency and the Dual Currency) will affect the value of Dual Currency FX Certificates, and may determine a loss of the capital invested.

*Price Risk and components that determine the value of the Certificates*

The Certificates are composed of a combination of several options and the Securityholder shall take into account that the value of the Certificates will depend on the value of each option composing the certificate. The fluctuation over time of the value of each optional components (and therefore of the Certificates) mostly depends on the current value of the underlying asset to which the Certificates relate, the volatility of the underlying asset, the residual life of the options composing the Certificates, the levels of the interest rates of the monetary markets, the expected dividends (in the case of Share Securities), the correlation (in the event that the underlying asset is a Basket or a Basket of Baskets) as well as the business of the Issuer of the underlying asset, speculative contractions and other factors.

An increase in the value of the underlying asset might determine an increase in the price of the Certificates. Moreover, such determinations are uncertain as the effect on the price of the Certificates is given by the implicit optional structure that takes into account the possibility that an event linked to the payment of a Remuneration Amount as well as a Barrier Event (or a Barrier Gap Event) may occur during the life of the certificate. Prior to the maturity of the certificate, the value of the options might decrease and therefore it will affect the value of the certificate or some of them might expire.

The value of the underlying asset may vary during the course of time and may increase or decrease as the consequence of several factors including corporate transactions, distribution of dividends, microeconomic factors and speculative negotiations. Changes in the value of the underlying asset may affect the trading price of the Certificates but it not possible to foresee if the value of the Underlying will suffer from decreasing or increasing variations. Furthermore, the price of the Certificates might be influenced (in case of listing after

offering) by the underwriting and/or placement fees that will be paid to the Managers and/or the Lead Manager. The price of the Certificates might be negatively influenced by the worsening of the asset stability of the Issuer.

*Risk related to the Participation Factor, the Up Participation Factor and Down Participation Factor*

If the Cash Settlement Amount will be calculated on the basis of the Participation Factor, which is a value predetermined by the Issuer in the relevant Final Terms that may be lower than, equal to or higher than 100%, such Participation Factor determines the potential return of the Certificates. If it is lower than 100%, the investor will partially benefit from the positive performance (or from the negative performance in case of Short Strategy) of the Underlying.

If the Cash Settlement Amount will be calculated in relation to the Up Participation Factor and Down Participation Factor, the return deriving from the positive performance of the Underlying (respectively, positive performance in case of Long Strategy and negative performance in case of Short Strategy) will depend on the Up Participation Factor, which may be lower than 100%. If it is lower than 100%, the investor will partially benefit from the positive performance of the Underlying. Conversely, the return deriving from the negative performance of the Underlying (respectively, negative performance in case of Long Outperformance Certificates and positive performance in case of Short Outperformance Certificates) will depend on the Down Participation Factor, which may be higher than 100%. If it is higher than 100%, the negative impact of the decreasing performance of the Underlying will be amplified.

*Risk related to the determination method of the Digital Level*

In relation to the Certificates to be issued, the Issuer may set, at its own discretion, one or more Digital Levels higher, equal or lower than the Initial Reference Value of the relevant underlying asset. In particular, the more distant the Digital Level is set in respect of the Initial Reference Value, the greater the possibility that a Digital Event will not occur and therefore that the relevant Digital Amount will not be paid.

In relation to the Cliquet Feature, the investor should also consider that the Digital Level might change in relation to one or more Digital Valuation Periods and, in relation to each Digital Level, a different Digital Amount may be provided.

If an Up Range Digital Level and a Down Range Digital Level are specified in the relevant Final Terms, the possibility that a Digital Event will not occur and therefore that the relevant Digital Amount will not be paid will depend on how the Up Range Digital Level and the Down Range Digital Level will be set by the Issuer in the relevant Final Terms and on whether the value of the Underlying will be closer (in case it is represented by a value falling within the range) or more distant (in case it is represented by a value falling out of the range) in respect of the Initial Reference Value.

In relation to Spread Certificates, for the purpose of determining the Digital Level that will be indicated as an independent percentage on the relevant Final Terms, reference will be made to the differential of the financial assets (two shares, two indices, etc.). Therefore, the payment of the Digital Amount will depend on the performance of the two financial assets. In relation to Multiperformance Certificates, for the purpose of determining the Digital Level that will be indicated as an independent percentage on the relevant Final Terms, reference will be made to the Cumulated Performance of two or more financial assets (two shares, two indices, etc.).

*Risk related to the determination method of the Participation Remuneration Level*

In relation to the Certificates to be issued, the Issuer may set, at its own discretion, one or more Participation Remuneration Levels higher or lower than the Initial Reference Value of the relevant underlying asset. In particular, the more distant the Participation Remuneration Level is set in respect of the Initial Reference Value, the greater the possibility that a Participation Remuneration Event will not occur and therefore that the relevant Participation Remuneration Amount will not be paid.

In relation to the Cliquet Feature, the investors should also consider that the Participation Remuneration Level might change in relation to one or more Participation Remuneration Event Valuation Periods.

If an Up Range Participation Remuneration Level and a Down Range Participation Remuneration Level are specified in the relevant Final Terms, the possibility that a Participation Remuneration Event will not occur and therefore that the relevant Participation Remuneration Amount will not be paid will depend on how the Up Range Participation Remuneration Level and the Down Range Participation Remuneration Level will be set by the Issuer in the relevant Final Terms and on whether the value of the Underlying will be closer (in case it is represented by a value falling within the range) or more distant (in case it is represented by a value falling out of the range) in respect of the Initial Reference Value.

In relation to Spread Certificates, for the purpose of determining the Participation Remuneration Level that will be indicated as an independent percentage on the relevant Final Terms, reference will be made to the differential of the financial assets (two shares, two indices, etc.). Therefore, the payment of the Participation Remuneration Amount will depend on the performance of the two financial assets.

*Risk related to the Knock-out Feature*

In relation to any Remuneration Amount, a Knock-out Feature may be applicable if specified in the relevant Final Terms. In this case, if the Knock-out Event occurs, the Remuneration Amount provided in relation to either such Knock-out Valuation Period and/or the valuation period(s) following such Knock-out Valuation Period will be deactivated and will not be paid. In relation to the Knock-out Feature, the Issuer will set, at its own discretion, one or more Knock-out Levels higher, equal or lower than the Initial Reference Value of the relevant underlying asset. In particular, the closer the Knock-out Level is set in respect of the Initial Reference Value, the greater the possibility that a Knock-out Event will occur and therefore that the relevant Remuneration Amount will not be paid.

*Risk related to the Knock-in Feature*

In relation to any Remuneration Amount, a Knock-in Feature may be applicable if specified in the relevant Final Terms. In this case, if the Knock-in Event does not occur, the Remuneration Amount provided will not be activated and therefore will not be paid. In relation to the Knock-in Feature, the Issuer will set, at its own discretion, one or more Knock-in Levels higher, equal or lower than the Initial Reference Value of the relevant underlying asset. In particular, the more distant the Knock-in Level is set in respect of the Initial Reference Value, the greater the possibility that a Knock-in Event will not occur and therefore that the relevant Remuneration Amount will not be paid.

*Risk related to the occurrence of an Early Redemption Event*

If an Early Redemption Event occurs, the Certificates will be redeemed earlier than the Exercise Date (and therefore terminated). In such case, the Securityholders will receive the relevant Early Redemption Amount on the relevant Early Payment Day and no other amounts will be paid.

Investors should consider that the Early Redemption Amount to be paid to the Securityholder will be an amount predetermined by the Issuer in the relevant Final Terms. Such amount will not depend on the value of the relevant underlying asset and, therefore, the potential positive performance (or the negative performance, in case of Short Strategy) of such underlying asset will not be considered. In addition, in the event that the relevant underlying asset is registering a positive performance when and Early Remption Event occurs, investors should consider that it may not be possible to reinvest in such underlying asset at the same conditions applied to the initial investment made in the Certificates.

Furthermore, if the value of the Underlying is calculated as Intraday Value, the Underlying will be observed on a continuous basis and the probability that an Early Redemption Event occurs may be magnified.

*Risk related to the Early Partial Capital Payment*

The Securities may provide for the application of an Early Partial Capital Payment. In such case, the Securityholder will receive part of the Issue Price on the Early Partial Capital Payment Date specified in the Final Terms.

The investors should therefore consider that, in relation to their investment, the Cash Settlement Amount will be adjusted relative to the Outstanding Amount after the relevant Early Partial Capital Payment Date. Therefore, Early Partial Capital Payment might frustrate investment strategies pursued by the investors, by reducing their exposure (proportionately to the Early Partial Capital Payment Amount paid from time to time) to any potential gain arising out of the positive performance of the Underlying.

*Risk related to the Barrier Event and the Barrier Gap Event*

The Barrier Event or the Barrier Gap Event (in the case of Gap Certificates) indicates the achievement by one or more underlying assets of a value equal to, higher than or lower than the Barrier Level or below the Lower Barrier Level or higher than the Upper Barrier Level, or the Barrier Gap Level, respectively, on the Barrier Event Determination Period (or/and on a Valuation Date) or on a Barrier Gap Observation Date, as specified in the relevant Final Terms. If a Barrier Event or a Barrier Gap Event occurs, the Cash Settlement Amount will be determined in accordance with a calculation method other than the calculation method applicable if the Barrier Event or the Barrier Gap Event does not occur and such circumstance may have a negative influence on the price. For example, if the relevant Final Terms do not provide a Protection Level or an Air Bag Factor or other similar features, upon occurrence of the Barrier Event, the Cash Settlement Amount will be linked only to the performance of the underlying asset. This may entail the risk of partial or total loss of the investment.

The Securityholder shall consider that the occurrence of a Barrier Event or the Barrier Gap Event will also depend on the volatility of the underlying asset i.e. the more frequent and intense the fluctuations in the value of the underlying asset during the life of the Certificates are, the higher the volatility will be and the greater the chance that the value of the underlying asset will reach the Barrier Level or the Barrier Gap Level and therefore a Barrier Event or a Barrier Gap Event will occur. In relation to the Certificates to be issued, the Issuer might set, at its own discretion, a Barrier Level or a Barrier Gap Level.

Furthermore, if the value of the Underlying is calculated as Intraday Value, the underlying asset(s) will be observed on a continuous basis and the probability that a Barrier Event or a Barrier Gap Event occurs may be magnified.

Finally, if the applicable Final Terms provide for the payment of one or more Premium Gap Amount payable to the investor during the life of the Gap Certificates, the investor should consider that after the occurrence of the Barrier Gap Event the Premium Gap Amount will be determined on the basis of the actual number of days within the relevant Premium Gap Observation Period and not on the basis of all the days of the relevant Premium Determination Period and after the payment of the Premium Gap Amount that will be paid on the first Premium Payment Date following the Barrier Gap Event Date on which a Barrier Gap Event has occurred, no further Premium Gap Amount will be paid to the investors.

*Risk related to the Predetermined Loss Percentage*

In relation to the Certificates, the Predetermined Loss Percentage option may be also included together with the Barrier Level. If a Barrier Event has occurred, the Cash Settlement Amount will depend on the Predetermined Loss Percentage. Consequently, the lower the Predetermined Loss Percentage the smaller the Cash Settlement Amount that the investor will receive on the Settlement Date.

*Risk related to the Digital Certificates*

The investor shall consider that, in relation to the Digital Certificates, there is a risk of total loss of the capital invested depending on the performance of the underlying asset. In particular, if the Settlement Event does not occur, the investor will not receive any Settlement Amount and will lose the entire capital invested.

Furthermore, if a Settlement Event occurs, the Cash Settlement Amount to be paid to the Securityholder will not depend on the value of the Underlying, but it will be a predetermined amount dependant on a percentage of the Issue Price specified as "Digital Percentage" in the applicable Final Terms.

*Risk related to the Best Of Feature and Worst Of Feature*

In relation to the Best Of Feature, for the purposes of the calculation of the Cash Settlement Amount and/or a Remuneration Amount and/or the determination of the Early Redemption Event, the Issuer will indicate in the relevant Final Terms whether it will be considered the underlying financial asset with the first best performance, second best performance or third best performance and so on.

In the case of Best Of Feature, the lower the Issuer selects the performance among the financial activities (First Best Of, Second Best Of, etc.), the lower will be the amount that the investor will receive.

In relation to the Worst Of Feature, for the purposes of the calculation of the Cash Settlement Amount and/or a Remuneration Amount and/or the determination of the Early Redemption Event, the Issuer will indicate in the relevant Final Terms whether it will be considered the underlying financial asset with the first worst performance, second worst performance or third worst performance and so on.

In the case of Worst Of Feature, the higher the Issuer selects the performance among the financial activities (First Worst Of, Second Worst Of, etc.), the lower will be the amount that the investor will receive.

*Risk related to Baskets – Risk related to the Rainbow Feature – Correlation risk*

The investor shall take into account that in the case of a Basket, the value and the return of the Certificates depends on the value of each Basket Constituents, the weighting allocated to each Basket Constituents and the correlation between the Basket Constituent. The investor shall consider that in the case of a Basket, a different weighting allocated to the Basket Constituents entails a higher or lower value of the Basket. In the case of a Rainbow Feature, unlike the financial instruments that normally are linked to one or more Basket(s), the Issuer will indicate in the relevant Final Terms (i) the financial assets that represent the Basket Constituents, (ii) the relative weighting within the Basket without a preliminary indication of the relevant allocation to a specific financial asset and (iii) the predetermined criteria pursuant to which the allocation among the weights will be made by the Calculation Agent (providing, for instance, in a Basket composed of three financial assets, the Basket would be weighted as follows: 50% for the Basket Constituent with the best performance; 30% for the Basket Constituent with the worst performance; and 20% for a Basket Constituent with the second best performance). For each determination period (during the life of the Certificates and at the exercise date) the Calculation Agent will allocate the weights to the relevant Basket Constituents on the basis of the performance recorded in that relevant determination period and in accordance with the objective criteria provided in the relevant Final Terms. The allocation of the weights might result differently on each determination date pursuant to the performance of each Basket Constituents. Once the Calculation Agent has determined the weighting of the Basket on the relevant determination date, the Calculation Agent will determine the total value of the Basket in accordance with the methods applied for the financial instruments normally linked to the Baskets. Therefore the Rainbow Feature entails that the Basket will have a variable weighting for all the life of the Certificates depending on the performance of the Basket Constituents and, consequently, it will affect the total value of the Basket. The investor shall consider that in the case of Rainbow Feature, upon variation of even only one Basket Constituent, the Reference Value of Basket recorded on a determination date might be completely different from a Reference Value recorded on a prior date.

Furthermore, the higher the correlation between the Basket Constituents the higher the volatility of the value of the Basket and therefore the price of the Certificates. In particular, it will broaden on account of the bullish and bearish effects of the Basket Constituents on the value of such Basket.

*Risk related to management fees applied by the Issuer in case of Benchmark Certificates*

The Issuer may apply to the Benchmark Certificates an Annual Management Fee ("**AMF**") which will be determined on the basis of the AMF Percentage indicated in the applicable Final Terms. Such fee will accrue proportionally to the tenor of the Certificates and will not be affected in any way by the performance of the Underlying. The AMF will be deducted from the Cash Settlement Amount, and in case of listing of the Certificates on an exchange the price of the Certificates will include such AMF, as accrued progressively.

In conjunction with the AMF, the Issuer may also apply a Variable Management Fee ("**VMF**"), whose VMF Percentage (specified as a range in the relevant Final Terms) may vary during the life of the Certificates. Any variation of the VMF Percentage will be published by the Issuer on its website and by appropriate communication to the relevant exchange where the Certificates are listed.

Prospective investors in Benchmark Certificates should consider that, if the AMF (and, eventually also the VMF) are applicable pursuant to the relevant Final Terms, the daily value of the Underlying will be affected by such fees and, consequently, at maturity, the positive (or negative) performance of the Underlying during the life of the Certificates shall be considered net of the AMF (and of the VMF, as the case may be).

*Risk related to the Restrike Feature*

In relation to the Restrike Feature, if a Restrike Event has occurred, the Initial Reference Value will be recalculated and set at the Restrike Percentage. Therefore, the amounts that the investor may receive, in case of Restrike Feature and upon occurrence of the Restrike Event, depend on the Restrike Percentage defined in the relevant Final Terms.

*Risk related to the Call Option*

Prospective investors should consider that if the Certificates will be exercised upon the Exercise of the Call Option by the Issuer. Therefore, the exercise of the Call Option by the Issuer might frustrate long term investment strategies pursued by the investors.

*Risk related to the Accumulated Amount's payment contingent upon occurrence of an Early Redemption Event*

If an Early Redemption Level is applicable under the relevant Final Terms, and if so specified in such Final Terms, the Accumulated Amount will be paid only upon occurrence of an Early Redemption Event. As a result, even if one or more Accumulating Events have occurred, the Securityholders will not receive any Accumulated Amount unless an Early Redemption Event has occurred.

*Risk related to the Strike Percentage (in case of Call Certificates)*

The Cash Settlement Amount will be calculated also on the basis of the Strike Percentage, which is a value predetermined by the Issuer in the relevant Final Terms that may be lower than, equal to or higher than 100%. Such Strike Percentage contributes to the determination of the potential return of the Certificates. If it is higher than 100%, the positive performance of the Underlying will be considered partially in order to calculate the Cash Settlement Amount. Furthermore, in case of negative performance of the Underlying, if the Strike Percentage is equal to or higher than 100% the Cash Settlement Amount will be equal to zero.

*Impact of running structuring fees on the value of the Securities*

Investors should also note that running structuring fees may be applied by the Issuer in respect of the value of the Securities.

Such running structuring fees will not be affected in any way by the performance of the relevant Underlying.

The Issuer will specify in the relevant Final Terms the running structuring fee (and, in the case, how such structuring fee will be charged). Prospective investors should consider that, if the running structuring fees are applicable, the value of the Securities will be affected by such fees also on the secondary markets.

*Impact of running commissions and costs on the value of the Securities*

Investors should be aware that the Securities, if so provided in the applicable Final Terms, may embed running commissions/costs. In this case, the applicable Final Terms will specify the details of such commissions/costs and to whom they will be due.

Prospective investors should consider that, if the running commissions/costs are applicable, the value of the Seurities will be affected by such commissions/costs also on the secondary markets.

**Additional factors which are material for the purpose of assessing the market risks associated with Warrants issued under the Programme.**

*Time Lag after Exercise*

In the case of any exercise of Warrants, there will be a time lag between the time a Warrant holder gives instructions to exercise, or the time the Warrant is automatically exercised, and the time the applicable Cash Settlement Amount (in the case of Cash Settled Warrants) relating to such exercise is determined. Any such delay between the time of exercise and the determination of the Cash Settlement Amount will be specified in the Terms and Conditions of the Securities. However, such delay could be significantly longer, particularly in the case of a delay in exercise of Warrants arising from any daily maximum exercise limitation (in the case of American Style Warrants), the occurrence of a market disruption event or failure to open of an exchange or related exchange (if applicable) or following the imposition of any exchange controls or other similar regulations affecting the ability to obtain or exchange any relevant currency (or basket of currencies) in the case of Currency Warrants. The applicable Cash Settlement Amount may change significantly during any such period, and such movement or movements could decrease the Cash Settlement Amount of the Warrants being exercised and may result in such Cash Settlement Amount being zero.

*Minimum Exercise Amount*

If so indicated in the applicable Final Terms, a Warrantholder must tender or hold a specified number of Warrants at any one time in order to exercise. Thus, Warrantholders with fewer than the specified minimum number of Warrants will either have to sell their Warrants or purchase additional Warrants, incurring transaction costs in each case, in order to realise their investment. Furthermore, holders of such Warrants incur the risk that there may be differences between the trading price of such Warrants and the Cash Settlement Amount (in the case of Cash Settled Warrants) or the Entitlement (in the case of Physical Delivery Warrants) of such Warrants.

*Limitations on Exercise*

In the case of American Style Warrants, if so indicated in the applicable Final Terms, the Issuer will have the option to limit the number of American Style Warrants exercisable on any date (other than the final exercise date) to the maximum number specified in the applicable Final Terms and, in conjunction with such limitation, to limit the number of American Style Warrants exercisable by any person or group of persons (whether or not acting in concert) on such date. In the event that the total number of American Style Warrants being exercised on any date (other than the final exercise date) exceeds such maximum number and the Issuer elects to limit the number of American Style Warrants exercisable on such date, a Warrant holder may not be able to exercise on such date all American Style Warrants that such holder desires to exercise. In any such case, the number of American Style Warrants to be exercised on such date will be reduced until the total number of American Style Warrants exercised on such date no longer exceeds such maximum, such American Style Warrants being selected at the discretion of the Issuer or in any other manner specified in the applicable Final Terms. Unless otherwise specified in the applicable Final Terms, the American Style Warrants tendered for exercise but not exercised on such date will be automatically exercised on the next date on which American Style Warrants may be exercised, subject to the same daily maximum limitation and delayed exercise provisions.

*Risk related to the Strike Percentage*

The Cash Settlement Amount will be calculated on the basis of the Strike Percentage, which is a value predetermined by the Issuer in the relevant Final Terms that may be lower than, equal to or higher than 100%. Such Strike Percentage contributes to the determination of the potential return of the Warrants.

In particular, in relation to Call Warrants, if it is higher than 100%, the positive performance of the Underlying will be considered partially in order to calculate the Cash Settlement Amount. Furthermore, in case of negative performance of the Underlying, if the Strike Percentage is equal to or higher than 100% the Cash Settlement Amount will be equal to zero.

In relation to Put Warrants, if it is lower than 100%, the negative performance of the Underlying will be considered partially in order to calculate the Cash Settlement Amount. Furthermore, in case of positive performance of the Underlying, if the Strike Percentage is lower than 100% the Cash Settlement Amount will be equal to zero.

*Loss risk in relation to the Covered Warrants*

An investment in Covered Warrants entails the risk of loss of the capital invested.

In relation to Call Covered Warrants, in case of negative performance of the Underlying, if the Final Reference Value is lower than the Exercise Price, the investor will bear a total loss of the capital invested. Furthermore, if the Final Reference Value is higher than the Exercise Price, but not enough to offset the price paid for the purchase of the Covered Warrants, the investor will bear a partial loss of the capital invested.

In relation to Put Covered Warrants, in case of positive performance of the Underlying, if the Final Reference Value is higher than the Exercise Price, the investor will bear a total loss of the capital invested. Furthermore, if the Final Reference Value is lower than the Exercise Price, but not enough to offset the price paid for the purchase of the Covered Warrants, the investor will bear a partial loss of the capital invested.

*Risk related to the Exercise Price*

The Cash Settlement Amount of the Covered Warrants will be calculated also on the basis of the Exercise Price, which is a value either predetermined by the Issuer in the relevant Final Terms or communicated to investors on the date(s) specified in the relevant Final Terms through the relevant notice. Such Exercise Price contributes to the determination of the potential return of the Covered Warrants.

*Risk related to the Interest Rate Warrants*

Prospective investors should consider that the payment of the Floating Amount and the Cash Settlement Amount will depend, among other things, on the Interest Cap. In particular, such rate will be detracted from the Reference Rate, reducing therefore the potential amount of the Floating Amount and/or the Cash Settlement Amount, as the case may be.

The Floating Amount will also depend on the Notional Amount specified for the relevant Floating Amount Determination Period. In particular, the Notional Amount may vary on each Floating Amount Determination Period and the Floating Amount received at a later Floating Amount Payment Date may differ considerably from the Floating Amount received on the First Floating Amount Payment Date. Furthermore, for the purposes of the calculation of the Cash Settlement Amount, also the Final Notional Amount is different from the Notional Amount considered for the purposes of the calculation of the Floating Amounts.

*Risk related to the Barrier Event (in case of Corridor Warrants)*

The Barrier Event indicates the achievement by one or more underlying assets of a value below the Lower Barrier Level or higher than the Upper Barrier Level, on the Barrier Event Determination Period. If a Barrier Event occurs, the term of the Securities will end immediately and the investors will only receive Corridor Early

Amount which can equal to zero. This may entail the risk of partial or total loss of the investment.

The Securityholder shall consider that the occurrence of a Barrier Event will also depend on the volatility of the underlying asset i.e. the more frequent and intense the fluctuations in the value of the underlying asset during the life of the Warrants are, the higher the volatility will be and the greater the chance that the value of the underlying asset will be below the Lower Barrier Level or higher than the Upper Barrier Level and therefore a Barrier Event will occur. In relation to the Warrants to be issued, the Issuer might set, at its own discretion, the Lower Barrier Level and the Upper Barrier Level.

The Barrier Event could occur on any day within the Barrier Valuation Period, starting from the Determination Date (included) to the Valuation Date (included). Furthermore, if the value of the Underlying is calculated as Intraday Value, the underlying asset(s) will be observed on a continuous basis and the probability that a Barrier Event occurs may be magnified.

***Risks Related to Securities generally***

*Option to Vary Settlement*

The Issuer may have an option to vary settlement in respect of the Securities, at its sole and unfettered discretion and may elect (1) not to pay the relevant Securityholders the Cash Settlement Amount, but to deliver or procure delivery of the Entitlement or (2) not to deliver or procure delivery of the Entitlement, but to make payment of the Cash Settlement Amount on the Settlement Date to the relevant Securityholders.

*Modification*

The Conditions contain provisions for calling meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders including Securityholders who did not attend and vote at the relevant meeting and Securityholders who voted in a manner contrary to the majority.

The Conditions also provide that the Principal Security Agent and the Issuer may, without the consent of Securityholders, agree to (i) any modification (subject to certain specific exceptions) of the Securities or the Agency Agreement which is not prejudicial to the interests of the Securityholders or (ii) any modification of the Securities or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or proven error or to comply with mandatory provisions of law.

*Settlement Disruption Event*

In the case of Physical Delivery Securities, if a Settlement Disruption Event occurs or exists on the Settlement Date, settlement will be postponed until the next Settlement Business Day on which no Settlement Disruption Event occurs. The Issuer in these circumstances also has the right to pay the Settlement Disruption Amount (as defined in the Conditions) in lieu of delivering the Entitlement. Such a determination may have an adverse effect on the value of the relevant Securities.

*Expenses and Taxation*

A holder of Securities must pay all Expenses relating to such Securities. As used in the Conditions, Expenses means all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the exercise and settlement of such Securities pursuant to the terms of such Securities as more fully set out in Condition 10.

The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any Security by any person and all

payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

*U.S. Foreign Account Tax Compliance Withholding*

The Issuer and other financial institutions through which payments on the Securities are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, "foreign passthru payments" (a term not yet defined) made two years after the date of publication of final U.S. Treasury Regulations defining the term "foreign passthru payment", or later. This withholding would potentially apply to payments in respect of (i) any Securities characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued after the "grandfathering date" which (A) with respect to Securities that give rise solely to foreign passthru payments, is the date that is six months after the date on which final U.S. Treasury Regulations defining the term foreign passthru payment are filed with the Federal Register, and (B) with respect to Securities that give rise to a dividend equivalent pursuant to Section 871(m) of the Code as discussed below (and therefore do not give rise to foreign passthru payments), is the date that is six months after the date on which obligations of their type are first treated as giving rise to dividend equivalents, or in either case are issued on or before the grandfathering date and are materially modified thereafter, and (ii) any Securities characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Securities are issued on or before the grandfathering date, and additional Securities of the same series are issued after that date, the additional Securities may not be treated as grandfathered, which may have negative consequences for the existing Securities, including a negative impact on market price.

While the Securities are in global form and held within the clearing systems, it is not expected that FATCA will affect the amount of any payment received by the clearing systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. FATCA also may affect payment to any ultimate investor that is a financial institution not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose their custodians and intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligations under the Securities are discharged once it has paid the common depositary or common safekeeper for the clearing systems (as bearer or registered holder of the Securities) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the hands of the clearing systems and custodians or intermediaries. The documentation expressly contemplates the possibility that the Securities may go into definitive form and therefore that they may be taken out of the clearing systems. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA withholding.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from payments on the Securities, none of the Issuer, any paying agent or any other person would, pursuant to the conditions of the Securities, be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may receive a lesser amount than expected. Holders of Securities should consult their own tax advisers for a more detailed explanation of FATCA and how FATCA may apply to payments they receive under the Securities.

FATCA is particularly complex and its application to the Issuer, the Securities, and investors in the Securities is uncertain at this time. The application of FATCA to "foreign passthough payments" on the Securities or to Securities issued or materially modified after the grandfathering date may be addressed in the relevant Final Terms or a supplement to the Base Prospectus, as applicable.

On 10 January 2014, representatives of the Governments of Italy and the United States signed an

intergovernmental agreement to implement FATCA in Italy (the "**IGA**"), which entered into force on 1st July 2014. The IGA ratification law entered into force on 8 July 2015. Under these rules, the Issuer, as a reporting financial institution, will be required to collect and report certain information in repect of its account holders and investors to the Italian tax authorities, which would automatically exchange such information periodically with the U.S. Internal Revenue Service.

*U.S. Dividend Equivalent Payments*

U.S. Treasury Regulations under Section 871(m) of the Code imposing a withholding tax on certain "dividend equivalents" under certain "equity linked instruments" exclude from their scope instruments issued before calendar year 2021 that do not have a "delta of one" with respect to underlying securities that could pay U.S.-source dividends for U.S. federal income tax purposes (each an "Underlying Security"). Subject to this pre-2021 exemption, Section 871(m) of the Code will apply to a financial instrument (a "Specified Security") if it meets either (i) a "delta" test, if it is a "simple" contract, or (ii) a "substantial equivalence" test, if it is a "complex" contract. Section 871(m) of the Code provides certain exceptions to this withholding regime, in particular for instruments linked to certain broad-based indices that meet requirements set forth in the applicable Treasury regulations, as well as instruments that track such indices. If the terms of a financial instrument issued before calendar year 2021 (that is exempt from withholding under Section 871(m) of the Code) are "significantly modified" sometime after calendar year 2020 such that the financial instrument is treated as retired and reissued for U.S. federal income tax purposes, it will lose this exemption. Withholding in respect of dividend equivalents will generally be required when cash payments are made on a Specified Security or upon the date of maturity, lapse or other disposition by the non-U.S. holder of the Specified Security. If U.S. Underlying Equities are expected to pay dividends during the term of the Specified Security, withholding generally will still be required even if the Specified Security does not provide for payments explicitly linked to dividends. If the Issuer or any other relevant withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld.

Section 871(m) of the Code is complex and its application may depend on your particular circumstances, including whether you enter into other transactions with respect to an Underlying Security. You should consult your tax advisor regarding the potential application of Section 871(m) of the Code to the Securities.

*Other taxation considerations*

It is not possible to predict whether the taxation regime applicable to Securities on the date of purchase or subscription will be amended during the term of the Securities. If such amendments are made, the taxation regime applicable to the Securities may differ substantially from the taxation regime in existence on the date of purchase or subscription of the Securities.

*Illegality and Cancellation*

If the Issuer determines that its performance under any Securities has, or that any arrangements made to hedge the Issuer's obligations under any Securities have, become (i) illegal in whole or in part for any reason, or (ii) by reason of a force majeure event (such as an act of God, fire, flood, severe weather conditions, or a labour dispute or shortage) or an act of state, impossible or impracticable, the Issuer may cancel such Securities. The Issuer may also cancel the Securities upon the occurrence of certain adjustment events as set out in Condition 15 (*Terms of the Securities*). If the Issuer cancels the Securities, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Securityholder in respect of each Security held by such holder, equal to the fair market value the Securities (the bid-value in case of Italian Traded Securities), notwithstanding such illegality, force majeure event or act of state, less the cost to the Issuer and/or any of its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion (such cost shall not be applicable in case of Italian Traded Securities). Payment will be made in such manner as shall be notified to the Securityholders in accordance with Condition 9 (*Notices*).

*Hedging Disruption*

In respect of the Securities linked to one or more Underlying(s), the Issuer or one of its affiliates may be unable, after using commercially reasonable efforts, to either (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk (or any other relevant price risk including, but not limited to, the currency risk) of entering into and performing its obligations with respect to the Securities; or (b) freely realize, recover, receive, repatriate, remit or transfer the proceeds of hedge positions as the case may be between accounts within the jurisdiction of the hedge position (the "**Affected Jurisdiction**") or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction.

In connection with such hedging activities, the Issuer and/or its affiliates may enter into transactions which may affect the liquidity or value of the Securities and which could be deemed to be adverse to the interests of the relevant Securityholders.

If an Hedging Disruption occurs, the Calculation Agent may consider such event as an Early Redemption Event and the Issuer shall terminate its obligations under the Securities and shall pay or cause to be paid an amount on the basis of the fair market value of the Securities (the bid-value in case of Italian Traded Securities).

*Change of law*

The Conditions are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

*Potential Conflicts of Interest*

The Issuer and/or any of its Affiliates may also engage in trading activities (including hedging activities) related to the asset or other basis of reference underlying any Securities and other instruments or derivative products based on or related to the asset or other basis of reference underlying any Security for their proprietary accounts or for other accounts under their management. The Issuer and/or any of its Affiliates may also issue other derivative instruments in respect of the asset or other basis of reference underlying Securities. The Issuer and/or any of its Affiliates may also act as underwriter in connection with future offerings of shares or other securities related to an issue of Securities or may act as financial adviser to certain companies or companies whose shares are included in a basket of shares or in a commercial banking capacity for such companies. Such activities could present certain conflicts of interest, could influence the prices of such shares or other securities and could adversely affect the value of such Securities.

Under the Conditions of the Securities, the Calculation Agent may make certain determinations in respect of the Securities which could affect the amount payable by the Issuer on the Securities. In exercising its right to make such determinations the Calculation Agent is entitled to act in its sole and absolute discretion. Where the Issuer acts as Calculation Agent, potential conflicts of interest may exist between the Calculation Agent and the Securityholders, including with respect to those determinations that the Calculation Agent may make pursuant to the Securities that may influence the Cash Amount payable on the Settlement Date.

Any further conflict of interest, including conflicts between the Issuer and any Managers or Distributors will be indicated in the relevant Final Terms.

*Physical Delivery Requirements and Settlement Risk*

If so specified in the relevant Final Terms, in order to receive the Entitlement in respect of a Physical Delivery Security, the holder of such Security must (1) deliver or send by authenticated swift message (confirmed in writing) to Euroclear or Clearstream, Luxembourg (as the case may be), with a copy to the Issuer and the Principal Security Agent (a) a duly completed Exercise Notice on or prior to the relevant time on the Expiration

Date (in the case of a Physical Delivery Warrant) or (b) a duly completed Physical Delivery Confirmation Notice on or prior to the relevant time on the Exercise Date (in the case of a Physical Delivery Certificate) and (2) pay the relevant Premium (in the case of a Warrant) and Expenses (in the case of a Warrant or a Certificate), together with any other amounts payable. Failure to do so will result (i) in the case of a Warrant where Automatic Exercise is not specified in the applicable Final Terms, the relevant Warrant's becoming void or (ii) in the case of a Warrant where Automatic Exercise is specified in the applicable Final Terms, or (iii) in the case of a Certificate, the Securityholder receiving the Assessed Value Payment Amount instead of the Entitlement. The Assessed Value Payment Amount will be determined by the Calculation Agent by reference to the fair market value of the assets comprised in the Entitlement. See Condition 19 for Warrants and Condition 23 for Certificates.

Following the exercise of Physical Delivery Warrants or in connection with the exercise of Physical Delivery Certificates, unless otherwise indicated in the Final Terms, the Calculation Agent may determine that a Settlement Disruption Event or, if applicable, a Failure to Deliver due to Illiquidity is subsisting. Any such determination may affect the value of the Securities and/or may delay settlement and/or lead to cash settlement rather than physical settlement in respect of the Securities.

If so indicated in the applicable Final Terms, the Issuer has an option to vary settlement in respect of the Securities. If exercised by the Issuer, this option will lead to Physical Delivery Securities being cash settled or Cash Settled Securities being physically settled. Exercise of such option may affect the value of the Securities.

*European financial transactions tax*

On 14 February 2013, the European Commission issued proposals, including a draft Directive (the **Commission Proposal**), for a financial transaction tax (**FTT**) to be adopted in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate. If the Commission's Proposal was adopted, the FTT would be a tax primarily on "financial institutions" (which could include the Issuer) in relation to "financial transactions" (which would include the conclusion or modification of derivative contracts and the purchase and sale of financial instruments).

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Certificates where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT may give rise to tax liabilities for the relevant Issuer with respect to certain transactions if it is adopted based on the Commission's Proposal. Examples of such transactions are the conclusion of a derivative contract in the context of the relevant Issuer's hedging arrangements or the purchase or sale of securities (such as charged assets) or the exercise/settlement of a warrant. The relevant Issuer is, in certain circumstances, able to pass on any such tax liabilities to holders of the Securities and therefore this may result in investors receiving less than expected in respect of the Securities. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Securities (including secondary market transactions) if conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's Proposal. Primary market transactions referred to in Article 5(c) of Regulation EC No 1287/2006 are expected to be exempt. There is however some uncertainty in relation to the intended scope of this exemption for certain money market instruments and structured issues.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to implementation, the timing of which remains unclear. Additional Member States

may decide to participate. Prospective Certificateholders are advised to seek their own professional advice in relation to the FTT.

*United Kingdom's exit from the European Union*

On 23 June 2016, the United Kingdom (the "**UK**") held a referendum on the UK's membership of the EU. The result of the referendum's vote was to leave the EU and the UK Government invoked article 50 of the Lisbon Treaty. Under article 50, the Treaty on the European Union and the Treaty on the Functioning of the European Union cease to apply in the relevant state from the date of entry into force of a withdrawal agreement or, failing that, two years after the notification of intention to withdraw, although this period may be extended in certain circumstances.

There are a number of areas of uncertainty in connection with the future of the UK and its relationship with the European Union and the negotiation of the UK's exit terms and related matters may take several years. Given this uncertainty and the range of possible outcomes, it is not currently possible to determine the impact that the referendum, the UK's departure from the European Union and/or any related matters may have on general economic conditions in the UK and the European Union. It is also not possible to determine the impact that these matters will have on the Issuer or any other party to the transaction documents, or on the regulatory position of any such entity or of the transactions contemplated by the transaction documents under EU regulation or more generally.

***Risks Related to the Italian Dematerialised Securities***

*No physical document of title issued in respect of the Italian Dematerialised Securities*

Italian Dematerialised Securities issued under the Programme will be in dematerialised form and evidenced at any time through book entries pursuant to the relevant provisions of Italian legislative decree no. 58/1998, as amended and integrated by subsequent implementing provisions, and in accordance with CONSOB and Bank of Italy Joint Regulation dated 13 August 2018, as amended and integrated by subsequent implementing provisions. In no circumstance would physical documents of title be issued in respect of the Italian Dematerialised Securities. While the Italian Dematerialised Securities are represented by book entries, investors will be able to trade their beneficial interests only through Monte Titoli S.p.A. ("**Monte Titoli**") and the authorized financial intermediaries holding accounts on behalf of their customers with Monte Titoli. As the Italian Dematerialised Securities are held in dematerialised form with Monte Titoli, investors will have to rely on the procedures of Monte Titoli and the financial intermediaries authorised to hold accounts therewith, for transfer, payment and communication with the Issuer.

***Risks Related to the Market generally***

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest risk and credit risk.

*Impact of implicit fees on the Issue/Offer Price*

Investors should note that implicit fees (e.g. placement fees, structuring fees) may be a component of the Issue/Offer Price of Securities, but such fees will not be taken into account for the purposes of determining the price of the relevant Securities in the secondary market.

The Issuer will specify in the relevant Final Terms the type and amount of any implicit fees which are applicable from time to time.

Investors should also take into consideration that if Securities are sold on the secondary market immediately following the offer period relating to such Securities, the implicit fees included in the Issue/Offer Price on initial subscription for such Securities will be deducted from the price at which such Securities may be sold in the

secondary market.

*Certain considerations associated with public offers of Securities*

If Securities are distributed by means of a public offer, under certain circumstances indicated in the relevant Final Terms, the Issuer and/or other entities specified in the Final Terms may have the right to withdraw the offer, which in such circumstances will be deemed to be null and void according to the terms indicated in the relevant Final Terms.

In such case, investors who have already paid or delivered subscription monies for the relevant Securities will be entitled to reimbursement of such amounts, but (in the case of Certificates) will not receive any remuneration that may have accrued in the period between their payment or delivery of subscription monies and the reimbursement of the Securities.

*Possible Illiquidity of the Securities in the Secondary Market*

It is not possible to predict the price at which Securities will trade in the secondary market or whether such market will be liquid or illiquid. The Issuer may, but is not obliged to, list or admit to trading Securities on a stock exchange or market. If the Securities are not listed or admitted to trading on any exchange or market, pricing information for the Securities may be more difficult to obtain and the liquidity of the Securities may be adversely affected. If the Issuer does list or admit to trading an issue of Securities, there can be no assurance that at a later date, the Securities will not be delisted or that trading on such exchange or market will not be suspended. In the event of a delisting or suspension of listing or trading on a stock exchange or market, the Issuer will use its reasonable efforts to list or admit to trading the Securities on another exchange or market. Also, (in the case of Warrants) to the extent Warrants of a particular issue are exercised, the number of Warrants of such issue outstanding will decrease, resulting in a diminished liquidity for the remaining Warrants of such issue. A decrease in the liquidity of an issue of Warrants may cause, in turn, an increase in the volatility associated with the price of such issue of Warrants.

The Issuer, or any of its Affiliates may, but is not obliged to, at any time purchase Securities at any price in the open market or by tender or private treaty. Any Securities so purchased may be held or resold or surrendered for cancellation. The Issuer or any of its Affiliates may, but is not obliged to, be a market-maker for an issue of Securities. Even if the Issuer or such other entity is a market-maker for an issue of Securities, the secondary market for such Securities may be limited. To the extent that an issue of Securities becomes illiquid, an investor may have to exercise such Securities (in the case of American Style Warrants) or wait until the Exercise Date (in the case of European Style Warrants and Certificates) to realise value.

Finally, investors should note that if an entity is appointed as market-maker or liquidity provider with respect to the Securities in the secondary market, this may, in certain circumstances, affect the price of the Securities in the secondary market.

*Listing of Securities*

In respect of Securities which are (in accordance with the applicable Final Terms) to be listed on a stock exchange, market or quotation system, the Issuer shall use all reasonable endeavours to maintain such listing, provided that if it becomes impracticable or unduly burdensome or unduly onerous to maintain such listing, then the Issuer may apply to de-list the relevant Securities, although in this case it will use all reasonable endeavours to obtain and maintain (as soon as reasonably practicable after the relevant de-listing) an alternative admission to listing, trading and/or quotation by a stock exchange, market or quotation system within or outside the European Union, as it may decide.

If such an alternative admission is not available or is, in the opinion of the Issuer, impracticable or unduly burdensome, an alternative admission will not be obtained.

*Exchange rate risks and exchange controls*

The Issuer will pay the Cash Amount in respect of the Securities in the Settlement Currency specified in the applicable Final Terms. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Settlement Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Settlement Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Settlement Currency would decrease (i) the Investor's Currency-equivalent yield on the Securities, (ii) the Investor's Currency equivalent value of the Cash Amount in respect of the Securities and (iii) the Investor's Currency equivalent market value of the Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, the Cash Amount that investors may receive may be less than expected or zero.

The above risks may be increased for currencies of emerging market jurisdictions.

***Legal Risks***

*Legal investment considerations may restrict certain investments*

Each prospective purchaser of Securities must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Securities (i) is fully consistent with its (or if it is acquiring the Securities in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Securities as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or if it is acquiring the Securities in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Securities. Potential investors should consult with their own tax, legal, accounting and/or financial advisers before considering investing in the Securities.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Securities are legal investments for it, (2) Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

*No reliance*

A prospective purchaser may not rely on the Issuer, the Managers, if any, or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Securities or as to the other matters referred to above. None of the Issuer, the Managers, if any, or any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Securities by a prospective purchaser of the Securities, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it.

*Disclaimers*

Each type of structured Security will be issued subject to express disclaimers in respect of the risks involved in investing in such Securities. The text of such disclaimers will be set out in full in the applicable Final Terms.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the CSSF shall be deemed to be incorporated in, and to form part of, this Base Prospectus. The documents set out below that are incorporated by reference in this Base Prospectus are direct translations into English from the original Italian language documents. The Issuer takes responsibility for such translations.

*The information incorporated by reference that is not included in the cross-reference list below, is considered as additional information and is not required by the relevant schedules of the Commission Regulation (EC) No. 809/2004, as amended.*

1. The audited company financial statements and the audited consolidated financial statements of the Issuer for the financial year ending 31 December 2017 (available at https://www.bancaimi.com/en/bancaimi/chisiamo/documentazione/bilanci):

| | *2017 Company Financial Statements* | *2017 Consolidated Financial Statements* |
|---|---|---|
| Balance sheet (Statement of financial position) | Pages 70 - 71 | Page 328 |
| Income statement | Page 72 | Page 329 |
| Statement of comprehensive income | Page 73 | Page 330 |
| Statement of changes in equity | Pages 74 -75 | Page 331 |
| Statement of cash flows | Pages 76 – 77 | Pages 332 - 333 |
| Accounting principles and explanatory notes | Pages 80 - 237 | Pages 337 - 430 |
| Independent Auditors' report | Pages 243 - 251 | Pages 431 - 439 |

2. The audited company financial statements and the audited consolidated financial statements of the Issuer for the financial year ending 31 December 2018 (available at https://www.bancaimi.com/en/bancaimi/chisiamo/documentazione/bilanci):

| | *2018 Company Financial Statements* | *2018 Consolidated Financial Statements* |
|---|---|---|
| The transition to IFRS 9 | Page 12 | - |
| Balance sheet (Statement of financial position) | Pages 86 – 87 | Pages 354 – 355 |
| Income statement | Page 88 | Page 356 |
| Statement of comprehensive income | Page 89 | Page 357 |
| Statement of changes in equity | Pages 90 – 91 | Page 358 |
| Statement of cash flows | Pages 92 – 95 | Pages 360 – 362 |
| Accounting principles and explanatory notes | Pages 96 – 261 | Pages 363 – 460 |
| Independent Auditors' report | Pages 267 – 278 | Pages 461 – 472 |

3. The Terms and Conditions set out in the base prospectus dated 27 July 2018 relating to the Programme (available at official website of the Luxembourg Stock Exchange www.bourse.lu)

*Base Prospectus dated 27 July 2018*

Terms and Conditions Pages 82 – 223

Any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus. Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in the Base Prospectus.
Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Issuer and from the specified offices of the Principal Security Agent for the time being in Luxembourg. This Base Prospectus is available on the official website of the Issuer at https://www.bancaimi.prodottiequotazioni.com/EN/Legal-Documents and on the official website of the Luxembourg Stock Exchange at www.bourse.lu and all documents incorporated by reference herein are available on the official website of the Issuer at https://www.bancaimi.com/en/bancaimi/chisiamo/documentazione/bilanci, and on the official website of the Luxembourg Stock Exchange at www.bourse.lu.

The Issuer will in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Securities, prepare a supplement to this Base Prospectus, which supplement will be approved by the CSSF in accordance with the Luxembourg applicable laws and regulations, or publish a new base prospectus for use in connection with any subsequent issue of Securities. Any supplement to this Base Prospectus will be published on the official website of the Issuer at https://www.bancaimi.prodottiequotazioni.com/EN/Legal-Documents and on the website of the Luxembourg Stock Exchange at www.bourse.lu.

## OVERVIEW OF THE PROGRAMME

**The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the Summary and the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Securities, the applicable Final Terms. The Issuer may determine that Securities shall be issued in a form other than that contemplated in the Terms and Conditions, in which case, in relation to listed Securities only and if appropriate, a supplement to this Base Prospectus will be published.**

*This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive.*

*Words and expressions defined in the Terms and Conditions of the Securities and in the remainder of this Base Prospectus shall have the same meanings in this overview.*

| | |
|---|---|
| **Issuer:** | Banca IMI S.p.A. |
| **Description:** | Warrants and Certificates Programme |
| **Certain Restrictions:** | Each issue of Securities denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Offering and Sale*"). |
| **Principal Security Agent, Registrar and Luxembourg Listing Agent:** | BNP Paribas Securities Services, Luxembourg Branch |
| **Calculation Agent:** | The Issuer or such other calculation agent specified in the applicable Final Terms. |
| **Settlement Currencies:** | Euro, U.S. dollars or any other currency or currencies selected by the Issuer or any Manager, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. The Issuer may issue Securities in respect of which the Cash Settlement Amount and/or Early Redemption Amounts and/or Remuneration Amounts may be payable, as specified in the applicable Final Terms, in one or more currencies (**Settlement Currency** as specified in the applicable Final Terms) which may be different from the currency in which the Issue Price was denominated (**Issue Currency** as specified in the applicable Final Terms) (**Dual Currency Securities**). |
| **Issue Price:** | Certificates may be issued at such price as shall be determined by the Issuer or any Manager appointed in respect of the issue subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. The Issue Price will be specified in the applicable Final Terms. If the applicable Final Terms will provide for the Discount Price, the Issue Price will be considered in order to calculate the Multiplier. |
| **Offer Price:** | Certificates may be offered at such price as specified in the applicable Final Terms (the Offer Price). The Offer Price may be equal to the Issue Price, or such other price as specified in the applicable Final Terms. |
| **Discount Price:** | The initial price at which the Certificates will be traded on the market may be determined on the basis of the Discount Price |

specified in the applicable Final Terms.The Discount Price will be lower than the Issue Price. The Discount Price will be applicable only in relation to Certificates to be admitted to listing and/or trading without prior offer.

**Purchase Price:** The Digital Certificates may be subscribed by the investor in an exempt offer at the Purchase Price, if so specified in the applicable Final Terms. The Purchase Price will be lower than the Issue Price.

**Premium:** Warrants may be issued at such price (premium) as shall be determined by the Issuer or any Manager appointed in respect of the issue subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. The Premium will be specified in the applicable Final Terms.

**Form of Securities:**

*Bearer Securities*

Each issue of Bearer Securities will, on issue, be represented by either a Temporary Global Security or a Permanent Global Security as indicated in the applicable Final Terms. The Temporary Global Security will be exchangeable either, in accordance with its terms, for a Permanent Global Security or for Definitive Securities. The Permanent Global Security will be exchangeable in limited circumstances for Definitive Securities. Each Temporary Global Security and each Permanent Global Security will be held by a common depository on behalf of Euroclear and Clearstream, Luxembourg.

*Registered Securities*

Registered Securities will be represented by definitive registered certificates registered in the name of the beneficial owner thereof ("**Registered Certificates**") and/or a registered certificate in global form (a "**Global Registered Certificate**") which will be registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg or in any clearing system specified in the applicable Constituting Instrument. Definitive Exchangeable Bearer Securities will be exchangeable for definitive Registered Securities only if and to the extent so specified in the relevant Final terms. Registered Securities will not be exchangeable for Bearer Securities or an interest therein.

*Italian Dematerialised Securities*

Italian Dematerialised Securities will be issued in bearer (*al portatore*), uncertificated and dematerialised book-entry form into Monte Titoli S.p.A. (with registered office and principal place of business at Piazza degli Affari 6, 20123 Milan, Italy, or any successor clearing system thereto) ("**Monte Titoli**") pursuant to Italian legislative decree no. 58/1998, as amended and implemented and subsequent implementing provisions ("**Italian Dematerialised Securities**"). Italian Dematerialised Securities will not be issued in definitive form. However, the holder still has the right to obtain the release of the certificate pursuant to articles 83-*quinquies* and 83-*novies*, paragraph 1, letter b), of the Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions.

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| **Type of Securities:** | The Issuer may issue Warrants or Certificates (together, **Securities**) including Index Securities, Share Securities, Exchange Rate Securities, Futures Contract Securities, Fund Securities, Interest Rate Securities, Commodities Securities, Govies Securities and Combined Securities, as specified below.<br><br>Remuneration Amount(s) may be payable in respect of Securities, if so specified in the applicable Final Terms.<br><br>Warrants may be European Style Warrants or American Style Warrants. |
| **Settlement:** | Settlement will be by cash payment (**Cash Settled Securities**) or physical delivery (**Physical Delivery Securities**). The method of settlement will be specified in the applicable Final Terms or it will be subject to the occurrence of a specific event (e.g. the Barrier Event). Settlement of Italian Dematerialised Securities shall be by way of cash payment only. |
| **How the value of the investment in the Securities is affected by the value of the underlying assets:** | The Cash Settlement Amount, the Entitlement, the Early Redemption Amount (if any) and any Remuneration Amount (if any) due under the Securities may be affected by the value of the underlying asset(s) specified in the applicable Final Terms and will depend on the the type of Securities issued, as specified in Condition 24 "*Pay-out provisions*". |
| **Index Securities:** | The amounts in respect of Index Securities will be calculated by reference to one or more index or basket of indices or one or more baskets of baskets of indices, provided that any of such indexes will not be composed by the Issuer or by any legal entity belonging to the same group. |
| **Share Securities (including GDRs/ADRs Securities):** | The amounts in respect of Share Securities will be calculated by reference to one or more share or basket of shares or one or more baskets of baskets of shares or to one or more GDRs/ADRs or baskets of GDRs/ADRs or one or more baskets of baskets of GDRs/ADRs.<br><br>The Entitlement in respect of Physical Delivery Share Securities will be a specified amount of shares of one or more companies or an amount of GDRs/ADRs of one or more issuer of GDRs/ADRs, as applicable, subject to payment of the relevant Premium (in the case of Warrants) and any other sums payable.<br><br>The Share used as underlying will not:<br><br>– issued by the Issuer nor by an entity belonging to the group of the Issuer, and / or<br><br>– be converted or exchanged into shares or other transferable securities equivalent to shares issued by the Issuer or by an entity belonging to the group of that Issuer. |
| **Exchange Rate Securities:** | The amounts in respect of Exchange Rate Securities will be calculated by reference to one or more exchange rate or basket of exchange rates or one or more baskets of baskets of exchange rates. |
| **Futures Contract Securities:** | The amounts in respect of Futures Contract Securities will be calculated by reference to one or more future contract or a basket |

of future contracts or one or more baskets of baskets of future contracts.

The Entitlement in respect of Physical Delivery Futures Contract Securities will be a specified amount of futures contracts, subject to payment of the relevant Premium (in the case of Warrants) and any other sums payable.

**Interest Rate Securities:** The amounts in respect of Interest Rate Securities will be calculated by reference to one or more interest rate or a basket of interest rates or one or more baskets of baskets of interest rates.

**Commodity Securities:** The amounts in respect of Commodity Securities will be calculated by reference to one or more commodity or a basket of commodities or one or more baskets of baskets of commodities.

The Entitlement in respect of Physical Delivery Commodity Securities will be a specified amount of commodities, subject to payment of the relevant Premium (in the case of Warrants) and any other sums payable.

**Govies Securities:** The amounts in respect of Govies Securities will be calculated by reference to:

- one or more government or supranational bonds or a basket of government or supranational bonds or one or more baskets of baskets of government or supranational bonds;
- the yield of one or more government or supranational bonds or the yield of a basket of government or supranational bonds or one or more baskets of baskets of government or supranational bonds.

**Fund Securities:** The amounts in respect of Fund Securities will be calculated by reference to units or shares in one or more fund or a basket of funds or one or more baskets of baskets of funds.

The Entitlement in respect of Physical Delivery Fund Securities will be a specified amount of fund shares or units, subject to payment of the relevant Premium (in the case of Warrants) and any other sums payable.

**Combined Securities:** The Cash Settlement Amount and the Early Redemption Amount (if any) in respect of Combined Securities will be calculated by reference to an Underlying which may be different from the Underlying which will be relevant for the calculation of other Remuneration Amounts in relation to the same issue. Furthermore, in a Series with two or more financial assets as Underlying, the Issuer may choose, as indicated in the relevant Final Terms, to consider some Underlyings only for the purposes of the calculation of one or more Remuneration Amount(s) and not for the purposes of the calculation of the Cash Settlement Amount. In addition, where the applicable Final Terms provide more Remuneration Amount(s), they may be calculated by reference to a different Underlying in respect of each valuation period.

**Exercise of Certificates:** Each Certificate shall be automatically exercised on the Exercise Date, unless an Early Redemption Event occurred (if applicable), or a Call Option is exercised by the Issuer (if applicable), or a Put Option is exercised by the investor (if applicable), or an Open End

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| | Feature is applicable (in case of Benchmark Certificates), as specified in the relevant Final Terms.<br><br>In the case of Certificates listed on the regulated market of jurisdictions other than Luxembourg, Securityholders may be entitled to waive the automatic exercise in accordance with the specific requirements of such regulated market, as specified in the applicable Final Terms. |
| **Exercise of Warrants:** | European Style Warrants are only exercisable on the Exercise Date or, if such day is not an Exercise Business Day, the immediately succeeding Exercise Business Day (the **Actual Exercise Date** and the **Expiration Date**).<br><br>American Style Warrants are exercisable on any Exercise Business Day during the Exercise Period (with the last Exercise Business Day of the Exercise Period being (the **Expiration Date**).<br><br>If Automatic Exercise is not specified in the applicable Final Terms, any Warrant which has not been duly exercised by the relevant Securityholder, at or prior to 10.00 a.m., Brussels or Luxembourg time, as the case may be, on the Expiration Date shall become void.<br><br>If Automatic Exercise is specified in the applicable Final Terms, any Warrant which has not been duly exercised by the relevant Securityholder, at or prior to 10.00 a.m., Brussels or Luxembourg time, as the case may be, on the Expiration Date and which is, in the determination of the Calculation Agent, "In-The-Money" shall be automatically exercised on the Expiration Date. In the case of Italian Traded Warrants, automatic exercise can be waived by serving a Renouncement Notice, which shall be substantially in the form set out in the Agency Agreement, copies of which may be obtained from the specified office of the Principal Security Agent and the registered office of the Issuer. |
| **Return on the Securities:** | Cash Settled Securities entitle the holder to payment on the Settlement Date of the Cash Settlement Amount, if positive.<br><br>Physical Settled Securities entitle the holder to payment on the Settlement Date of the Entitlement.<br><br>If so specified in the relevant Final Terms the Certificates entitle the holder to payment of one or more Remuneration Amounts. The payment of one or more Remuneration Amounts may depend on the value of an Underlying which may be different from the Underlying whose value is calculated for the purpose of other Remuneration Amounts, or whose value is calculated for the purpose of the same Remuneration Amount but in relation to a different valuation period, or of the Cash Settlement Amount. |
| **Status of the Securities:** | The Securities constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and rank, unless provided otherwise by law, *pari passu* among themselves and, (save for certain obligations required to be performed by law), equally with all other unsecured obligations other than subordinated obligations, if any, of the Issuer from time to time outstanding. |
| **Physical Delivery Securities and** | In the case of Physical Delivery Securities, in order to receive the |

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| **Assessed Value Payment Amount:** | relevant Entitlement, if so specified in the relevant Final Terms, the relevant Securityholder must deliver to the Principal Security Agent an Exercise Notice (in the case of Warrants) or a Physical Delivery Confirmation Notice (in the case of Certificates) prior to 10.00 a.m. Brussels or Luxembourg time, as the case may be, on the Expiration Date (in the case of Warrants) or the Exercise Date (in the case of Certificates) and pay any Expenses and any other amounts payable and, in the case of Warrants, the relevant Premium. If a Securityholder does not deliver an Exercise Notice or a Physical Delivery Confirmation Notice, as applicable, prior to 10.00 a.m. Brussels or Luxembourg time, as the case may be, on the Expiration Date or the Exercise Date, as applicable, no delivery of the Entitlement will be made and in lieu thereof the Issuer shall determine and pay the Assessed Value Payment Amount. |
| **Substitution of the Issuer:** | Unless otherwise indicated in the relevant Final Terms, the Issuer is entitled, subject to the Conditions of the Securities, to substitute any other company as principal debtor in respect of all obligations arising from or in connection with any Securities or to change the branch through which it is acting for the purpose of any Securities. Upon any such substitution of the Issuer or branch, the Conditions of the Securities will be amended in all consequential respects. |
| **Listing and Admission to Trading:** | Application has been made to the Luxembourg Stock Exchange for Securities issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Luxembourg Stock Exchange's Regulated Market.<br><br>The Securities may also be unlisted or admitted to listing and trading on such other or further stock exchange or market or trading venues, as the Issuer may specify in the applicable Final Terms. |
| **Governing Law:** | The Securities and any non-contractual obligations arising out of or in connection with the Securities will be governed by, and shall be construed in accordance with, English Law. Notwithstanding this, (i) in respect of Italian Dematerialised Securities, the registration and transfer of the Italian Dematerialised Securities in Monte Titoli will be governed by, and will be construed in accordance with, Italian law, and (ii) in respect of the loss absorption provisions described in Condition 17 (*Acknowledgement of Italian Bail-in Power*) and any non-contractual obligations arising out of or in connection with such provisions will be governed by, and will be construed in accordance with, Italian law. |

## TERMS AND CONDITIONS OF THE SECURITIES

***The following is the text of the Terms and Conditions (the Conditions) of the Securities which will apply to each issue of Securities and, except in the case of Italian Dematerialised Securities, be incorporated by reference into each Global Security. The terms of the Final Terms (the "Final Terms") applicable to the respective issue of Securities complete and specify the Terms and Conditions of the Securities. The completed and specified Final Terms together with the Terms and Conditions of the Securities represent the conditions applicable to the relevant issue of Securities***

Securities other than Italian Dematerialised Securities are issued by Banca IMI S.p.A. (the **Issuer**) pursuant to an Agency Agreement dated on or about 8 July 2019 (as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) between the Issuer and BNP Paribas Securities Services, Luxembourg Branch as principal security agent (the **Principal Security Agent**, which expression shall include any successor principal security agent and, together with any additional security agents appointed pursuant to Clause 17 of the Agency Agreement, the **Security Agents**, which expression shall include any additional or successor security agents) and BNP Paribas Securities Services, Luxembourg Branch as registrar (the **Registrar**, which expression shall include any successor registrar).

The Issuer shall undertake the duties of calculation agent (in this capacity, the **Calculation Agent**) in respect of the Securities (including Italian Dematerialised Securities) unless another entity is so specified as the calculation agent in the applicable Final Terms. The expression Calculation Agent shall, in relation to the relevant Securities, include such other specified Calculation Agent.

The Securities (including Italian Dematerialised Securities) will be either warrants (**Warrants**) or certificates (**Certificates**), as specified in the applicable Final Terms, and references in these Conditions to **Security** and **Securities** will be construed accordingly. Conditions 19, 20 and 21 apply only to Warrants and Conditions 22 and 23 apply only to Certificates. Other Conditions apply to Warrants and/or Certificates, as applicable. References herein to the **applicable Final Terms** are to Part A of the Final Terms or each Final Terms (in the case of any further securities issued pursuant to Condition 11 and forming a single series with the Securities) (which for the avoidance of doubt may be issued in respect of more than one series of Securities).

In respect of Securities other than Italian Dematerialised Securities, the applicable Final Terms is attached to the Global Security or Registered Global Security or any Securities in definitive form.

*Bearer Securities*

Each series of Securities that are not Registered Securities (as defined below in these Terms and Conditions of Securities) (**Bearer Securities**) will on issue be constituted by either (a) in the case of Bearer Securities with a maturity of more than one year, a temporary global security in bearer form (**Temporary Global Security**) or (b) in the case of Securities with a maturity of one year or less, a permanent global security in bearer form (**Permanent Global Security** and together with the Temporary Global Security, **Global Securities** and each a "**Global Security**") as indicated in the applicable Final Terms which, in either case, will be deposited with a depositary (**Common Depositary**) common to Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, S.A. (**Clearstream, Luxembourg**).

On or after the 40th day following the Issue Date of the Temporary Global Securities (the Exchange Date) the Temporary Global Security will be exchangeable (a) for a Permanent Global Security or (b) for bearer securities in definitive form (Definitive Securities, and the expression Definitive Certificates shall be construed accordingly), as indicated in the applicable Final Terms and in each case only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Security are not United States persons or persons who have purchased for resale directly or indirectly to any United States person or to a person within the United States or its possessions, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable,

has given a like certification (based on the certification received) to the Principal Security Agent. A Permanent Global Security will be exchangeable (free of charge), in whole but not in part, for Definitive Securities only upon the occurrence of an Exchange Event. For these purposes, Exchange Event means that (i) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) and have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (ii) as a result of a change in law, the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Securities represented by the Securities in definitive form. The Issuer will promptly give notice to Securityholders in accordance with Condition 9 (*Notices*) if an Exchange Event occurs.

Bearer Securities will only be delivered outside the United States and its possessions.

With respect to any Bearer Security, payments of principal and interest in all cases will be made only outside the United States and its possessions, and if a payment of interest is made before the Exchange Date, only to the exent that certification of non-U.S. beneficial ownership, as described above, has been received.

The following legend will appear on all Bearer Securities with a maturity of more than one year:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

*Registered Securities*

Any Securities that are "registration-required obligations" under the Code and US Treasury Regulations will be issued in "registered form" for US federal income tax purposes (**Registered Securities**). Registered Securities will be represented by definitive registered certificates registered in the names of the beneficial owners thereof (**Registered Certificates** or **Registered Securities**) and/or a registered certificate in global form (a **Global Registered Certificate**) which will be registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg or in any clearing system specified in the applicable Final Terms. Definitive Securities will be exchangeable for definitive Registered Securities only if and to the extent so specified in the relevant Final Terms. Definitive Registered Securities will not be exchangeable for Definitive Securities or an interest therein.

*Italian Dematerialised Securities*

Italian Dematerialised Securities will be issued in bearer (*al portatore*), uncertificated and dematerialised book-entry form into Monte Titoli S.p.A. (with registered office and principal place of business at Piazza degli Affari 6, 20123 Milan, Italy, or any successor clearing system thereto) ("**Monte Titoli**") pursuant to Italian legislative decree no. 58/1998, as amended and implemented and subsequent implementing provisions ("**Italian Dematerialised Securities**"). Italian Dematerialised Securities will not be issued in definitive form. However, the holder still has the right to obtain the release of the certificate pursuant to articles 83-*quinquies* and 83-*novies*, paragraph 1, letter b), of the Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions.

*General*

Copies of the Agency Agreement (which contains the form of the Final Terms) and the applicable Final Terms are obtainable at the specified office of the Principal Security Agent, and in the case of Registered Securities, the Registrar, save that if the Securities are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a

Securityholder holding one or more Securities (as detailed below) and such Securityholder must produce evidence satisfactory to the Issuer or the relevant Security Agent as to its holding of such Securities and identity.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated.

The Securityholders (as defined in Condition 1(B) (*Title to Securities other than Registered Securities*)) are entitled to the benefit of and are deemed to have notice of and are bound by all the provisions of the Agency Agreement (insofar as they relate to the Securities) and the applicable Final Terms, which are binding on them.

**1. Type, Title and Transfer**

(A) *Type*

The Securities are Index Securities, Share Securities, Exchange Rate Securities, Futures Contract Securities, Fund Securities, Govies Securities, Interest Rate Securities and Commodities Securities, Dual Currency Securities (or a combination of Dual Currency Securities and any of the foregoing) and Combined Securities, as specified in the applicable Final Terms. Certain terms which will, unless otherwise varied in the applicable Final Terms, apply to the Securities are set out in Condition 15 (*Terms of the Securities*).

The applicable Final Terms will indicate:

1) For all Securities, whether settlement shall be by way of cash payment (**Cash Settled Securities**) or physical delivery (**Physical Delivery Securities**) or whether the method of settlement will be subject to the occurrence of a specific event (e.g. the Barrier Event). Italian Dematerialised Securities shall be Cash Settled Securities and settlement shall be by way of cash payment only;

2) In the case of Warrants only:

   (i) whether the Warrants are American style Warrants, being Warrants which are exercisable during a specified period (**American Style Warrants**) or European style Warrants, being Warrants which are exercisable on a specified date (**European Style Warrants**) and whether automatic exercise (**Automatic Exercise**) applies to Warrants;

   (ii) whether the Warrants are call Warrants (**Call Warrants**) or put Warrants (**Put Warrants**);

   (iii) whether the Warrants are corridor Warrants (**Corridor Warrants**) being Warrants which allow to obtain a fixed Cash Settlement Amount, specified in the Final Terms, if the value of the Underlying remains within a range (a corridor) defined by two Barrier (the Lower Barrier Level and the Upper Barrier Level). Otherwise, if the value of the Underlying, on any day within the Barrier Valuation Period, falls below the Lower Barrier Level or above the Upper Barrier Level, the Corridor Warrants will expire immediately and the investor is entitled to receive the Corridor Early Amount, specified in the applicable Final Terms, instead of the Cash Settlement Amount and such Corridor Early Amount can be equal to zero; and

3) in the case of Certificates only, whether remuneration amounts shall be payable in respect of the Securities.

Reference in these Conditions, save for the Italian Dematerialised Securities and unless the context otherwise requires, to Cash Settled Securities shall be deemed to include references to Physical

Delivery Securities, which include an option (as set out in the applicable Final Terms) at the Issuer's election to request cash settlement of such Security and where settlement is to be by way of cash payment, and references in these Conditions, save for the Italian Dematerialised Securities and unless the context otherwise requires, to Physical Delivery Securities shall be deemed to include references to Cash Settled Securities which include an option (as set out in the applicable Final Terms) at the Issuer election to request physical delivery of the relevant Underlying in settlement of such Security and where settlement is to be by way of Physical Delivery.

Securities may, if so specified and provided for in the applicable Final Terms, allow holders to elect for settlement by way of cash payment or by way of physical delivery or by such other method of settlement as is specified in the applicable Final Terms. Those Securities where the holder has elected for cash payment will be Cash Settled Securities and those Securities where the holder has elected for physical delivery will be Physical Delivery Securities. The rights of a holder as described in this paragraph may be subject to the Issuer's right to vary settlement if so indicated in the applicable Final Terms.

(B) *Title to Securities other than Registered Securities*

For so long as the Securities are represented by a Global Security, each person (other than Euroclear or Clearstream Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular number of Securities (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the number of Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Security Agents and the Calculation Agent as the holder of such number of Securities for all purposes (and the expressions **Securityholder** and **holder of Securities** and related expressions shall be construed accordingly).

For so long as any of the Securities are represented by an Italian Dematerialised Securities, the person who is for the time being shown in the records of Monte Titoli as the holder of a particular amount of Securities (in which regard any certificate, record or other document issued by Monte Titoli as to the amount of Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall (except as otherwise required by applicable law) be treated for all purposes by the Issuer and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby notwithstanding any notice to the contrary (and the expressions **Securityholder** and **holder of Securities** and related expressions shall be construed accordingly, except where Italian law is applicable, in which case **Securityholder** and **holder of Securities** will be exclusively deemed to be the beneficial owner of the Italian Dematerialised Securities). The Issuer shall cause Italian Dematerialised Securities to be dematerialised and centralised with Monte Titoli, pursuant to Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions.

(C) *Title to Registered Certificates*

For so long as the Securities are represented by a Global Registered Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, each person (other than Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, as the holder of a particular amount of such Certificates (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, as to the amount of Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Security Agents and the Calculation Agent as the holder of such amount of such Certificates for all purposes other than

with respect to the payment of cash settlement amounts, remuneration amounts and/or interest with respect to such Certificates for which purpose the registered holder (as shown in the register kept at the principal office of the Registrar (the "**Register**"), of the relevant Global Registered Certificate shall be treated by the Issuer, the Security Agents and the Calculation Agent as the holder of such amount of such Certificates in accordance with and subject to the terms of the relevant Global Registered Certificate (and the expressions **Security Holder** and **holder of Securities** and related expressions shall be construed accordingly).

In the case of definitive Registered Certificates, the Issuer shall cause to be kept at the principal office of the Registrar, a Register on which shall be entered the names and addresses of all Certificateholders, the amount and type of the Certificates held by each Certificateholder and details of all transfers of the Certificates. Each person who is for the time being shown in the Register as the holder of a particular amount of Certificates shall (except as otherwise required by law) be treated as the absolute owner of such amount of Certificates for all purposes (regardless of any notice of ownership, trust, or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating such person(and the expressions **Security Holder** and **holder of Securities** and related expressions shall be construed accordingly).

(D) *Transfers of Securities other than Registered Securities*

For so long as the Securities are represented by Definitive Securities, title to the Securities will pass by delivery.

For so long as the Securities are represented by a Global Security, all transactions (including transfers of Securities) in the open market or otherwise must be effected through an account at Euroclear or Clearstream, Luxembourg, subject to and in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg (as the case may be).

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Principal Security Agent from time to time and notified to the Securityholders in accordance with Condition 9 (*Notices*).

Any transfer or attempted transfer in or into the United States or to, or for the account or benefit of, a United States person shall be null and void *ab initio* and shall vest no rights in the purported transferee (the **Disqualified Transferee**) and the last preceding holder that was not a Disqualified Transferee shall be restored to all rights as a Securityholder thereof retroactively to the date of transfer of such interest by the relevant Securityholder.

For so long as the Securities are represented by Italian Dematerialised Securities, the Securities are held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli account holders. Italian Dematerialised Securities will at all times be held in book entry form and title to the Italian Dematerialised Securities will be evidenced by book entries pursuant to the relevant provisions of Italian legislative decree no. 58/1998, as amended and integrated by subsequent implementing provisions, and in accordance with CONSOB and Bank of Italy Joint Regulation dated 13 August 2018, as amended and integrated by subsequent implementing provisions. The Securityholders may not require physical delivery of the Italian Dematerialised Securities. However, the Securityholders may ask the relevant intermediaries for certification pursuant to Article 83-quinquies of Italian legislative decree no. 58/1998, as amended and integrated by subsequent implementing provisions. Italian Dematerialised Securities will be transferable only in accordance with the rules and procedures for the time being of Monte Titoli. In particular, the transfer of the Italian Dematerialised Securities operates by way of registration in the accounts opened with Monte Titoli by the intermediaries adhering to the

clearing system. As a consequence, the subject who from time to time is the owner of the account held with an intermediary adhering, directly or indirectly, to Monte Titoli, in which the Italian Dematerialised Securities are credited, is considered as the legitimate beneficial owner of the Italian Dematerialised Securities and is authorised to exercise all rights related to them.

(E) *Transfers of Registered Securities*

Global Registered Securities may be transferred only to a successor clearing organization. Transfers of beneficial interests in the underlying Registered Certificates represented by a Global Registered Security will be effected only through the book-entry system maintained by Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, and may be effected by such clearing systems or by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. Title will pass upon registration of the transfer in the books of Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be.

Title to definitive Registered Certificates will pass upon the registration of transfers in accordance with the provisions of the Agency Agreement. A definitive Registered Certificate may be transferred by the transferor or a person duly authorised on behalf of the transferor depositing at the specified office of the Registrar a duly completed transfer certificate (a **Transfer Certificate**) in the form set out in the Agency Agreement (copies of which are available from the Registrar) signed by or on behalf of the transferor and upon the Registrar after due and careful enquiry being satisfied with the documents of title and the identity of the person making the request and subject to the regulations set out under the Agency Agreement, the Registrar should enter the name of the transferee in the Register for the definitive Registered Certificates as the Certificateholder of the Registered Certificate specified in the form of transfer.

Certificateholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum determined by the Calculation Agent sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration or exchange in the jurisdiction of the Issuer or in any other jurisdiction where the Registrar's specified office is located.

Registered Certificates and interests therein may not be transferred at any time, directly or indirectly, in or into the United States or to or for the benefit of a U.S. person, and any such transfer shall not be recognised.

**2. Status of the Securities**

The Securities constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and rank, unless provided otherwise by law, *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations other than subordinated obligations, if any, of the Issuer from time to time outstanding.

**3. Definitions**

For the purposes of these Conditions, the following definitions will apply:

**Accumulated Amount** means, in relation to one or more Accumulated Valuation Date, the amount in the Settlement Currency to be paid to the Securityholder on the relevant Accumulated Payment Date per each Minimum Exercise Amount pursuant to Condition 24 (*Pay-out provisions*).

Each Accumulated Amount, in relation to the relevant Accumulated Valuation Date, will be equal to the product between (i) the Accumulating Amount provided in relation to such Accumulating Valuation Period and (ii) the total number of Accumulating Events occurred during the relevant Accumulating Valuation Period.

If an Early Redemption Level is specified as applicable under the relevant Final Terms, and if so specified in such Final Terms, the Accumulated Amount will be paid only upon occurrence of an Early Redemption Event. In such case, the Accumulated Amount will be paid on the Accumulated Payment Date coinciding with, or immediately after, the Early Payment Date in relation to which an Early Redemption Event has occurred;

**Accumulating Amount** means, in relation to the relevant Accumulating Valuation Period, the amount in the Settlement Currency set out in the relevant Final Terms;

**Accumulating Autocallable Trigger** means the amount in the Settlement Currency set out in the relevant Final Terms in relation to the relevant Accumulated Valuation Date. If on an Accumulated Valuation Date the Accumulated Amount payable to the investors is lower than, equal to or higher than, as specified in the applicable Final Terms, the relevant Accumulating Autocallable Trigger, such event will be considered as an Early Redemption Event and, therefore, the Certificates are deemed to be early redeemed and the Securityholders are entitled to receive the payment of the relevant Early Redemption Amount on the relevant Early Payment Date;

**Accumulating Event** means the event occurring if the Calculation Agent determines that the Reference Value or the Spread (in the case of Spread Certificates) or the Cumulated Performance (in the case of Multiperformance Certificates):

(i) is equal to, higher than or lower than the relevant Accumulating Level on the relevant Accumulating Valuation Period; and/or

(ii) it has been, at least once during the relevant Accumulating Valuation Period, equal to, higher than or lower than the relevant Accumulating Level; and/or

(iii) it has never been equal to, higher than or lower than the relevant Accumulating Level during the relevant Accumulating Valuation Period; and/or

(iv) has fallen at least once or has never fallen within or out of a range between the relevant Up Range Accumulating Level and the relevant Down Range Accumulating Level (included or excluded in the range as specified in the relevant Final Terms) on/during the relevant Accumulating Valuation Period,

as specified from time to time in the relevant Final Terms.

The investors will be notified of the number of Accumulating Events occurred during the relevant Accumulating Valuation Period through a notice published on the website of the Issuer https://www.bancaimi.prodottiequotazioni.com/EN;

**Accumulating Level** means the value that may be specified in the applicable Final Terms that determines the occurrence of the Accumulating Event.

The Accumulating Level is represented by a percentage of the Initial Reference Value or as an independent percentage value (in relation to Spread Certificates and Multiperformance Certificates) or by a predetermined value, specified in the relevant Final Terms in relation to the relevant Accumulating Valuation Period;

**Accumulated Payment Date** means the date on which the Issuer shall pay the Accumulated Amount to the Securityholders provided that, if such date does not fall on a Business Day, it shall be postponed to the next day which is a Business Day;

If the Early Redemption Event is specified as applicable in the relevant Final Terms, and if so specified in such Final Terms, the Accumulated Amount will be paid only upon occurrence of the Early Redemption Event. In such case, the Accumulated Amount will be paid on the Accumulated Payment Date coinciding with, or immediately after, the Early Payment Date in relation to which the Early Redemption Event has occurred;

**Accumulated Valuation Date** means the date, specified in the Final Terms, in which the Calculation Agent determines how many times the relevant Accumulating Event has occurred during the relevant Accumulating Valuation Period and therefore it determines the amount of the relevant Accumulated Amount. In the event of more Accumulating Valuation Periods, the relevant Final Terms will indicate the **First Accumulated Valuation Date**, the **Second Accumulated Valuation Date**, and so on;

If the Final Terms indicate the Accumulating Autocallable Trigger as applicable, in the Accumulated Valuation Date following the relevant Accumulating Valuation Period, the Calculation Agent will determine also whether an Early Redemption Event has occurred;

**Accumulating Valuation Period** means the period composed of one or more Exchange Business Days, as indicated in the Final Terms in which the Calculation Agent determines the occurrence of a Accumulating Event. In the event of more Accumulating Valuation Periods, the relevant Final Terms will indicate the **First Accumulating Valuation Period**, the **Second Accumulating Valuation Period**, and so on.

In the event that a Market Disruption Event has occurred on the Accumulating Valuation Period or on one Exchange Business Day of the Accumulating Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

**Actual Exercise Date**, in respect of an American Style Warrant, is defined in Condition 19(A) (i) or in respect of an European Style Warrant, is defined in Condition 19(A)(ii), in each case subject to Condition 21(A) (ii);

**ADR** means an American Depositary Receipt which will be specified as the underlying asset or a Basket Constituent, from time to time in the relevant Final Terms.

Save where specifically provided under the Final Terms, all references in the Conditions or, as applicable, to the "Shares" shall be deemed to be to the GDRs or ADRs, as applicable, and/or the Underlying Shares, references to the issuer of the Share, as applicable, shall be deemed to be to the issuer of the GDRs or ADRs, as the case may be, and the issuer of the Underlying Shares, and references to the "Exchange" shall be deemed to be to the exchange or quotation system on which the GDRs or ADRs, as the case may be, are listed and the exchange or quotation system on which the Underlying Shares are listed, and with such additional or alternative modifications as the Calculation Agent may consider necessary or otherwise desirable provided that any such amendment is not materially prejudicial to the holders of Securities;

**Affiliate** means in relation to any entity (the **First Entity**), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes **control** means ownership of a majority of the voting power of an entity;

**Air Bag Factor** means the numerical value specified in the Final Terms relating to each Series;

**AMF Percentage** means, in relation to the calculation of the Annual Management Fee, the percentage indicated in the Final Terms, which may be lower than or equal to 5% per annum;

**Annual Management Fee or AMF**, means, if applied by the Issuer in relation to Benchmark Certificates, a fee charged to the investor which, irrespective of the performance of the Underlying, will accrue gradually and proportionally to the tenor of the Certificates and will be determined according to the formula set out below.

The Calculation Agent will deduct the accrued AMF from the Cash Settlement Amount pursuant to Condition 24 (*Pay-out provisions*). If the Certificates are listed or admitted to trading, their price for trading purposes will include the AMF gradually accrued on each Exchange Business Day.

In particular, the AMF will be determined on the basis of a percentage specified in the relevant Final Terms (the **AMF Percentage**). The AMF will be calculated as follows:

$$AMF_t = \prod_{t\in(t_0,t_0+1,\ldots\ldots,t)}^{t}\left(100\% - \frac{AMFPercentage}{365.25}\right)$$

Where:

"**AMF Percentage**" means the percentage indicated from time to time in the relevant Final Terms;

"**t**" is the number related to each calendar day when the AMF is determined;

In relation to the Annual Management Fee, in order to keep aligned the value of the Underlying and the value of the Certificates, the Issuer may proceed (if so specified in the applicable Final Terms), on every Adjustment Day specified in the applicable Final Terms, to reset the Multiplier. Such adjustment will be notified (at least on the Business Day before the relevant Adjustment Day), in case of listing, by way of notice published on the relevant Stock Exchange website.

The adjustment will be determined according to the following formula:

$Multiplier_t = Multiplier_{(t-1)} \times Adjustment\ Factor_t$

Where:

"**Adjustment Factor$_t$**"$=100\% - \frac{AMF\ Percentage}{365.25}$

"**t0,t0+1,…….,t**" are the days between the preceding Adjustment Day and "t".

"**Multiplier$_t$**" is the Multiplier determined at the Adjustment Day "t".

**Annual Valuation Date** means, in relation to the Internal Return Amount, the period (composed of one or more Exchange Business Days, as indicated in the Final Terms) in which the Calculation Agent determines the Reference Value for the purposes of the calculation of the Internal Return Amount;

**Annual Remuneration Payment Date** means, in relation to the Internal Return Amount (if applicable), one or more Business Days on which the Issuer shall pay the Internal Return Amount to the Securityholders provided that, if such date does not fall on a Business Day, it shall be postponed to the next day which is a Business Day. If there are more Annual Remuneration Payment Dates, the relevant Final Terms will specify the **First Annual Remuneration Payment Date**, the **Second Annual Remuneration Payment Date** and so on;

**Barrier Event** means, if applicable pursuant to the relevant Final Terms, the event occurring if the Calculation Agent determines that the Reference Value or the Final Reference Value or the Spread (in the case of Spread Certificates) or the Cumulated Performance (in the case of Multiperformance Certificates):

(i) is equal to, higher than or lower than the relevant Barrier Level on the Barrier Event Determination Period; and/or

(ii) it has been, at least once during the relevant Barrier Event Determination Period, equal to, higher than or lower than the relevant Barrier Level; and/or

(iii) it has never been equal to, higher than or lower than the relevant Barrier Level during the relevant Barrier Event Determination Period; and/or

(iv) has fallen at least once or has never fallen within or out of a range between the relevant Upper Barrier Level and the relevant Lower Barrier Level (included or excluded in the range as specified in the relevant Final Terms) on/during the relevant Barrier Event Determination Period;

as specified from time to time in the relevant Final Terms.

The Barrier Event will be promptly notified to the Securityholders pursuant to Condition 9 (*Notices*);

**Barrier Event Determination Period** means the period composed of one or more Exchange Business Days as indicated in the Final Terms in which the Calculation Agent determines the occurrence of the Barrier Event;

In the event that a Market Disruption Event has occurred on the Barrier Event Determination Period or on one Exchange Business Day of the Barrier Event Determination Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

**Barrier Gap Event** means, in the case of Gap Certificates and in relation to the Premium Gap Amount, the event occurring if the Calculation Agent determines that, during the Barrier Gap Observation Period, the Gap Daily Performance, as calculated in accordance with the terms of the relevant Final Terms, is equal to, higher than or lower than the Barrier Gap Level specified from time to time in the relevant Final Terms.

The Barrier Gap Event will be promptly notified to the Securityholders pursuant to Condition 9 (*Notices*).

In relation to the calculation of the Premium Gap Amount(s) payable to the investor during the life of the Gap Certificates, the investor should consider that after the occurrence of the Barrier Gap Event:

(i) the Premium Gap Amount will be determined on the basis of the actual number of days within the relevant Premium Gap Observation Period and not on the basis of all the days of the relevant Premium Determination Period; and

(ii) after the payment of the Premium Gap Amount that will be paid on the first Premium Payment Date following the Barrier Gap Event Date on which a Barrier Gap Event has occurred, no further Premium Gap Amount will be paid to the investors.

**Barrier Gap Event Date** means, in the case of Gap Certificates, the date on which a Barrier Gap Event has occurred;

**Barrier Gap Leverage** means, in the case of Gap Certificates, a percentage indicated by the Issuer in the relevant Final Terms;

**Barrier Gap Level** means, in relation to the Barrier Gap Event, a percentage indicated by the Issuer in the relevant Final Terms.

If the Best Of Feature or the Worst Of Feature applies in relation to the determination of the occurrence of the Barrier Gap Event, the Issuer will specify in the relevant Final Terms the occurrence of the Barrier Gap Event in relation to one or more Underlying and the Final Terms will specify the Barrier Gap Level for each Underlying. In particular, for the purposes of determining the occurrence of a Barrier Gap Event, the Final Terms will specify the number of Underlyings that have to be equal to, higher than or lower than the Barrier Gap Level;

**Barrier Gap Observation Period** means the period composed of one or more Exchange Business Days indicated in the relevant Final Terms on which the Calculation Agent determines if the Gap Daily Performance of the Underlying, as calculated in accordance with the terms of the relevant Final Terms, is equal to, higher than or lower than the Barrier Gap Level as specified from time to time in the relevant Final Terms.

In relation to the Intraday Value, in the event that a Market Disruption Event has occurred on an Exchange Business Day of the Barrier Gap Observation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

**Barrier Level** means the value specified in the applicable Final Terms that determines the occurrence of the Barrier Event. Such value may be set as:

(i) a percentage of the Initial Reference Value (or as an independent percentage value in relation to Spread Certificates and Multiperformance Certificates) specified in the applicable Final Terms; or

(ii) a predetermined value specified in the applicable Final Terms; or

(iii) a percentage of the Strike, specified in the applicable Final Terms; or

(iv) a percentage of the highest or the lowest (as specified in the applicable Final Terms) Reference Value registered during the Barrier Selection Period.

If the Best Of Feature or the Worst Of Feature applies in relation to the determination of the occurrence of the Barrier Event, the Issuer will specify in the relevant Final Terms the occurrence of the Barrier Event in relation to one or more Underlying and the Final Terms will specify the Barrier Level for each Underlying. In particular, for the purposes of determining the occurrence of a Barrier Event, the Final Terms will specify the number of Underlyings that have to be equal to, higher than or lower than the Barrier Level;

**Barrier Selection Period** means, when the Barrier Level is determined as specified at point (iv) of the definition of "Barrier Level", the period composed of one or more Exchange Business Days indicated in the relevant Final Terms, on which the Calculation Agent determines the highest or the lowest Reference Value (as specified in the applicable Final Terms) of the Underlying in order to determine the Barrier Level;

**Base Premium Percentage** means the percentage specified from time to time in the relevant Final Terms;

**Basket** means a portfolio composed of two or more financial assets comprised in the same basket. A Basket may represent the Underlying of the Securities or it may constitute a Basket Constituent of another Basket (the Underlying of the Securities), as specified in the relevant Final Terms;

**Basket Constituent** means, in relation to each Series, each financial asset specified as such in the relevant Final Terms;

**Basket Constituent Weight** means, in respect of each Basket Constituent, the value specified in the applicable Final Terms;

**Basket Value** means the value of the Basket calculated by the Calculation Agent in order to determine the Initial Reference Value, the Reference Value and Final Reference Value.

In particular, at any time, the Basket Value is equal to the sum of the single Values of the Basket Constituents at such time, divided by the single Values of the Basket Constituents at time "0", and multiplied by the relevant Basket Constituent Weight of each Basket Constituent comprised in the same Basket, in accordance with one of the following formulas:

a) $Basket_t = \sum_{i=1}^{n} \frac{C_t^i}{C_0^i} \times W^i$

Where:

"$\boldsymbol{Basket_t}$" is the Basket Value at time "$t$",

"$C_t^i$" is the Value of the Basket Constituent "*i*" at time "*t*", as specified in the Final Terms,

"$C_0^i$" is the Value of the Basket Constituent "*i*" at time "*0*", as specified in the Final Terms,

"$W^i$" is the Basket Constituent Weight of each Basket Constituent, and

"$n$" is the number of the Basket Constituents;

b) $Basket_t = \sum_{i=1}^{n} Min(Cap_i ; \frac{C_t^i}{C_0^i}) \times W^i$

Where:

"$Basket_t$" is the Basket Value at time "*t*",

"$Cap_i$" is the maximum performance of the Basket Constituent "*i*", specified in the applicable Final Terms for each Basket Constituent, considered in order to calculate the Basket Value,

"$C_t^i$" is the Value of the Basket Constituent "*i*", at time "*t*", as specified in the Final Terms,

"$C_0^i$" is the Value of the Basket Constituent "*i*" at time "*0*", as specified in the Final Terms,

"$W^i$" is the Basket Constituent Weight of each Basket Constituent, and

"$n$" is the number of the Basket Constituents.

In the case of Securities linked to a Basket of Baskets, the value of the Basket Constituent(s) will also be determined according to the above fomulas;

**Best Of Feature** means the determination method that may be specified as applicable in the relevant Final Terms. If the Best Of Feature applies, the Calculation Agent will select, in relation to the relevant valuation period, the Best Of Underlying. The applicable Final Terms will also specify whether the Best Of Feature applies to the determination of:

(i) the relevant Remuneration Amount only; or

(ii) the Early Redemption Amount only; or

(iii) the Settlement Amount only; or

(iv) the occurrence of the Barrier Event only; or

(v) the relevant Remuneration Amount and/or the Settlement Amount and/or the Early Redemption Amount only and/or the occurrence of the Barrier Event.

**Best Of Underlying** means, in the case of Best Of Feature, the Underlying with the first, second or third (and so on, depending on the number of the underlying assets) best Performance of the Underlying in respect of the Performance of the other Underlying(s). In the Final Terms, the Issuer will indicate for each Series if it will take into account the Underlying with the first best Performance (in such case this will be named Best Of Underlying), the second best Performance (in such case this will be named **Second Best Of Underlying**) or the third best Performance (in such case this will be named **Third Best Of Underlying**) and so on. Upon selection of the Best Of Underlying by the Calculation Agent the investors will be informed pursuant to Condition 9 (*Notices*);

**BRRD** means Directive 2014/59/EU of the Parliament and of the Council of the European Union establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended or replaced from time to time;

**Buffer Event** means, in relation to Buffer Protection Certificates, the event occurring when the Calculation Agent determines that, in a Buffer Valuation Date indicated by the Issuer, the Performance Sum is lower than, equal to or higher than the Buffer Percentage, as specified in the relevant Final Terms from time to time;

**Buffer Percentage** means in relation to Buffer Protection Certificates, the percentage specified in the relevant Final Terms;

**Buffer Valuation Date** means, in relation to Buffer Protection Certificates, the period composed of one or more Exchange Business Days, as indicated in the relevant Final Terms, in which the Calculation Agent determines if the Performance Sum is lower than, equal to or higher than the Buffer Percentage and therefore if a Buffer Event has occurred;

**Business Day** means (i) a day (other than a Saturday or Sunday) on which commercial banks and exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant Business Day Centre(s) and on which each of Euroclear and Clearstream, Luxembourg is open for business (or, where the Securities are Italian Dematerialised Securities, a day on which Monte Titoli is open for business) and (ii) for the purposes of making payments in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the "**TARGET2 System**") or any successor thereto is open (and, where the Securities are Italian Dematerialised Securities, a day on which Monte Titoli is open for business). In the event that one or more dates specified in the applicable Final Terms do not fall on a Business Day, such dates shall be postponed to the next day or to the previous day, as specified in the relevant Final Terms, which is a Business Day;

**Calculation Agent** means Banca IMI S.p.A. or such other calculation agent specified in the applicable Final Terms;

**Calculation Entity** means, in the case of Certificates on Interest Rates, the entity responsible for the calculation and publication of the Interest Rate that will be indicated from time to time in the relevant Final Terms;

**Call Exercise Date** means the Exchange Business Day on which the Certificates are exercised by the Issuer, as specified in the Final Terms, following the Call Option Exercise of the Issuer. The Call Exercise Date coincides with the Call Valuation Date specified in the Final Terms;

**Call Notice Period** means the date – indicated in the Final Terms – by which the Issuer shall notify, in accordance with Condition 22 (*Exercise of Certificates*) below, the intention to exercise the Call Option during the relevant Call Exercise Date;

**Call Option** means, if the Call Option is specified as applicable in the relevant Final Terms, the option which can be irrevocably exercised by the Issuer during the Call Notice Period specified in the applicable Final Terms pursuant to Condition 22 (*Exercise of Certificates*) below;

**Call Valuation Date** means, if the Call Option is specified as applicable in the relevant Final Terms, one or more Exchange Business Day(s) on which the Calculation Agent determines the Reference Value. The Call Valuation Date will be specified in the relevant Final Terms from time to time relating to each Series, and will be considered for the purposes of the calculation of the Cash Settlement Amount, provided that, the Call Option has been exercised by the Issuer and, in the opinion of the Calculation Agent, a Market Disruption Event has not occurred.

the event that a Market Disruption Event has occurred on the Call Valuation Date, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

**Cap** means either the Cap, the Cap Amount, the Cap Barrier Amount, the Cap Level or the Cap Percentage as specified in the relevant Final Terms;

**Cap Amount** means the amount indicated as such in the relevant Final Terms;

**Cap Barrier Amount** means the amount indicated as such in the relevant Final Terms;

**Cap Consolidation Amount** means the amount that may be considered, if indicated in the relevant Final Terms, for the purpose of the calculation of the Cash Settlement Amount of Max Long Consolidation Cap Certificates;

**Cap Down Amount** means the amount that may be considered, if indicated in the relevant Final Terms, for the purpose of the calculation of the Cash Settlement Amount of Twin Win Certificates when the Final Reference Value is lower than the Initial Reference Value multiplied by the Strike Percentage;

**Cap Level** means one or more values specified in the relevant Final Terms, expressed as either (i) the product between the Cap Percentage and the Initial Reference Value, or (ii) a value predetermined by the Issuer, specified in the relevant Final Terms. If more values are provided, the applicable Final Terms will also specify the relevant details;

**Cap Percentage** means the percentage indicated in the relevant Final Terms;

**Cap Style 1** means in relation to a Cap Level and if the Restrike Feature is indicated as applicable in the relevant Final Terms, the calculation method pursuant to which, if the Restrike Event has occurred, the Cap Level will be determined in accordance with the Restrike Percentage;

**Cap Style 2** means in relation to a Cap Level and if the Restrike Feature is indicated as applicable in the relevant Final Terms, the calculation method pursuant to which, if the Restrike Event has occurred, the Cap Level will not be taken into consideration for the purposes of the Cash Settlement Amount;

**Cash Settlement Amount** means, in relation to a Cash Settled Security, the amount in the Settlement Currency which the Securityholder is entitled to receive on the Settlement Date in relation to each Security, as determined by the Calculation Agent pursuant to the provisions under the section "Settlement Amount" of Condition 24 (*Pay out provisions*). The Cash Settlement Amount shall be rounded to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Securities exercised or redeemed, as the case may be, at the same time by the same Securityholder will be aggregated for the purpose of determining the aggregate Cash Settlement Amount payable;

**Clearing System** shall mean Euroclear or Clearstream, Luxembourg or such other clearing system as may be specified in the applicable Final Terms;

**Cliquet Feature** means the method for changing the Digital Level and the Participation Remuneration Level on, respectively, any Digital Valuation Period and Participation Remuneration Event Valuation Period, as specified by the Issuer in the relevant Final Terms, pursuant to which the Digital Level and the Participation Remuneration Level will be changed, either automatically or upon occurrence of the condition(s) specified from time to time in the applicable Final Terms. Such method may indicate:

(i) in relation to each Cliquet Valuation Period, the relevant Reference Value or Spread (in the case of Spread Certificates) or Cumulated Performance (in the case of Multiperformance Certificates), for the determination of the applicable Digital Level; and/or

(ii) different percentage(s) to be applied to the Initial Reference Value and/or Reference Value(s) or Spread (in the case of Spread Certificates) or Cumulated Performance (in the case of Multiperformance Certificates) for the determination of the applicable Digital Level, as specified in the applicable Final Terms.

Moreover, in relation to each different Digital Level the Issuer will also specify the related applicable Digital Amount.

The investors will be informed of the update of the Digital Level and the Participation Remuneration Level in accordance with Condition 9 (*Notices*);

**Cliquet Valuation Period** means, if the Cliquet Feature is applicable, the period composed of one or more Exchange Business Days, as indicated in the Final Terms in which the Calculation Agent determines the Reference Value or the Spread (in the case of Spread Certificates) or the Cumulated Performance (in the case of Multiperformance Certificates).

In the event of more Cliquet Valuation Periods, the relevant Final Terms will specify the **First Cliquet Valuation Period**, the **Second Cliquet Valuation Period**, and so on.

In the event that a Market Disruption Event has occurred on the Cliquet Valuation Period or on one Exchange Business Day of the Cliquet Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

**Combined Securities** means the type of Securities which is a combination of the following types, as specified from time to time in the relevant Final Terms: Index Securities, Share Securities, Exchange Rate Securities, Futures Contract Securities, Govies Securities, Fund Securities, Interest Rate Securities and Commodities Securities;

**Commodity** means, in relation to each Series, either as single or as a Basket Constituent, the commodity indicated as Underlying in the relevant Final Terms;

**Commodity Index** means each index specified as such in the applicable Final Terms;

**Consolidation Effect** means the feature that may be specified as applicable in relation to the Digital Amount and the Participation Remuneration Amount if there are several Digital Valuation Periods or several Participation Remuneration Event Valuation Periods.

The Consolidation Effect will occur if the Calculation Agent determines that the Reference Value or the Spread (in the case of Spread Certificates), or the Cumulated Performance (in the case of Multiperformance Certificates):

(i) is equal to, higher than or lower than the relevant Consolidation Level on the relevant Consolidation Valuation Period; and/or

(ii) it has been, at least once during the relevant Consolidation Valuation Period, equal to, higher than or lower than the relevant Consolidation Level; and/or

(iii) it has never been equal to, higher than or lower than the relevant Consolidation Level during the relevant Consolidation Period; and/or

(iv) has fallen at least once or has never fallen within or out of a range between the relevant Up Range Consolidation Level and the relevant Down Range Consolidation Level (included or excluded in the range as specified in the relevant Final Terms) on/during the relevant Consolidation Valuation Period,

as specified from time to time in the relevant Final Terms.

If the Consolidation Effect occurs, the Digital Event/Participation Remuneration Event will automatically occur without further determinations for all the Digital Valuation Periods/Participation Remuneration Event Valuation Periods following such Consolidation Valuation Period and, therefore, the investors will receive all the relevant Digital Amounts/Participation Remuneration Amounts (if positive).

If the Consolidation Effect occurs, the Securityholders will be notified through a notice published on the website of the Issuer https://www.bancaimi.prodottiequotazioni.com/EN.

**Consolidation Floor Event** means the event that may be specified as applicable in relation to Max Long Certificates and Max Short Certificates, occurring if the Calculation Agent determines that, on the Consolidation Floor Valuation Period, the Reference Value or the Spread (in the case of Spread Certificates), or the Cumulated Performance (in the case of Multiperformance Certificates) is lower than, equal to or higher than, as specified in the relevant Final Terms, the Consolidation Floor Level.

Upon the occurrence of the Consolidation Floor Event, the Cash Settlement Amount of the Max Long Certificates and Max Short Certificates, will be determined in accordance with a calculation method different from the calculation method applicable if the Consolidation Floor Event does not occur, as detailed in Condition 24 (*Pay-out provisions*).

The Consolidation Floor Event will be promptly notified to the Securityholders pursuant to Condition 9 (*Notices*);

**Consolidation Floor Level** means the value specified in the applicable Final Terms;

**Consolidation Floor Valuation Period** means the period composed of one or more Exchange Business Days, as indicated in the Final Terms in which the Calculation Agent determines the occurrence of a Consolidation Floor Event.

In the event of multiple Consolidation Floor Valuation Periods, the relevant Final Terms will indicate the **First Consolidation Floor Valuation Period**, the **Second Consolidation Floor Valuation Period**, and so on;

In the event that a Market Disruption Event has occurred on the Consolidation Floor Valuation Period or on one Exchange Business Day of the Consolidation Floor Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

**Consolidation Level** means one or more values that may be specified in the applicable Final Terms that determines the occurrence of the Consolidation Effect.

The Consolidation Level is represented by a percentage of the Initial Reference Value or as an independent percentage value (in relation to Spread Certificates and Multiperformance Certificates) or by a predetermined value, as specified in the applicable Final Terms in relation to the relevant Consolidation Valuation Period.

The Consolidation Level may be identical for all the Consolidation Valuation Periods or it may differ for each Consolidation Valuation Period, as specified in the applicable Final Terms. If there are more Consolidation Levels, the Issuer will indicate in the relevant Final Terms the **First Consolidation Level**, the **Second Consolidation Level** and so on.

In the case of Certificates with Best Of Feature or Worst Of Feature, the Issuer will specify in the relevant Final Terms the occurrence of the Consolidation Effect in relation to one or more Underlying(s) and the Final Terms will specify the Consolidation Level for each Underlying. In particular, for the purposes of determining the occurrence of a Consolidation Effect, the Final Terms will specify the number of Underlyings in relation to which the Consolidation Effect has to occur;

**Consolidation Valuation Period** means the period composed of one or more Exchange Business Days, as indicated in the Final Terms in which the Calculation Agent determines the occurrence of a Consolidation Effect.

In case of more Consolidation Valuation Periods, the relevant Final Terms will specify the **First Consolidation Valuation Period**, the **Second Consolidation Valuation Period**, and so on.

The applicable Final Terms may provide for different Underlyings in relation to each Consolidation Valuation Period.

In the event that a Market Disruption Event has occurred on the Consolidation Valuation Period or on one Exchange Business Day of the Consolidation Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

**Conversion Rate** means, in relation to Dual Currency FX Certificates, the rate specified in the applicable Final Terms;

**Corridor Early Amount** means, in relation to Corridor Warrants, the amount specified in the relevant Final Terms to be paid to the Securityholder on the Corridor Early Payment Date per each Minimum Exercise Amount if a Barrier Event has occured. The Corridor Early Amount could be also equal to zero;

**Corridor Early Payment Date** means, in relation to Corridor Warrants, the date specified in the applicable Final Terms. In the event that the Corridor Early Amount is set equal to zero, the Corridor Early Payment Date will be specified as not applicable in the relevant Final Terms;

**Coupon Determination Period** means the period composed of one or more Exchange Business Days, as indicated in the Final Terms, in which the Calculation Agent determines whether the Coupon Event has occurred.

In case of more Consolidation Valuation Periods, the relevant Final Terms will specify the **First Coupon Determination Period**, the **Second Coupon Determination Period**, and so on;

In the event that a Market Disruption Event has occurred on the Coupon Determination Period or on one Exchange Business Day of the Coupon Determination Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

**Coupon Event** means, if applicable pursuant to the relevant Final Terms, the event occurring when the Calculation Agent determines that, during the Coupon Determination Period, the Reference Value of one or more Underlying(s), or the Spread (in the case of Spread Certificates), or the Cumulated Performance (in the case of Multiperformance Certificates) is equal to, higher than or lower than the relevant Coupon Level.

The occurrence of the Coupon Event will determine the amount of the Digital Amounts, if applicable, and/or of the Early Redemption Amounts, if applicable, payable during the life of the Certificates.

Therefore, if on the Coupon Valuation Date, the Calculation Agent determines that the Coupon Event has occurred, the Digital Amounts and/or the Early Redemption Amounts will be determined on the basis of the Coupon Premium 1. Conversely, if on the Coupon Valuation Date, the Calculation Agent determines that the Coupon Event has not occurred, the Digital Amounts and/or the Early Redemption Amounts will be determined on the basis of the Coupon Premium 2;

**Coupon Level** means, if applicable under the relevant Final Terms, the value specified in the relevant Final Terms determined as a percentage of the Initial Reference Value or as an independent percentage value (in relation to Spread Certificates and Multiperformance Certificates) or as a predetermined value, which determines the occurrence of the Coupon Event;

**Coupon Premium 1** means the amount in the Settlement Currency set out in the relevant Final Terms that, if the Coupon Event has occurred, will be used for the determination of the amount of the Digital Amounts, if applicable, and/or of the Early Redemption Amounts, if applicable, payable during the life of the Certificates;

**Coupon Premium 2** means the amount in the Settlement Currency set out in the relevant Final Terms that, if the Coupon Event has not occurred, will be used for the determination of the amount of the Digital Amounts, if applicable, and/or of the Early Redemption Amounts, if applicable, payable during the life of the Certificates;

**Coupon Valuation Date** means the date, specified in the Final Terms, on which the Calculation Agent if the Coupon Event has occurred during the Coupon Determination Period and therefore if the Digital Amounts, if applicable, and/or of the Early Redemption Amounts, if applicable, payable during the life of the Certificates will be determined on the basis of the Coupon Premium 1 or on the basis of the Coupon Premium 2;

**Cumulated Performance** means, in relation to the Multiperformance Long/Short Certificates, the Multiperformance Max Long/Short Certificates, the sum of the performances of each Underlying calculated as follows:

$$\sum_{i=1}^{n}\left(\frac{Final\ Reference\ Value_i}{Initial\ Reference\ Value_i}-1\right)$$

Where:

"***Final Reference Value$_i$***" means the Final Reference Value of Underlying "*i*"

"***Initial Reference Value$_i$***" means the Initial Reference Value of Underlying "*i*"

"***n***" means the number of Underlyings;

**Day Count Fraction** means, in relation to the Interest Rate Warrants and to the calculation of Premium Gap Amounts:

- if "**ACT/360**" is specified as applicable, the actual number of days in the relevant Floating Amount Determination Period or Settlement Determination Period or Premium Gap Observation Period, respectively, divided by 360;
- if "**Actual/Actual**" is specified as applicable, means:

  (i) in relation to the calculation of the Premium Gap Amounts, the actual number of days in the relevant Premium Gap Observation Period divided by the number of days comprised in the relevant Premium Determination Period;

  (ii) in relation to Interest Rate Warrants, the actual number of days in the Floating Amount Determination Period, or Settlement Determination Period divided by number of days comprised in the relevant Floating Amount Determination Period, or Settlement Determination Period;

**Delivery Date** means, in the case of an offer of the Certificates, the date specified from time to time in the relevant Final Terms and on which the Certificates are delivered to the Securityholder against payment of the Issue Price. Delivery shall mean the relevant accounting evidence of such securities in the bank account indicated by the investor in the relevant subscription module;

**Determination Date** means one or more Exchange Business Days on which the Value of the Underlying is registered for the purpose of the calculation of the Initial Reference Value (pursuant to the terms set out in the definition of Initial Reference Value), as specified from time to time in the relevant Final Terms;

**Digital Amount** means, upon occurrence of the Digital Event in relation to the relevant Digital Valuation Period, the amount in the Settlement Currency to be paid to the Securityholder on the relevant Digital Payment Date per each Minimum Exercise Amount pursuant to Condition 24 (*Pay-out provisions*).

If the Multiple Level Option is applicable, the relevant Final Terms will specify the Digital Amount 1 and the Digital Amount 2, and so on, which will be respectively linked to the Digital Level 1, the Digital Level 2 and so

on. In this case, the holders of the Securities will be entitled to receive the Digital Amount relating to the higher Digital Level reached by the Reference Value;

If the Cliquet Feature is applicable, in relation to each different Digital Level, the Issuer will also specify the related applicable Digital Amount;

**Digital Combo Feature** means, in relation to Certificates linked to a Basket or to more Underlyings that are not a Basket, the calculation method, if provided by the Issuer in the relevant Final Terms, pursuant to which the Calculation Agent, for the purpose of the calculation of the Digital Amount, will determine the occurrence of the Digital Event (and eventually will determine the Consolidation Level, the Memory Level, the Knock-out Level and the Knock-in Level) in relation to each Basket Constituent or each Underlying. The amount of the Digital Amount will therefore depend on the number of Basket Constituents or on the number of Underlyings in relation to which the Digital Event has occurred;

**Digital Event** means, if applicable pursuant to the relevant Final Terms, the event occuring if the Calculation Agent determines that the Reference Value or the Spread (in the case of Spread Certificates), or the Cumulated Performance (in the case of Multiperformance Certificates):

(i) is equal to, higher than or lower than the relevant Digital Level on the relevant Digital Valuation Period; and/or

(ii) it has been, at least once during the relevant Digital Valuation Period, equal to, higher than or lower than the relevant Digital Level; and/or

(iii) it has never been equal to, higher than or lower than the relevant Digital Level during the relevant Digital Valuation Period; and/or

(iv) has fallen at least once or has never fallen within or out of a range between the relevant Up Range Digital Level and the relevant Down Range Digital Level (included or excluded in the range as specified in the relevant Final Terms) on/during the relevant Digital Valuation Period,

as specified from time to time in the relevant Final Terms.

If a Digital Event occurs, the Securityholders are entitled to receive the payment of the relevant Digital Amount specified in the applicable Final Terms.

The Digital Event will be promptly notified to the Securityholders pursuant to Condition 9 (*Notices*);

**Digital Level** means one or more values that may be specified in the applicable Final Terms that determines the occurrence of the Digital Event.

The Digital Level is represented by a percentage of the Initial Reference Value and/or the Reference Value or as an independent percentage value (in relation to Spread Certificates and Multiperformance Certificates) or by a predetermined value, as specified in the applicable Final Terms in relation to the relevant Digital Valuation Period.

The Digital Level may be identical for all the Digital Valuation Periods or it may differ for each Digital Valuation Period, as specified in the applicable Final Terms. If there are more Digital Levels, the Issuer will indicate in the relevant Final Terms: (i) the First Digital Level, the Second Digital Level and so on, in relation to the relevant Digital Valuation Period, or alternatively (ii) the Digital Level 1, the Digital Level 2, and so on, in relation to the same Digital Valuation Period.

In the case of Cliquet Feature, the applicable Final Terms will specify the method for changing the Digital Level in relation to one or more Digital Valuation Periods.

In the case of Certificates with Best Of Feature or Worst Of Feature, the Issuer will specify in the relevant Final Terms the occurrence of the Digital Event in relation to one or more Underlyings and the Final Terms will specify the Digital Level for each Underlying. In particular, for the purposes of determining the occurrence of a Digital Event, the Final Terms will specify the number of Underlyings in relation to which the Digital Event has to occur;

**Digital Payment Date** means the date on which the Issuer shall pay the Digital Amount to the Securityholders provided that, if such date does not fall on a Business Day, it shall be postponed to the next day which is a Business Day.

The Digital Payment Date falls no later than 10 (ten) Business Days following the Exchange Business Day on which the Calculation Agent has determined the occurrence of the relevant Digital Event;

**Digital Percentage** means, in relation to the Digital Certificates, the percentage specified in the relevant Final Terms;

**Digital Valuation Period** means the period composed of one or more Exchange Business Days, as indicated in the Final Terms in which the Calculation Agent determines the occurrence of a Digital Event.

In the event of more Digital Valuation Periods, the relevant Final Terms will specify the **First Digital Valuation Period**, the **Second Digital Valuation Period**, and so on.

The applicable Final Terms may provide for different Underlyings in relation to each Digital Valuation Period.

In the event that a Market Disruption Event has occurred on the Digital Valuation Period or on one Exchange Business Day of the Digital Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

**Discount Price** means, if applicable pursuant to the relevant Final Terms, the price that will be used in order to determine the initial trading price of the Securities. Such initial trading price may be different from the Discount Price. The Discount Price will be lower than the Issue Price;

**Disrupted Day** means any Exchange Business Day on which a Market Disruption Event has occurred;

**Down Participation Factor** means the percentage indicated in the Final Terms of each Series;

**Down Range Level** means one or more values that may be specified in the applicable Final Terms that determines the occurrence of: (i) the Accumulating Event (the "**Down Range Accumulating Level**"); or (ii) the Consolidation Effect (the "**Down Range Consolidation Level**"); or (iii) the Digital Event (the "**Down Range Digital Level**"); or (iv) the Knock-in Event (the "**Down Range Knock-in Level**"); or (v) the Knock-out Event (the "**Down Range Knock-out Level**"); or (vi) the Memory Effect (the "**Down Range Memory Level**"); or (vii) the Participation Remuneration Event (the "**Down Range Participation Remuneration Level**"); or (viii) the Early Redemption Event (the "**Down Range Early Redemption Level**"). The Down Range Level is represented by a percentage of the Initial Reference Value or as an independent percentage value (in relation to Spread Certificates and Multiperformance Certificates) or by a predetermined value. If there are more Underlyings, the applicable Final Terms will specify the relevant Down Range Level for each Underlying;

**Dropdown Protection Level** means, in relation to Lucky Protection Certificates, the value specified from time to time in the relevant Final Terms.The Dropdown Protection Level is represented by a percentage of the Initial Reference Value of an Underlying (or as an independent percentage value in relation to Spread Certificates and Multiperformance Certificates) or by a predetermined value;

**Dynamic Protection Level** means, in relation to Dynamic Protection Certificates, the value specified from time to time in the relevant Final Terms. The Dynamic Protection Level is represented by a percentage of the Initial

Reference Value of an Underlying or by a predetermined value;

**Dual Currency** means, in relation to Dual Currency FX Certificates, the currency specified in the applicable Final Terms;

**Early Partial Capital Payment Amount** means, if specified in the applicable Final Terms, the amount paid to the Securityholder for each Minimum Exercise Amount on the relevant Early Partial Capital Payment Date;

**Early Partial Capital Payment Date** means, if specified in the applicable Final Terms, the Business Day on which the Issuer shall pay the relevant Early Partial Capital Payment Amount to the Securityholder provided that, if such date does not fall on a Business Day, it shall be postponed to the next day which is a Business Day;

**Early Payment Date** means the date on which the Issuer shall pay the Early Redemption Amount to the Securityholders provided that, if such date does not fall on a Business Day, it shall be postponed to the next day which is a Business Day.

The Early Payment Date falls no later than 10 (ten) Business Days following the Exchange Business Day on which the Calculation Agent has determined the occurrence of the relevant Early Redemption Event;

**Early Redemption Amount** means, upon occurrence of the Early Redemption Event in relation to the relevant Early Redemption Valuation Period, the amount in the Settlement Currency to be paid to the Securityholder on the relevant Early Payment Date per each Minimum Exercise Amount pursuant to Condition 24 (*Pay-out provisions*);

**Early Redemption Event** means, if applicable pursuant to the relevant Final Terms, the event occurring if the Calculation Agent determines that the Reference Value or the Spread (in the case of Spread Certificates), or the Cumulated Performance (in the case of Multiperformance Certificates):

(i) is equal to, higher than or lower than the relevant Early Redemption Level on the relevant Early Redemption Valuation Period; and/or

(ii) it has been, at least once during the relevant Early Redemption Valuation Period, equal to, higher than or lower than the relevant Early Redemption Level; and/or

(iii) it has never been equal to, higher than or lower than the relevant Early Redemption Level during the relevant Early Redemption Valuation Period; and/or

(iv) has fallen at least once or has never fallen within or out of a range between the relevant Up Range Early Redemption Level and the relevant Down Range Early Redemption Level (included or excluded in the range as specified in the relevant Final Terms) on/during the relevant Early Redemption Valuation Period,

as specified from time to time in the relevant Final Terms.

In addition, if the applicable Final Terms provide for one or more Accumulating Autocallable Trigger, an Early Redemption Event may occur if, on the Accumulated Valuation Date, the Calculation Agent determines that the relevant Accumulated Amount payable to the investors is lower than, equal to or higher than, as specified in the applicable Final Terms, the relevant Accumulating Autocallable Trigger.

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In addition, an Early Redemption Event may also occur in relation to any Security pursuant to Condition 6 (*Hedging Disruption*).

In any case, upon the occurrence of an Early Redemption Event, the Securityholders are entitled to receive the payment of the relevant Early Redemption Amount and the Certificates are deemed to be early redeemed on the

hour, minute and second of either (i) the last Exchange Business Day of the Early Redemption Valuation Period on which the Early Redemption Event has occurred, or (ii) if the Intraday Value is applicable, the Exchange Business Day on which the Early Redemption Event occurred.

The Early Redemption Event will be promptly notified to the Securityholders pursuant to Condition 9 (*Notices*);

**Early Redemption Level** means one or more values specified in the applicable Final Terms that determines the occurrence of the Early Redemption Event.

The Early Redemption Level is represented by a percentage of the Initial Reference Value (or as an independent percentage value in relation to Spread Certificates and Multiperformance Certificates) or by a predetermined value, as specified in the applicable Final Terms.

If the Best Of Feature or the Worst Of Feature applies in relation to one or more Early Redemption Valuation Period, the Issuer will specify in the relevant Final Terms the occurrence of the Early Redemption Event in relation to one or more Underlying and the Final Terms will specify the Early Redemption Level for each Underlying. In particular, for the purposes of determining the occurrence of an Early Redemption Event, the Final Terms will specify the number of Underlyings that have to be equal to, higher than or lower than the Early Redemption Level;

**Early Redemption Valuation Period** means the period composed of one or more Exchange Business Days, as indicated in the Final Terms in which the Calculation Agent determines the occurrence of a Early Redemption Event.

If the applicable Final Terms provide for one or more Accumulating Autocallable Trigger, the occurrence of an Early Redemption Event will be determined by the Calculation Agent on the relevant Accumulated Valuation Date specified in the applicable Final Terms (i.e. the Early Redemption Valuation Period will coincide with the Accumulated Valuation Date).

In the event of more Early Redemption Valuation Periods, the relevant Final Terms will specify the **First Early Redemption Valuation Period**, the **Second Early Redemption Valuation Period** and so on.

In the event that a Market Disruption Event has occurred on the Early Redemption Valuation Period or on one Exchange Business Day of the Early Redemption Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

**Electronic Page** means, in respect of an Underlying or a Basket Constituent, the electronic page or source specified for such Underlying or Basket Constituent in the applicable Final Terms, or either (i) any successor electronic page or source or information vendor or provider that has been designated by the sponsor of the original electronic page or source; or (ii) if such sponsor has not officially designated a successor electronic page or source or information vendor or provider, the successor electronic page or source or information vendor or provider designated by the relevant information vendor or provider (if different from such sponsor) or any alternative electronic page or source designated by the Calculation Agent, provided that, if, in the case of (i) and (ii), the Calculation Agent determines that it is not necessary or appropriate for the Electronic Page to be any such successor electronic page or source or information vendor or provider, then the Electronic Page may be either the originally designated electronic page or source or such other electronic page or source as selected by the Calculation Agent. Where more than one Electronic Page is specified in respect of an Underlying or a Basket Constituent, then the provisions of the preceding sentence shall be construed accordingly and (i) if there is any discrepancy between any relevant price or level displayed on the relevant Electronic Pages for any Exchange Business Day, the relevant price or level selected by the Calculation Agent shall be used for such Exchange Business Day; and (ii) if any relevant price or level is not published on all of such Electronic Pages but is published on one or more of such Electronic Pages, the Calculation Agent shall use such published price or level for the purpose of determining any calculation or determination in respect of the Certificates and no

Market Disruption Event shall be deemed to have occurred in respect of the failure to publish on the other Electronic Page(s);

**Entitlement** means, in relation to a Physical Delivery Security, the quantity of the Relevant Assets or the Relevant Assets, as the case may be, which a Securityholder is entitled to receive on the Settlement Date in respect of each such Security following payment of any sums payable, including the Premium (in the case of a Warrant) and Expenses rounded down as provided in Condition 19(C) or 22(D), as determined by the Calculation Agent including any documents evidencing such Entitlement;

**Equity Element** means, in case of Physical Delivery, the nearest unit of Relevant Asset capable of being delivered, specified in the applicable Final Terms;

**EURIBOR** means the Euro-zone inter-bank offered rate;

**Exchange** means, in relation to the Underlying, each reference exchange or quotation system, on which the Underlying or related components are principally listed and traded, as specified in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities/commodities comprising such Underlying has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities or commodities comprising such Underlying on such temporary substitute exchange or quotation system as on the original Exchange);

**Exchange Business Day** means, in relation to:

(A) *Share Securities, Commodity Securities, Exchange Rate Securities:*

any day (i) which is considered an exchange business day by the Reference Source, provided that on that day such Reference Source is open for trading, except for the days on which trading sessions close earlier than the regular closing hours and (ii) on which the Reference Source is open for trading during the regular trading hours;

(B) *Index Securities:*

the day on which (i) the Index Sponsor determines and publishes the Index level and (ii) the Exchange is open for trading during the regular trading hours;

(C) *Futures Contract Securities:*

any day on which the Futures Contract is regularly listed on the Reference Source. If on such a day a Market Disruption Event occurs, such day will not be considered as Exchange Business Day;

(D) *Fund Securities:*

(i) in the case of unlisted Funds: any day on which the Net Asset Value of each Fund is (or would have been if a Market Disruption Event had not occurred) determined and/or published by the Management Company or the Fund Manager; and

(ii) in the case of listed Funds: any day on which the price relating to each Fund is (or would have been if a Market Disruption Event had not occurred) regularly determined and published by the relevant Reference Source;

(E) *Interest Rate Securities:*

any day on which the Interest Rate is determined and/or published by the relevant Calculation Entity;

(G) *Govies Securities:*

any day (i) which is considered an exchange business day by the Reference Source, provided that on that day such Reference Source is open for trading, except for the days on which trading sessions close earlier than the regular closing hours and (ii) on which the Reference Source is open for trading during the regular trading hours; and, only in the case of Govies Securities linked to the Yield of Government Bond, (iii) on which the information source specified in the applicable Final Terms publishes the value of such yield(s);

(H) *if the Underlyings are Baskets:*

the day which is an Exchange Business Day for all the relevant Basket Constituents or, in case of Baskets of Baskets, the day which is an Exchange Business Day for all the relevant financial assets composing each of the Baskets representing the Baskets Constituent;

In the event that one or more dates specified in the applicable Final Terms do not fall on an Exchange Business Day, such dates shall be postponed to the next day or to the previous day (as specified in the relevant Final Terms from time to time), which is an Exchange Business Day, provided however that, if such new Exchange Business Day is already a date relevant for the fixing of the Value of the Underlying, the date originally specified shall be again postponed to the next day or to the previous day which is not a date relevant for the fixing of the Value of the Underlying.

In the case of a Basket, or in the case of Best Of Feature and Worst Of Feature, if one or more dates specified in the applicable Final Terms do not fall on an Exchange Business Day for one or more Basket Constituents or for one or more Underlyings such dates will be postponed to (i) the immediately following or previous day (as specified in the relevant Final Terms from time to time) which is an Exchange Business Day for all the Basket Constituents or for all the Underlyings or (ii) (a) for each Basket Constituent or for each Underlying in relation to which such date is not an Exchange Business Day, the immediately following or previous day (as specified in the relevant Final Terms from time to time) which is an Exchange Business Day and (b) for all the Basket Constituents or for all the Underlyings in relation to which such date is an Exchange Business Day, the date originally scheduled;

**Exchange Rate** means, in relation to Non Quanto Securities, on any day and for each Series, with reference to the Underlying, the exchange rate on a given date between the Underlying Reference Currency and the Settlement Currency (expressed as a number of units or portion of the Underlying Reference Currency necessary to purchase a unit in the Settlement Currency), determined by the Calculation Agent for the purpose of the determination of the amounts due under the Securities. The Calculation Agent will determine the Exchange Rate by making reference to the exchange rate (fixing) between the Underlying Reference Currency and the Settlement Currency determined by the information source specified in the applicable Final Terms or, if the exchange rate is not published or announced at the relevant time on such information source, either (i) the successor or alternative information source or (ii) the determination method to be carried out by the Calculation Agent in its sole and absolute discretion, in each case as specified in the applicable Final Terms;

**Exchange Rate Weights** means in relation to Currency Certificates the weight for each exchange rate Underlying expressed as a percentage, as specified in the applicable Final Terms;

**Exercise Business Day** means, in respect of Warrants:

(a) in the case of Cash Settled Securities, a day that is a Business Day;

(b) in the case of Physical Delivery Securities, a day that is a Business Day and an Exchange Business Day.

**Exercise Date** means, in respect of each Series, the Exchange Business Day on which the Securities are exercised, as specified in the Final Terms, or if such day is not a Business Day, the immediately following

Exchange Business Day which is also a Business Day. In the case of Physical Delivery Securities, the Exercise Date will be a day which is both a Business Day and an Exchange Business Day;

**Exercise Price** means, in relation to Call Covered Warrants and Put Covered Warrants the amount or the value specified as such in the applicable Final Terms or determined in the date(s) specified in the applicable Final Terms;

**Extra Consolidation Digital Amount** means, in relation to one or more Extra Consolidation Digital Valuation Periods, the amount(s) in the Settlement Currency to be paid to the Securityholders on the relevant Digital Payment Date (or other dates specified by the Issuer for each Series in the relevant Final Terms) per each Minimum Exercise Amount, if an Extra Consolidation Digital Event has occurred;

**Extra Consolidation Digital Event** means, in relation to an Extra Consolidation Digital Valuation Period, if applicable pursuant to the relevant Final Terms, the event occurring if:

(a) prior to the relevant Extra Consolidation Digital Valuation Period, a Consolidation Event has occurred and

(b) the Calculation Agent determines that in the relevant Extra Consolidation Digital Valuation Period, the Reference Value of the Underlying (or the Spread in the case of Spread Certificates, or the Cumulated Performance in the case of Multiperformance Certificates) is lower than, equal to or higher than the relevant Extra Consolidation Digital Level as indicated in the relevant Final Terms.

In that case the Securityholders are entitled to receive the payment of the relevant Extra Consolidation Digital Amount specified in the relevant Final Terms in connection to such Extra Consolidation Digital Valuation Period.

The Extra Consolidation Digital Event will be promptly notified to the Securityholders pursuant to Condition 9 (*Notices*);

**Extra Consolidation Digital Feature** means, if specified as applicable in the relevant Final Terms and only in case the Consolidation Effect is specified as applicable, the feature pursuant to which the Extra Consolidation Digital Amount potentially payable in case of Extra Consolidation Digital Event, after the occurrence of a Consolidation Event, will be eventually due and payable to the Securityholders;

**Extra Consolidation Digital Level** means one or more values determined from time to time in the relevant Final Terms in relation to the relevant Extra Consolidation Digital Valuation Period.

The Extra Consolidation Digital Level is represented by a percentage of the Initial Reference Value of an Underlying (or as an independent percentage value in relation to Spread Certificates and Multiperformance Certificates) or by a predetermined value.

If there are Extra Consolidation Digital Levels, the Issuer will indicate in the relevant Final Terms, in relation to the relevant Extra Consolidation Digital Valuation Period, the **First Extra Consolidation Digital Level**, the **Second Extra Consolidation Digital Level** and so on;

**Extra Consolidation Digital Valuation Period** means the period composed of one or more Exchange Business Days, as indicated in the Final Terms, in which the Calculation Agent determines the occurrence of an Extra Consolidation Digital Event. In the event of more Extra Consolidation Digital Valuation Periods, the relevant Final Terms will indicate the **First Extra Consolidation Digital Valuation Period**, the **Second Extra Consolidation Digital Valuation Period**, and so on.

In the event that a Market Disruption Event has occurred on the Extra Consolidation Digital Valuation Period or on one Exchange Business Day of the Extra Consolidation Digital Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

**Final Gearing** means, in relation to Dynamic Protection Certificates, the percentage equal to the Gearing multiplied by the number of Gearing Events occurred during the life of the Certificates;

**Final Leverage** means, in relation to Lucky Protection Certificates, the value determined according to one of the following formulas:

(i) In case of Long Lucky Protection Certificates:

*Final Leverage = Initial Leverage – (Adjust Factor x Negative Performance)*

(ii) In case of Short Lucky Protection Certificates:

*Final Leverage = Initial Leverage – (Adjust Factor x Positive Performance)*

Where

"**Initial Leverage**" means the percentage specified in the applicable Final Terms,

"**Adjust Factor**" means a percentage specified in the applicable Final Terms,

"**Negative Performance**" means the performance of the Underlying, determined according to the following formula and always represented by a positive value:

*Max[0; 1 – (Final Reference Value / Initial Reference Value)]*

"**Positive Performance**" means the performance of the Underlying, determined according to the following formula:

*Max[0; (Final Reference Value / Initial Reference Value) – 1]*

**Final Notional Amount** means, in relation to Interest Rate Warrants, the amount specified as such in the Final Terms;

**Final Reference Value** means the Value of the Underlying calculated by the Calculation Agent pursuant to the following, in accordance with the relevant Final Terms:

**If the Underlying is one or more financial asset(s) (and not a Basket):**

(A) the Value of the single Underlying on the Valuation Date as determined by the Calculation Agent, without considering possible changes published at a later stage in relation to the Value of Underlying; or

(B) the arithmetic mean of the Value of the single Underlying on the Valuation Dates, ascertained by the Calculation Agent on the last Valuation Date set out in the relevant Final Terms, and determined pursuant to the following formula:

$$\boldsymbol{FRV} = \frac{1}{x} \times \sum_{j=1}^{x} Underlying_j$$

Where

"**FRV**" is the Final Reference Value of the Underlying,

"***x***" is the number of Valuation Dates specified as such in the relevant Final Terms,

"***Underlying*** $_j$" is the Value of the Underlying as calculated on the Valuation Date "j", as specified in the Final Terms;

(C) the maximum or minimum Value (as specified in the Final Terms) recorded in relation to the single Underlying during one or more Final Reference Value Determination Period(s) ascertained by the Calculation Agent on the Valuation Date, as specified in the Final Terms; or

(D) in case of Exchange Rate Securities and if so specified in the relevant Final Terms, the amount equal to the quotient of (a) 1 (as numerator) and (b) the Value calculated pursuant to (A), (B) or (C) above (as denominator);

**If the Underlying is a Basket:**

(A) the Basket Value on the Valuation Date, as ascertained by the Calculation Agent and without considering possible changes published at a later stage in relation to the Basket Value; or

(B) the arithmetic mean of the Basket Values on the Valuation Dates as ascertained by the Calculation Agent and without considering possible changes published at a later stage in relation to the Basket Value, and determined pursuant to the following formula:

$$\boldsymbol{FRV} = \frac{1}{x} \times \sum_{j=1}^{x} Basket_j$$

Where

"**FRV**" is the Final Reference Value of the Basket,

"***x***" is the number of Valuation Dates specified as such in the relevant Final Terms,

"$\boldsymbol{Basket_j}$" is the Basket Value calculated on the Valuation Date "j", as specified in the Final Terms; or

(C) the maximum or minimum Basket Value (as specified in the Final Terms) recorded in relation to the Basket during one or more Final Reference Value Determination Period(s), ascertained by the Calculation Agent on the Valuation Date, as set out in the relevant Final Terms;

**Final Reference Value Determination Period** means, if specified in the relevant Final Terms, one or more period composed of one or more Exchange Business Days as specified in the relevant Final Terms;

**Floating Amount(s)** means, in relation to Interest Rate Warrants, the amount(s) in the Settlement Currency to be paid, if positive, to the Securityholder on the Floating Amount Payment Date per each Minimum Exercise Amount pursuant to Condition 24 (*Pay-out provisions*).

**Floating Amount Determination Date** means, in relation to Interest Rate Warrants, each date specified in the applicable Final Terms on which the relevant Floating Amount is determined in relation to the relevant Floating Amount Determination Period.

In the event that a Market Disruption Event has occurred on the Floating Amount Determination Date, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

**Floating Amount Determination Period** means, in relation to Interest Rate Warrants, each period specified in the applicable Final Terms related to each Floating Amount. In case of more Floating Amount Determination Periods, the relevant Final Terms will indicate the **First Floating Amount Determination Period**, the **Second Floating Amount Determination Period**, and so on.

**Floating Amount Payment Date** means, in relation to Interest Rate Warrants, one or more Business Days on which the Issuer shall pay the Floating Amount to the Securityholders provided that, if such date does not fall on a Business Day, it shall be postponed to the next day which is a Business Day.

The Floating Amount Payment Date falls no later than 10 (ten) Business Days following the last Exchange Business Day of the Floating Amount Determination Period on which the Calculation Agent has determined the Floating Amount;

**Floor Percentage** means the percentage specified from time to time in the relevant Final Terms. The Floor Percentage will always be equal to or higher than 0 per cent.;

**Fund** means, in respect of each Series, the fund specified in the relevant Final Terms as Underlying. The Fund may be either unlisted or listed (e.g. Exchange Traded Funds - ETF). In any case, no fund units, exclusively reserved for qualified investors and prohibited to retail investors, can be physically settled to retail investors;

**Fund Manager** means the Management Company (as defined below), the director, the manager or other entity which is responsible for publishing the Net Asset Value on behalf of the Management Company, as specified in the applicable Final Terms;

**Futures Contract** means, in respect of each Series, either as single or as a Basket Constituent, the future contract specified as Underlying in the relevant Final Terms. In the case of Certificates on Futures Contract, the lifetime of such instruments will reflect the lifetime of the related underlying futures. However, if the feature Futures Contract First Near-by is specified as applicable in the relevant Final Terms, the Issuer will be entitled to determine the Initial Reference Value on the basis of a Futures Contract First Near-by. In such case, the Applicable Final Terms will specify the relevant Rollover Date;

**Futures Contract First Near-by** means, when the Underlying is represented by a Futures Contract, the futures contract that has (i) the same features of the Futures Contract indicated as Underlying, and (ii) has an expiration date which is the closest to the Determination Date;

**Gap Daily Performance** means, in the case of Gap Certificates, the daily performance of the relevant Underlying as determined by the Calculation Agent on each day of the Barrier Gap Observation Period, as follows:

$$Gap\ Daily\ Performance(t) = \frac{\mathrm{VR(t)}}{\mathrm{VR(t-1)}} - 1$$

Where:

"**VR(t)**" means the Reference Value determined on the Exchange Business Day "t"

"**VR(t-1)**" means the Reference Value determined on the Exchange Business Day "t-1";

**Gearing** means, in relation to Dynamic Protection Certificates, the percentage specified in the applicable Final Terms;

**Gearing Event** means the event occurring when the Reference Value of the Underlying is lower than, equal to or higher than (as indicated in relevant Final Terms) the relevant Gearing Level;

**Gearing Level** means, in relation to Dynamic Protection Certificates, one or more values specified in the applicable Final Terms as a percentage of the Initial Reference Value of an Underlying or by a predetermined value;

**Global Performance** means, in relation to the Global Performance Certificates, the sum or the average/mean, as specified in the relevant Final Terms, of the performances of the relevant Underlying as determined, in respect of any Performance Observation Date, by the Calculation Agent as follows:

$$\sum_{t=1}^{n} Max\ [Local\ Floor\ Percentage_t;\ \left(\frac{RV_t - (RV_{t-1} x\ Global\ Strike\ Percentage_t)}{RV_{t-1}}\right) x\ Participation\ Factor_t]$$

Or, if the relevant Final Terms provide a Cap Level:

$$\sum_{t=1}^{n} \text{Min}\left\{\text{CAP}_t; \text{Max}[\text{Local Floor Percentage}_t\ ; \left(\frac{\text{RV}_t - (\text{RV}_{t-1} * \text{ GlobalStrike Percentage}_t)}{\text{RV}_{t-1}}\right) * \text{Partecipation Factor}_t]\right\}$$

where:

"**n**" means the number of the Performance Observation Dates,

"**$RV_t$**" means the Reference Value calculated on the Performance Observation Date "**t**",

"**Participation Factor**" means the Participation Factor corresponding to the relevant Participation Observation Date "**t**" as specified in the applicable Final Terms;

"**Global Strike Percentage**" means a percentage specified in the applicable Final Terms, and

"**Local Floor Percentage**" means a percentage specified in the applicable Final Terms;

**GDR** means a Global Depositary Receipt which will be specified as the underlying asset or a Basket Constituent, from time to time in the relevant Final Terms.

Save where specifically provided under the Final Terms, all references in the Conditions or, as applicable, to the "Shares" shall be deemed to be to the GDRs or ADRs, as applicable, and/or the Underlying Shares, references to the issuer of the Share, as applicable, shall be deemed to be to the issuer of the GDRs or ADRs, as the case may be, and the issuer of the Underlying Shares, and references to the "Exchange" shall be deemed to be to the exchange or quotation system on which the GDRs or ADRs, as the case may be, are listed and the exchange or quotation system on which the Underlying Shares are listed, and with such additional or alternative modifications as the Calculation Agent may consider necessary or otherwise desirable provided that any such amendment is not materially prejudicial to the holders of Securities;

**Government Bond** means, either as single or as a Basket Constituent, a bond issued by a national government of an OECD member country or by an international public organisation established by (or mainly represented by) OECD member countries, listed on a liquid regulated market (for the purposes of Directive 2014/65/EU as amended) or multilateral trading facility, that may constitute the Underlying of Govies Securities from time to time and as specified in the relevant Final Terms;

**In-The-Money** means;

(a) in the case of a Warrant which is a Cash Settled Security (a "**Cash Settled Warrant**"), the Cash Settlement Amount in respect of such Warrant is greater than zero; and

(b) in the case of a Warrant which is a Physical Delivery Security (a "**Physical Delivery Warrant**"), the value of the Entitlement on the Actual Exercise Date for such Warrant is greater than the Premium as determined by the Calculation Agent;

**Index** means, either as single or as a Basket Constituent, the Italian or foreign indices constituting the Underlying from time to time and as specified in the relevant Final Terms;

**Index Sponsor** means, in relation to an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Exchange Business Day, which as of the Issue Date is the index sponsor specified for such Index in the applicable Final Terms.

**Indicative Price** means, in relation to Warrants, the price of the Warrants as admitted to listing/negotiations specified in the applicable Final Terms and determined on the basis of the market parameters registered on a date around the Issue Date specified in the applicable Final Terms;

**Initial Gearing** means, in relation to Dynamic Protection Certificates, the percentage specified in the relevant Final Terms;

**Initial Percentage** means the percentage indicated in the relevant Final Terms;

**Initial Reference Value** means, as specified in the relevant Final Terms:

I. the predetermined value indicated in the Final Terms; or

II. without prejudice to the adjustments set out in the Terms and Conditions, the value calculated by the Calculation Agent pursuant to the following:

**If the Underlying is one or more financial asset(s) (and not a Basket):**

(A) the Value of the single Underlying on the Determination Date, calculated and determined by the Calculation Agent, as specified in the Final Terms, without considering possible changes published at a later stage in relation to the Value of the Underlying;

(B) the arithmetic mean (or a percentage of such arithmetic mean) of the Value of the single Underlying on the Determination Dates, ascertained by the Calculation Agent on the last Determination Date set out in the relevant Final Terms, and determined pursuant to the following formula:

$$\boldsymbol{IRV} = \frac{1}{x} \times \sum_{t=1}^{x} Underlying_t$$

Where

"**IRV**" is the Initial Reference Value of the Underlying,

"***x***" is the number of Determination Dates specified as such in the Final Terms,

"$\boldsymbol{Underlying_t}$" is the Value of the Underlying calculated on the Determination Date "*t*", as specified in the Final Terms;

(C) the minimum or maximum Value (as specified in the Final Terms) recorded in relation to the single Underlying during one or more Initial Reference Value Determination Period(s) ascertained by the Calculation Agent on the Determination Date(s), as specified in the Final Terms;

(D) in case of Exchange Rate Securities and if so specified in the relevant Final Terms, the amount equal to the quotient of (a) 1 (as numerator) and (b) the Value calculated pursuant to (A), (B), or (C) above (as denominator);

(E) when the Underlying is represented by a Futures Contract and if the feature Futures Contract First Near-by is specified as applicable in the relevant Final Terms, the Reference Value of the Futures Contract First Near-by with the expiry date which immediately follows the Determination Date. In this case the relevant Final Terms will indicate the relevant Rollover Date.

**If the Underlying is a Basket:**

(A) the Basket Value on the Determination Date, as ascertained by the Calculation Agent and without considering possible changes published at a later stage in relation to the Basket Value. If so specified in the applicable Final Terms, the Basket Value on the Determination Date may be equal to 1;

(B) the arithmetic mean of the Basket Values on the Determination Dates as ascertained by the Calculation Agent, and without considering possible changes published at a later stage in relation to the Basket Value, and determined pursuant to the following formula:

$$\boldsymbol{IRV} = \frac{1}{x} \times \sum_{t=1}^{x} Basket_t$$

Where

"**IRV**" is the Initial Reference Value of the Basket,

"***x***" is the number of Determination Dates specified as such in the relevant Final Terms,

"$\boldsymbol{Basket_t}$" is the Basket Value as calculated on the Determination Date "t"**;** or

(C) the amount corresponding to the minimum or maximum Basket Value (as specified in the Final Terms) recorded in relation to the Basket during one or more Initial Reference Value Observation Period(s), ascertained by the Calculation Agent (pursuant to the terms specified in the foregoing definition of "Basket Value") on the Determination Date, as set out in the relevant Final Terms;

**Initial Reference Value Determination Period** means the period composed of one or more Exchange Business Days, as specified in the relevant Final Terms;

**Interest Cap** means, in relation to the Interest Rate Warrants, and for the purposes of the calculation of the Floating Amount, the rate specified as such in the applicable Final Terms;

**Interest Determination Date** means, in relation to the Premium Gap Amount, the date specified as such in the applicable Final Terms:

**Interest Rate** means, either as single or as a Basket Constituent, the interest rate representing the Underlying from time to time and as specified in the relevant Final Terms;

**Internal Return Amount (which can be IRA Compound or IRA Simple)** means the amount linked to the performance of the Underlying as indicated in the relevant Final Terms (if applicable);

**Internal Return Amount (IRA) Cap** means the percentage indicated in the relevant Final Terms in relation to the Internal Return Amount (if applicable);

**Intraday Value** means, if specified as applicable in the Final Terms and in order to calculate the Reference Value, the official level published by the Index Sponsor, the official traded price, quoted on the relevant Exchange, the Exchange Rate value quoted on the relevant over-the-counter or quotation-based market indicated in the relevan Final Terms, the official Interest Rate value, the Net Asset Value of such Underlying or Basket Constituent (without limitation, as the case may be and as specified in the applicable Final Terms) continuously observed on such day by the Calculation Agent on the applicable Electronic Page, subject as provided in Condition 15(2) (*Adjustment Events relating to the Underlying and correction provisions in relation to the Securities*);

**Issue Currency** means the currency specified from time to time in the applicable Final Terms;

**Issue Date** means, in relation to each Series, the date of issue of the Securities. Such a date is specified from time to time in the relevant Final Terms;

**Issue Price** means the price of issue of the Certificates;

**Issuer** means Banca IMI S.p.A. with registered office Largo Mattioli No. 3 -20121 Milan;

**Italian Bail-in Power** means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Republic of Italy, relating to (i) the transposition of the BRRD (in including, but not limited to, Legislative Decrees No. 180/2015 and 181/2015) as amended from time to time; and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of a regulated entity (or other affiliate of such regulated entity) can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period);

**Italian Index** means an index regulated by Borsa Italiana S.p.A. and by entities which have entered into a specific agreement with Borsa Italiana S.p.A.;

**Italian Resolution Authority** means the Bank of Italy or other governmental authority in Italy (or other country in which the Issuer is then domiciled) or in the European Union having primary responsibility for the prudential oversight and supervision of the Issuer acting in its capacity as resolution authority within the meaning of Article 2(18) of the BRRD;

**Italian Traded Securities** means Securities in respect of which the applicable Final Terms state that an application will be made to admit such Securities to trading on an Italian multilateral trading facility and the expression **Italian Traded Warrants** and **Italian Traded Certificates** shall be construed accordingly;

**Knock-in Event** means, if applicable pursuant to the relevant Final Terms, the event occurring if the Calculation Agent determines that the Reference Value or the Spread (in the case of Spread Certificates), or the Cumulated Performance (in the case of Multiperformance Certificates):

(i) is equal to, higher than or lower than the relevant Knock-in Level on the relevant Knock-in Valuation Period; and/or

(ii) it has been, at least once during the relevant Knock-in Valuation Period, equal to, higher than or lower than the relevant Knock-in Level; and/or

(iii) it has never been equal to, higher than or lower than the relevant Knock-in Level during the relevant Knock-in Valuation Period; or

(iv) has fallen at least once or has never fallen within or out of a range between the relevant Up Range Knock-in Level and the relevant Down Range Knock-in Level (included or excluded in the range as specified in the relevant Final Terms) on/during the relevant Knock-in Valuation Period,

as specified from time to time in the relevant Final Terms;

**Knock-in Feature** means, if specified as applicable in the relevant Final Terms and in respect of the calculation of any Remuneration Amount, the feature pursuant to which the relevant Remuneration Amount becomes payable to the Securityholders after the occurrence of a Knock-in Event. In particular, if Knock-in Event occurs during a Knock-in Valuation Period, the investor will benefit from the payment of the relevant Remuneration Amount during either the valuation period on which the Knock-in Event has occurred and/or the valuation period(s) following the Knock-in Valuation Period in which the Knock-in Event has occurred, as specified in the Final Terms;

**Knock-in Level** means one or more values that may be specified in the applicable Final Terms that determines the occurrence of the Knock-in Event.

The Knock-in Level is represented by a percentage of the Initial Reference Value or as an independent percentage value (in relation to Spread Certificates and Multiperformance Certificates) or by a number, as specified in the applicable Final Terms in relation to the relevant Knock-in Valuation Period.

**Knock-in Valuation Period** means the period composed of one or more Exchange Business Days, as indicated in the Final Terms in which the Calculation Agent determines the occurrence of a Knock-in Event.

In the event of more Knock-in Valuation Periods, the relevant Final Terms will specify the **First Knock-in Valuation Period**, the **Second Knock-in Valuation Period**, and so on.

The applicable Final Terms may provide for different Underlyings in relation to each Knock-in Valuation Period.

In the event that a Market Disruption Event has occurred on the Knock-in Valuation Period or on one Exchange Business Day of the Knock-in Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

**Knock-out Event** means, if applicable pursuant to the relevant Final Terms, the event occurring if the Calculation Agent Determines that the Reference Value or the Spread (in the case of Spread Certificates), or the Cumulated Performance (in the case of Multiperformance Certificates):

(i) is equal to, higher than or lower than the relevant Knock-out Level on the relevant Knock-out Valuation Period; and/or

(ii) it has been, at least once during the relevant Knock-out Valuation Period, equal to, higher than or lower than the relevant Knock-out Level; and/or

(iii) it has never been equal to, higher than or lower than the relevant Knock-out Level during the relevant Knock-out Valuation Period; or

(iv) has fallen at least once or has never fallen within or out of a range between the relevant Up Range Knock-out Level and the relevant Down Range Knock-out Level (included or excluded in the range as specified in the relevant Final Terms) on/during the relevant Knock-out Valuation Period,

as specified from time to time in the relevant Final Terms;

**Knock-out Feature** means, if specified as applicable in the relevant Final Terms and in respect of the calculation of any Remuneration Amount, the feature pursuant to which the Remuneration Amount potentially payable after the occurrence of a Knock-out Event will cease to be due and payable to the Securityholders. In particular, if Knock-out Event occurs during a Knock-out Valuation Period, the investor will not benefit from the payment of the relevant Remuneration Amount during either the valuation period on which the Knock-out Event has occurred and/or the valuation period(s) following the Knock-out Valuation Period in which the Knock-out Event has occurred, as specified in the Final Terms;

**Knock-out Level** means one or more values that may be specified in the applicable Final Terms that determines the occurrence of the Knock-out Event.

The Knock-out Level is represented by a percentage of the Initial Reference Value or as an independent percentage value (in relation to Spread Certificates and Multiperformance Certificates) or by a number, as specified in the applicable Final Terms in relation to the relevant Knock-out Valuation Period.

**Knock-out Valuation Period** means the period composed of one or more Exchange Business Days, as indicated in the Final Terms, in which the Calculation Agent determines the occurrence of a Knock-out Event.

In the event of more Knock-out Valuation Periods, the relevant Final Terms will specify the **First Knock-out Valuation Period**, the **Second Knock-out Valuation Period**, and so on.

The applicable Final Terms may provide for different Underlyings in relation to each Knock-out Valuation Period.

In the event that a Market Disruption Event has occurred on the Knock-out Valuation Period or on one Exchange Business Day of the Knock-out Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

**LIBOR** means the London inter-bank offered rate;

**Lisiting Agent** means the Luxembourg Listing Agent and/or any other listing agent specified as such in the applicable Final Terms;

**Long Strategy** means a financial strategy which gives to the investor the possibility to receive a positive amount in case of increasing performance of the Underlying as indicated in the relevant Final Terms in relation to the relevant Series;

**Lower Barrier Level** means the value specified in the applicable Final Terms that determines the occurrence of the Barrier Event. Such value may be set as:

(i) a percentage of the Initial Reference Value of the Underlying specified in the applicable Final Terms; or

(ii) a number specified in the applicable Final Terms.

**Luxembourg Listing Agent** means BNP Paribas Securities Services, Luxembourg Branch, acting as listing agent in Luxembourg;

**Management Company** is the entity responsible for the management of the Fund

**Market Disruption** means any event, pursuant to Condition 15, that is deemed to be a Market Disruption;

**Market Value** means, in the case of a Market Disruption Event or Adjustment Event that as a consequence of which the Issuer redeems early the Securities, an amount at the market value, as determined by the Calculation Agent acting in good faith pursuant to reasonable market practice and aiming to neutralise the effects which the Market Disruption Event or Adjustment Event cause to the Certificates;

**Margin** means the percentage, which may also be equal to zero, specified in the relevant Final Terms;

**Maximum Exercise Number** means the maximum number of Warrants that may be exercised by the Securityholder, as specified in the applicable Final Terms.

**Maximum Level** means, in relation to each Series, the value of the Underlying, specified in the Final Terms and determined by the Calculation Agent, upon which the Issuer can opt to not carry out the issue of the Certificates and the relevant offer shall be deemed consequently cancelled pursuant to the Final Terms;

**Memory Effect** means the feature that may be specified as applicable in relation to the Digital Amount and the Participation Remuneration Amount if there are several Digital Valuation Periods or several Participation Remuneration Event Valuation Periods.

The Memory Effect will occur if the Calculation Agent determines that the Reference Value or the Spread (in the case of Spread Certificates), or the Cumulated Performance (in the case of Multiperformance Certificates):

(i) is equal to, higher than or lower than the relevant Memory Level on the relevant Memory Valuation Period; and/or

(ii) it has been, at least once during the relevant Memory Valuation Period, equal to, higher than or lower than the relevant Memory Level; and/or

(iii) it has never been equal to, higher than or lower than the relevant Memory Level during the relevant Memory Period; and/or

(iv) has fallen at least once or has never fallen within or out of a range between the relevant Up Range Memory Level and the relevant Down Range Memory Level (included or excluded in the range as specified in the relevant Final Terms) on/during the relevant Memory Valuation Period,

as specified from time to time in the relevant Final Terms.

If the Memory Effect occurs, the investor will receive the previously unpaid Digital Amount(s)/Participation Remuneration Amount(s) in the event that the relevant Digital Event/Participation Remuneration Amount Event has not occurred, except where such Digital Amounts/Participation Remuneration Amounts have been already paid due to the occurrence of a Memory Effect in a previous Memory Valuation Period.

If the Memory Effect occurs, the Securityholders will be notified through a notice published on the website of the Issuer https://www.bancaimi.prodottiequotazioni.com/EN.

**Memory Level** means one or more values that may be specified in the applicable Final Terms that determines the occurrence of the Memory Effect.

The Memory Level is represented by a percentage of the Initial Reference Value or as an independent percentage value (in relation to Spread Certificates and Multiperformance Certificates) or by a number, as specified in the applicable Final Terms in relation to the relevant Memory Valuation Period.

The Memory Level may be identical for all the Memory Valuation Periods or it may differ for each Memory Valuation Period, as specified in the applicable Final Terms. If there are more Memory Levels, the Issuer will indicate in the relevant Final Terms the **First Memory Level**, the **Second Memory Level** and so on.

In the case of Certificates with Best Of Feature or Worst Of Feature, the Issuer will specify in the relevant Final Terms the occurrence of the Memory Effect in relation to one or more Underlyings and the Final Terms will specify the Memory Level for each Underlying. In particular, for the purposes of determining the occurrence of a Memory Effect, the Final Terms will specify the number of Underlyings in relation to which the Memory Effect has to occur;

**Memory Valuation Period** means the period composed of one or more Exchange Business Days, as indicated in the Final Terms, in which the Calculation Agent determines the occurrence of a Memory Effect.

In case of more Memory Valuation Periods, the relevant Final Terms will specify the **First Memory Valuation Period**, the **Second Memory Valuation Period**, and so on.

The applicable Final Terms may provide for different Underlyings in relation to each Memory Valuation Period.

In the event that a Market Disruption Event has occurred on the Memory Valuation Period or on one Exchange Business Day of the Memory Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

**Minimum Exercise Amount** means the minimum amount of Certificates and the relevant multiplier which can be exercised and is set out in the relevant Final Terms, in respect of each issue;

**Minimum Exercise Number** means the minimum number of Warrants that may be exercised by the Securityholder, as specified in the applicable Final Terms.

**Minimum Level** means, in the case of Fund Securities, the interest rate swap value as determined on the Determination Date, whose term coincides with the lifetime of the Certificates. The Minimum Level upon which, if reached, the Calculation Agent determines the occurrence of a Market Disruption Event, as specified in the Final Terms and as determined by the Calculation Agent;

**Minimum Trading Amount** means the amount of Certificates specified as such in the relevant Final Terms, in relation to each Series admitted to trading;

**Multiple Level Option** means, if so specified by the Issuer in the relevant Final Terms and if several Digital Levels have been provided in relation to the same Digital Valuation Period, the determination method of the Digital Level pursuant to which the relevant Final Terms will indicate the Digital Amount 1 and the Digital Amount 2, and so on, which will be respectively linked to the Digital Level 1, the Digital Level 2 and so on. In this case, the holders of the Securities will be entitled to receive the Digital Amount relating to the higher Digital Level reached by the Reference Value;

**Multiplier** means the amount of underlying which is related to a single Certificate or Covered Warrant, specified as a predetermined value in the applicable Final Terms or determined according to the method of calculation specified in the applicable Final Terms;

**NAV** means the net asset value for each share or unit of the Fund as calculated and published by the Fund Manager;

**Net Profit Feature** means the calculation method, if specified as applicable in the relevant Final Terms, for the determination of the relevant Participation Remuneration Amount, pursuant to which the Remuneration Sum will be deducted from the relevant Participation Remuneration Amount, provided that the resulting amount cannot be lower than zero;

**Notional Amount** means, in relation to Warrants, the amount specified as such in the Final Terms;

**Notional Amount$_t$** means, in relation to the Interest Rate Warrants, the amount specified as such in the Final Terms in relation to each Floating Amount Determination Period;

**Offer Period** means the period indicated by the Issuer for the subscription in relation to the Series, as specified in the Final Terms;

**Open End Feature** means, if specified in the applicable Final Terms, the feature applicable to the Benchmark Certificates pursuant to which the securities have no term and therefore the Exercise Date is not applicable. The Benchmark Open End Certificates can be early redeemed upon exercise of the Call Option by the Issuer or, if applicable, the exercise of the Put Option by the investors pursuant to Condition 22 (*Exercise of Certificates*);

**Outstanding Amount** means, if an Early Partial Capital Payment Amount is provided in the relevant Final Terms, on the relevant Outstanding Amount Determination Date, the Issue Price less the sum of any Early Partial Capital Payment Amounts paid up to and including such relevant Outstanding Amount Determination Date.

**Outstanding Amount Determination Date(s)** means the date(s) specified in the applicable Final Terms in which the Calculation Agent determines the Outstanding Amount;

**Participation Combo Feature** means, if specified by the Issuer in the relevant Final Terms, in relation to the calculation of the Participation Remuneration Amounts linked to a Basket, the calculation method pursuant to which the Calculation Agent will determine (i) the arithmetic mean or (ii) the weighted average (as specified in the applicable Final Terms) or (iii) the sum of the Participation Remuneration Amounts for each single Basket Constituent, as calculated taking into account for each single Basket Constituent the relevant CAP (if applicable), Floor Percentage, Participation Factor, Strike Remuneration Percentage, Base Premium Percentage (if applicable) and Participation Remuneration Amount Gearing (if applicable), as defined in the Final Terms. However, for the purpose of the calculation of the Cash Settlement Amount and the Early Redemption Amount (if applicable), the Calculation Agent will take into account the Initial Reference Value, the Final Reference Value, the Early Redemption Level (if applicable), the Barrier Level (if applicable), the Cap Level (if applicable) and the Protection Level (if applicable) in relation to a Basket. Such calculation method shall not apply to the Spread Certificates and Multiperformance Certificates;

**Participation Factor** means, in relation to the Max Certificates, the Spread Certificates, the Twin Win Certificates, the Global Performance Certificates, the Lucky Protection Certificates and the Dynamic Protection Certificates, the percentage indicated in the Final Terms of each Series;

**Participation Remuneration Amount Gearing** means the value specified from time to time in the relevant Final Terms;

**Participation Rebate Amount** means, if a Participation Rebate Event has occurred, an amount in the Settlement Currency specified by the Issuer in the relevant Final Terms for each Series;

**Participation Rebate Event** means the event occurring when the Calculation Agent determines that, in a Participation Rebate Valuation Period indicated by the Issuer, the value of the relevant Underlying (or of the Spread in event of Spread Participation Remuneration Amount)

(i) is equal to, higher than or lower than the relevant Participation Rebate Level; and/or

(ii) it has been, at least once during the relevant Participation Rebate Valuation Period, equal to, higher than or lower than the relevant Participation Rebate Level; and/or

(iii) it has never been equal to, higher than or lower than the relevant Participation Rebate Level during the relevant Participation Rebate Valuation Period; or

as specified from time to time in the relevant Final Terms;

**Participation Rebate Feature** means, in relation to the calculation of the Participation Rebate Amount, the feature pursuant to which the Participation Remuneration Amount potentially payable after the occurrence of a Participation Rebate Event will cease to be due and payable to the Securityholders. In particular, if Participation Rebate Event occurs during a Participation Rebate Valuation Period, the investor will receive the specified Participation Rebate Amount on the relevant payment date following the Participation Rebate Valuation Period in which the Participation Rebate Event has occurred;

**Participation Rebate Level** means the value determined from time to time, in relation to each Participation Rebate Valuation Period, in the relevant Final Terms. For the purposes of the above Participation Rebate Event, the Participation Rebate Level is determined by the Calculation Agent pursuant to the relevant Final Terms;

**Participation Rebate Valuation Period** means, in relation to the Participation Rebate Level, the period composed of one or more Exchange Business Days, as indicated in the Final Terms, in which the Calculation Agent determines if the Participation Rebate Event has occurred. In the event of more Participation Rebate Valuation Periods, the relevant Final Terms will indicate the First Participation Rebate Valuation Period, the Second Participation Rebate Valuation Period, and so on.

In the event that a Market Disruption Event has occurred on the Participation Rebate Valuation Period or on one Exchange Business Day of the Participation Rebate Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

**Participation Remuneration Amount** means the amount in the Settlement Currency to be paid to the Securityholder, if positive, on the relevant Participation Remuneration Payment Date per each Minimum Exercise Amount pursuant to Condition 24 (*Pay-out provisions*).

The Participation Remuneration Amount may be, as indicated in the relevant Final Terms, "**Long Participation Remuneration Amount Form A**" or "**Long Participation Remuneration Amount Form B**" or "**Short Participation Remuneration Amount**" or "**Spread Participation Remuneration Amount**";

**Participation Remuneration Event** means, if applicable pursuant to the relevant Final Terms, the event occurring if the Calculation Agent determines that the Reference Value or the Spread (in the case of Spread Certificates), or the Cumulated Performance (in the case of Multiperformance Certificates):

(i) is equal to, higher than or lower than the relevant Participation Remuneration Level on the relevant Participation Remuneration Event Valuation Period; and/or

(ii) it has been, at least once during the relevant Participation Remuneration Event Valuation Period, equal to, higher than or lower than the relevant Participation Remuneration Level; and/or

(iii) it has never been equal to, higher than or lower than the relevant Participation Remuneration Level during the relevant Participation Remuneration Event Valuation Period; and/or

(iv) has fallen at least once or has never fallen within or out of a range between the relevant Up Range Participation Remuneration Level and the relevant Down Range Participation Remuneration Level (included or excluded in the range as specified in the relevant Final Terms) on/during the relevant Participation Remuneration Event Valuation Period,

as specified from time to time in the relevant Final Terms.

If a Participation Remuneration Event occurs, the Securityholders are entitled to receive the payment of the relevant Participation Remuneration Amount, if positive.

In the case of Certificates with Best Of Feature or Worst Of Feature, the Issuer will specify in the relevant Final Terms the occurrence of the Participation Remuneration Event in relation to one or more Underlyings and the Final Terms will specify the Participation Remuneration Level for each Underlying. In particular, for the

purposes of determining the occurrence of a Participation Remuneration Event, the Final Terms will specify the number of Underlyings in relation to which the Participation Remuneration Event has to occur.

The Participation Remuneration Event will be promptly notified to the Securityholders pursuant to Condition 9 (*Notices*);

**Participation Remuneration Event Valuation Period** means the period composed of one or more Exchange Business Days, as indicated in the Final Terms, in which the Calculation Agent determines the occurrence of a Participation Remuneration Event.

In the event of more Participation Remuneration Event Valuation Periods, the relevant Final Terms will specify the **First Participation Remuneration Event Valuation Period**, the **Second Participation Remuneration Event Valuation Period**, and so on.

In the event that a Market Disruption Event has occurred on the Participation Remuneration Event Valuation Period or on one Exchange Business Day of the Participation Remuneration Event Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

**Participation Remuneration Level** means the value specified in the applicable Final Terms that determines the occurrence of the Participation Remuneration Event.

The Participation Remuneration Level is represented by a percentage of the Initial Reference Value and/or the Reference Value (or as an independent percentage value in relation to Spread Certificates and Multiperformance Certificates) or by a predetermined value, as specified in the applicable Final Terms.

The Participation Remuneration Level may be identical for all the Participation Remuneration Event Valuation Periods or it may differ for each Participation Remuneration Event Valuation Period, as specified in the applicable Final Terms. If there are more Participation Remuneration Levels, the Issuer will indicate in the relevant Final Terms: (i) the First Participation Remuneration Level, the Second Participation Remuneration Level and so on.

In the case of Cliquet Feature, the applicable Final Terms will specify the method for changing the Participation Remuneration Level in relation to one or more Participation Remuneration Event Valuation Periods.

In the case of Certificates with Best Of Feature or Worst Of Feature, the Issuer will specify in the relevant Final Terms the occurrence of the Participation Remuneration Event in relation to one or more Underlyings and the Final Terms will specify the Participation Remuneration Level for each Underlying. In particular, for the purposes of determining the occurrence of a Participation Remuneration Event, the Final Terms will specify the number of Underlyings in relation to which the Participation Remuneration Event has to occur;

**Participation Remuneration Payment Date** means the date on which the Issuer shall pay the Participation Remuneration Amount to the Securityholders;

**Participation Valuation Date** means, in relation to the relevant Participation Remuneration Amount, each date in which the Calculation Agent determines the Reference Value of the Underlying for the purposes of the calculation of the Participation Remuneration Amount. In particular, for each Participation Remuneration Amount, the "$RV_j$" will be determined on the "**Participation Valuation Date$_j$**" and the "$RV_t$" will be determined on the "**Participation Valuation Date$_t$**";

**Participation Valuation Period** means, in relation to the relevant Participation Remuneration Amount, the period (starting from the **Participation Valuation Date$_j$** and ending on a "**Participation Valuation Date$_t$**", both specified in the relevant Final Terms), during which the performance of the relevant Underlying is determined for the purposes of the calculation of the relevant Participation Remuneration Amount, as specified in the relevant Final Terms;

**Path Dependency Effect** means a calculation method of the Digital Amount, described in Condition 24 (*Pay-out provisions*), according to which the Digital Amount may increase in relation to each Digital Valuation Period;

**Path Dependency Amount** means the amount specified in the applicable Final Terms in relation to the Path Dependency Effect;

**Performance Cap** means, in relation to the calculation of the Performance of the Underlying, the value specified in the relevant Final Terms;

**Performance Floor** means, in relation to the calculation of the Performance of the Underlying, the value specified in the relevant Final Terms;

**Performance Observation Date(s)** means, in relation to Buffer Protection Certificates and Global Performance Certificates, the date(s) set out in the relevant Final Terms, on which the Calculation Agent determines the performance of the relevant Underlying, for the purposes of the calculation of the Performance Sum and the Global Performance as the case may be;

**Performance** means the effective performance of each Underlying or Basket Constituent determined by the Calculation Agent according to one of the following formulas:

(i) <u>on the Valuation Date:</u>

(a) In case of Long Strategy: *Performance* = $\frac{\text{FRV}}{\text{IRV}} - 1$

or

In case of Short Strategy: *Performance* = $1 - \frac{\text{FRV}}{\text{IRV}}$

or

(b) In case of Long Strategy: *Performance* = $P\ x\ (\frac{FRV}{IRV} - 1)$

or

In case of Short Strategy: *Performance* = $P\ x\ (1 - \frac{FRV}{IRV})$

Where:

"**FRV**" means the Final Reference Value of the Underlying,

"**IRV**" means the Initial Reference Value of the Underlying; and

"**P**" means the Performance Participation Factor;

(ii) <u>during the life of the Certificates:</u>

(a) In case of Long Strategy: *Performance* = $\frac{\text{RV}}{\text{IRV}} - 1$

In case of Short Strategy: *Performance* = $1 - \frac{\text{RV}}{\text{IRV}}$

or

(b) In case of Long Strategy: *Performance* = $P\ x\ (\frac{RV}{IRV} - 1)$

In case of Short Strategy: *Performance* = $P\ x\ (1 - \frac{RV}{IRV})$

Where:

"**RV**" means the Reference Value of the Underlying,

"**IRV**" means the Initial Reference Value of the Underlying; and

"**P**" means the Performance Participation Factor;

In each case, the relevant Final Terms may provide for the application of a Performance Cap and/or a Performance Floor.

In the case of Spread Certificates, the performance of the two Underlyings for the purposes of the calculation of the Spread will be indicated, respectively, as "**Performance of the Underlying A**" and "**Performance of the Underlying B**";

**Performance Participation Factor** means, in relation to the determination of the Performance of the Underlying, the multiplier factor specified in the relevant Final Terms;

**Performance Sum** means, in relation to the Buffer Protection Certificates, the sum of the performances of the relevant Underlying as determined, in respect of any Performance Observation Date, by the Calculation Agent as follows:

(i) In case of Long Strategy: $\sum_{t=1}^{n}\left(\frac{RV(t)}{IRV} - 1\right)$

(ii) In case of Short Strategy: $\sum_{t=1}^{n}\left(1 - \frac{RV(t)}{IRV}\right)$

where:

"**n**" means the number of the Performance Observation Dates,

"$\mathbf{RV_t}$" means the Reference Value calculated on the Performance Observation Date "**t**", and

"**IRV**" means the Initial Reference Value of the Underlying;

**Plus Amount** means, if applicable, one or more amounts indicated in the relevant Final Terms, to be paid to the Securityholder for each Minimum Exercise Amount on the relevant Plus Payment Date;

**Plus Payment Date** means one or more Business Days on which the Issuer shall pay the Plus Amount to the Securityholders provided that, if one or more of these dates do not fall on a Business Day, they shall be postponed to the next day which is a Business Day. If there are more Plus Payment Dates, the relevant Final Terms will specify the **First Plus Payment Date**, the **Second Plus Payment Date** and so on;

**Predetermined Loss Percentage** means, if specified as applicable in addition to the Barrier Level, the percentage indicated in the relevant Final Terms. In any case, such percentage will not be higher than 100% or lower than 0%;

**Premium** means the price of issue of the Warrants specified from time to time in applicable Final Terms as an amount and/or as a percentage of the Notional Amount;

**Premium Determination Method(s)** means, in the case of Gap Certificates, the **Floating Premium**, the **Fixed Premium** and the **Differences in Rates**, pursuant to Condition 24 (Pay-out provisions) and specified by the Issuer in the relevant Final Terms in relation to each Premium Determination Method;

**Premium Determination Period** means, in relation to Gap Certificates and the Premium Gap Amount, each period specified in the applicable Final Terms during which the relevant Premium Gap Amount is determined;

**Premium Gap Amount(s)** means, in relation to one or more Premium Determination Period(s), the amount(s) in the Settlement Currency to be paid to the Securityholder on the Premium Gap Payment Date per each Minimum Exercise Amount, calculated pursuant to Condition 24 (*Pay-out provisions*);

**Premium Gap Observation Period(s)** means, in relation to Gap Certificates and the Premium Gap Amount:

a) If a Barrier Gap Event has not occurred, the actual number of days comprised in the relevant Premium Determination Period;

b) If a Barrier Gap Event has occurred, the actual number of days comprised in the relevant Premium Determination Period from the initial day (included or excluded as specified in the relevant Final Terms) of such Premium Determination Period to the Barrier Gap Event Date (included or excluded as specified in the relevant Final Terms);

**Premium Gap Payment Date** means one or more Business Days on which the Issuer shall pay the Premium Gap Amount to the Securityholders provided that, if one or more of these dates do not fall on a Business Day, they shall be postponed to the next day which is a Business Day.

The Premium Gap Payment Date falls no later than 10(ten) Business Days following the last Exchange Business Day of the relevant Premium Determination Period;

**Premium Margin** means, in the case of Gap Certificates, a value expressed as basis points specified by the Issuer in the applicable Final Terms (the Premium Margin may be equal to zero if the Issuer decides not to apply it for the calculation of the relevant Premium Gap Amount);

**Premium Percentage** means, in the case of Gap Certificates, a percentage specified by the Issuer in the applicable Final Terms;

**Protection Amount** means the amount specified in the relevant Final Terms;

**Protection Level** means the value calculated as a percentage of the Initial Reference Value of the Underlying (or as an independent percentage value in relation to Spread Certificates and Multiperformance Certificates) or by a predetermined value, as specified in the relevant Final Terms.

In the case of Best Of Feature or Worst Of Feature, the Issuer will indicate in the relevant Final Terms the Protection Level for each Underlying;

**Protection Percentage** means the percentage specified in the relevant Final Terms;

**Purchase Price** means, in relation to Digital Certificates, the price at which the Digital Certificates may be subscribed by the investor in an exempt offer, if so specified in the applicable Final Terms. The Purchase Price will be lower than the Issue Price;

**Put Exercise Date** means the Exchange Business Day on which the Certificates are exercised by the investors, as specified in the Final Terms, following the Put Option Exercise of the investors;

**Put Notice Period** means the date – indicated in the Final Terms – by which the investor shall notify, in accordance with Condition 22 (*Exercise of Certificates*) below, the intention to exercise the Put Option during the relevant Put Exercise Date;

**Put Option** means, if so specified in the relevant Final Terms, the option which can irrevocably exercised by the investors during the Put Notice Period specified in the applicable Final Terms pursuant to Condition 22 (*Exercise of Certificates*) below;

**Put Option Exercise** means the faculty of the investors to exercise the Put Option. The Put Option Exercise is announced to the Issuer pursuant to the Condition 22 (*Exercise of Certificates*) below;

**Put Option Exercise Notice** means the notice to be sent by the Issuer pursuant to Condition 22 (*Exercise of Certificates*) below;

**Put Valuation Date** means if the Put Option is specified as applicable in the relevant Final Terms, one or more Exchange Business Days on which the Calculation Agent determines the Reference Value. The Put Valuation Date will be specified in the relevant Final Terms, and will be considered for the purposes of the calculation of the Cash Settlement Amount, provided that, the Put Option has been exercised by the investors and, in the opinion of the Calculation Agent, a Market Disruption Event has not occurred.

In the event that a Market Disruption Event has occurred on the Put Valuation Date or on one Exchange Business Day of the Put Valuation Date, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

**Quanto Option** means, if the Final Terms specify a Quanto Option as applicable, that the Underlying Reference Currency is, for the purpose of the payment of the Cash Settlement Amount or Early Redemption Amounts or Remuneration Amounts, in any case conventionally denominated in the Settlement Currency and the exchange rate is not applicable and, therefore, the effects of the exchange rates on the amount paid in relation to the Securities are neutralised;

**Rainbow Feature** means, in relation to the Certificates linked to a Basket, the determination method in relation to the value of that Basket, provided by the Issuer in the relevant Final Terms. Unlike the securities linked to one or more Underlyings, the Issuer will indicate in the Final Terms: (i) the financial activities which represent the Basket Constituents, (ii) the relative weighting within the Basket without any preliminary reference to specific financial activities and (iii) the objective criteria pursuant to which the weight will be allocated by the Calculation Agent (for instance, in a Basket constituted by three financial activities, the Basket would be weighted as follows: 50% for the Basket Constituent with the best performance; 30% for the Basket Constituent with the worst performance; and 20% for a Basket Constituent with the second best performance). For each determination (during the life of the Certificates and at the exercise date), the Calculation Agent will weigh the relevant Basket Constituents on the basis of the Performance registered on such determination date and pursuant to the formula set out in the Final Terms. The allocation of the weights within a Basket may result differently on each determination date and depending on the performance of the Basket Constituents.

Once the Calculation Agent has carried out the weighting of the Basket on the relevant determination date, the Calculation Agent will calculate the total amount of the Basket pursuant to the methods applied on the instruments normally linked to the Basket.

Such feature shall not apply to Spread Certificates and Multiperformance Certificates;

**Reference Rate** means, in relation to the Premium Gap Amount, or in case of Interest Rate Warrants, in relation to the Floating Amounts and/or the Cash Settlement Amount, the Interest Rate that will be determined in the manner specified in the applicable Final Terms;

**Reference Source** means, in relation to the Underlying, each information provider, electronic page, exchange or quotation system in which the Underlying values are available, as specified in the applicable Final Terms, any

successor to such information provider, electronic pages, exchange or quotation system or any substitute exchange or quotation system to which trading in the Underlying has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the contracts relating to such Underlying on such temporary substitute exchange or quotation system as on the original Reference Source);

**Reference Value** means a Value determined by the Calculation Agent during the relevant valuation period, as specified in the relevant Final Terms.

In the case of a Basket, the Reference Value of the Basket will be determined as specified in the previous definition of "Basket Value".

Furthermore, without prejudice to the definitions of the Final Reference Value and Initial Reference Value set out above, in relation to any valuation period during the lifetime of the Certificates, the occurrence of the relevant event may be determined pursuant to the following, as specified from time to time in the relevant Final Terms:

**If the Underlying is one or more financial asset(s) (and not a Basket):**

(A) the Value of the single Underlying on the relevant valuation period, as determined by the Calculation Agent, and without considering possible changes published at a later stage in relation to the financial asset;

(B) the arithmetic mean of the Value of the Underlying(s), ascertained by the Calculation Agent on the last Exchange Business Day of such valuation period set out in the relevant Final Terms, and determined pursuant to the following formula:

$$RV = \frac{1}{x} \times \sum_{z=1}^{x} Underlying_z$$

Where

"**RV**" is the Reference Value of the Underlying, and

"***x***" is the number of the dates of such valuation period, specified as such in the relevant Final Terms,

"***Underlying$_z$***", is the Value of the Underlying calculated on the Exchange Business Day "*z*" of such valuation period;

(C) the maximum or minimum Value (as specified in the Final Terms) recorded in relation to the single Underlying during one or more valuation period(s) ascertained by the Calculation Agent on the Exchange Business Day, as specified in the Final Terms; or

(D) in case of Exchange Rate Securities and if so specified in the relevant Final Terms, the amount equal to the quotient of (a) 1 (as numerator) and (b) the amount calculated pursuant to (A), (B) or (C) above (as denominator).

**If the Underlying is a Basket:**

(A) the Basket Value on the relevant valuation period, as ascertained by the Calculation Agent and without considering possible changes published at a later stage in relation to the Basket Value;

(B) the arithmetic mean of the Basket Values on the Exchange Business Days of the relevant valuation period as ascertained by the Calculation Agent and without considering possible

changes published at a later stage in relation to the Basket Value, determined pursuant to the following formula:

$$\boldsymbol{RV} = \frac{1}{x} \times \sum_{z=1}^{x} Basket_z$$

Where

"**RV**" is the value of the Basket,

"***x***" is the number of the Exchanges Business Dates of the relevant valuation period, specified as such in the relevant Final Terms,

"$\boldsymbol{Basket_z}$" is the Basket Value as calculated on the Exchange Business Day "z"**;** or

(C) the maximum or minimum Basket Value (as specified in the Final Terms) recorded in relation to the Basket during one or more valuation period(s), ascertained by the Calculation Agent on the Exchange Business Day of the relevant valuation period, as set out in the relevant Final Terms;

**Registrar** means BNP Paribas Securities Services, Luxembourg Branch as registrar in respect of any Registered Securities;

**Register** means in the case of Registered Securities, the register kept at the principal office of the Registrar;

**Related Exchange** means, in relation to an Underlying, any regulated or non-regulated market where the options, futures or repo contracts on such Underlying are traded, as determined by the Calculation Agent.

**Relevant Asset** means the assets constituting the Entitlement as specified in the relevant Final Terms in relation to the Physical Delivery Securities;

**Remuneration Amount** means either the Accumulating Amount, the Digital Amount, the Extra Consolidation Digital Amount, the Internal Return Amount, the Participation Rebate Amount, the Participation Remuneration Amount, the Plus Amount, and/or the Premium Gap Amount, as the case may be;

**Remuneration Sum** means, in relation to the Participation Remuneration Amounts, if the Net Profit Feature is specified as applicable in the relevant Final Terms, the sum, in respect of any Valuation Date, of the Remuneration Amounts specified in the relevant Final Terms, if already paid, on the payment dates specified in the relevant Final Terms preceding such Valuation Date;

**Renouncement Notice** means, in respect of Certificates admitted to trading on an Italian trading venue, the notice to be sent by the investors, prior to the Renouncement Notice Cut-off Time, to renounce any Automatic Exercise of Certificate pursuant to Condition 22 (*Exercise of Certificates*);

**Renouncement Notice Cut-off Time** means, if a Renouncement Notice is applicable in respect of the Certificates, the time limit for sending the Renouncement Notice by the investors pursuant to Condition 22 (*Exercise of Certificates*);

**Restrike Event** means, in relation to the Restrike Feature and if applicable pursuant to the relevant Final Terms, the event occurring when the Calculation Agent determines that during the Restrike Observation Period(s), the Reference Value of one or more underlying asset(s),

(i) is equal to, higher than or lower than the relevant Restrike Level; and/or

(ii) it has been, at least once during the relevant Restrike Observation Period, equal to, higher than or lower than the relevant Restrike Level; and/or

(iii) it has never been equal to, higher than or lower than the relevant Restrike Level during the relevant Restrike Observation Period; or

as specified from time to time in the relevant Final Terms. Upon occurrence of a Restrike Event, the Initial Reference Value and all the value and levels dependant from the Initial Reference Value (such as the Barrier Level, the Cap Level, the Multiplier and so forth) will be consequently amended.

**Restrike Feature** means, in relation to Max Long/Short Certificates, if specified as applicable in the relevant Final Terms and as better specified in Condition 24 (*Pay-out provisions*), the calculation method pursuant to which, on the occurrence of a Restrike Event, the Initial Reference Value will be automatically set at a percentage of the Initial Reference Value which is equal to the Restrike Percentage, as indicated from time to time in the relevant Final Terms. All the values and levels dependant from the Initial Reference Value (such as the Barrier Level, the Cap Level, the Multiplier and so forth) will be consequently amended.

**Restrike Level** means, if applicable under the relevant Final Terms, for each Underlying, the value determined as a percentage of the Initial Reference Value as specified in relation to the Restrike Observation Period in the relevant Final Terms from time to time.

**Restrike Observation Period** means the period composed of one or more Exchange Business Days, as indicated in the Final Terms, in which the Calculation Agent determines if the Restrike Event has occurred. In the event of more Digital Valuation Periods, the relevant Final Terms will indicate the **First Restrike Observation Period**, the **Second Restrike Observation Period**, and so on.

In the event that a Market Disruption Event has occurred on the Restrike Observation Period or on one Exchange Business Day of the Restrike Observation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

**Restrike Percentage** means, in relation to the Restrike Feature, the percentage specified in the relevant Final Terms;

**Rollover Date** means, when the Initial Reference Value is represented by the Initial Reference Value of a Futures Contract First Near-by, the Exchange Business Day specified in the applicable Final Terms on which the Futures Contract First Near-by will be replaced by the Futures Contract indicated as the Underlying of the Securities in the applicable Final Terms, without any adjustment to the price of the Securities;

**Series** means the Certificates that will be issued, from time to time, pursuant to this Base Prospectus as identified by the relevant ISIN Code;

**Settlement Amount** means either the Cash Settlement Amount (when settlement shall be by way of cash payment) or the Physical Delivery (when settlement shall be by way of physical delivery);

**Settlement Currency** means the currency specified in the applicable Final Terms;

**Settlement Date** means, unless specified otherwise in the applicable Final Terms, the fifth Business Day next following the last occurring Valuation Date:

(a) in relation to Cash Settled Securities, the fifth Business Day following the last occurring Valuation Date;

(b) in relation to Physical Delivery Securities, the date specified as such in the applicable Final Terms.

If on a Valuation Date a Market Disruption Event occurs, the Settlement Date will be postponed accordingly. Such Settlement Date shall not, in any case, be postponed beyond the tenth Business Day following the last Valuation Date.

**Settlement Determination Date** means, in relation to Interest Rate Warrants, each date specified in the applicable Final Terms during which the Cash Settlement Amount is determined in relation to the Settlement Determination Period.

The above applies provided that in the opinion of the Calculation Agent a Market Disruption Event in a Settlement Determination Date has not occurred. In the this case, the Exchange Business Day coinciding with the Settlement Determination Date is intended to be postponed to the first following Exchange Business Day on which the Market Disruption Event is no longer in place. In any case, such Exchange Business Day of the Settlement Determination Period may not be postponed beyond the eighth Exchange Business Day following the Exercise Date;

**Settlement Determination Period** means, in relation to Interest Rate Warrants, the period specified in the applicable Final Terms related to the Cash Settlement Amount;

**Settlement Event** means, in relation to the Digital Certificates, the event which occurs when the Calculation Agent determines that the Final Reference Value of the Underlying(s) is equal to, or higher than, the Settlement Level, as specified from time to time in the relevant Final Terms.

In the case of Digital Certificates with Best Of Feature or Worst Of Feature, the Issuer will specify in the relevant Final Terms the occurrence of the Settlement Event in relation to one or more Underlyings and the Final Terms will specify the Settlement Level for each Underlying. In particular, for the purposes of determining the occurrence of a Settlement Event, the Final Terms will specify the number of Underlyings that have to be equal to, or higher than the Settlement Level.

The determination by the Calculation Agent on the occurrence of the Settlement Event will be promptly notified to the Securityholders pursuant to Condition 9 (*Notices*);

**Settlement Level** means, in relation to the Digital Certificates, means the value specified in the applicable Final Terms that determines the occurrence of the Settlement Event. Such value will be set as a percentage of the Initial Reference Value of the Underlying, as specified in the applicable Final Terms.

If the Best Of Feature or the Worst Of Feature applies in relation to the determination of the occurrence of the Settlement Event, the Issuer will specify in the relevant Final Terms the occurrence of the Settlement Event in relation to one or more Underlying and the Final Terms will specify the Settlement Level for each Underlying. In particular, for the purposes of determining the occurrence of a Settlement Event, the Final Terms will specify the number of Underlyings that have to be equal to, or higher than, the Barrier Level;

**Share** means, in relation to each Series, either as single underlying or as a Basket Constituent, the share listed in Italy on the markets managed by Borsa Italiana S.p.A., or listed on European or foreign stock exchanges, which will be specified as the underlying asset or a Basket Constituent, from time to time in the relevant Final Terms. The relevant underlying share (as single underlying or as Basket Constituent) (i) will not be issued by the Issuer nor by an entity belonging to the group of the Issuer, and (ii) may not be converted or exchanged into shres or other transferable securities equivalent to shares issued by the Issuer or by an entity belonging to the group of the Issuer;

**Short Protection** means the amount specified in the relevant Final Terms;

**Short Strategy** means a financial strategy which gives to the investor the possibility to receive a positive amount in case of negative (decreasing) performance of the Underlying as indicated in the relevant Final Terms in relation to the relevant Series;

**Sigma Amount** means the amount in the Settlement Currency specified by the Issuer in Final Terms for each Series;

**Sponsor** means, in relation to each Series, the entity responsible for the calculation and/or the management and/or the issue of the relevant Underlying, as specified from time to time in the relevant Final Terms;

**Spread** means, in relation to Spread Certificates, the difference either:

(i) between the Performance of the Underlying A and the Performance of the Underlying B, each of them determined according to one of the formulas set out in the definition of "Performance", specified in the applicable Final terms. In this case the Spread is determined by the Calculation Agent as follows:

*Spread = Performance of the Underlying A – Performance of the Underlying B*

or

(ii) between the Initial Reference Value or Reference Value or Final Reference Value of the Underlying A (respectively, Initial Reference $Value_A$ or Reference $Value_A$ or Final Reference $Value_A$) and the Initial Reference Value or Reference Value or Final Reference Value of the Underlying B (respectively, Initial Reference $Value_B$ or Reference $Value_B$ or Final Reference $Value_B$), as specified in the applicable Final terms. In this case the Spread is determined by the Calculation Agent, alternatively, as follows:

$Spread = Initial\ Reference\ Value_A - Initial\ Reference\ Value_B$

or

$Spread = Reference\ Value_A - Reference\ Value_B$

or

$Spread = Final\ Reference\ Value_A - Final\ Reference\ Value_B$

**Spread Protection** means the percentage specified in the relevant Final Terms;

**Step Up Amount** means, in relation to Dynamic Protection Certificates, the amount specified in the relevant Final Terms;

**Strike** means the value which will be determined by the Calculation Agent on the Strike Observation Date;

**Strike Level** means the percentage specified in the applicable Final Terms in relation to the calculation of the Cash Settlement Amount of the Dual Currency FX Certificates;

**Strike Percentage** means, in relation to Warrants, Call Certificates and Twin Win Certificates, the percentage specified in the relevant Final Terms, which will be considered for the purposes of the calculation of the Cash Settlement Amount;

**Strike Price** means, in relation to Short Benchmark Certificates, the amount or the value specified as such in the applicable Final Terms;

**Strike Remuneration Percentage** means the value specified in the relevant Final Terms;

**Strike Observation Date** means the date specified in the relevant Final Terms for the purposes of the determination of the Strike;

**Successor Sponsor** means, in relation to each Underlying, a third party that may be responsible for the calculation and/or the management and/or the issuance of the Underlying in the place of the Sponsor;

**Switch Event** means, in relation to Switch Certificates, the event occurring when the Calculation Agent determines that, in a Switch Valuation Period indicated by the Issuer, the Reference Value of the Underlying is equal to, lower than or higher than the Switch Level, as specified in the relevant Final Terms from time to time;

**Switch Level** means the value determined as specified in the relevant Final Terms in relation to the relevant Switch Valuation Period, represented by a percentage of the Initial Reference Value of the Underlying, or by a predetermined value;

**Switch Valuation Period** means the period composed of one or more Exchange Business Days, as indicated in the Final Terms, in which the Calculation Agent determines if the Switch Event has occurred. In the event of more Switch Valuation Periods, the relevant Final Terms will indicate the **First Switch Valuation Period**, the **Second Switch Valuation Period**, and so on.

In the event that a Market Disruption Event has occurred on the Switch Valuation Period or on one Exchange Business Day of the Switch Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

**Typology** means the type of Securities that will be issued in respect of each Series, as specified in the relevant Final Terms. In particular, the Securities may be:

- *Standard (Long/Short) Certificates*,

- *Max (Long/Consolidation Long/Short) Certificates;*

- *Spread (Type A/ Type B/ Type C/Type D) Certificates;*

- *Twin Win (Long/Short) Certificates;*

- *Benchmark (Long/Short) Certificates;*

- *Outperformance (Long/Short) Certificates;*

- *Buffer Protection Certificates;*

- *Global Performance Certificates;*

- *Lucky Protection (Long/Short) Certificates;*

- *Dynamic Protection (Long/Short) Certificates;*

- *Currency Certificates;*

- *Multiperformance Certificates;*

- *Gap (Long/Short) Certificates;*

- *Dual Currency FX Certificates;*

- *Switch Certificates;*

- *Call Certificates;*

- *Digital Certificates;*

- *Call Covered Warrants;*

- *Call Warrants;*

- *Call Spread Warrants;*

- *Put Covered Warrants;*

- *Put Warrants;*

- *Put Spread Warrants;*

- *Interest Rate Warrants;*

- *Corridor Warrants;*

**Underlying** means, for each Series:

(i) in the case of Securities linked to one or more financial asset(s), the Share, the GDRs/ADRs, the Index, the Commodity, the Futures Contract, the Exchange Rate, the Government Bond, the Yield of Government Bond, the Interest Rate and the Fund, as specified in the applicable Final Terms;

(ii) in the case of Spread Certificates, two or more financial assets selected from the following Underlyings: Shares, GDRs/ADRs, Indexes, Commodities, Futures Contracts, Government Bonds, Yields of Government Bonds, Exchange Rates, Interest Rates, Funds and Baskets, and indicated respectively as **Underlying A** and **Underlying B** in the relevant Final Terms; in this case, the relevant Initial Reference Value, Final Reference Value, Multiplier, Initial Percentage and Performance of the Underlying, will be indicated as, respectively, the **Initial Reference Value$_A$** and **Initial Reference Value$_B$**, the **Reference Value$_A$** and **Reference Value$_B$**, the **Final Reference Value$_A$** and **Final Reference Value$_B$**, the **Multiplier$_A$** and **Multiplier$_B$**, the **Initial Percentage$_A$** and **Initial Percentage$_B$** and the **Performance of the Underlying A** and **Performance of the Underlying B**;

(iii) in the case of Certificates linked to a Basket (as defined above), a Basket composed of two or more financial assets listed at point (i) above or composed by two or more baskets composed of two or more financial assets listed at point (i) above (each a Basket Constituent, as defined above and indicated from time to time in the relevant Final Terms);

**Underlying Reference Currency** means for each Series, the currency of the Underlying as indicated in the Final Terms. In the case of Quanto Securities, the Underlying Reference Currency will be expressed in the Settlement Currency and, therefore, the effects of the Exchange Rate on the amount paid in relation to the Securities are neutralised;

**Underlying Shares** means the shares underlying an ADR or GDR, as the case may be;

**Up Participation Factor** means the percentage specified as such in the applicable Final Terms;

**Up Range Level** means one or more values that may be specified in the applicable Final Terms that determines the occurrence of: (i) the Accumulating Event (the "**Up Range Accumulating Level**"); or (ii) the Consolidation Effect (the "**Up Range Consolidation Level**"); or (iii) the Digital Event (the "**Up Range Digital Level**"); or (iv) the Knock-in Event (the "**Up Range Knock-in Level**"); or (v) the Knock-out Event (the "**Up Range Knock-out Level**"); or (vi) the Memory Effect (the "**Up Range Memory Level**"); or (vii) the Participation Remuneration

Event (the "**Up Range Participation Remuneration Level**"); or (viii) the Early Redemption Event (the "**Up Range Early Redemption Level**"). The Up Range Level is represented by a percentage of the Initial Reference Value or as an independent percentage value (in relation to Spread Certificates and Multiperformance Certificates) or by a predetermined value. If there are more Underlyings, the applicable Final Terms will specify the relevant Up Range Level for each Underlying;

**Upper Barrier Level** means the value specified in the applicable Final Terms that determines the occurrence of the Barrier Event. Such value may be set as:

(i) a percentage of the Initial Reference Value of the Underlying specified in the applicable Final Terms; or

(ii) a number specified in the applicable Final Terms.

**Valuation Date** means one or more Exchange Business Days on which the Value of the Underlying is registered for the purpose of the calculation of the Final Reference Value (pursuant to the terms specified below in the definition of Final Reference Value) and of the Cash Settlement Amount (provided that, in the opinion of the Calculation Agent, a Market Disruption Event has not occurred), as specified in the relevant Final Terms from time to time.

If, on a Valuation Date, a Market Disruption Event (as defined below) occurs, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

**Value** means the level, price, amount or such other value of the Underlying used for the purposes of the determination of the Reference Value, Initial Reference Value or Final Reference Value, as the case may be;

**Variable Management Fee or VMF** means, if applied by the Issuer in relation to Benchmark Certificates, a fee charged to the investor determined on the basis of the AMF Percentage and on a variable percentage determined from time to time by the Calculation Agent within the range specified in the relevant Final Terms (the **VMF Percentage**).

The VMF Percentage and its variations during the life of the Certificates will be notified to the investors by way of a notice published on the Issuer's website and, in case of listing, by way of notice published on the relevant Stock Exchange website. The Calculation Agent will deduct the VMF accrued from the Cash Settlement Amount pursuant to Condition 24 (*Pay-out provisions*).

The VMF will be calculated as follows:

$$\boldsymbol{VMF_t}=\prod_{t\in(t_0,t_0+1,\ldots\ldots,t)}^{t}\left(100\%-\frac{AMF\ Percentage}{365.25}-\frac{VMF\ Percentage_t}{365.25}\right)$$

Where:

"**VMF Percentage$_t$**" is equal to the percentage related to the calendar day *t*, from time to time notified and which remain constant on each *t* until new communication. Such percentage is determined from time to time by the Calculation Agent within the range specified in the relevant Final Terms.

"**t**" is the number related to each calendar day when the $VMF_t$ is determined;

In relation to the Variable Management Fee, in order to keep aligned the value of the Underlying and the value of the Certificates, the Issuer may proceed (if so specified in the applicable Final Terms), on every Adjustment Day specified in the applicable Final Terms, to reset the Multiplier. Such adjustment will be notified (at least on the Business Day before the relevant Adjustment Day), in case of listing, by way of notice published on the relevant Stock Exchange website.

The adjustment will be determined according to the following formula:

$Multiplier_t = Multiplier_{(t-1)} \times Adjustment\ Factor_t$

Where:

"**Adjustment Factor$_t$**" = $100\% - \frac{AMF\ Percentage}{365.25} - \frac{VMF\ Percentage_t}{365.25}$

"**t0,t0+1,…….,t**" are the days between the preceding Adjustment Day and "t".

"**Multiplier$_t$**" is the Multiplier determined at the Adjustment Day "t".

**VMF Percentage** means, in relation to the calculation of the Variable Management Fee, the percentage as identified from time to time by the Calculation Agent in a range as indicated in the Final Terms. Therefore, the VMF Percentage at the Issue Date will be equal to 0 and thereafter shall be determined by the Calculation Agent so as to not exceed the percentage indicated in the Final Terms. The Calculation Agent may update, at its reasonable discretion, within the range indicated in the Final Terms, the VMF Percentage considering the prevailing market conditions. The variations of the VMF Percentage will be notified to the relevant Stock Exchange and published on the website of the Issuer;

**Worst Of Feature** means the determination method that may be specified as applicable in the relevant Final Terms. If the Worst Of Feature applies, the Calculation Agent will select, in relation to the relevant valuation period, the Worst Of Underlying. The applicable Final Terms will also specify whether the Worst Of Feature applies to the determination of:

(i) the relevant Remuneration Amount only; or

(ii) the Early Redemption Amount only; or

(iii) the Settlement Amount only; or

(iv) the occurrence of the Barrier Event only; or

(v) the relevant Remuneration Amount and/or the Settlement Amount and/or the Early Redemption Amount only and/or the occurrence of the Barrier Event.

**Worst Of Underlying** means, in the case of Worst Of Feature, the Underlying with the first, second or third (and so on, depending on the number of the Underlyings) worst Performance of the Underlying in respect of the Performance of the other Underlyings. In the Final Terms, the Issuer will indicate for each Series whether it will take into account the Underlying with the first worst Performance (in such case, this will be named Worst Of Underlying), the second worst Performance (in such case, this will be named **Second Worst Of Underlying**) or the third worst Performance (in such case, a this will be named **Third Worst Of Underlying**) and so on. Upon selection of the Worst Of Underlying by the Calculation Agent the investors will be informed pursuant to Condition 9 (*Notices*);

**Yield of Government Bond** means, either as single or as a Basket Constituent, the yield (of a Government Bond) that may constitute the Underlying of Govies Securities, published from time to time by the relevant information source specified in the applicable Final Terms or, if such yield is not published or announced at the relevant time on such information source, either (i) the successor or alternative information source or (ii) the determination method to be carried out by the Calculation Agent in its sole and absolute discretion, in each case as specified in the applicable Final Terms.

## 4. Physical Delivery provisions

(A) *Settlement Disruption*

If, following the exercise of Physical Delivery Securities, in the opinion of the Calculation Agent, delivery of the Entitlement using the method of delivery specified in the applicable Final Terms is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on any Settlement Date, then such Settlement Date for such Securities shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Security by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Settlement Date shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Settlement Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Settlement Date. For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy and discharge its obligations in respect of the relevant Security by payment to the relevant Securityholder of the Settlement Disruption Amount (as defined below) on the third Business Day following the date that notice of such election is given to the Securityholders in accordance with Condition 9 (*Notices*). Payment of the Settlement Disruption Amount will be made in such manner as shall be notified to the Securityholders in accordance with Condition 9 (*Notices*). The Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with Condition 9 (*Notices*) that a Settlement Disruption Event has occurred provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Settlement Disruption Event. No Securityholder shall be entitled to any payment in respect of the relevant Security in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

For the purposes hereof:

**Settlement Disruption Amount** in respect of any relevant Security shall be the fair market value of such Security (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), less the cost to the Issuer and/or any of its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), all as determined by the Issuer in its sole and absolute discretion plus, if already paid, in the case of Warrants, the Premium (or, where as provided above some Relevant Assets have been delivered and a pro rata portion thereof has been paid, such pro rata portion); and

**Settlement Disruption Event** means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer as a result of which the Issuer cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms.

(B) *Failure to Deliver due to Illiquidity*

If "Failure to Deliver due to Illiquidity" is specified as applicable in the applicable Final Terms and, following the exercise of Physical Delivery Securities, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the **Affected Relevant Assets**) comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a **Failure to Deliver due to Illiquidity**), then:

(a) subject as provided elsewhere in these Conditions as amended by the applicable Final Terms, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Settlement Date in accordance with Condition 19(C) or Condition 22(D), as applicable, and, in the case of Warrants, the Calculation Agent shall determine the appropriate pro rata portion of the Premium to be paid by the relevant Securityholder in respect of that partial settlement; and

(b) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Security by payment to the relevant Securityholder of the Failure to Deliver Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Securityholders in accordance with Condition 9 (*Notices*). Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Securityholders in accordance with Condition 9 (*Notices*). The Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with Condition 9 (*Notices*) that the provisions of this Condition 4(B) apply.

For the purposes hereof:

**Failure to Deliver Settlement Price** means, in respect of any relevant Security, the fair market value of such Security (taking into account, the Relevant Assets comprising the Entitlement which have been duly delivered as provided above), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion plus, in the case of Warrants and if already paid, the Premium (or, where as provided above some Relevant Assets have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion).

(C) *Issuer's Option to Vary Settlement*

If the applicable Final Terms indicates that the Issuer has an option to vary settlement in respect of the Securities, upon a valid exercise of Securities in accordance with these Conditions, the Issuer may, at its sole and unfettered discretion, in respect of each such Security, elect not to pay the relevant Securityholders the Cash Settlement Amount or not to deliver or procure delivery of the Entitlement to the relevant Securityholders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Settlement Date to the relevant Securityholders, as the case may be. Notification of such election will be given to Securityholders no later than 10.00 a.m. (Luxembourg time) on the second Business Day following (a) the Actual Exercise Date for Warrants or (b) the Exercise Date for Certificates in accordance with Condition 9 (*Notices*) and/or, at the option of the Issuer, if applicable, in accordance with the contact details for a Securityholder specified in its Exercise Notice (in the case of a Warrant) or Physical Delivery Confirmation Notice (in the case of a Certificate and if applicable pursuant to the relevant Final Terms).

(D) *Intervening Period*

If the Entitlement in respect of Physical Delivery Securities comprises Relevant Assets which are shares or debt instruments, for such period of time after the Settlement Date as any person other than the relevant Securityholder shall continue to be the legal owner of such securities (the **Intervening Period**), neither the Issuer nor any other person shall (i) be under any obligation to deliver or procure delivery to the relevant Securityholder or any subsequent beneficial owner of such securities or any other person any letter, certificate, notice, circular or any other document or payment whatsoever received by that person in its capacity as the holder of such securities or (ii) be under any obligation to

exercise or procure exercise of any or all rights (including voting rights) attaching to such securities during the Intervening Period.

(E) *General*

None of the Issuer, the Security Agents and the Calculation Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Settlement Amount or of any Entitlement.

The purchase of Securities does not confer on any holder of such Securities any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.

The Issuer shall be under no obligation to register or procure the registration of any Securityholder or any other person as the registered holder in respect of any shares comprised in any Entitlement in the register of members of the relevant Share Company.

For the purposes hereof:

**Share Company** means, in relation to a Share, the company that has issued such share.

(F) *Italian Dematerialised Securities*

This Condition 4 (*Physical Delivery provisions*) shall not apply to Italian Dematerialised Securities, which shall be settled by way of cash settlement only.

**5. Illegality and force majeure**

If the Issuer determines that the performance of its obligations under the Securities or that any arrangements made to hedge the Issuer's obligations under the Securities have, become (i) illegal in whole or in part for any reason, or (ii) by reason of a force majeure event (such as an act of God, fire, flood, severe weather conditions, or a labour dispute or shortage) or an act of state occurring after the Trade Date, impossible or impracticable, the Issuer may cancel the Securities by giving notice to Securityholders in accordance with Condition 9 (*Notices*).

Should any one or more of the provisions contained in these Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

If the Issuer cancels the Securities pursuant to an illegality then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Securityholder in respect of each Security held by such holder, which amount shall be equal to the fair market value of the Securities, as the case may be (the bid-value in case of Italian Traded Securities), notwithstanding such illegality, less the cost to the Issuer and/or any of its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), plus, in the case of Warrants and if already paid by or on behalf of a Securityholder, the Premium, all as determined by the Calculation Agent in its sole and absolute discretion (such costs shall not be applicable in case of Italian Traded Securities). Payment will be made in such manner as shall be notified to the Securityholders in accordance with Condition 9 (*Notices*).

If the Issuer cancels the Securities by reason of a force majeure event or an act of state, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Securityholder in respect of each Security held by such holder, which amount shall be equal to the fair market value of a Security, as the case may be (the bid-value in case of Italian Traded Securities), taking into account the applicable force majeure event or act of state, as the case may be, less the cost to the Issuer and/or any of its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus, in the case of Warrants and if already

paid by or on behalf of a Securityholder, the Premium, all as determined by the Calculation Agent in its sole and absolute discretion (such costs shall not be applicable in case of Italian Traded Securities). Payment will be made in such manner as shall be notified to the Securityholders in accordance with Condition 9 (*Notices*).

## 6. Hedging Disruption

In respect of the Securities linked to one or more Underlying(s), the Issuer or one of its affiliates may be unable, after using commercially reasonable efforts, to either (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk (or any other relevant price risk including, but not limited to, the currency risk) of entering into and performing its obligations with respect to the Securities; or (b) freely realize, recover, receive, repatriate, remit or transfer the proceeds of hedge positions as the case may be between accounts within the jurisdiction of the hedge position (the "**Affected Jurisdiction**") or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction.

In case of the occurrence of a Hedging Disruption relating to an Underlying asset (the "**Affected Underlying**") the Calculation Agent may:

(i) consider such event as an event triggering an early redemption of the Securities (hereafter, an "**Early Redemption Event**"). In that case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Securities and shall pay or cause to be paid an amount on the basis of the fair market value of the Securities (the bid-value in case of Italian Traded Securities);

(ii) replace the Affected Underlying by a new underlying which is representative of the same economic or geographic sector.

## 7. Purchases and Cancellation

The Issuer may, but is not obliged to, at any time purchase Securities at any price in the open market or by tender or private treaty. Any Securities so purchased may be held or resold or surrendered for cancellation.

## 8. Agents, Determinations, Meetings of Securityholders and Modifications

(A) *Security Agents and Registrar*

The specified offices of the Security Agents and Registrar are as set out at the end of these Conditions.

The Issuer reserves the right at any time to vary or terminate the appointment of any Security Agent and to appoint further or additional Security Agents, provided that no termination of appointment of the Principal Security Agent shall become effective until a replacement Principal Security Agent shall have been appointed and provided that, so long as any of the Securities are listed on any stock exchange or admitted to trading or listing by any other relevant authority, there shall be a Security Agent having a specified office in each location required by the rules and regulations of the relevant stock exchange or other relevant authority and, for so long as there are any Registered Securities outstanding, there will at all times be a Registrar. Notice of any termination of appointment and of any changes in the specified office of any Security Agent or Registrar will be given to Securityholders in accordance with Condition 9 (*Notices*) provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such termination or changes. In acting under the Agency Agreement, each Security Agent and the Registrar acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders and any Security Agent's determinations

and calculations in respect of the Securities shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Securityholders.

The Agency Agreement may be amended by the parties thereto, but without the consent of the Securityholders, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the parties may mutually deem necessary or desirable and which shall not be materially prejudicial to the interests of the Securityholders.

(B) *Calculation Agent*

In relation to each issue of Securities, the Calculation Agent (whether it be the Issuer or another entity) acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders. All calculations and determinations made in respect of the Securities by the Calculation Agent shall be made in good faith and in a commercially reasonable manner and shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Securityholders.

The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

(C) *Determinations by the Issuer*

Any determination made by the Issuer pursuant to these Conditions shall be made in good faith and in a commercially reasonable manner and shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Securityholders.

(D) *Meetings of Securityholders and Modifications*

The Agency Agreement contains provisions for convening meetings of the Securityholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Securities or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer. The provisions for convening meetings of the Securityholders contained in the Agency Agreement, shall aplly, *mutatis mutandis*, also to the Italian Dematerialised Securities. The quorum at any such meeting for passing an Extraordinary Resolution is two or more persons holding or representing a clear majority of the Securities for the time being outstanding or at any adjourned meeting two or more persons being or representing Securityholders whatever the number or Securities so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Securities (including modifying the date of exercise of the Securities, reducing or cancelling the Cash Settlement Amount in respect of the Securities or altering the currency of payment of the Securities other than pursuant to Condition 16), the quorum shall be two or more persons holding or representing not less than two-thirds of the Securities for the time being outstanding or at any adjourned such meeting one or more persons holding or representing not less than one-third of the Securities for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Securityholders shall be binding on all the Securityholders, whether or not they are present at the meeting save in the case of American Style Warrants, for those Warrants remaining outstanding but for which an Exercise Notice shall have been submitted prior to the date of the meeting.

In respect of Italian Dematerialised Securities, for the purposes of (i) ascertaining the right to attend and vote at any meeting of the Securityholders and (ii) the determination of how many Italian Dematerialised Securities are outstanding for the purposes of this Condition, those Italian Dematerialised Securities which are beneficially held by, or on behalf of, the Issuer and not cancelled shall (unless and until ceasing to be so held) be deemed not to be outstanding provided, for the

avoidance of doubt, that this shall not prejudice any rights of the Issuer and its respective legal and financial advisers to attend and speak at any such meeting.

The Principal Security Agent and the Issuer may agree, without the consent of the Securityholders to:

(a) any modification (except as mentioned above) of the Securities or the Agency Agreement which is not prejudicial to the interests of the Securityholders; or

(b) any modification of the Securities or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or proven error or to comply with mandatory provisions of law.

Any such modification shall be binding on the Securityholders and any such modification shall be notified to the Securityholders in accordance with Condition 9 (*Notices*) as soon as practicable thereafter.

**9. Notices**

All notices to Securityholders shall be valid if (i) until such time as any Definitive Securities or Registered Securities in definitive form are issued, the notice is delivered to Euroclear and/or Clearstream, Luxembourg, for communication by them to the Securityholders; (ii) if and so long as the Securities are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange, the notice is published in accordance with the rules and regulations of the Luxembourg Stock Exchange (which shall include publication on the website of the Luxembourg Stock Exchange (www.bourse.lu); (iii) if and so long as the Securities are admitted to trading on stock exchanges other than the Luxembourg Stock Exchange, the notices are duly published in a manner which complies with the rules of any such other stock exchange (or any other relevant authority) on which the Securities are for the time being listed or by which they have been admitted to trading; (iv) in the case of Registered Securities in definitive form if sent by first class mail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register; and (v) if and so long as the Securities are Italian Dematerialised Securities, as long as the Securities are held through Monte Titoli, the notice shall be deemed to have been duly given if given through the systems of Monte Titoli. If Definitive Securities are issued, notices to Securityholders will be deemed validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that such publication will be made in the *Financial Times*. Any such notice shall be deemed to have been given on the date of delivery to Euroclear and/or Clearstream, Luxembourg or the date of publication, as the case may be, or, if published more than once, on the date of the first publication.

**10. Expenses and Taxation**

(A) A holder of Securities must pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, sale commissions, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the exercise and settlement of such Securities pursuant to the terms of such Securities and/or the delivery or transfer of the Entitlement, as applicable (**Expenses**) relating to such Securities.

(B) The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any Security by any person and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

(C) A holder of Securities must provide the Issuer with sufficient information and all reasonable assistance necessary (for, and pay all costs associated with), compliance by the Issuer with Section 1471(b) of the

Code or otherwise imposed pursuant to Section 1471 through 1474 of the Code or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code. If the Issuer or any other relevant withholding agent determines that a withholding pursuant to FATCA or U.S. dividend equivalent tax legislations under Section 871(m) is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld.

**11. Further Issues**

The Issuer shall be at liberty from time to time without the consent of Securityholders to create and issue further Securities so as to be consolidated with and form a single series with the outstanding Securities.

**12. Substitution of the Issuer**

(A) *Substitution of Issuer*

Unless otherwise indicated in the relevant Final Terms, the Issuer (or any previously substituted company from time to time) shall, without the consent of the Securityholders, be entitled at any time to substitute for the Issuer any other company (the **Substitute**) as principal debtor in respect of all obligations arising from or in connection with the Securities provided that (i) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Securities represent valid, legally binding and enforceable obligations of the Substitute have been taken, fulfilled and done and are in full force and effect; (ii) the Substitute shall have assumed all obligations arising from or in connection with the Securities and shall have become a party to the Agency Agreement, with any consequential amendments; (iii) the obligations of the Substitute in respect of the Securities shall be unconditionally and irrevocably guaranteed by the Issuer; (iv) each stock exchange or listing authority on which the Securities are listed shall have confirmed that following the proposed substitution of the Substitute the Securities would continue to be listed on such stock exchange; and (v) the Issuer shall have given at least 30 days' prior notice of the date of such substitution to the Securityholders in accordance with Condition 9 (*Notices*).

(B) *Modification of Conditions as a result of Substitution of Issuer*

After any substitution or change of branch pursuant to Condition 12(A) (*Substituion of Issuer*), the Conditions will be modified in all consequential respects including, but not limited to, replacement of references to the Republic of Italy in the Conditions where applicable, by references to the country of incorporation, domicile and/or residence for tax purposes of the Substitute or the new branch, as the case may be. Such modifications shall be notified to Securityholders in accordance with Condition 9 (*Notices*).

**13. Governing Law and Jurisdiction**

The Securities and the Agency Agreement (and any non-contractual obligations arising out of or in connection with the Securities and the Agency Agreement) are governed by and shall be construed in accordance with English law. Notwithstanding this, (i) in respect of Italian Dematerialised Securities, the registration and transfer of the Italian Dematerialised Securities in Monte Titoli will be governed by, and will be construed in accordance with, Italian law, and, (ii) in respect of the loss absorption provisions described in Condition 17 (*Acknowledgement of Italian Bail-in Power*) and any non-contractual obligations arising out of or in connection with such provisions will be governed by, and will be construed in accordance with, Italian law.

In relation to any legal action or proceedings arising out of or in connection with the Securities (including any legal action or proceedings relating to any non-contractual obligations arising out of or

in connection with the Securities and the Agency Agreement) (**Proceedings**), the Issuer irrevocably submits to the non-exclusive jurisdiction of the courts of England and hereby waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are for the benefit of each of the Securityholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

The Issuer hereby appoints Banca IMI S.p.A., London Branch at its office for the time being in London, as its agent for service of process and undertakes that, in the event of Banca IMI S.p.A., London Branch ceasing so to act, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve process in any other manner permitted by law.

**14. Prescription**

Claims against the Issuer, if any, for payment of principal, interest and/or remuneration in respect of the Certificates shall become void unless made within 60 months from the Exercise Date and no claims shall be made after such date.

**15. Terms of the Securities**

**15(1) Market Disruption Event**

If the Calculation Agent determines that the Intraday Value of an Underlying cannot be determined at any time, for the purposes of determining the Performance, or on any Early Redemption Valuation Period and/or Switch Valuation Period and/or Barrier Event Determination Period and/or a Barrier Gap Observation Period (in the case of Gap Certificates) by reason of the occurrence of an event giving rise to a Market Disruption Event (as described in the following sub-conditions), then the Intraday Value at such time on such period shall be disregarded for the purposes of determining the Performance or the occurrence of the Early Redemption Event and/or Switch Event and/or Barrier Event or Barrier Gap Event (in the case of Gap Certificates), as the case may be.

**15(1)(A) Market Disruption Event in relation to Index Securities**

**Definitions**

"**Index Constituent**" means any security or other asset constituting an Index; and

"**Related Exchange**" means, in relation to an Index, any regulated or non-regulated market where the options, futures or repo contracts on such Index are traded, as determined by the Calculation Agent.

**Market Disruption Events occurring during an Exchange Business Day within the Barrier Event Determination Period, the Barrier Gap Observation Period, the Consolidation Floor Valuation Period, the Early Redemption Valuation Period, the Accumulating Valuation Period, the Digital Valuation Period, the Consolidation Valuation Period, the Extra Consolidation Digital Valuation Period, the Memory Valuation Period, the Cliquet Valuation Period, the Coupon Determination Period, the Participation Remuneration Event Valuation Period, the Participation Rebate Valuation Period, the Knock-out Valuation Period, the Knock-in Valuation Period, the Restrike Observation Period, the Switch Valuation Period or on a Valuation Date, Accumulated Valuation Date, Annual Valuation Date, Buffer Valuation Date, Call Valuation Date, Participation Valuation Date, Put Valuation Date, Strike Observation Date and occurring at any time during the one hour period that ends at the time of the relevant determination and/or valuation made by the Calculation Agent on the relevant Exchange Business Day:**

For the purposes of this 15(1)(A), Market Disruption Events means:

(i) any suspension of, or relevant limitation imposed on (a) any transaction on the relevant Exchange or (b) trading of a concrete amount of Index Constituents traded on the relevant Exchanges;

(ii) any suspension of, or relevant limitation imposed on, trading of futures or options contracts relating to the Index on a Related Exchange;

(iii) any event (as determined by the Calculation Agent) that disrupts or impairs the ability of market participants in general to affect transactions (a) in relation to or to obtaining market values for, the Index on the relevant Exchange, or (b) in or obtaining market values for, options contracts or futures contracts on or relating to such Index on any relevant Related Exchange;

(iv) the opening on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its scheduled opening time unless such earlier opening time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (a) the actual opening time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (b) the submission deadline (if applicable) for orders to be entered into with the Exchange or Related Exchange system for execution on such Exchange Business Day; and

(v) the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (b) the submission deadline (if applicable) for orders to be entered into with the Exchange or Related Exchange system for execution on such Exchange Business Day.

If the Calculation Agent determines, **during an Exchange Business Day within the Barrier Event Determination Period, the Barrier Gap Observation Period, the Consolidation Floor Valuation Period, the Early Redemption Valuation Period, the Accumulating Valuation Period, the Digital Valuation Period, the Consolidation Valuation Period, the Extra Consolidation Digital Valuation Period, the Memory Valuation Period, the Cliquet Valuation Period, the Coupon Determination Period, the Participation Remuneration Event Valuation Period, the Participation Rebate Valuation Period, the Knock-out Valuation Period, the Knock-in Valuation Period, the Restrike Observation Period, the Switch Valuation Period or on a Valuation Date, Accumulated Valuation Date, Annual Valuation Date, Buffer Valuation Date, Call Valuation Date, Participation Valuation Date, Put Valuation Date, Strike Observation Date,** that a Market Disruption Event has occurred pursuant to (i), (ii), (iii), (iv) and (v) above, then the Exchange Business Day on which the Market Disruption Event occurred is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

The Exchange Business Day may be postponed for up to eight Exchange Business Days from the Exchange Business Day originally expected.

In case of Securities relating to a Basket of Indices if the Market Disruption Event has occurred but it is not continuing anymore for all Basket Constituent(s) before the eighth Exchange Business Day from the Exchange Business Day originally expected, in order to determine the official level of the Index the Calculation Agent will have the faculty to determine the official level of each Basket Constituent(s):

(a) on the relevant date on which the Market Disruption Event has ceased to occur for each single

Basket Constituent, or

(b) on the date on which the Market Disruption Event has ceased to occur for all Basket Constituents.

If, on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Market Disruption Event is continuing, the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine

(i) in the case of Securities relating to a single Index, the official level of the Index as of the Exchange Business Day on which the Market Disruption Event occurred on that eighth Exchange Business Day (in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the Market Disruption Event), or

(ii) in the case of Securities relating to a Basket of Indices:

(a) for the Basket Constituent(s) for which a Market Disruption Event has not occurred (if any), then the Calculation Agent will have the faculty to determine the official level of such Basket Constituent(s) on the Exchange Business Day originally expected, or on that eighth Exchange Business Day from the Exchange Business Day originally expected;

(b) for the Basket Constituent(s) for which a Market Disruption Event has occurred, but it is not continuing on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Calculation Agent will have the faculty to determine the official level of such Basket Constituent(s) on the date on which the Market Disruption Event has ceased to occur, or on that eighth Exchange Business Day from the Exchange Business Day originally expected; or

(c) for the Basket Constituent(s) for which a Market Disruption Event has occurred and it is continuing on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Calculation Agent will have the faculty to determine the official level of each Basket Constituent on that eighth Exchange Business Day on which the Market Disruption Event occurred,

in all cases in accordance with the fair market value of the Index affected by the Market Disruption Event, using the formula for and the method of calculating each Index last in effect prior to the occurrence of the Market Disruption Event.

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If the valuation/determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days.

**Market Disruption Events occurring on a Determination Date**

For the purposes of this 15(1)(A), Market Disruption Events occurring on a Determination Date means the occurrence of a Market Disruption Event pursuant to (i), (ii), (iii), (iv) and (v) above in 15(1)(A) on a Determination Date.

In such case:

(i) if the Determination Date is in advance of the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately

following the Determination Date originally expected. However, where a Market Disruption Event is continuing on all the Exchange Business Days following the Determination Date originally expected until the Issue Date (excluded), the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled;

(ii) if the Determination Date is after or on the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected.

If the Market Disruption Event is also continuing on the Determination Date, the Calculation Agent, acting in good faith, will determine: (i) in the case of Securities relating to a single Index, the official closing level of the Index for the purposes of determining the Initial Reference Value or (ii) in the case of Securities relating to a Basket of Indices, the official closing level of the Basket Constituent, for the purposes of determining the Initial Reference Value of the Basket, in either case (x) on the basis of the Market Value of the Index affected by the Market Disruption determined using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such index or (y) pursuant to the reasonable market practice.

If the determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days; and

(iii) if, on a Determination Date before the Issue Date, the Calculation Agent determines that the index level is equal to or greater than the Maximum Level set out in the relevant Final Terms, then the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled.

Investors will be notified of the occurrence of any events pursuant to (i), (ii) and (iii), by way of a notice published on the Issuer's website http://www.bancaimi.prodottiequotazioni.com/EN.

**15(1)(B) Market Disruption Event in relation to Share Securities**

**Definitions**

"**Related Exchange**" means, in relation to a Share, any regulated or non-regulated market where the options, futures or repo contracts on such Share are traded, as determined by the Calculation Agent.

**Market Disruption Events occurring during an Exchange Business Day within the Barrier Event Determination Period, the Barrier Gap Observation Period, the Consolidation Floor Valuation Period, the Early Redemption Valuation Period, the Accumulating Valuation Period, the Digital Valuation Period, the Consolidation Valuation Period, the Extra Consolidation Digital Valuation Period, the Memory Valuation Period, the Cliquet Valuation Period, the Coupon Determination Period, the Participation Remuneration Event Valuation Period, the Participation Rebate Valuation Period, the Knock-out Valuation Period, the Knock-in Valuation Period, the Restrike Observation Period, the Switch Valuation Period or on a Valuation Date, Accumulated Valuation Date, Annual Valuation Date, Buffer Valuation Date, Call Valuation Date, Participation Valuation Date, Put Valuation Date, Strike Observation Date and occurring at any time during the one hour period that ends at the time of the relevant determination and/or valuation made by the Calculation Agent on the relevant Exchange Business Day:**

For the purposes of this 15(1)(B), Market Disruption Events means:

(i) any suspension of, or relevant limitation (as determined by the Calculation Agent) imposed on

(a) any transaction on the relevant Reference Source or (b) trading of the Share traded on the relevant Reference Source;

(ii) any suspension of or relevant limitation imposed on trading of futures or options contracts relating to a Share on a Related Exchange;

(iii) any event that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (a) to affect transactions in relation to or to obtaining market values for the Share on the relevant Reference Source or (ii) to affect transactions in or obtaining market values for options contracts or futures contracts on or relating to such Share on any relevant Related Exchange;

(iv) the opening on any Exchange Business Day of the relevant Reference Source or any Related Exchange(s) prior to its scheduled opening time unless such earlier opening time is announced by such Reference Source(s) or Related Exchange(s) at least one hour prior to the earlier of (a) the actual opening time for the regular trading session on such Reference Source(s) or Related Exchange(s) on such Exchange Business Day and (b) the submission deadline (if applicable) for orders to be entered into with the Reference Source or Related Exchange system for execution on such Exchange Business Day; and

(v) the closure on any Exchange Business Day of the relevant Reference Source or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Reference Source(s) or Related Exchange(s) at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Reference Source(s) or Related Exchange(s) on such Exchange Business Day and (b) the submission deadline (if applicable) for orders to be entered into with the Reference Source or Related Exchange system for execution on such Exchange Business Day.

If the Calculation Agent determines, **during an Exchange Business Day within the Barrier Event Determination Period, the Barrier Gap Observation Period, the Consolidation Floor Valuation Period, the Early Redemption Valuation Period, the Accumulating Valuation Period, the Digital Valuation Period, the Consolidation Valuation Period, the Extra Consolidation Digital Valuation Period, the Memory Valuation Period, the Cliquet Valuation Period, the Coupon Determination Period, the Participation Remuneration Event Valuation Period, the Participation Rebate Valuation Period, the Knock-out Valuation Period, the Knock-in Valuation Period, the Restrike Observation Period, the Switch Valuation Period or on a Valuation Date, Accumulated Valuation Date, Annual Valuation Date, Buffer Valuation Date, Call Valuation Date, Participation Valuation Date, Put Valuation Date, Strike Observation Date,** that a Market Disruption Event has occurred pursuant to 15(1)(B) (i), (ii), (iii), (iv) and (v) above, then the Exchange Business Day on which the Market Disruption Event occurred is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

The Exchange Business Day may be postponed for up to eight Exchange Business Days from the Exchange Business Day originally expected.

In case of Securities relating to a Basket of Shares if the Market Disruption Event has occurred but it is not continuing anymore for all Basket Constituent(s) before the eighth Exchange Business Day from the Exchange Business Day originally expected, in order to determine the official level of the Basket of Shares the Calculation Agent will have the faculty to determine the official level of each Basket Constituent(s):

(a) on the relevant date on which the Market Disruption Event has ceased to occur for each single Basket Constituent, or

(b) on the date on which the Market Disruption Event has ceased to occur for all Basket Constituents.

If, on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Market Disruption Event is continuing, the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine:

(i) in the case of Securities relating to a single Share, the value for the Share as of the Exchange Business Day on which the Market Disruption Event occurred on that eighth Exchange Business Day, or

(ii) in the case of Securities relating to a Basket of Shares:

(a) for the Basket Constituent(s) for which a Market Disruption Event has not occurred (if any), then the Calculation Agent will have the faculty to determine the official level of such Basket Constituent(s) on the Exchange Business Day originally expected, or on that eighth Exchange Business Day from the Exchange Business Day originally expected;

(b) for the Basket Constituent(s) for which a Market Disruption Event has occurred, but it is not continuing on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Calculation Agent will have the faculty to determine the official level of such Basket Constituent(s) on the date on which the Market Disruption Event has ceased to occur, or on that eighth Exchange Business Day from the Exchange Business Day originally expected; or

(c) for the Basket Constituent(s) for which a Market Disruption Event has occurred and it is continuing on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Calculation Agent will have the faculty to determine the official level of each Basket Constituent on that eighth Exchange Business Day on which the Market Disruption Event occurred.

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If the valuation/determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days.

**Market Disruption Events occurring on a Determination Date**

For the purposes of this 15(1)(B), Market Disruption Events occurring on a Determination Date means the occurrence of a Market Disruption Event pursuant to (i), (ii), (iii), (iv) and (v) above in 15(1)(B) on a Determination Date.

In such case:

(i) if the Determination Date is in advance of the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected. However, where a Market Disruption Event is continuing on all the Exchange Business Days following the Determination Date originally expected until the Issue Date (excluded), the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled;

(ii) if the Determination Date is after or on the Issue Date, Determination Date shall mean the first

Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected.

If, on the Determination Date the Market Disruption Event is also continuing, the Calculation Agent, acting in good faith, will determine: (i) in the case of Securities relating to a single Share, the official closing price of the Share for the purposes of determining the Initial Reference Value or (ii) in the case of Securities relating to a Basket of Shares, the official closing price of the Basket Constituent, for the purposes of determining the Initial Reference Value of the Basket, in either case (x) on the basis of the Market Value of the Share affected by the Market Disruption determined using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Share, or (y) pursuant to the reasonable market practice.

If the determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days; and

(iii) if, on a Determination Date before the Issue Date, the Calculation Agent determines that the Share level is equal to or greater than the Maximum Level set out in the relevant Final Terms, then the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled.

Investors will be notified of the occurrence of any event pursuant to (i), (ii) and (iii) of this 15(1)(B), by way of a notice published on the Issuer's web site http://www.bancaimi.prodottiequotazioni.com/EN.

**15(1)(C) Market Disruption Event in relation to Commodity Securities**

**Definitions**

**"Commodity Reference Dealers Price"** means the price for the Reference Value determined by the Calculation Agent on the basis of four quotations provided by Reference Dealers on the Relevant Time for a unit of the relevant Commodity. If four quotations are provided, the price for that Reference Value will be the arithmetic mean of the price for that Commodity provided by each Reference Dealer, without regard to the prices having the highest and lowest value; if exactly three quotations are provided, the Commodity Reference Dealers Price will be the price provided by the relevant Reference Dealer that remains after disregarding the prices having the highest value or the lowest value. For this purpose, if more than one quotation has the same highest value or lowest value, then one of such quotations shall be disregarded. If fewer than three quotations are provided, it will be deemed that the price for that Relevant Time cannot be determined.

"**Fallback Reference Value**" means the Reference Value calculated following a Market Disruption Event;

"**Other Exchange**" means, with respect to a Commodity, each exchange, trading system or quotation system other than the Reference Source on which such Commodity is listed, traded or quoted;

"**Reference Dealers**" means in the event that the Reference Value shall be determined as a Commodity Reference Dealers Price, four leading leaders in the relevant market, other than the Reference Source, selected by the Calculation Agent;

"**Reference Price**" means an amount equal to the official price of the relevant Commodity resulting from the listing made by the Reference Source on the Exchange Business Day which is used by the Calculation Agent to determine the Reference Value;

"**Related Exchange**" means, in relation to a Commodity, any regulated or non-regulated market where the options, futures or repo contracts on such Commodity are traded, as determined by the Calculation Agent;

"**Relevant Time**" means, with respect to any Commodity, the relevant time by reference to which the Calculation Agent determines the price or value of such Commodity for the purposes of determining the Reference Value; and

"**Relevant Country**" means, each of:

(i) any country (or any political or regulatory authority thereof) in which a Reference Currency or the Settlement Currency is the legal tender or currency; and

(ii) any country (or any political or regulatory authority thereof) with which a Commodity, or the Reference Source, has a material connection and, in determining what is material the Calculation Agent may, without limitation, refer to such factor(s) as it may deem appropriate,

all as determined by the Calculation Agent.

Capitalised terms which are not defined in this 15(1)(C) shall have the same meaning as of Condition 3 (*Definitions*).

**Market Disruption Events occurring during an Exchange Business Day within the Barrier Event Determination Period, the Barrier Gap Observation Period, the Consolidation Floor Valuation Period, the Early Redemption Valuation Period, the Accumulating Valuation Period, the Digital Valuation Period, the Consolidation Valuation Period, the Extra Consolidation Digital Valuation Period, the Memory Valuation Period, the Cliquet Valuation Period, the Coupon Determination Period, the Participation Remuneration Event Valuation Period, the Participation Rebate Valuation Period, the Knock-out Valuation Period, the Knock-in Valuation Period, the Restrike Observation Period, the Switch Valuation Period or on a Valuation Date, Accumulated Valuation Date, Annual Valuation Date, Buffer Valuation Date, Call Valuation Date, Participation Valuation Date, Put Valuation Date, Strike Observation Date and occurring at any time during the one hour period that ends at the time of the relevant determination and/or valuation made by the Calculation Agent on the relevant Exchange Business Day:**

For the purposes of this 15(1)(C), Market Disruption Events means the following events determining the impossibility for the Calculation Agent to calculate during the Relevant Time the Reference Value:

(i) the occurrence or existence on any Final Valuation Day at the Relevant Time for such commodity or at any time during the one hour period that ends at the Relevant Time for such Commodity:

(A) of any suspension of or limitation imposed on all trading (whether by reason of movements in price exceeding limits permitted by the relevant Reference Source or any Related Exchange or otherwise):

a) in all contracts on a Reference Source; or

b) in options contracts or futures contracts on a Related Exchange relating to a Commodity; or

c) in connection with the closure on any Exchange Business Day of the Reference Source or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Reference Source or such Related Exchange, as the case may be, at least one hour prior to **(a)** the actual closing time for the regular trading session on such Reference Source or such Related Exchange on such Exchange Business Day or, if earlier, **(b)** the submission deadline (if applicable) for orders to be entered into the Reference Source or such Related Exchange system for execution at the Relevant Time on such Exchange

Business Day. A "**Scheduled Closing Time**" is the scheduled weekday closing time of the relevant Reference Source or Related Exchange, without regard to after hours or any other trading outside of the regular trading session hours; or,

(B) of any event that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to affect transactions in relation to or to obtaining market values for the relevant Commodity on the relevant Reference Source, or to affect transactions in or obtain market values for options contracts or futures contracts on the Related Exchange relating to such Commodity; or

(C) of a failure of the Reference Source to announce or publish the Reference Price (or the information necessary for determining the Reference Price), or the temporary or permanent discontinuance or unavailability of the Reference Price, or if the Commodity Reference Dealers Price is applicable, the failure to obtain at least three quotations from the relevant Reference Dealers, or if the Reference Value determined on the basis of Reference Price materially differs from the Reference Value determined on the basis of the Commodity Reference Dealers Price; or

(D) of a material change in the formula for, or the method of, calculating the Reference Price by the Reference Source; or

(ii) the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp. documentary, (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority after the Issue Date, if the direct effect of such imposition, change or removal is to raise or lower the price or value of the Commodity on the day that would otherwise be a Relevant Time from what it would have been without that imposition, change or removal.

(iii) any government or supervisory authority (a) imposes any controls or announces its intention to impose any controls or (b) (i) implements or announces its intention to implement or (ii) changes or announces its intention to change the interpretation or administration of any laws or regulations, in each case which the Calculation Agent determines is likely to affect the Issuer's ability to acquire, hold, transfer or realise such Commodity or otherwise to affect transactions in relation to such Commodity.

If the Calculation Agent determines in good faith that a Market Disruption Event has occurred or exists pursuant to 15(1)(C) (i), (ii) and (iii) above during the Relevant Time on a day that is an Exchange Business Day, and in particular **during an Exchange Business Day within the Barrier Event Determination Period, the Barrier Gap Observation Period, the Consolidation Floor Valuation Period, the Early Redemption Valuation Period, the Accumulating Valuation Period, the Digital Valuation Period, the Consolidation Valuation Period, the Extra Consolidation Digital Valuation Period, the Memory Valuation Period, the Cliquet Valuation Period, the Coupon Determination Period, the Participation Remuneration Event Valuation Period, the Participation Rebate Valuation Period, the Knock-out Valuation Period, the Knock-in Valuation Period, the Restrike Observation Period, the Switch Valuation Period or on a Valuation Date, Accumulated Valuation Date, Annual Valuation Date, Buffer Valuation Date, Call Valuation Date, Participation Valuation Date, Put Valuation Date, Strike Observation Date,** then, a Disruption Fallback (as defined below) method may apply.

The Fallback Reference Value will be determined on the basis of the first applicable Disruption Fallback (applied in accordance with its terms), according to the order below, being each of the following method listed under (i), (ii) (iii) and (iv), a "**Disruption Fallback**" with the meaning as follows:

(i) the Calculation Agent determines the Fallback Reference Value based on the price for that Relevant Time provided by a suitable market recognised dealer not subject to a Market Disruption Event;

(ii) the Calculation Agent, promptly upon becoming aware of the Market Disruption Event, determines in good faith the Fallback Reference Value (or a method for determining the Fallback Reference Value), and, if the Calculation Agent is not able to determine the Fallback Reference Value before the fifth Business Day following the date on which that Market Disruption Event occurred or existed, the next applicable Disruption Fallback shall apply;

(iii) the Fallback Reference Value is determined on the basis of the Commodity Reference Dealers Price;

(iv) the Issuer terminates its obligations under the relevant Commodity Security and the Calculation Agent shall determine the relevant termination amount pursuant to methods set out under Condition 4.

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If the valuation/determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days.

**Market Disruption Events occurring on a Determination Date**

For the purposes of this 15(1)(C), Market Disruption Events occurring on a Determination Date means the occurrence of a Market Disruption Event pursuant to (i), (ii) and (iii) above in 15(1)(C) on a Determination Date.

In such case:

(i) if the Determination Date is in advance of the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected. However, where a Market Disruption Event is continuing on all the Exchange Business Days following the Determination Date originally expected until the Issue Date (excluded), the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled;

(ii) if the Determination Date is after or on the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected.

If the Market Disruption Event is also continuing on the Determination Date, the Calculation Agent, acting in good faith, will determine: (i) in the case of Securities relating to a single Commodity, the Reference Value of the Commodity for the purposes of determining the Initial Reference Value, or (ii) in the case of Securities relating to a Basket of Commodities, the Reference Value of the Basket Constituent, for the purposes of determining the Initial Reference Value of the Basket, in either case (x) on the basis of the Market Value of the Commodity affected by the Market Disruption determined using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Commodity, or (y) pursuant to the reasonable market practice.

If the determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days; and

(iii) if, on a Determination Date before the Issue Date, the Calculation Agent determines that the commodity level is equal to or greater than the Maximum Level set out in the relevant Final

Terms, then the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled.

Investors will be notified of the occurrence of any event pursuant to (i), (ii) and (iii) of this 14(1)(C), by way of a notice published on the Issuer's web site http://www.bancaimi.prodottiequotazioni.com/EN.

**15(1)(D) Market Disruption Event in relation to Futures Contract Securities**

**Market Disruption Events occurring during an Exchange Business Day within the Barrier Event Determination Period, the Barrier Gap Observation Period, the Consolidation Floor Valuation Period, the Early Redemption Valuation Period, the Accumulating Valuation Period, the Digital Valuation Period, the Consolidation Valuation Period, the Extra Consolidation Digital Valuation Period, the Memory Valuation Period, the Cliquet Valuation Period, the Coupon Determination Period, the Participation Remuneration Event Valuation Period, the Participation Rebate Valuation Period, the Knock-out Valuation Period, the Knock-in Valuation Period, the Restrike Observation Period, the Switch Valuation Period or on a Valuation Date, Accumulated Valuation Date, Annual Valuation Date, Buffer Valuation Date, Call Valuation Date, Participation Valuation Date, Put Valuation Date, Strike Observation Date and occurring at any time during the one hour period that ends at the time of the relevant determination and/or valuation made by the Calculation Agent on the relevant Exchange Business Day:**

For the purposes of this 15(1)(D), Market Disruption Events means:

(i) any disruption or any temporary or permanent discontinuance of the Reference Source (as determined by the Calculation Agent),

(ii) any failure by the Reference Source to publish any relevant price of the Future contract,

(iii) any suspension or limitation imposed on trading in the Future contract or in any other future or option contracts on the relevant exchanges;

(iv) any discontinuance of trading in Future contracts,

(v) the unavailability of the Reference Value,

(vi) any event that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to affect transactions in relation to or obtain market values for the Future contract;

If the Calculation Agent determines, **during an Exchange Business Day within the Barrier Event Determination Period, the Barrier Gap Observation Period, the Consolidation Floor Valuation Period, the Early Redemption Valuation Period, the Accumulating Valuation Period, the Digital Valuation Period, the Consolidation Valuation Period, the Extra Consolidation Digital Valuation Period, the Memory Valuation Period, the Cliquet Valuation Period, the Coupon Determination Period, the Participation Remuneration Event Valuation Period, the Participation Rebate Valuation Period, the Knock-out Valuation Period, the Knock-in Valuation Period, the Restrike Observation Period, the Switch Valuation Period or on a Valuation Date, Accumulated Valuation Date, Annual Valuation Date, Buffer Valuation Date, Call Valuation Date, Participation Valuation Date, Put Valuation Date, Strike Observation Date,** that a Market Disruption Event has occurred pursuant to 15(1)(D) (i), (ii), (iii), (iv), (v) and (vi) above, then the Exchange Business Day on which the Market Disruption Event occurred is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

The Exchange Business Day may be postponed for up to eight Exchange Business Days from the Exchange Business Day originally expected.

In case of Securities relating to a Basket of Future Contracts if the Market Disruption Event has

occurred but it is not continuing anymore for all Basket Constituent(s) before the eighth Exchange Business Day from the Exchange Business Day originally expected, in order to determine the official level of the Basket of Future Contracts the Calculation Agent will have the faculty to determine the official level of each Basket Constituent(s):

(a) on the relevant date on which the Market Disruption Event has ceased to occur for each single Basket Constituent, or

(b) on the date on which the Market Disruption Event has ceased to occur for all Basket Constituents.

If, on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Market Disruption Event is continuing, the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine:

(i) in the case of Securities relating to a single Future Contract, the Reference Value of the Future Contract as of the Exchange Business Day on which the Market Disruption Event occurred on that eighth Exchange Business Day or

(ii) in the case of Securities relating to a Basket of Future Contracts:

(a) for the Basket Constituent(s) for which a Market Disruption Event has not occurred (if any), then the Calculation Agent will have the faculty to determine the Reference Value of such Basket Constituent(s) on the Exchange Business Day originally expected, or on that eighth Exchange Business Day from the Exchange Business Day originally expected;

(b) for the Basket Constituent(s) for which a Market Disruption Event has occurred, but it is not continuing on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Calculation Agent will have the faculty to determine the Reference Value of such Basket Constituent(s) on the date on which the Market Disruption Event has ceased to occur, or on that eighth Exchange Business Day from the Exchange Business Day originally expected; or

(c) for the Basket Constituent(s) for which a Market Disruption Event has occurred and it is continuing on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Calculation Agent will have the faculty to determine the Reference Value of each Basket Constituent on that eighth Exchange Business Day on which the Market Disruption Event occurred.

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If the valuation/determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days.

**Market Disruption Events occurring on a Determination Date**

For the purposes of this 15(1)(D), Market Disruption Events occurring on a Determination Date means the occurrence of a Market Disruption Event pursuant to (i), (ii), (iii), (iv), (v) and (vi) above in 15(1)(D) on a Determination Date.

In such case:

(i) if the Determination Date is in advance of the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately

following the Determination Date originally expected. However, where a Market Disruption Event is continuing on all the Exchange Business Days following the Determination Date originally expected until the Issue Date (excluded), the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled;

(ii) if the Determination Date is after or on the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected.

If the Market Disruption Event is also continuing on the Determination Date, the Calculation Agent, acting in good faith, will determine: (i) in the case of Securities relating to a single Future Contract, the Reference Value of the Future Contract for the purposes of determining the Initial Reference Value or (ii) in the case of Securities relating to a Basket of Future Contracts, the Reference Value of the Basket Constituent, for the purposes of determining the Initial Reference Value of the Basket, in either case (x) on the basis of the Market Value of the Future Contract affected by the Market Disruption determined using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Future Contract, or (y) pursuant to the reasonable market practice.

If the determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days; and

(iii) if, on a Determination Date before the Issue Date, the Calculation Agent determines that the Future Contract level is equal to or greater than the Maximum Level set out in the relevant Final Terms, then the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled.

Investors will be notified of the occurrence of any event pursuant to (i), (ii) and (iii) of this 14(1)(D), by way of a notice published on the Issuer's web site http://www.bancaimi.prodottiequotazioni.com/EN.

**15(1)(E) Market Disruption Event in relation to Exchange Rate Securities**

**Definitions**

"**Fallback Exchange Rate**" means the Exchange Rate calculated by the Calculation Agent following a Market Disruption Event.

"**Other Exchange**" means, with respect to an Exchange Rate, each exchange, trading system or quotation system other than the Reference Source on which the relevant Exchange Rate is listed, traded or quoted;

"**Reference Currency**" means, with respect to an Exchange Rate, each currency specified in such an Exchange Rate;

"**Related Exchange**" means, with respect to an Exchange Rate, any exchange, trading system, quotation system or non-regulated market on which options contracts, futures or repo contracts on the relevant Exchange Rate are traded as determined by the Calculation Agent;

"**Relevant Time**" means, with respect to any Exchange Rate, the relevant time by reference to which the Calculation Agent determines the price or value of such Exchange Rate for the purposes of determining the Reference Value;

"**Relevant Country**" means, with respect to each Exchange Rate, each of:

(i) any country (or any political or regulatory authority thereof) in which a Reference Currency

for the Exchange Rate or the Settlement Currency is the legal tender or currency; and

(ii) any country (or any political or regulatory authority thereof) in which a Reference Currency for the Exchange Rate or the Reference Source has a material connection and, in determining what is material the Calculation Agent may, without limitation, refer to such factor(s) as it may deem appropriate;

all as determined by the Calculation Agent;

"**First Currency**" means the currency appearing in the first position in an Exchange Rate; and

"**Second Currency**" means the currency appearing in the second position in an Exchange Rate.

**Market Disruption Events occurring during an Exchange Business Day within the Barrier Event Determination Period, the Barrier Gap Observation Period, the Consolidation Floor Valuation Period, the Early Redemption Valuation Period, the Accumulating Valuation Period, the Digital Valuation Period, the Consolidation Valuation Period, the Extra Consolidation Digital Valuation Period, the Memory Valuation Period, the Cliquet Valuation Period, the Coupon Determination Period, the Participation Remuneration Event Valuation Period, the Participation Rebate Valuation Period, the Knock-out Valuation Period, the Knock-in Valuation Period, the Restrike Observation Period, the Switch Valuation Period or on a Valuation Date, Accumulated Valuation Date, Annual Valuation Date, Buffer Valuation Date, Call Valuation Date, Participation Valuation Date, Put Valuation Date, Strike Observation Date and occurring at any time during the one hour period that ends at the time of the relevant determination and/or valuation made by the Calculation Agent on the relevant Exchange Business Day:**

For the purposes of this 15(1)(E), Market Disruption Events means the occurrence of the following events under which it becomes impossible to calculate the Exchange Rate at the Relevant Time, and in particular:

A the occurrence or existence on any Exchange Business Day at the Relevant Time for the Exchange Rate or at any time during the one hour period that ends at the Relevant Time for such Exchange Rate:

(a) of any suspension of or limitation imposed on trading (whether by reason of movements in price exceeding the limits permitted by the relevant Reference Source or any Related Exchange or otherwise):

(i) of a Second Currency, for its conversion into the relevant First Currency, on the Reference Source or any Other Exchange; or

(ii) in options contracts or futures contracts relating to a Second Currency, for its conversion into the relevant First Currency, on any Related Exchange; or

(b) of any event that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to affect transactions in relation to or to obtaining market values for a Second Currency, for its conversion into the relevant First Currency, on the relevant Reference Source or affecting transactions in or obtain market values for options contracts or futures contracts on or relating to such Second Currency, for its conversion into the First Currency, on any Related Exchange;

B the closure on any Exchange Business Day of the Reference Source or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Reference Source or such Related Exchange, as the case may be, at least one hour prior to **(a)** the actual closing time for the regular trading session on

such Reference Source or such Related Exchange on such Exchange Business Day or, if earlier, **(b)** the submission deadline (if applicable) for orders to be entered into with the Reference Source or such Related Exchange system for execution at the Relevant Time on such Exchange Business Day. A "**Scheduled Closing Time**" is the scheduled weekday closing time of the relevant Reference Source or Related Exchange, without regard to after hours or any other trading outside of the regular trading session hours.

If the Calculation Agent determines, **during an Exchange Business Day within the Barrier Event Determination Period, the Barrier Gap Observation Period, the Consolidation Floor Valuation Period, the Early Redemption Valuation Period, the Accumulating Valuation Period, the Digital Valuation Period, the Consolidation Valuation Period, the Extra Consolidation Digital Valuation Period, the Memory Valuation Period, the Cliquet Valuation Period, the Coupon Determination Period, the Participation Remuneration Event Valuation Period, the Participation Rebate Valuation Period, the Knock-out Valuation Period, the Knock-in Valuation Period, the Restrike Observation Period, the Switch Valuation Period or on a Valuation Date, Accumulated Valuation Date, Annual Valuation Date, Buffer Valuation Date, Call Valuation Date, Participation Valuation Date, Put Valuation Date, Strike Observation Date**, that a Market Disruption Event has occurred pursuant to 15(1)(E) (1) and (2) above, then the Exchange Business Day on which the Market Disruption Event occurred is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

The Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine the Fallback Exchange Rate taking into consideration all available information that in good faith it deems relevant.

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If the valuation/determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days.

**Market Disruption Events occurring on a Determination Date**

For the purposes of this 15(1)(E), Market Disruption Events occurring on a Determination Date means the occurrence of a Market Disruption Event pursuant to (1) and (2) above in 15(1)(E) on a Determination Date.

In such case:

(i) if the Determination Date is in advance of the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected. However, where a Market Disruption Event is continuing on all the Exchange Business Days following the Determination Date originally expected until the Issue Date (excluded), the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled;

(ii) if the Determination Date is after or on the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected.

If also on the Determination Date the Market Disruption Event is continuing, the Calculation Agent, acting in good faith, will determine: (i) in the case of Securities relating to a single Exchange Rate, the Reference Value of the Exchange Rate for the purposes of the determining

the Initial Reference Value, or (ii) in the case of Securities relating to a Basket of Exchange Rates, the Reference Value of the Basket Constituent, for the purposes of the determining the Initial Reference Value of the Basket, in either case (x) on the basis of the Market Value of the Exchange Rate affected by the Market Disruption determined using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Exchange Rate, or (y) pursuant to the reasonable market practice.

If the determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days; and

(iii) if, on a Determination Date before the Issue Date, the Calculation Agent determines that the Exchange Rate level is equal to or greater than the Maximum Level set out in the relevant Final Terms, then the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled.

Investors will be notified of the occurrence of any event pursuant to (i), (ii) and (iii) of this 15(1)(E), by way of a notice published on the Issuer's web site https://www.bancaimi.prodottiequotazioni.com/EN.

**15(1)(F) Market Disruption Events in relation to Fund Securities**

**Market Disruption Events occurring during an Exchange Business Day within the Barrier Event Determination Period, the Barrier Gap Observation Period, the Consolidation Floor Valuation Period, the Early Redemption Valuation Period, the Accumulating Valuation Period, the Digital Valuation Period, the Consolidation Valuation Period, the Extra Consolidation Digital Valuation Period, the Memory Valuation Period, the Cliquet Valuation Period, the Coupon Determination Period, the Participation Remuneration Event Valuation Period, the Participation Rebate Valuation Period, the Knock-out Valuation Period, the Knock-in Valuation Period, the Restrike Observation Period, the Switch Valuation Period or on a Valuation Date, Accumulated Valuation Date, Annual Valuation Date, Buffer Valuation Date, Call Valuation Date, Participation Valuation Date, Put Valuation Date, Strike Observation Date and occurring at any time during the one hour period that ends at the time of the relevant determination and/or valuation made by the Calculation Agent on the relevant Exchange Business Day:**

For the purposes of this 15(1)(F), Market Disruption Events means the occurrence of the following events:

(i) the failure to publish or determine (a) the net asset value of the Fund or (b) if applicable, the closing auction price relating to each Exchange Traded Fund;

(ii) the failure to open for trading and the permanent discontinuance of trading in the Fund (in the case of an Exchange Traded Fund);

(iii) any substantial limitation on trading in the Fund on the relevant exchanges (in the case of Exchange Traded Fund);

(iv) any other event similar to the events set out above which makes it impossible or impracticable for the Calculation Agent to perform its duties pursuant to the Securities.

If the Calculation Agent determines, **during an Exchange Business Day within the Barrier Event Determination Period, the Barrier Gap Observation Period, the Consolidation Floor Valuation Period, the Early Redemption Valuation Period, the Accumulating Valuation Period, the Digital Valuation Period, the Consolidation Valuation Period, the Extra Consolidation Digital Valuation**

**Period, the Memory Valuation Period, the Cliquet Valuation Period, the Coupon Determination Period, the Participation Remuneration Event Valuation Period, the Participation Rebate Valuation Period, the Knock-out Valuation Period, the Knock-in Valuation Period, the Restrike Observation Period, the Switch Valuation Period or on a Valuation Date, Accumulated Valuation Date, Annual Valuation Date, Buffer Valuation Date, Call Valuation Date, Participation Valuation Date, Put Valuation Date, Strike Observation Date**, that a Market Disruption Event has occurred pursuant to 15(1)(F) (i), (ii), (iii) and (iv) above, then the Exchange Business Day is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

The Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine:

(i) in the case of Securities relating to a single Fund, its good faith estimate value for that Fund on the Exchange Business Day on which the Market Disruption Event ceases, or

(ii) in the case of Securities relating to a Basket of Funds:

(a) for the Basket Constituent(s) for which a Market Disruption Event has not occurred (if any), then the Calculation Agent will have the faculty to determine the value of such Basket Constituent(s) on the Exchange Business Day originally expected, or on that Exchange Business Day on which the Market Disruption Event ceases for all Basket Constituents;

(b) for the Basket Constituent(s) for which a Market Disruption Event has occurred, but it is not continuing on the Exchange Business Day on which the Market Disruption Event ceases for all Basket Constituents, the Calculation Agent will have the faculty to determine the value of such Basket Constituent(s) on the date on which the Market Disruption Event has ceased to occur for that single Basket Constituent(s), or on that Exchange Business Day on which the Market Disruption Event ceases for all Basket Constituents; or,

in all cases acting in good faith in order to determine its good faith estimate value of each Basket Constituent on the Exchange Business Day on which the Market Disruption Event ceases, using (where available) the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Fund.

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If the valuation/determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days.

**Market Disruption Events occurring on a Determination Date**

For the purposes of this 15(1)(F), Market Disruption Events occurring on a Determination Date means the occurrence of a Market Disruption Event pursuant to (i) (ii), (iii) and (iv) above in 15(1)(F) on a Determination Date.

In such case:

(i) if the Determination Date is in advance of the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected. However, where a Market Disruption Event is continuing on all the Exchange Business Days following the Determination Date

originally expected until the Issue Date (excluded), the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled;

(ii) if the Determination Date is after or on the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected.

If, on the Determination Date the Market Disruption Event is also continuing, the Calculation Agent, acting in good faith, will determine: (i) in the case of Securities relating to a single Fund, the Reference Value of the Fund for the purposes of determining the Initial Reference Value or (ii) in the case of Securities relating to a Basket of Funds, the Reference Value of the Basket Constituent, for the purposes of determining the Initial Reference Value of the Basket, in either case (x) on the basis of the Market Value of the Fund affected by the Market Disruption determined using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Fund, or (y) pursuant to the reasonable market practice.

If the determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days; and

(iii) if, on a Determination Date before the Issue Date, the Calculation Agent determines that the Fund level is equal to or greater than the Maximum Level set out in the relevant Final Terms, then the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled.

Investors will be notified of the occurrence of any event pursuant to (i), (ii) and (iii) of this 15(1)(F), by way of a notice published on the Issuer's web site https://www.bancaimi.prodottiequotazioni.com/EN.

**15(1)(G)Market Disruption Event in relation to Interest Rate Securities**

**Market Disruption Events occurring during an Exchange Business Day within the Barrier Event Determination Period, the Barrier Gap Observation Period, the Consolidation Floor Valuation Period, the Early Redemption Valuation Period, the Accumulating Valuation Period, the Digital Valuation Period, the Consolidation Valuation Period, the Extra Consolidation Digital Valuation Period, the Memory Valuation Period, the Cliquet Valuation Period, the Coupon Determination Period, the Participation Remuneration Event Valuation Period, the Participation Rebate Valuation Period, the Knock-out Valuation Period, the Knock-in Valuation Period, the Restrike Observation Period, the Switch Valuation Period or on a Valuation Date, Accumulated Valuation Date, Annual Valuation Date, Buffer Valuation Date, Call Valuation Date, Participation Valuation Date, Put Valuation Date, Strike Observation Date and occurring at any time during the one hour period that ends at the time of the relevant determination and/or valuation made by the Calculation Agent on the relevant Exchange Business Day:**

For the purposes of this 15(1)(G), Market Disruption Events means:

(i) the permanent discontinuance or the failure to publish, determine, substitute the Interest Rate, provided that if such failure is an Adjustment Event pursuant to the following 15(2), such event will be considered an Adjustment Event and not a Market Disruption Event; and

(ii) any other event similar to the events set out above which makes it impossible or impracticable for the Calculation Agent to perform its duties pursuant to the Securities.

If the Calculation Agent determines**, during an Exchange Business Day within the Barrier Event Determination Period, the Barrier Gap Observation Period, the Consolidation Floor Valuation**

**Period, the Early Redemption Valuation Period, the Accumulating Valuation Period, the Digital Valuation Period, the Consolidation Valuation Period, the Extra Consolidation Digital Valuation Period, the Memory Valuation Period, the Cliquet Valuation Period, the Coupon Determination Period, the Participation Remuneration Event Valuation Period, the Participation Rebate Valuation Period, the Knock-out Valuation Period, the Knock-in Valuation Period, the Restrike Observation Period, the Switch Valuation Period or on a Valuation Date, Accumulated Valuation Date, Annual Valuation Date, Buffer Valuation Date, Call Valuation Date, Participation Valuation Date, Put Valuation Date, Strike Observation Date,** that a Market Disruption Event has occurred pursuant to 15(1)(G) (i) and (ii) above, then the Calculation Agent shall identify in good faith and according to the best market practices a substitutive suitable Interest Rate for the purposes of such determination, or, in the event that no substitutive suitable Interest Rate can be validly identified, then the Exchange Business Day is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

In case of Securities relating to a Basket of Interest Rates if the Market Disruption Event has occurred but it is not continuing anymore for all Basket Constituent(s) before the eighth Exchange Business Day from the Exchange Business Day originally expected, in order to determine the Reference Value of the Basket Constituent the Calculation Agent will have the faculty to determine the official level of each Basket Constituent(s):

(a) on the relevant date on which the Market Disruption Event has ceased to occur for each single Basket Constituent, or

(b) on the date on which the Market Disruption Event has ceased to occur for all Basket Constituents.

If, on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Market Disruption Event is continuing, then the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine

(i) in the case of Securities relating to a single Interest Rate, the official Reference Value of the Interest Rate, or

(ii) in the case of Securities relating to a Basket of Interest Rates:

(a) for the Basket Constituent(s) for which a Market Disruption Event has not occurred (if any), then the Calculation Agent will have the faculty to determine the Reference Value of such Basket Constituent(s) on the Exchange Business Day originally expected, or on that eighth Exchange Business Day from the Exchange Business Day originally expected;

(b) for the Basket Constituent(s) for which a Market Disruption Event has occurred, but it is not continuing on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Calculation Agent will have the faculty to determine the Reference Value of such Basket Constituent(s) on the date on which the Market Disruption Event has ceased to occur, or on that eighth Exchange Business Day from the Exchange Business Day originally expected; or

(c) for the Basket Constituent(s) for which a Market Disruption Event has occurred and it is continuing on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Calculation Agent will have the faculty to determine the Reference Value of each Basket Constituent on that eighth Exchange Business Day on which the Market Disruption Event occurred,

in all cases in accordance with the fair market value of the Interest Rate affected by the Market Disruption Event, using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Interest Rate.

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If the valuation/determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days.

**Market Disruption Events occurring on a Determination Date**

For the purposes of this 15(1)(G), Market Disruption Event occurring on a Determination Date means:

(i) the occurrence of a Market Disruption Event pursuant to (i) and (ii) above in 15(1)(G) on a Determination Date. In such case, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected. However, where a Market Disruption Event is continuing on all the five Exchange Business Days following the Determination Date originally expected, the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled. Investors will be notified of the occurrence of such event by way of a notice published on the Issuer's web site https://www.bancaimi.prodottiequotazioni.com/EN, and

(ii) if, on a Determination Date, the Calculation Agent determines that the Interest Rate level is equal to or greater than the Maximum Level set out in the relevant Final Terms. In such case, the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled. Investors will be notified of the occurrence of such event by way of a notice published on the Issuer's web site https://www.bancaimi.prodottiequotazioni.com/EN.

**15(1)(H) Market Disruption Events in relation to Govies Securities**

**Market Disruption Events occurring during an Exchange Business Day within the Barrier Event Determination Period, the Barrier Gap Observation Period, the Consolidation Floor Valuation Period, the Early Redemption Valuation Period, the Accumulating Valuation Period, the Digital Valuation Period, the Consolidation Valuation Period, the Extra Consolidation Digital Valuation Period, the Memory Valuation Period, the Cliquet Valuation Period, the Coupon Determination Period, the Participation Remuneration Event Valuation Period, the Participation Rebate Valuation Period, the Knock-out Valuation Period, the Knock-in Valuation Period, the Restrike Observation Period, the Switch Valuation Period or on a Valuation Date, Accumulated Valuation Date, Annual Valuation Date, Buffer Valuation Date, Call Valuation Date, Participation Valuation Date, Put Valuation Date, Strike Observation Date and occurring at any time during the one hour period that ends at the time of the relevant determination and/or valuation made by the Calculation Agent on the relevant Exchange Business Day:**

For the purposes of this 15(1)(H), Market Disruption Events means:

(i) the specified Exchange ceases to list or otherwise include the Government Bond and the Government Bond is not listed or otherwise included in any other Exchange, provided that if such event is an Adjustment Event pursuant to the following 15(2), such event will be considered an Adjustment Event and not a Market Disruption Event;

(ii) the issuer of the Government Bond irreversibly converts those Government Bonds into other securities, and such other securities in the reasonable opinion of the Calculation Agent will not have the same characteristics of the Government Bond, provided that if such an event is an Adjustment Event pursuant to the following 15(2), such event will be considered an Adjustment Event and not a Market Disruption Event;

(iii) any other event similar to the events set out above which makes it impossible or impracticable for the Calculation Agent to perform its duties pursuant to the Securities.

If the Calculation Agent determines**, during an Exchange Business Day within the Barrier Event Determination Period, the Barrier Gap Observation Period, the Consolidation Floor Valuation Period, the Early Redemption Valuation Period, the Accumulating Valuation Period, the Digital Valuation Period, the Consolidation Valuation Period, the Extra Consolidation Digital Valuation Period, the Memory Valuation Period, the Cliquet Valuation Period, the Coupon Determination Period, the Participation Remuneration Event Valuation Period, the Participation Rebate Valuation Period, the Knock-out Valuation Period, the Knock-in Valuation Period, the Restrike Observation Period, the Switch Valuation Period or on a Valuation Date, Accumulated Valuation Date, Annual Valuation Date, Buffer Valuation Date, Call Valuation Date, Participation Valuation Date, Put Valuation Date, Strike Observation Date,** that a Market Disruption Event has occurred pursuant to 15(1)(H) (i), (ii) and (iii) above, then the Calculation Agent shall identify in good faith and according to the best market practices a substitutive suitable Government Bond for the purposes of such determination, or, in the event that no substitutive suitable Government Bond can be validly identified, the Exchange Business Day is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

The Exchange Business Day may be postponed for up to eight Exchange Business Days from the Exchange Business Day originally expected.

In case of Securities relating to a Basket of Government Bonds if the Market Disruption Event has occurred but it is not continuing anymore for all Basket Constituents before the eighth Exchange Business Day from the Exchange Business Day originally expected, in order to determine the Reference Value of the Basket Constituent the Calculation Agent will have the faculty to determine the official Value of each Basket Constituent:

(a) on the relevant date on which the Market Disruption Event has ceased to occur for each single Basket Constituent, or

(b) on the date on which the Market Disruption Event has ceased to occur for all Basket Constituents.

If, on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Market Disruption Event is continuing, then the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine:

(i) in the case of Securities relating to a single Government Bond, the Reference Value of the Government Bond as of the Exchange Business Day on which the Market Disruption Event occurred on that eighth Exchange Business Day, or

(ii) in the case of Securities relating to a Basket of Government Bonds:

(a) for the Basket Constituent(s) for which a Market Disruption Event has not occurred (if any), then the Calculation Agent will have the faculty to determine the Reference Value of such Basket Constituent(s) on the Exchange Business Day originally

expected, or on that eighth Exchange Business Day from the Exchange Business Day originally expected;

(b) for the Basket Constituent(s) for which a Market Disruption Event has occurred, but it is not continuing on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Calculation Agent will have the faculty to determine the Reference Value of such Basket Constituent(s) on the date on which the Market Disruption Event has ceased to occur, or on that eighth Exchange Business Day from the Exchange Business Day originally expected; or

(c) for the Basket Constituent(s) for which a Market Disruption Event has occurred and it is continuing on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Calculation Agent will have the faculty to determine the Reference Value of each Basket Constituent on that eighth Exchange Business Day on which the Market Disruption Event occurred,

in all cases in accordance with the fair market value of the Government Bond affected by the Market Disruption Event, using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Government Bond.

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If the valuation/determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days.

**Market Disruption Events occurring on a Determination Date**

For the purposes of this 15(1)(H), Market Disruption Events occurring on a Determination Date means the occurrence of a Market Disruption Event pursuant to (i), (ii) and (iii) above in 15(1)(H) on a Determination Date.

In such case:

(i) if the Determination Date is in advance of the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected. However, where a Market Disruption Event is continuing on all the Exchange Business Days following the Determination Date originally expected until the Issue Date (excluded), the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled;

(ii) if the Determination Date is after or on the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected.

If the Market Disruption Event is also continuing on the Determination Date, the Calculation Agent, acting in good faith, will determine: (i) in the case of Securities relating to a single Government Bond, the official closing Value of the Government Bond for the purposes of determining the Initial Reference Value or (ii) in the case of Securities relating to a Basket of Government Bonds, the official closing Value of the Basket Constituent, for the purposes of determining the Initial Reference Value of the Basket, in either case (x) on the basis of the market value of the Government Bond affected by the Market Disruption determined using the

quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Government Bond or (y) pursuant to the reasonable market practice.

If the determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days; and

(iii) if, on a Determination Date before the Issue Date, the Calculation Agent determines that the Government Bond Value is equal to or greater than the Maximum Level set out in the relevant Final Terms, then the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled.

Investors will be notified of the occurrence of any events pursuant to (i), (ii) and (iii), by way of a notice published on the Issuer's website http://www.bancaimi.prodottiequotazioni.com/EN.

**15(1)(I) Market Disruption Events in relation to Combined Securities**

For the purposes of this 15(1)(I) Market Disruption Event occurring respectively **during an Exchange Business Day within the Barrier Event Determination Period, the Barrier Gap Observation Period, the Consolidation Floor Valuation Period, the Early Redemption Valuation Period, the Accumulating Valuation Period, the Digital Valuation Period, the Consolidation Valuation Period, the Extra Consolidation Digital Valuation Period, the Memory Valuation Period, the Cliquet Valuation Period, the Coupon Determination Period, the Participation Remuneration Event Valuation Period, the Participation Rebate Valuation Period, the Knock-out Valuation Period, the Knock-in Valuation Period, the Restrike Observation Period, the Switch Valuation Period or on a Valuation Date, Accumulated Valuation Date, Annual Valuation Date, Buffer Valuation Date, Call Valuation Date, Participation Valuation Date, Put Valuation Date, Strike Observation Date or on a Determination Date**, shall have the same meaning of the foregoing Market Disruption Events and will be considered in accordance with the underlyings which are relevant for each specific issue.

**15(2) Adjustment Events relating to the Underlying and correction provisions in relation to the Securities**

If the Underlying is affected by an Adjustment Event, the Issuer will intervene in order to procure that the economic value of the Securities following an Adjustment Event is equal, as far as possible, to the economic value of the Securities before the occurrence of the Adjustment Event.

If an Adjustment Event has occurred and its negative effects cannot be corrected, the Issuer may: (i) apply the provisions of Market Disruption Events as detailed under 15(1), or, as alternative, (ii) redeem the Securities early by paying an amount calculated on the basis of the market value of the Securities, as determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner. The payment will be made in accordance with the method of calculation notified to the investor on the Issuer's website.

**15(2)(A) Adjustment Events in relation to Index Securities**

For the purposes of this 15(2)(A), "**Adjustment Event**" means, in relation to an Index, the occurrence of one or more of the following events:

(a) *Calculation of the Index by a Successor Sponsor.*

If the Index Sponsor is replaced by a Successor Sponsor, the Index so calculated and announced by such Successor Sponsor will continue to be deemed as the single Underlying or

the Basket Constituent.

(b) *Modification of the method of calculation of the Index or substitution with a Successor Index.*

If an Index Sponsor (or a Successor Sponsor, where applicable) substantially modifies the method of calculation of the Index or replaces the Index with a Successor Index, the Issuer may take one of the following actions which will be notified to the investor by way of a notice on its website:

(i) the Index Sponsor (or the Successor Sponsor, where applicable) may modify or replace the method of calculation by using the same or a substantially similar formula in the calculation of the Index, so as to maintain continuity in the values of the Index before and after such amendment or replacement (using a connection coefficient) and the Securities will not be affected by any correction and will have the modified Index (or the Successor Index, as the case may be) as the Underlying;

(ii) the Index Sponsor (or the Successor Sponsor, where applicable) may modify or replace the method of calculation resulting in a substantial difference between the Index value (as single the Underlying or Basket Constituent) before and after such amendment or replacement, the Issuer may correct the Multiplier, using an adjustment coefficient as determined by the Index Sponsor, the Successor Sponsor or, failing this, by the Issuer. In the case of a Basket, such amendment or replacement (also following the correction of the Multiplier) will not affect the weighting of the Index as Basket Constituent;

(iii) if the Issuer, in relation to the procedure for the amendment or replacement and in relation to the modified Index or Successor Index, does not consider appropriate the method of calculation in (i) and (ii) for the purposes of the first paragraph of this 15(2)(A), the Issuer may redeem the Securities early under payment of an amount calculated on the basis of the market value of the Securities.

(c) *Cancellation or disruption of the Underlying Index (or the Index as Basket Constituent).*

If the Index Sponsor (or the Successor Sponsor, where applicable) (i) permanently cancels that Index, including without limitation following the adoption of a decision to withdraw the authorization or registration as set out in Article 35 of the Benchmark Regulation, or (ii) fails to calculate and announce that Index, the Issuer may replace the Index with another similar Index and, in the case of a Basket, with the same weighting of the Index which is a Basket Constituent. In accordance with the index types, the features that the Issuer will consider for the purposes of the replacement are the following:

1 in case of share indices:
- (i) the connection with the same geographical area;
- (ii) the connection with the same sector; and
- (iii) the method of calculation of the Index;

2 in case of currency indices, a similar composition of the Index in relation to currency classes and such currency classes may include:
- (i) U.S. dollar;
- (ii) Euro;
- (iii) emerging market countries;
- (iv) Asian currencies; and
- (v) high-yield currencies (for example, New Zealand dollar);

3. in case of bond indices:

(i) the rating;
(ii) the type of issuer (sovereign or not sovereign);
(iii) the connection with the same geographical area;
(iv) the connection with the same sector;
(v) the life of the bond composing the index; and
(vi) the type of yield of the bond composing the index (fixed-rate or floating-rate);

4. in case of commodity indices:
   (i) the composition of the Index; and
   (ii) the method of calculation of the Index;

5. in case of futures indices:
   (i) the composition of the Index; and
   (ii) the connection with the same sector;

6. in case of fund indices:
   (i) the connection with a monetary area;
   (ii) the connection with the same geographical area;
   (iii) the connection with the same sector; and
   (iv) the method of calculation of the Index.

7. in case of inflation indices, the method of calculation of the Index and if the successor index cannot be determined pursuant to such parameter, the Calculation Agent will inquire five leading independent dealers to establish which index shall be the successor index.
8. in the case of volatility indices and interest rate indices, the composition of the Index.

If it is not possible to replace such Index, the Issuer may redeem the Securities early pursuant to the method set out above.

(d) *Any other event affecting the economic value and, consequently, the market price of the Index.*

**15(2)(B) Adjustment Events in relation to Share Securities**

For the purposes of this 15(2)(B), "**Adjustment Event**" means, in relation to a Share, one or more of the following events:

(a) share splits and consolidations;

(b) the increase of corporate capital transactions on a free basis and the increase of corporate capital transactions by way of issuance of new shares of the same class as those underlying the Securities;

(c) the increase of corporate capital transactions by way of issuance of (i) new shares of a class different from those underlying the Securities, (ii) shares with Warrant, (iii) convertible bonds and (iv) convertible bonds with Warrant;

(d) merger and de-merger transactions[1];

(e) payment of an extraordinary dividend or a spin-off;

(f) any other event affecting the economic value and, consequently, the market price of the Share and/or the rights of the Shareholders.

The Issuer determines the method of correction so that the economic value of the Securities after the

[1] For the purposes of a correction in relation to a de-merger, reference should be made to the listed share of the company that arises from the de-merger transaction.

correction is equal, as far as possible, to the economic value of the Securities before the Adjustment Event has occurred.

In relation to a Basket, the correction is made so as to immunise the Basket performance on an Adjustment Event occurring, and as a consequence the performance of the Securities will be neutralised in relation to the Adjustment Event. In the case of:

(i) a merger between two companies issuing Shares which are both Basket Constituents (and the shares of the company that arises from the merger remain listed), such Shares will be replaced within the Basket with the only Share of the company that arises from the merger and that Share will have a weighting equal to the sum of the weightings of the two Shares;

(ii) a takeover, by way of tender offer, of the company issuing the Share which is a Basket Constituent, the price of such Share within the Basket is crystallised until the expiry date of the Securities and will remain equal to the value of the Share at the beginning of the tender offer;

(iii) a default of a company issuing a Share which is a Basket Constituent (and the consequent delisting of such Share), the price of such Share will be equal to zero until the expiry date of the Securities; and

(iv) a payment of an extraordinary dividend or a spin-off in relation to a Share which is a Basket Constituent, the Initial Reference Value of the Underlying will be corrected so the performance of the Share within the relevant Basket is held constant.

The correction, in relation to a single Adjustment Event, which may affect the Initial Reference Value of the Underlying and/or the Multiplier and/or the Share and/or other terms related to the Securities, is made according to the following criteria:

(i) where an option contract is traded on the Share affected by the Adjustment Event on a Related Exchange, reference will be made to the criteria used by the Related Exchange to make the relevant corrections, possibly modified to consider the existing differences between the contractual features of the Securities and the option contracts;

(ii) where there are no option contracts on the Share traded on a Regulated Exchange or in relation to which the Issuer does not consider that the method of correction is appropriate for the adjustment of the Securities, the terms and conditions of the Securities will be adjusted by the Issuer pursuant to international market practice.

In relation to such adjustments, Securityholders will be notified by the Issuer by way of a notice on the Issuer's website.

If an Adjustment Event has occurred, whose effects may not be neutralised by way of appropriate corrections to the Initial Reference Value and/or the Multiplier and/or the Share and/or other terms related to the Securities, the Issuer has the right but not the obligation to: (i) apply the provisions of the relevant Market Disruption Events as detailed under 15(1)(B), or, as alternative, (ii) redeem the Securities early, paying to each Securityeholder, in respect of each Security, a cash amount calculated pursuant to the market value of the Securities, as determined by the Calculation Agent acting in good faith and considering the quoted prices of the Underlying during the eight days before the adjustment date, thereby discharging its contractual obligations pursuant to the Securities.

**15(2)(C) Adjustment Events in relation to Commodity Securities**

For the purposes of this 15(2)(C), "**Adjustment Event**" means, in relation to a Commodity, one or

more of the following events:

(a) the Commodity traded on the Reference Source is a different quality or another composition (for example, in a different degree of purity);

(b) any other event or measure as a result of which the Commodity, as traded on the Reference Source, is changed or altered;

(c) options contracts or futures contracts on or relating to the Commodity as traded on any Related Exchange are altered in the manner described under (a) and (b) above; and

(d) any other event affecting the economic value and, consequently, the market price of the Commodity,

and whether or not any event or measure is an Adjustment Event shall be conclusively determined in good faith by the Calculation Agent.

The Adjustment Event shall be treated as a Market Disruption event and paragraph 15 (1)(C) shall apply.

**15(2)(D) Adjustment Events in relation to Future Contracts Securities.**

For the purposes of this 15(2)(D), "**Adjustment Event**" means, in relation to a Future Contract, one or more of the following events:

(a) *Calculation of the Future Contract by a third party*

If the price of the Future Contract starts to be calculated and published by an entity other than the Reference Source (the "**Other Entity**"), the Underlying of the Securities will remain as the Future Contract selected as such, as calculated by the Other Entity.

The Securityholders will be notified of the identity of the Other Entity, the terms of the calculation and the publication of the Future Contract as calculated by the Other Entity, within eight Business Day after the appointment of such Other Entity, by way of a notice on the Issuer's website.

(b) *Modification of the features of the Future Contract*

If the Reference Source or the Other Entity substantially modifies the features of the Future Contract, including, without limitation, the formula or the method of calculation of the Reference Value, the content, composition or constitution of the underlying of the Future Contract or replaces the Future Contract with a new asset, the following may occur:

(i) if the Reference Source (or the Other Entity, where applicable) modifies or replaces so as to maintain continuity in the values of the Future Contract before and after such amendment or replacement (using a connection coefficient), the Securities will not be affected by any correction and will have the modified Future Contract as the Underlying;

(ii) if the Reference Source (or the Other Entity, where applicable) makes the modification or replacement resulting in a substantial difference in the value of the Future Contract before and after such modification or replacement, the Calculation Agent will correct the Multiplier (and/or the Initial Reference Value of the Underlying and/or other terms related to the Securities), so that the economic value of the Future Contract is maintained constant, using an adjustment coefficient as calculated by the Reference Source of the Future Contract or, failing this, as deemed appropriate by the Calculation Agent, acting in its reasonable discretion and in good faith, also considering the market practice. In the case of a Basket of Future Contracts, such modification or replacement will not affect the weighting of the Future Contract as a Basket Constituent; and

(iii) if the Calculation Agent determines that the effects of the modification or replacement cannot be deleted by way of the procedure set out in (ii) above, the Issuer will be entitled to perform its obligations pursuant to the Securities in accordance with the following paragraph.

(c) *Cessation of the calculation of the Future Contract*

If the Reference Source or the Other Entity ceases to calculate or publish the Future Contract without calculating or publishing a new Future Contract, the Issuer may perform its obligations pursuant to the Securities paying to the Securityholders an amount representing the market value of the Securities.

(d) *Any other event affecting the economic value and, consequently, the market price of the Future Contract.*

The Securityholders will be notified of the market value of the Securities and the relevant method of payment, by way of a notice on the Issuer's website.

**15(2)(E)Adjustment Events in relation to Exchange Rate Securities**

For the purposes of this 15(2)(E), "**Adjustment Event**" means, in relation to an Exchange Rate, the one or more of the following events:

(a) *Adjustments*

If a Second Currency is in the country (or countries) or jurisdiction (or jurisdictions)maintaining the authority, institution or other body which issues such Reference Currency, replaced in its function as legal tender by another currency or merged with another currency to become a common currency (such replacement or merged currency the "**New Reference Currency**") and the provisions of the following paragraph "Early Termination Event" do not apply, such Second Currency shall, within the Exchange Rate, be replaced by the New Reference Currency (such exchange rate the "**New Rate of Exchange**"), provided that the New Exchange Rate shall be calculated on the basis of the number of units of the New Reference Currency determined by the conversion of the number of units of the Second Currency used for the determination of the previous Exchange Rate into the New Reference Currency using the exchange rate applicable to such conversion, all of which is determined by the Calculation Agent; and

(b) *Early Termination Events*

(i) If a Reference Currency ceases, for any reason, to be legal tender in the country (or countries) or jurisdiction (or jurisdictions), maintaining the authority, institution or other body which issues such Reference Currency, and the provisions of the previous paragraph ""Adjustments" do not apply, or if an adjustment in accordance with the previous paragraph is, as determined by the Calculation Agent, for any reason not possible or not reasonably practical; or

(ii) where the Reference Source for any Exchange Rate is an exchange, trading system or quotation system, if the Reference Source announces that pursuant to the rules of such Reference Source, the exchange rate between the relevant First Currency and Second Currency ceases (or will cease) to be listed, traded or publicly quoted on the Reference Source for any reason and is not immediately re-listed, re-traded or re-quoted on an exchange, trading system or quotation system acceptable to the Calculation Agent ("**Cessation of Trading**"),

the Issuer will have the right, but not the obligation, to cancel the Securities by giving notice to the Securityholders through the Issuer's website. The Issuer may discharge its obligations pursuant to the Securities paying an amount to each Securityholder in respect of each Security held by such Securityholder which amount shall be the fair market value of the Securities, as determined in good faith by the Calculation Agent.

The Securityholders will be notified of the market value of the Securities and the relevant method of payment, by way of a notice on the Issuer's website.

**15(2)(F) Adjustment Events in relation to Fund Securities**

**Terms**

"**Insolvency**" means that, by reason of voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Fund, (i) all of the shares of that Fund are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the shares of that Fund become legally prohibited from transferring them.

"**Nationalization**" means that the Fund or all or substantially all the assets of a Fund are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

**Adjustment Events and replacement of the Fund or redemption of the Securities**

For the purposes of this 15(2)(F), "**Adjustment Event**" means, in relation to a Fund, one or more of the following events:

(a) Nationalization;

(b) Insolvency;

(c) the Fund (i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger), or (ii) makes a general assignment or arrangement with or for the benefit of its creditors, or the Fund institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, a proceeding seeking judgement of insolvency or bankruptcy or any other similar relief, or (iii) has instituted against it a proceeding seeking a judgement of insolvency or bankruptcy or any other similar relief, (iv) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets, (v) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter, or (vi) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction has an analogous effect to any of the events specified in clauses from (i) to (v) above;

(d) the net asset value of the Fund has decreased by an amount considered reasonably significant by the Issuer in good faith, or the Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgement of any court or other agency of government applicable to it or any of its assets, the Fund documents or any contractual restriction binding on or affecting the Fund or any of its assets;

(e) (i) the resignation, termination, or replacement of its Fund adviser or (ii) the resignation, termination, death or replacement of any key person as specified;

(f) any change or modification of the related documents that could reasonably be expected to affect the value of such Fund;

(g) means any breach or violation of any strategy or investment guidelines stated in the related

Fund documents that is reasonably likely to affect the value of such Fund or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent);

(h) (i) cancellation, suspension or revocation of the registration or approval of the Fund by any governmental, legal or regulatory entity with authority over such Fund, (ii) any change in the legal, tax, accounting, or regulatory treatments of the relevant Fund or its Fund adviser that is reasonably likely to have an adverse impact on the value of such Fund or on any investor therein, or (iii) the Fund or any of its Fund administrator of Fund adviser becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Fund, Fund administrator or Fund adviser;

(i) (i) occurrence of any event affecting such Fund that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of such Fund, and such event continues for at least the foreseeable future; (ii) any failure of the Fund to deliver, or cause to be delivered, (A) information, if any that such Fund has agreed to deliver, or (B) information that has been previously delivered, as applicable, in accordance with such Fund, or its authorized representative's, to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to such Fund;

(j) (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that (A) it has become illegal to hold, acquire or dispose of the interest issued or held in the Fund, or (B) it will incur a materially increased cost in performing its obligations with respect to the interest issued or held in the Fund (including, without limitation, due to any increase in tax liability, decrease in tax benefit of other adverse effect on its tax position);

(k) means that the Issuer would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk relating to any interest issued or held in the Fund of entering into and performing its obligations with respect to the relevant Fund Security, or (ii) realize, recover or remit the proceeds of any such transaction (s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an increased cost of hedging pursuant to this clause k); and

(l) any day, a failure by the Fund to pay the full amount (whether expressed as a percentage or otherwise) of the redemption proceeds calculated by the Calculation Agent that would be paid;

(m) any other event affecting the economic value and, consequently, the market price of the Fund;

(n) the total exposure of the Issuer with respect to the Fund on any Exchange Business Day is higher than a specific threshold amount (the "**Threshold**") determined by the Calculation Agent and notified to Securityholders on the Issuer's website. In the absence of any notice, the Threshold shall be considered as equal to 22.00% of the aggregate net asset value of the relevant Fund on the relevant Exchange Business Day.

Following the occurrence of an Adjustment Event pursuant to (a), (b), above in relation to a Fund, the Issuer redeems the relevant Securities through a notice published on its website. In this case, the Issuer

will pay to the Securityholders the market value of the Securities, as determined by the Calculation Agent.

Adjustment Events pursuant to (c), (d), (e), (f), (g), (h), (i), (j), (k), (l) and (m) above shall be treated as Market Disruption Events and paragraph 15 (1) (F) shall apply.

Following the occurrence of the Adjustment Event pursuant to (n), the Calculation Agent has the faculty but not the obligation to, alternatively:

(i) identify a new Fund in respect of which an Adjustment Event has not occurred. Following the identification of the new fund by the Calculation Agent, Securityholders will be notified by the Calculation Agent by way of a notice on the Issuer's website. The new Fund will replace the Fund affected by the Adjustment Event pursuant to (n) with effect from the release of the relevant substitution notice on the Issuer's website. The Calculation Agent will make the corrections which will be appropriate in its opinion, acting in a commercially reasonable manner, to any variable, method of calculation or evaluation or other relevant parameter pursuant to the Securities, in order to affect such substitution, or

(ii) take any necessary action to reduce Issuer's exposure in order that the total exposure of the Issuer shall be comprised below the Threshold, including the faculty for the Issuer to redeem the relevant Securities through a notice published on its website.

**15(2)(G)Adjustment Events in relation to Interest Rate Securities**

For the purposes of this 15(2)(G), "**Adjustment Event**" means, in relation to an Interest Rate, one or more of the following events:

(i) the Interest Rate is no longer calculated by the relevant Calculation Entity in charge for the calculation, but by another entity which has replaced the Calculation Entity in charge of the calculation. In such case, the Settlement Amount will be determined according to the Reference Value of the Interest Rate as determined and published by the new entity, and each reference to the Entity in charge for the calculation shall be deemed as a reference, where applicable, to the new entity; and

(ii) the Interest Rate is cancelled or replaced, including without limitation, following the adoption of a decision to withdraw the authorization or registration as set out in Article 35 of the Benchmark Regulation. In such case, if the Calculation Entity substantially modifies the method of calculation of the Interest Rate or replaces the Interest Rate with a Successor Interest Rate, the Issuer may take one of the following actions which will be notified to the investor by way of a notice on its website:

(a) the Calculation Entity may modify or replace the method of calculation by using the same or a substantially similar formula in the calculation of the Interest Rate, so as to maintain continuity in the values of the Interest Rate before and after such amendment or replacement (using a connection coefficient) and the Securities will not be affected by any correction and will have the modified Interest Rate as the Underlying;

(b) the Calculation Entity may modify or replace the method of calculation resulting in a substantial difference between the Interest Rate value before and after such amendment or replacement, the Issuer may correct the Multiplier, using an adjustment coefficient as determined by the Calculation Entity or, failing this, by the Issuer. In the case of a Basket, such amendment or replacement (also following the correction of the Multiplier) will not affect the weighting of the Interest Rate as Basket Constituent;

(c) if the Issuer, in relation to the procedure for the amendment or replacement and in relation to the modified Interest Rate, does not consider appropriate the method of calculation in (a) and (b) for the purposes of the paragraph (i) of this 15(2)(G), the Issuer may redeem the Securities early under payment of an amount calculated on the basis of the market value of the Securities;

(iii) the Interest Rate is cancelled or replaced including without limitation, following the adoption of a decision to withdraw the authorization or registration as set out in Article 35 of the Benchmark Regulation and, in the reasonable opinion of the Issuer, it is not possible to determine a new Interest Rate. In such case, the Issuer and an expert appointed by the Issuer will continue to calculate and publish the Interest Rate pursuant to the previous system and to the last level calculated or the Issuer may redeem the Securities early under payment of an amount calculated on the basis of the market value of the Securities.

**15(2)(H) Adjustment Events in relation to Govies Securities**

For the purposes of this 15(2)(H), "**Adjustment Event**" means the occurrence of one or more of the following events:

(i) the specified Exchange ceases to list or otherwise include the Government Bond and the Government Bond is listed or otherwise included in any other securities exchange;

(ii) the issuer of the Government Bond irreversibly converts those Government Bond into other securities;

(iii) If the Value published or announced on a given Exchange Business Day and used or to be used by the Calculation Agent to determine the Reference Value, the Initial Reference Value or Final Reference Value is subsequently corrected and the correction is published or announced by the Reference Source for that publication or announcement within 30 calendar days of the original publication or announcement;

(iv) any other event affecting the economic value, and consequently the market price of the Government Bond.

**15(2)(I) Adjustment Events in relation to Combined Securities**

For the purposes of this 15(2)(I), "**Adjustment Event**" means the occurrence of one or more of the events set out above in relation to the other types of Security, in accordance with the specific underlying assets which are relevant from time to time in relation to each issue.

**16. Adjustments for European Monetary Union**

The Issuer may, without the consent of the Securityholders, on giving notice to the Securityholders in accordance with Condition 9 (*Notices*):

(i) elect that, with effect from the Adjustment Date specified in the notice, certain terms of the Securities shall be redenominated in Euro;

The election will have effect as follows:

(A) where the Settlement Currency of the Securities is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into Euro at the Established Rate, subject to

such provisions (if any) as to rounding as the Calculation Agent may decide and as may be specified in the notice, and after the Adjustment Date, all payments of the Cash Settlement Amount in respect of the Securities will be made solely in Euro as though references in the Securities to the Settlement Currency were to Euro;

(B) where the Exchange Rate and/or any other terms of these Conditions (as amended or supplemented in the applicable Final Terms) are expressed in or, in the case of the Exchange Rate, contemplate the exchange from or into, the currency (the "**Original Currency**") of a country which is participating in the third stage of European Economic and Monetary Union, such Exchange Rate and/or any other terms of these Conditions shall be deemed to be expressed in or, in the case of the Exchange Rate, converted for or, as the case may be into, Euro at the Established Rate; and

(C) such other changes shall be made to these Conditions (as amended or supplemented in the applicable Final Terms) as the Issuer may decide, in its sole and absolute discretion to conform them to conventions then applicable to instruments expressed in Euro; and/or

(ii) require that the Calculation Agent make such adjustments to the Multiplier and/or the Strike Price and/or the Settlement Price and/or any other terms of these Conditions and/or the applicable Final Terms as the Calculation Agent, in its sole and absolute discretion, may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union on the Multiplier and/or the Strike Price and/or the Settlement Price and/or such other terms of these Conditions and/or the applicable Final Terms).

Notwithstanding the foregoing, none of the Issuer, any of its Affiliates, the Calculation Agent or any of the Security Agents shall be liable to any Securityholder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of Euro or any currency conversion or rounding effected in connection therewith.

In this Condition, the following expressions have the following meanings:

**Adjustment Date** means a date specified by the Issuer in the notice given to the Securityholders pursuant to this Condition which falls on or after the date on which the country of the Original Currency first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty;

**Established Rate** means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European Community regulations) into Euro established by the Council of the European Union pursuant to first sentence of Article 1091(4) of the Treaty;

**Euro** means the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty;

**National Currency Unit** means the unit of the currency of a country, as those units are defined on the date on which the country of the Original Currency first participates in European Economic and Monetary Union; and

**Treaty** means the treaty establishing the European Community, as amended.

## 17. Acknowledgement of the Italian Bail-in Power

Notwithstanding any provision of these Conditions or any other agreements, arrangements, or understandings between the Issuers and any Securityholder, and without prejudice to Article 55(1) of the BRRD, by its acquisition of the Securities each Securityholder (which, for the purposes of this Condition 17, includes each holder of a beneficial interest in the Securities) acknowledges, accepts, consents to and agrees to be bound by:

(a) the effects of the exercise of the Italian Bail-in Power by the Italian Resolution Authority, which exercise may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the settlement amount in respect of the Securities together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; (ii) the conversion of all, or a portion, of the settlement amount in respect of the Securities together with any additional amounts (if any) due in relation thereto, into ordinary shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of these Conditions; (iii) the cancellation of the Securities together with any additional amounts (if any) due in relation thereto; and (iv) the amendment or alteration of the expiry of the Securities or amendment of the amounts payable under the Securities, or the date on which each amount becomes payable, including by suspending payment for a temporary period; and

(b) the variation of these Conditions, as deemed necessary by the Italian Resolution Authority, to give effect to the exercise of the Italian Bail-in Power by the Italian Resolution Authority.

The exercise of the Italian Bail-in Power by the Italian Resolution Authority shall not constitute an event of default and these Conditions shall remain in full force and effect save as varied by the Italian Resolution Authority in accordance with this Condition 17.

## 18. Contracts (Rights of Third Parties) Act 1999

Subject as provided in the Agency Agreement, the Securities do not confer on any third party any rights under the Contracts (Rights of Third Parties) Act 1999 (the **Act**) to enforce any term of the Securities, but this does not affect any right or remedy of a third party which exists or is available apart from the Act.

## 19. Exercise Rights for Warrants

***Conditions 19, 20 and 21 shall apply only to Warrants***

(A) *Exercise Period*

(i) American Style Warrants

American Style Warrants are exercisable on any Exercise Business Day during the Exercise Period by the delivery of an Exercise Notice in the manner set out in Condition 19(A).

If Automatic Exercise is not specified in the applicable Final Terms, any such American Style Warrant with respect to which no Exercise Notice (as defined below) has been delivered in the manner set out in Condition 20(A), at or prior to 10.00 a.m., Brussels or Luxembourg time, as the case may be, on the last Exercise Business Day of the Exercise Period (the **Expiration Date**), shall become void.

If Automatic Exercise is specified as applicable in the Final Terms, any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 20(A),

at or prior to 10.00 a.m., Brussels or Luxembourg time, as the case may be, on the Expiration Date and which is in the determination of the Calculation Agent "In-The-Money" shall be automatically exercised on the Expiration Date and the provisions of Condition 20(G) shall apply, provided the relevant Warrant is not a Definitive Warrant. The expressions **exercise, due exercise** and related expressions shall be construed to apply to any Warrants which are automatically exercised on the Expiration Date in accordance with this provision.

With respect to an American Style Warrant, the **Actual Exercise Date** means (a) the Exercise Business Day during the Exercise Period on which an Exercise Notice in respect of an American Style Warrant is delivered to Euroclear and/or Clearstream, Luxembourg with a copy to the Issuer and the Principal Security Agent as provided in Condition 20(A), at or prior to 10.00 a.m. Brussels or Luxembourg time, as appropriate, or (b) if Automatic Exercise is specified in the applicable Final Terms and no Exercise Notice has been delivered in accordance with the preceding paragraph (a), the Expiration Date. If any Exercise Notice in respect of an American Style Warrant is received by Euroclear and/or Clearstream, Luxembourg, or a copy thereof is delivered to the Issuer or the Principal Security Agent after 10.00 a.m. Brussels or Luxembourg time, as appropriate, on any Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 20(A) at or prior to 10.00 a.m. Brussels or Luxembourg time (as appropriate) on the Expiration Date shall (i) if Automatic Exercise is not specified in the applicable Final Terms, become void or (ii) if Automatic Exercise is specified in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

In respect of Italian Traded Warrants, prior to the Renouncement Notice Cut-off Time indicated in the relevant Final Terms, the Securityholder may renounce any Automatic Exercise of such Warrant by the delivery or the sending by authenticated swift message (confirmed in writing) of a duly completed Renouncement Notice, which shall be substantially in the form set out in the Agency Agreement and copies of which may be obtained from the specified office of the Security Agents and the registered office of the Issuer (a **Renouncement Notice**), to the relevant Clearing System, with a copy to the Principal Security Agent and the Issuer, in compliance with the laws and regulation, including the regulations of Borsa Italiana S.p.A., applicable from time to time. If a duly completed Renouncement Notice is delivered or sent in compliance with the above, the relevant Securityholder will not be entitled to receive any amounts payable by the Issuer in respect of the relevant Italian Traded Warrants and the Issuer shall have no further liabilities in respect of such amounts.

Once delivered a Renouncement Notice shall be irrevocable. Any determination as to whether a Renouncement Notice is duly completed and in proper form shall be made by the relevant Clearing System in consultation with the Principal Security Agent and shall be conclusive and binding on the Issuer, the Security Agents, the Calculation Agent and the relevant Securityholder. Subject as set out below, any Renouncement Notice so determined to be incomplete or not in proper form or which is not duly delivered shall be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the relevant Clearing System, in consultation with the Issuer and the Principal Security Agent, it shall be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the relevant Clearing System and copied to the Issuer and the Principal Security Agent.]

(ii) European Style Warrants

European Style Warrants are only exercisable on the Exercise Date or if such day is not an Exercise Business Day the immediately succeeding Exercise Business Day (the **Actual Exercise Date** and the **Expiration Date**).

If Automatic Exercise is not specified in the applicable Final Terms, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 20(A), at or prior to 10.00 a.m., Brussels or Luxembourg time (as appropriate) on the Actual Exercise Date, shall become void.

If Automatic Exercise is specified in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 20(A), at or prior to 10.00 a.m., Brussels or Luxembourg time, as the case may be, on the Actual Exercise Date and which is in the determination of the Calculation Agent "In-The-Money", shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 20(G) shall apply, provided the relevant Warrant is not a Definitive Warrant. The expressions exercise, due exercise and related expressions shall be construed to apply to any Warrants which are automatically exercised on the Actual Exercise Date in accordance with this provision.

In respect of Italian Traded Warrants, prior to the Renouncement Notice Cut-off Time indicated in the relevant Final Terms, the Securityholder may renounce any Automatic Exercise of such Warrant by the delivery or the sending by authenticated swift message (confirmed in writing) of a duly completed Renouncement Notice to the relevant Clearing System, with a copy to the Issuer and the Principal Security Agent, in compliance with the laws and regulation, including the regulations of Borsa Italiana S.p.A., applicable from time to time.

If a duly completed Renouncement Notice is delivered or sent in compliance with the above, the relevant Security Holder will not be entitled to receive any amounts payable by the Issuer in respect of the relevant Italian Traded Warrants and the Issuer shall have no further liabilities in respect of such amounts. Once delivered a Renouncement Notice shall be irrevocable. Any determination as to whether a Renouncement Notice is duly completed and in proper form shall be made by the relevant Clearing System in consultation with the Principal Security Agent and shall be conclusive and binding on the Issuer, the Security Agents, the Calculation Agent and the relevant Securityholder. Subject as set out below, any Renouncement Notice so determined to be incomplete or not in proper form or which is not duly delivered shall be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the relevant Clearing System, in consultation with the Issuer and the Principal Security Agent, it shall be deemed to be a new Renouncement Notice submitted at the time such correction was delivered the relevant Clearing System and copied to the Issuer and the Principal Security Agent.

(B) *Cash Settlement*

If the Warrants are Cash Settled Warrants, each such Warrant entitles its holder, upon payment of the Premium in accordance with Condition 20(A) to receive from the Issuer on the Settlement Date the Cash Settlement Amount.

(C) *Physical Settlement*

If the Warrants are Physical Delivery Securities, each such Warrant entitles its holder, upon due exercise and subject as provided in Condition 4, to receive the Entitlement from the Issuer on the Settlement Date, subject to payment of the relevant Premium, any Expenses and any other sums payable. The method of delivery of the Entitlement is set out in the applicable Final Terms.

Warrants exercised at the same time by the same Securityholder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Warrants provided that the aggregate Entitlements in respect of the same Securityholder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and a cash adjustment amount calculated by

the Calculation Agent will be paid in lieu of such fractions of the Relevant Asset. Any such cash adjustment amount will be paid to the account specified in the relevant Exercise Notice.

Following exercise of a Share Security which is a Physical Delivery Warrant, all dividends on the Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the relevant Actual Exercise Date and to be delivered in the same manner as such relevant Shares, all as determined by the Calculation Agent. Any such dividends to be paid to a Securityholder will be paid to the account specified by the Securityholder in the relevant Exercise Notice as referred to in Condition 20(A)(1)(v).

**20. Exercise Procedure**

(A) *Exercise Notice*

Warrants may only be exercised by the delivery or the sending by authenticated swift message (confirmed in writing) to Euroclear or Clearstream, Luxembourg, as the case may be, with a copy tothe Principal Security Agent and the Issuer, of a duly completed exercise notice (an Exercise Notice) in the form set out in the Agency Agreement (copies of which form may be obtained from Euroclear, Clearstream, Luxembourg and the Security Agents) in accordance with the provisions set out in Condition 19 and this Condition. If the relevant Warrant is in definitive form, such Warrant must be delivered, together with the Exercise Notice, to the Issuer and with a copy to the Principal Security Agent.

(1) An Exercise Notice shall:

(i) specify the series of the Warrants and the number of Warrants the subject of such Notice;

(ii) except in the case of Definitive Warrants, specify the number of the Securityholder's account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with the Warrants the subject of such Exercise Notice;

(iii) except in the case of Definitive Warrants, irrevocably instruct Euroclear or Clearstream, Luxembourg, as the case may be, to debit on or before the Settlement Date the Securityholder's account with the Warrants the subject of such Exercise Notice;

(iv) include (A) an undertaking to pay all Expenses and, in the case of Physical Delivery Warrants, the Premium in respect of the relevant Warrants (together with any other amounts payable); and (B) an authorisation to the Issuer to deduct any Expenses from the Cash Settlement Amount, in the case of Cash Settled Warrants, or, in the case of Physical Delivery Warrants, an irrevocable instruction to Euroclear or Clearstream, Luxembourg, as the case may be (or to the Principal Security Agent, in the case of Definitive Warrants), to debit a specified account of the Securityholder at Euroclear or Clearstream, Luxembourg (or such other specified account of the Securityholder, in the case of Definitive Warrants) with the Premium and any Expenses (together with any other amounts payable);

(v) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Securityholder's account with Euroclear or Clearstream, Luxembourg, as the case may be, or, in the case of a Definitive Warrant, at a bank in the principal financial centre of the relevant Settlement Currency to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any cash adjustment amount paid in lieu of fractions of the Relevant Asset or any dividends

relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or, if applicable, a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Settlement Disruption Amount or Failure to Deliver Settlement Price;

(vi) in the case of Warrants having Exchange Rate as Underlying only, specify the number of the Securityholder's account at Euroclear or Clearstream, Luxembourg, as the case may be, or, in the case of a Definitive Warrant, at a bank in the principal financial centre of the relevant Settlement Currency to be credited with the amount due upon exercise of the Warrants;

(vii) in the case of Cash Settled Warrants which are Definitive Warrants only, specify the details of an account in the principal financial centre of the relevant Settlement Currency to be credited with the Cash Settlement Amount for each Warrant being exercised;

(viii) certify, *inter alia*, that the beneficial owner of each Warrant the subject of such Exercise Notice is not a U.S. person (as defined in the Exercise Notice), the Warrant was not held on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States as set out in the applicable Final Terms; and

(ix) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

(2) If Condition 4(C) applies, the form of Exercise Notice required to be delivered may be different from that set out above. Copies of such Exercise Notice may be obtained from Euroclear, Clearstream, Luxembourg and the Security Agents.

(B) *Verification of the Securityholder*

Except in the case of an Exercise Notice submitted in respect of a Definitive Warrant, upon receipt of an Exercise Notice, Euroclear or Clearstream, Luxembourg, as the case may be, shall verify that the person exercising the Warrant is the holder thereof according to the books of Euroclear or Clearstream, Luxembourg, as the case may be. Subject thereto, Euroclear or Clearstream, Luxembourg, as the case may be, will confirm to the Principal Security Agent the series and the number of Warrants being exercised, the relevant account details (if applicable) for payment of the Cash Settlement Amount or the details for the delivery of the Entitlement, as the case may be, in respect of each Warrant the subject of the relevant Exercise Notice. Upon receipt of such confirmation, the Principal Security Agent will inform the Issuer thereof. Euroclear or Clearstream, Luxembourg, as the case may be, will on or before the Settlement Date debit the account of the relevant Securityholder with the Warrants the subject of the relevant Exercise Notice.

(C) *Cash Settled Warrants*

Subject as provided in this Condition 20, the Issuer shall pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant, by credit or transfer to the Securityholder's account with Euroclear or Clearstream Luxembourg, as the case may be, for value on the Settlement Date less any Expenses not already paid, such payment to be made in accordance with the rules of Euroclear or Clearstream, Luxembourg (as appropriate).

The Issuer's obligations will be discharged by payment to, or to the order of, Euroclear or Clearstream, Luxembourg (as the case may be) of the amount so paid. Each of the persons shown in the records of

Euroclear or Clearstream, Luxembourg as the holder of a particular number of Warrants must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each such payment.

Payments will be subject in all cases to any fiscal or any other laws and regulations applicable thereto in the place of payment.

(D) *Physical Delivery Warrants*

Subject to payment of the Premium and any Expenses with regard to the relevant Warrants, the Issuer shall on the Settlement Date deliver, or procure the delivery of, the Entitlement for each duly exercised Warrant, subject as provided in Condition 4(C). The Entitlement shall be delivered and evidenced in such manner as set out in the applicable Final Terms.

(E) *Determinations*

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by the Principal Security Agent, and shall be conclusive and binding on the Issuer, the Security Agents, the Calculation Agent and the relevant Securityholder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form or which is not duly delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) and copied to the Issuer and the Principal Security Agent (or, in the case of Definitive Warrants, is not duly delivered to the Issuer together with the relevant Definitive Warrant(s) and copied to the Principal Security Agent), shall be null and void.

If such Exercise Notice is subsequently corrected to the satisfaction of Euroclear and/or Clearstream, Luxembourg (as appropriate), in consultation with the Issuer and the Principal Security Agent (or, in the case of Definitive Warrants, to the satisfaction of the Issuer in consultation with the Principal Security Agent), it shall be deemed to be a new Exercise Notice submitted at the time such correction was delivered to Euroclear and/or Clearstream, Luxembourg, as the case may be, and copied to the Issuer and the Principal Security Agent (or, in the case of Definitive Warrants, to the Issuer and copied to the Principal Security Agent).

**If Automatic Exercise is not specified in the applicable Final Terms, any Warrants with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in Condition 19(A)(i), in the case of American Style Warrants, or Condition 19(A)(ii), in the case of European Style Warrants, shall become void.**

Euroclear and/or Clearstream, Luxembourg, as applicable (or, in the case of Definitive Warrants, the Issuer) shall use its best efforts promptly to notify the Securityholder submitting an Exercise Notice if, in consultation with the Issuer and/or the Principal Security Agent (as applicable), it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Security Agents, Euroclear, Clearstream, Luxembourg and the Calculation Agent shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Securityholder.

(F) *Delivery of an Exercise Notice*

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Securityholder to exercise the Warrants specified. After the delivery of such Exercise Notice, such exercising Securityholder may not transfer such Warrants.

(G) *Failure to deliver an Exercise Notice*

This paragraph only applies if (i) Automatic Exercise is specified in the applicable Final Terms and Warrants are automatically exercised as provided in Condition 19(A)(i) or Condition 19(A)(ii); and (ii) provided the relevant Warrant is not a Definitive Warrant.

(i) *Cash Settled Warrants*

In the event that a Warrantholder does not, in respect of a Cash Settled Warrant to which this Condition 20(G) applies, deliver an Exercise Notice in accordance with Condition 20(A) above on or prior to 10.00 a.m., Brussels or Luxembourg time, as the case may be, on the Expiration Date, the provisions of Condition 20(C) shall nevertheless apply as if such Warrant had been duly exercised on such date.

(ii) *Physical Delivery Warrants*

In the event that a Warrantholder does not, in respect of a Physical Delivery Warrant to which thisCondition 20(G) applies, deliver an Exercise Notice in accordance with Condition 20(A) above on or prior to 10.00 a.m., Brussels or Luxembourg time, as the case may be, on the Expiration Date, the Issuer shall as soon as reasonably practicable determine the Assessed Value Payment Amount and in respect of the relevant Warrant, shall pay or cause to be paid the Assessed Value Payment Amount by credit or transfer to the relevant Securityholder's account with Euroclear or Clearstream, Luxembourg (such payment to be made in accordance with the rules of Euroclear or Clearstream, Luxembourg, as the case may be) as soon as reasonably practicable following the determination of the Assessed Value Payment Amount. Upon payment of the Assessed Value Payment Amount as aforesaid, the Issuer's obligations in respect of such Warrant shall be discharged. Payments will be subject in all cases to any fiscal or any other laws and regulations applicable thereto in the place of payment.

As used herein, **Assessed Value Payment Amount** means an amount determined by the Calculation Agent to be the fair market value of the Relevant Assets comprised in the Entitlement in respect of the relevant Warrant, less any Expenses and any other amounts payable.

(H) *Settlement provisions for Definitive Warrants*

In the event that any Definitive Warrants have been issued prior to the Expiration Date, the Issuer shall, on or prior to the Expiration Date, notify Securityholders in accordance with Condition 9 (*Notices*) of the procedure to be followed in order to receive any Cash Settlement Amount or Assessed Value Payment Amount that may be payable upon Automatic Exercise.

(I) *Exercise Risk*

Exercise of the Warrants is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date and none of the Issuer, any of its Affiliates, the Security Agents and the Calculation Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer, any of its Affiliates, the Security Agents and the Calculation Agent shall under any circumstances be liable for any acts or defaults of Euroclear or Clearstream, Luxembourg in relation to the performance of their duties in relation to the Warrants.

**21. Minimum and Maximum Number of Warrants Exercisable**

(A) *American Style Warrants*

This paragraph (A) applies only to American Style Warrants.

(i) The number of Warrants exercisable by any Securityholder on any Actual Exercise Date, as determined by the Issuer, must not be less than the Minimum Exercise Number specified in the applicable Final

Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

(ii) If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Securityholder or a group of Securityholders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the Quota), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of the succeeding Business Days until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants are exercised on the same day by Securityholder(s), the order of settlement in respect of such Warrants shall be at the sole discretion of the Issuer.

(B) *European Style Warrants*

This paragraph (B) applies only to European Style Warrants.

The number of Warrants exercisable on behalf of any Securityholder on any Exercise Date, as determined by the Issuer, must be equal to the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any exercise which purports to exercise Warrants in breach of this provision shall be void and of no effect.

**22. Exercise of Certificates**

***Conditions 22 and 23 shall only apply to Certificates***

(A) *Exercise Date*

Each Certificate shall be automatically exercised on the Exercise Date and settled in accordance with Condition 22 (*Exercise of Certificates*), unless and Early Redemption Event occurred, if applicable, or a Call Option is exercised by the Issuer (if applicable), or a Put Option is exercised by the investor (if applicable) or an Open End Feature is applicable (only in case of Benchmark Certificates), as specified in the relevant Final Terms.

In respect of Certificates listed on stock exchanges other than the Luxembourg Stock Exchange, prior to the Renouncement Notice Cut-off Time indicated in the relevant Final Terms, the Securityholder may renounce any automatic exercise of such Certificate by the delivery or sending by authenticated swift message (confirmed in writing) of a duly completed Renouncement Notice to the relevant Clearing System, with a copy to the Principal Security Agent and the Issuer, in compliance with the laws and regulation, including the regulations of such other stock exchange, applicable from time to time. If a duly completed Renouncement Notice is delivered or sent in compliance with the above, the relevant Security Holder will not be entitled to receive any amounts payable by the Issuer in respect of the relevant Certificates listed on other exchanges and the Issuer shall have no further liabilities in respect of such amounts.

Once delivered a Renouncement Notice shall be irrevocable. Any determination as to whether a Renouncement Notice is duly completed and in proper form shall be made by the relevant Clearing System in consultation with the Principal Security Agent and shall be conclusive and binding on the

Issuer, the Security Agents, the Calculation Agent and the relevant Securityholder. Subject as set out below, any Renouncement Notice so determined to be incomplete or not in proper form or which is not duly delivered shall be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the relevant Clearing System, in consultation with the Issuer and the Principal Security Agent, it shall be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the relevant Clearing System and copied to the Issuer and the Principal Security Agent.

(B) *Exercise Date in case of Open End Feature or if a Call Option or Put Option is specified as applicable in the relevant Final Terms*

If, in case of Benchmark Certificates, Open End Feature is specified as applicable in the relevant Final Terms, no Exercise Date will be provided and the Certificates may only be redeemed upon exercise of the Call Option by the Issuer (on a Call Valuation Date), or the exercise of the Put Option by the investor (on a Put Valuation Date).

Exercise following the Call Option or the Put Option may be applicable also if an Exercise Date is provided, if so specified in the relevant Final Terms. Certificates will be considered exercised on the relevant Call Exercise Date or Put Exercise Date, as the case may be and in accordance with the relevant Final Terms.

(i) *Exercise of the Call Option by the Issuer*

For the purposes of the Exercise of the Call Option during a specified Call Notice Period, the Issuer shall communicate the intention of exercise the Call Option to the relevant Stock Exchange and publish a notice to the Securityholders on its website by the Call Notice Period established in the relevant Final Terms. Such notice will be irrevocable and shall indicate the Call Exercise Date (corresponding to the relevant Call Valuation Date indicated in the Final Terms) on which investors exercise the Certificates.

(ii) *Exercise of the Put Option by the investor (if applicable)*

Differently, for the purposes of the Exercise of the Put Option during a specified Put Notice Period, the investor shall send to the Issuer a Put Option Exercise Notice – drawn up, in order to be valid, in accordance with the form provided on the website of the Issuer https://www.bancaimi.prodottiequotazioni.com/EN – during the period from the first Business Day of the Put Notice Period until 17:00 CET on the last Business Day of the Put Notice Period, in relation to each Put Exercise Date, as indicated in the relevant Final Terms. The time indicated on the copy printed by the receiving machine will be considered for the purposes of the Exercise of the Put Option. The Put Option Exercise Notice is irrevocable and shall indicate the Put Exercise Date (corresponding to the relevant Put Valuation Date indicated in the Final Terms) on which investors exercise the Certificates and the relevant ISIN code. The Put Option Exercise Notice shall be carried out in relation to a number of Certificates, in the same series, equal to the Minimum Exercise Amount or to an integer multiple of that number. Any Put Option Exercise Notice, which has not been sent pursuant to this paragraph and within the terms specified in the relevant Final Terms and/or has not been received by the Issuer within the time specified above, will not be considered valid. Once the Put Option Exercise Notice is delivered, the Certificates in respect of which the Put Option has been exercised shall not be transferred to third parties.

(C) *Cash Settlement*

If the Certificates (**Cash Settled Certificates**) are Cash Settled Securities, each such Certificate entitles its holder to receive from the Issuer on the Settlement Date the Cash Settlement Amount, less any Expenses not already paid.

(D) *Physical Settlement*

If the Certificates (**Physical Delivery Certificates**) are Physical Delivery Securities, each such Certificate entitles its holder, subject to the provisions of Condition 23(A), to receive from the Issuer on the Settlement Date the Entitlement, subject to payment of any Expenses. The method of delivery of the Entitlement is set out in the applicable Final Terms.

Unless otherwise specified in the applicable Final Terms, Certificates of the same Securityholder automatically exercised and in respect of which, if so specified in the applicable Final Terms, a Physical Delivery Confirmation Notice (as defined below) has been duly given as provided in Condition 23(A), will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Certificates, provided that the aggregate Entitlements in respect of the same Securityholder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and a cash adjustment amount calculated by the Calculation Agent will be paid in lieu of such fractions of the Relevant Asset. Any such cash adjustment amount will be paid to the account specified in the relevant Exercise Notice.

Following exercise of a Share Security which is a Physical Delivery Certificate, all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the Exercise Date and to be delivered in the same manner as such relevant Shares, all as determined by the Calculation Agent. Any such dividends to be paid to a Securityholder will be paid to the account specified by the Securityholder in the relevant Physical Delivery Confirmation Notice (if applicable) as referred to in Condition 23(A)(1)(v).

**23. Physical Delivery Confirmation Notices and Settlement**

(A) *Physical Delivery Confirmation Notice Requirement*

If so specified in the applicable Final Terms, in the case of Physical Delivery Certificates, in order to obtain delivery of the Entitlement the relevant Securityholder must deliver or send by authenticated swift message (confirmed in writing) to Euroclear or Clearstream, Luxembourg, as the case may be, with a copy to the Principal Security Agent and the Issuer not later than 10.00 a.m. Brussels or Luxembourg time (as appropriate) on the Exercise Date a duly completed physical delivery confirmation notice (a **Physical Delivery Confirmation Notice**) in the form set out in the Annex to the Terms and Conditions of the Securities and in accordance with the provisions set out in this Condition.

If the relevant Certificate is in definitive form, such Certificate must be delivered, together with the Physical Delivery Confirmation Notice, to the Issuer and with a copy to the Principal Security Agent.

(1) The Physical Delivery Confirmation Notice shall:

(i) specify the series of the Certificates and the number of Certificates the subject of such Physical Delivery Confirmation Notice;

(ii) except in the case of Definitive Certificates, specify the number of the Securityholder's account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with the Certificates the subject of such Physical Delivery Confirmation Notice;

(iii) except in the case of Definitive Certificates, irrevocably instruct Euroclear or Clearstream, Luxembourg, as the case may be, to debit on or before the Settlement Date the Securityholder's account with the Certificates the subject of such Physical Delivery Confirmation Notice;

(iv) include an undertaking to pay all Expenses and, except in the case of Definitive Certificates, an authority to Euroclear or Clearstream, Luxembourg, as the case may be, to debit a specified account of the Securityholder at Euroclear or Clearstream, Luxembourg, in respect thereof;

(v) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Securityholder's account with Euroclear or Clearstream, Luxembourg, as the case may be, or, in the case of a Definitive Certificate, at a bank in the principal financial centre of the relevant Settlement Currency to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any cash adjustment amount paid in lieu of fractions of the Relevant Asset or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Settlement Disruption Amount or Failure to Deliver Settlement Price, as the case may be;

(vi) in the case of Certificates having Exchange Rate as Underlying only, specify the number of the Securityholder's account at Euroclear or Clearstream, Luxembourg, as the case may be, or, in the case of a Definitive Certificate, at a bank in the principal financial centre of the relevant Settlement Currency to be credited with the amount due upon exercise of the Certificates;

(vii) certify, *inter alia*, that the beneficial owner of each Certificate the subject of such Physical Delivery Confirmation Notice is not a U.S. person (as defined in the Physical Delivery Confirmation Notice), the Certificate was not held on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States as set out in the applicable Final Terms; and

(viii) authorise the production of the Physical Delivery Confirmation Notice in any applicable administrative or legal proceedings.

(2) If Condition 4(C) applies, the form of Physical Delivery Confirmation Notice required to be delivered may be different from that set out above. Copies of such Physical Delivery Confirmation Notice may be obtained from Euroclear, Clearstream, Luxembourg and the Security Agents.

(B) *Verification of the Securityholder*

Except in the case of a Physical Delivery Confirmation Notice submitted in respect of a Definitive Certificate, upon receipt of a Physical Delivery Confirmation Notice, Euroclear or Clearstream, Luxembourg, as the case may be, shall verify that the person exercising the Certificates is the holder

thereof according to the books of Euroclear or Clearstream, Luxembourg, as the case may be. Subject thereto, Euroclear or Clearstream, Luxembourg, as the case may be, will confirm to the Principal Security Agent the series and the number of Certificates being exercised and the details for the delivery of the Entitlement in respect of each Certificate the subject of the relevant Physical Delivery Confirmation Notice. Upon receipt of such confirmation, the Principal Security Agent will inform the Issuer thereof. Euroclear or Clearstream, Luxembourg, as the case may be, will on or before the Settlement Date debit the account of the relevant Securityholder with the Certificates the subject of the relevant Physical Delivery Confirmation Notice.

(C) *Cash Settled Certificates*

Subject as provided in this Condition 22, the Issuer shall pay or cause to be paid the relevant amount(s) (if any) for each Certificate by credit or transfer to the Securityholder's account with Euroclear or Clearstream, Luxembourg, as the case may be, for value on the Settlement Date, less any Expenses not already paid, such payment to be made in accordance with the rules of Euroclear or Clearstream, Luxembourg, as the case may be provided that in the case of Registered Securities, such payment shall be made in accordance with Condition 23(H) (*Settlement provisions for Registered Certificates*).

In case of Securities which are not Registered Securities, the Issuer's obligations will be discharged by payment to, or to the order of, Euroclear or Clearstream, Luxembourg (as the case may be) of the amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular amount of the Certificates must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each such payment.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction (including Section 871(m)), and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code.

(D) *Physical Delivery Certificates*

Subject to payment of any Expenses with regard to the relevant Certificates, the Issuer shall, on the Settlement Date, deliver, or procure the delivery of, the Entitlement for each Certificate in respect of which a valid Physical Delivery Confirmation Notice, if applicable pursuant to the relevant Final Terms, has been delivered as provided in Condition 23(A) (*Physical Delivery Confirmation Notice Requirement)* pursuant to the details specified in the Physical Delivery Confirmation Notice, subject as provided in Condition 4(C). The Entitlement shall be delivered and evidenced in such manner as set out in the applicable Final Terms.

If the Physical Delivery Confirmation Notice is applicable pursuant to the relevant Final Terms, in the event that no valid Physical Delivery Confirmation Notice has been duly delivered at or prior to 10.00 a.m. (Brussels or Luxembourg time, as the case may be) on the Exercise Date, the provisions of Condition 23(F) (*Failure to deliver a Physical Delivery Confirmation Notice)* below shall apply.

(E) *Determinations*

Any determination as to whether a Physical Delivery Confirmation Notice, if applicable, is duly completed and in proper form shall be made by the Principal Security Agent, and shall be conclusive and binding on the Issuer, the Security Agents, the Calculation Agent and the relevant Securityholder. Subject as set out below, any Physical Delivery Confirmation Notice so determined to be incomplete or not in proper form or which is not duly delivered to Euroclear and/or Clearstream, Luxembourg (as the

case may be) and copied to the Issuer and the Principal Security Agent (or, in the case of Definitive Certificates, which is not duly delivered to the Issuer together with the relevant Definitive Certificate(s) and copied to the Principal Security Agent) shall be null and void.

If such Physical Delivery Confirmation Notice is subsequently corrected to the satisfaction of Euroclear and/or Clearstream, Luxembourg, in consultation with the Issuer and the Principal Security Agent (or, in the case of Definitive Certificates, to the satisfaction of the Issuer in consultation with the Principal Security Agent), it shall be deemed to be a new Physical Delivery Confirmation Notice submitted at the time such correction was delivered to Euroclear or Clearstream, Luxembourg, as the case may be, and copied to the Issuer and the Principal Security Agent (or, in the case of Definitive Certificates, to the Issuer and copied to the Principal Security Agent).

Euroclear and/or Clearstream, Luxembourg, as applicable, (or, in the case of Definitive Certificates, the Issuer) shall use its best efforts promptly to notify the Securityholder submitting a Physical Delivery Confirmation Notice if, in consultation with the Issuer and/or the Principal Security Agent (as applicable), it has determined that such Physical Delivery Confirmation Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Security Agents, Euroclear, Clearstream, Luxembourg and the Calculation Agent shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Securityholder.

(F) *Delivery of a Physical Delivery Confirmation Notice*

After the delivery of a Physical Delivery Confirmation Notice, the relevant Securityholder may not transfer Certificates the subject of such notice.

(G) *Failure to deliver a Physical Delivery Confirmation Notice*

Provided that the relevant Certificates are not Definitive Certificates, in which case the provisions of Condition 23(I) (*Settlement provisions for Definitive Certificates)* will apply, in the event that a Certificateholder does not, in respect of a Physical Delivery Certificate, deliver or procure delivery of a Physical Delivery Confirmation Notice as set out above, prior to 10.00 a.m., Brussels or Luxembourg time, on the Exercise Date, the Issuer shall as soon as reasonably practicable determine the Assessed Value Payment Amount and in respect of such Certificate shall pay or cause to be paid the Assessed Value Payment Amount by credit or transfer to the Securityholder's account with Euroclear or Clearstream, Luxembourg as soon as reasonably practicable following the determination of the Assessed Value Payment Amount. Upon payment of the Assessed Value Payment Amount as aforesaid, the Issuer's obligations in respect of such Certificate shall be discharged. Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction (including Section 871(m)), and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471 (b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code.

As used herein, "**Assessed Value Payment Amount**" means an amount determined by the Calculation Agent to be the fair market value of the Relevant Assets comprised in the Entitlement in respect of the relevant Certificate, less any Expenses.

(H) *Settlement provisions for Registered Certificates*

Payments of the Cash Settlement Amount (less any Expenses not already paid) in respect of each Registered Security (whether or not in global form) will be made by transfer to the Designated Account

(as defined below) of the holder (or the first named of joint holders) of the Registered Certificate appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg and/or any other relevant Clearing System are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date (in each case, the "**Record Date**"). Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the aggregate Issue Price of the Certificates held by a holder is less than U.S.$250,000 (or integral multiples of U.S.$1,000 in excess thereof) (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below).

For these purposes, **Designated Account** means the account maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro.

Holders of Registered Securities will be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Certificate as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post.

None of the Issuer, the Registrar or the Principal Security Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

A record of each payment made on such Registered Global Certificate will be made on such Registered Global Certificate by the Registrar and such record shall be *prima facie* evidence that the payment in question has been made.

The holder of the relevant Registered Global Certificate shall be the only person entitled to receive payments in respect of Registered Certificates represented by such Registered Global Certificate and the payment obligations of the Issuer will be discharged by payment to, or to the order of, the holder of such Registered Global Certificate in respect of each amount so paid. Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, as the holder of a particular amount of Certificates must look solely to Euroclear and/or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of the relevant Registered Global Certificate. No person other than the holder of the relevant Registered Global Certificate shall have any claim against the Issuer in respect of any payments due on that Registered Global Certificate.

(I) *Settlement provisions for Definitive Certificates*

In the event that any Definitive Certificates have been issued prior to the Exercise Date, the Issuer shall, on or prior to the Exercise Date, notify Securityholders in accordance with Condition 9 (*Notices*) of the procedure to be followed in order to receive any Cash Settlement Amount that may be payable upon exercise of the Certificates.

(J) *Exercise Risk*

Exercise of the Certificates is subject to all applicable laws, regulations and practices in force on the Exercise Date and none of the Issuer, any of its Affiliates, the Security Agents and the Calculation Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after

using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer, any of its Affiliates, the Security Agents, the Registrar and the Calculation Agent shall under any circumstances be liable for any acts or defaults of Euroclear or Clearstream, Luxembourg in relation to the performance of their duties in relation to the Certificates.

**24. Pay-out provisions**

If the Underlying Reference Currency is different from the Settlement Currency, the Securities may be either "Quanto Securities" (i.e. Quanto Option is specified as applicable in the relevant Final Terms) or "Non Quanto Securities" (i.e. Quanto Option is specified as not applicable in the relevant Final Terms). In case of Quanto Securities, the Underlying Reference Currency will be expressed in the Settlement Currency and, therefore, the effects of the Exchange Rate on the amount paid in relation to the Securities are neutralised. Otherwise, In case of Non Quanto Securities, the following amounts will be exchanged into the Settlement Currency at the applicable Exchange Rate.

**REMUNERATION AMOUNTS**

The Certificates may provide for the payment of one or more of the amounts specified below, in the relevant payment date, as specified in the applicable Final Terms. Each of these Remuneration Amounts, in relation to each relevant valuation period, if so specified in the applicable Final Terms, may become due only after the occurrence of a Knock-in Event or may cease to be due after the occurrence of a Knock-out Event occurs. In particular, the Certificates may provide for a:

a) *Knock-out Feature*: if a Knock-out Feature is specified in the relevant Final Terms as applicable, the relevant Remuneration Amount potentially payable will cease to be due and payable to the Securityholders after the occurrence of a Knock-out Event. In particular, after the occurrence of a Knock-out Event, the investor will not benefit from the payment of any Remuneration Amount on either the payment date in relation to which the Knock-out Event has occurred and/or the payment date(s) following the Knock-out Valuation Period in which the Knock-out Event has occurred, as specified in the Final Terms.

The investors will be notified in the event of a Knock-out Event by means of a notice published on the website of the Issuer https://www.bancaimi.prodottiequotazioni.com/EN; or/and

b) *Knock-in Feature*: if a Knock-in Feature is specified in the relevant Final Terms as applicable, the relevant Remuneration Amount becomes payable to the Securityholders after the occurrence of a Knock-in Event. In particular, after the occurrence of a Knock-in Event, the investor will benefit from the payment of the relevant Remuneration Amount on either the payment date in relation to which the Knock-in Event has occurred and/or the payment date(s) following the Knock-in Valuation Period in which the Knock-in Event has occurred, as specified in the Final Terms.

The investors will be notified in the event of a Knock-in Event by means of a notice published on the website of the Issuer https://www.bancaimi.prodottiequotazioni.com/EN.

The Certificates, as specified below and as the case may be, may provide for one or more of the following Remuneration Amounts:

***A. DIGITAL AMOUNT(S)***

The Certificates may provide[2] for the payment of one or more Digital Amounts, depending on the occurrence of the relevant Digital Event.

[2] In relation to the Digital Certificates, the payment of one or more Digital Amounts, depending on the occurrence of the Digital Event, as specified in the applicable Final Terms, will always be provided.

If the Digital Event occurs, the investor will receive one or more Digital Amounts as specified in the relevant Final Terms.

The Digital Amount is an amount predetermined by the Issuer in relation to each Digital Valuation Period.

If the "Multilple Level Option" is specified as applicable in the relevant Final Terms, several Digital Levels will be provided in relation to the same Digital Valuation Period. In this case, the relevant Final Terms will specify the Digital Amount 1 and the Digital Amount 2, and so on, which will be respectively linked to the Digital Level 1, the Digital Level 2 and so on. In this case, the holders of the Securities will be entitled to receive the Digital Amount relating to the higher Digital Level reached by the Reference Value.

If the "Cliquet Feature" is specified as applicable in the relevant Final Terms, in this case the Calculation Agent will change the Digital Level in the relevant Digital Valuation Period specified in the applicable Final Terms, either automatically or upon occurrence of the condition(s) specified in the applicable Final Terms, by indicating:

(i) in relation to each Cliquet Valuation Period, the relevant Reference Value or Spread (in the case of Spread Certificates) or Cumulated Performance (in the case of Multiperformance Certificates), for the determination of the applicable Digital Level; and/or
(ii) different percentage(s) to be applied to the Initial Reference Value and/or Reference Value(s) or Spread (in the case of Spread Certificates) or Cumulated Performance (in the case of Multiperformance Certificates) for the determination of the applicable Digital Level.

If so specified in the applicable Final Terms, in relation to each different Digital Level the Issuer will also specify the related applicable Digital Amount.

If the applicable Final Terms provide for the application of the Coupon Event, the Digital Amount(s) payable during the life of the Certificates will be determined on the basis of the Coupon Premium 1 or the Coupon Premium 2, depending on whether the Coupon Event has occurred or not.

The investors will be notified of the Digital Event through a notice published on the website of the Issuer https://www.bancaimi.prodottiequotazioni.com/EN.

***Specific features in relation to the Digital Amount***

In addition to the other features that may be specified as applicable in relation to all the Remuneration Amounts, in relation to the Digital Amount, the following features may specifically apply, jointly or separately, as specified in the applicable Final Terms:

*Consolidation Effect*

The Certificates, if so specified in the relevant Final Terms, may provide for an automatic activation option of the following Digital Amounts eventually payable during the life of the Certificates.

In particular, if several Digital Valuation Periods have been provided and the Consolidation Effect occurs, the Digital Event will automatically occur without further determinations for all the Digital Valuation Periods following such Consolidation Valuation Period and, therefore, the investors will receive all the relevant Digital Amounts.

If the Consolidation Effect has occurred, the Securityholders will be notified through a notice published on the website of the Issuer https://www.bancaimi.prodottiequotazioni.com/EN.

*Memory Effect*

The Certificates, if so specified in the relevant Final Terms, may provide for an automatic activation option of the Digital Amounts that have not previously been paid due to the non occurrence of the relevant Digital Events.

In particular, if several Digital Valuation Periods have been provided and the Memory Effect occurs, the investor will receive the previously unpaid Digital Amount(s) in the event that the relevant Digital Event has not occurred, except where such Digital Amounts have been already paid due to the occurrence of a Memory Effect in a previous Memory Valuation Period.

If the Memory Effect has occurred, the Securityholders will be notified through a notice published on the website of the Issuer https://www.bancaimi.prodottiequotazioni.com/EN.

*Path Dependency Effect*

If so specified in the relevant Final Terms, the Path Dependency Effect may be applicable. In this case, the Digital Amount may increase in relation to each Digital Valuation Period. Such increase will depend upon the occurrence of a Digital Event in the previous Digital Valuation Period.

In particular, the increase will be calculated as the product of (i) the amount indicated as the Path Dependency Amount in the applicable Final Terms and (ii) the number of the Digital Events that have occurred from the first Digital Valuation Period (included) until the Digital Valuation Period on which such Digital Amount is calculated.

### *B. ACCUMULATED AMOUNT(S)*

If so specified in the relevant Final Terms, the Certificates may provide for the Accumulated Amount(s). If such feature is specified as applicable in the relevant Final Terms, the investor will be entitled to receive, on the relevant Accumulated Payment Date, the relevant Accumulated Amount.

The Accumulated Amount will be equal to the product between (i) the Accumulating Amount provided in relation to such Accumulating Valuation Period and (ii) the total number of Accumulating Events occurred during the relevant Accumulating Valuation Period.

The applicable Final Terms may also provide for one or more Accumulating Autocallable Trigger. In such case, an Early Redemption Event may occur if, on the Accumulated Valuation Date, the Calculation Agent determines that the relevant Accumulated Amount payable to the investors is lower than, equal to or higher than, as specified in the applicable Final Terms, the relevant Accumulating Autocallable Trigger.

In addition, if an Early Redemption Level is applicable under the relevant Final Terms, and if so specified in such Final Terms, the Accumulated Amount will be paid only upon occurrence of an Early Redemption Event. In such case, the Accumulated Amount will be paid on the Accumulated Payment Date coinciding with, or immediately after, the Early Payment Date in relation to which an Early Redemption Event has occurred.

The investors will be notified of the number of Accumulating Events occurred during the relevant Accumulating Valuation Period through a notice published on the website of the Issuer https://www.bancaimi.prodottiequotazioni.com/EN.

### *C. PLUS AMOUNT(S)*

If so specified in the relevant Final Terms, the Certificates may provide the unconditional payment of one or more Plus Amount, allowing the investor, during the life of the Certificates or at the Settlement Date, to receive an additional amount which is not linked to the performance of the Underlying. The Plus Amount will be paid on the relevant Plus Payment Date specified in the Final Terms.

## *D. INTERNAL RETURN AMOUNT(S)*

The applicable Final Terms may specify the Internal Return Amount (IRA) as applicable. In this case, the Internal Return Amount, which can be IRA Compound or IRA Simple, as specified below, will be linked to the performance of the Underlying and calculated according to one of the following formulas:

**(i) IRA Compound:**

$$Issue\ Price\ x\ Max\left\{0;\left[\left(\sqrt[n]{\frac{RV_t}{IRV}}\right)-1\right]\right\}$$

Where:

"**$RV_t$**" means the Reference Value in relation to the relevant Annual Valuation Date,

"**IRV**" means the Initial Reference Value, and

"**n**" means the number specified in the applicable Final Terms in relation to the relevant Annual Valuation Date.

On the basis of such formula, the Internal Return Amount is calculated on the performance of the Underlying which is annualized in relation to each Annual Valuation Date. Otherwise,

if the relevant Final Terms provide an IRA Cap:

*IRA Compound:*

$$Issue\ Price\ x\ Min\left\{IRA\ Cap_t;\ Max\left\{0;\left[\left(\sqrt[n]{\frac{RV_t}{IRV}}\right)-1\right]\right\}\right\}$$

Where:

"**IRA $Cap_t$**" means the percentage specified in the relevant Final Terms in relation to the relevant Annual Valuation Date.

In this case, the Internal Return Amount is calculated on the performance of the Underlying which is annualized in relation to each Annual Valuation Date, but it will be subject to a maximum amount represented by the IRA Cap.

**(ii) IRA Simple:**

*Issue Price x Max {[0; [(RVt/IRV)-1]/n}*

Where:

"**$RV_t$**" means the Reference Value in relation to the relevant Annual Valuation Date,

"**IRV**" means the Initial Reference Value, and

"**n**" means the number specified in the applicable Final Terms in relation to the relevant Annual Valuation Date.

On the basis of such formula, the Internal Return Amount is calculated on the performance of the Underlying which is annualized in relation to each Annual Valuation Date. Otherwise,

if the relevant Final Terms provide an IRA Cap:

*Issue Price x Min {IRA CAP$_t$ ; Max [[0; [(RVt/IRV)-1]/n]}*

Where:

"**IRA Cap$_t$**" means the percentage specified in the relevant Final Terms in relation to the relevant Annual Valuation Date.

In this case, the Internal Return Amount is calculated on the performance of the Underlying which is annualized in relation to each Annual Valuation Date, but it will be subject to a maximum amount represented by the IRA Cap.

### *E. PARTICIPATION REMUNERATION AMOUNT(S)*

The Certificates may provide for the payment of one or more Participation Remuneration Amounts. The Participation Remuneration Amount will consist of an amount determined on the basis of the performance of the Underlying from a Participation Valuation Date$_j$ to the relevant Participation Valuation Date$_t$.

The payment of a Participation Remuneration Amount may be unconditional or may depend, if so provided in the applicable Final Terms, upon the occurrence of a Participation Remuneration Event. If this is the case, the investors will receive the Participation Remuneration Amount, if positive, related to the corresponding Participation Remuneration Event Valuation Period upon occurrence of a Participation Remuneration Event only.

If the "Cliquet Feature" is specified as applicable in the relevant Final Terms for the purpose of the occurrence of the Participation Remuneration Event, in this case the Calculation Agent will change the Participation Remuneration Level in the relevant Participation Remuneration Event Valuation Period specified in the applicable Final Terms, either automatically or upon occurrence of the condition(s) specified in the applicable Final Terms, by indicating:

(i) in relation to each Cliquet Valuation Period, the relevant Reference Value or Spread (in the case of Spread Certificates) or Cumulated Performance (in the case of Multiperformance Certificates), for the determination of the applicable Participation Remuneration Level; and/or
(ii) different percentage(s) to be applied to the Initial Reference Value and/or Reference Value(s) or Spread (in the case of Spread Certificates) or Cumulated Performance (in the case of Multiperformance Certificates) for the determination of the applicable Participation Remuneration Level, as specified in the applicable Final Terms.

The Participation Remuneration Amount is calculated according to one or more of the formulas described below, which will be specified in the applicable Final Terms for each Participation Remuneration Amount.

**(i) Long Participation Remuneration Amount:**

- **Long Participation Remuneration Amount Form A:**

*Issue Price x Max [Floor Percentage; ((RV$_t$ – Strike Remuneration Percentage x RV$_j$)/ RV$_j$) x Participation Factor$_t$]*

or, if the relevant Final Terms provide for the application of a CAP:

*Issue Price x Min {CAP; Max [Floor Percentage; ((RV$_t$ – Strike Remuneration Percentage x RV$_j$)/RV$_j$) x Participation Factor$_t$]}*

or

- **Long Participation Remuneration Amount Form B:**

  *Issue Price x Max {Floor Percentage; [Base Premium Percentage x (1 + Participation Remuneration Amount Gearing x ($RV_t$ – $RV_j$) / $RV_j$]}*

  or, if the relevant Final Terms provide for the application of a CAP:

  *Issue Price x Min {CAP; Max [Floor Percentage; Base Premium Percentage x (1 + Participation Remuneration Amount Gearing x ($RV_t$ – $RV_j$) / $RV_j$)]}*

Where:

"**$RV_t$**" means the Reference Value on the Participation Valuation Date "t" specified in the relevant Final Terms,

"**$RV_j$**" means the Reference Value on the Participation Valuation Date "j" specified in the relevant Final Terms,

"**Participation Factor$_t$**" means the Participation Factor corresponding to the relevant Participation Valuation Date "t" as specified in the applicable Final Terms,

"**Strike Remuneration Percentage**" means the value specified in the relevant Final Terms,

"**Floor Percentage**" means the percentage specified from time to time in the relevant Final Terms. The Floor Percentage will always be equal to or higher than 0 per cent,

"**Base Premium Percentage**" means the percentage specified from time to time in the relevant Final Terms,

"**Participation Remuneration Amount Gearing**" means the value specified from time to time in the relevant Final Terms.

The applicable Final Terms will specify whether the Participation Remuneration Amount is Long Participation Remuneration Amount (and, in this case, whether it is Long Participation Remuneration Amount Form A or Long Participation Remuneration Amount Form B) or Short Participation Remuneration Amount.

If so specified in the Final Terms, both the Long Participation Remuneration Amount and Short Participation Remuneration Amount may apply in relation to the same Participation Valuation Dates;

or

**(ii) Short Participation Remuneration Amount:**

*Issue Price x Max [Floor Percentage; ((Strike Remuneration Percentage x $RV_j$ - $RV_t$)/$RV_j$) x Participation Factor$_t$]*

or, if the relevant Final Terms provide for the application of a CAP:

*Issue Price x MIN {CAP; Max [Floor Percentage; ((Strike Remuneration Percentage x $RV_j$ - $RV_t$)/$RV_j$) x Participation Factor$_t$]}*

Where:

"$\mathbf{RV_t}$" means Reference Value on the Participation Valuation Date "t" specified in the relevant Final Terms,

"$\mathbf{RV_j}$" means the Reference Value on the Participation Valuation Date "j" specified in the relevant Final Terms,

"**Participation Factor$_t$**" means the Participation Factor corresponding to the relevant Participation Valuation Date "t" as specified in the applicable Final Terms,

"**Strike Remuneration Percentage**" means the value specified in the relevant Final Terms,

"**Floor Percentage**" means the percentage specified from time to time in the relevant Final Terms. The Floor Percentage will always be equal to or higher than 0 per cent.

The applicable Final Terms will specify whether the Participation Remuneration Amount is Long Participation Remuneration Amount (and, in this case, whether it is Long Participation Remuneration Amount Form A or Long Participation Remuneration Amount Form B) or Short Participation Remuneration Amount.

If so specified in the Final Terms, both the Long Participation Remuneration Amount and Short Participation Remuneration Amount may apply in relation to the same Participation Valuation Dates;

or

**(iii) Spread Participation Remuneration Amount:**

If the Participation Remuneration Amount is specified as *Spread Participation Remuneration Amount*, for the purposes of determining the Spread Participation Remuneration Amount, reference will be made to the Spread (as defined in Condition 3 (*Definitions*)). The Spread Participation Remuneration Amount will be calculated according to one of the following formulas:

*Issue Price x [Participation Factor x Max (0; Spread)]*

or, if the relevant Final Terms provide for the application of a Margin:

*Issue Price x [Participation Factor x Max (0; Spread +/- Margin)]*

or, if the relevant Final Terms provide for the application of a CAP:

*Issue Price x Min {CAP;[(Participation Factor x Max (0; Spread)]}*

or, if the relevant Final Terms provide for the application of a CAP and a Margin:

*Issue Price x Min {CAP;[Participation Factor x Max (0; Spread +/- Margin)]}*

***Specific features in relation to the Participation Remuneration Amount***

*Participation Rebate Feature*

If the Participation Rebate Feature is specified in the relevant Final Terms as applicable, the Participation

Remuneration Amount potentially payable depends on the occurrence of the Participation Rebate Event. If a Participation Rebate Event has not occurred during a specified Participation Rebate Valuation Period the Certificates will pay, on the relevant payment date, a Participation Remuneration Amount determined pursuant to (i) or (ii) above as specified in the Final Terms. Otherwise, if during such Participation Rebate Valuation Period, a Participation Rebate Event has occurred the Certificates will pay a Participation Rebate Amount, on the relevant payment date, specified in the relevant Final Terms. In particular, if the Participation Rebate Event has occurred, the investor will receive, instead of the Participation Remuneration Amount, the specified Participation Rebate Amount on the relevant payment date following the Participation Rebate Valuation Period in which the Participation Rebate Event has occurred.

The investors will be notified of the occurrence of a Participation Rebate Event by means of a notice published on the website of the Issuer https://www.bancaimi.prodottiequotazioni.com/EN.

*Net Profit Feature*

If the Net Profit Feature is specified in the relevant Final Terms as applicable, the Remuneration Sum (i.e. the sum, in respect of any Participation Valuation Date, of the Remuneration Amounts specified in the relevant Final Terms, if already paid on the prior payment dates specified in the relevant Final Terms) will be deducted from the above amounts, provided that the resulting amount cannot be lower than zero.

*Consolidation Effect*

If the payment of the Participation Remuneration Amount depends upon the occurrence of a Participation Remuneration Event, the Certificates, if so specified in the relevant Final Terms, may provide for an automatic activation option of the following Participation Remuneration Amounts eventually payable during the life of the Certificates.

In particular, if several Participation Remuneration Event Valuation Periods have been provided and the Consolidation Effect occurs, the Participation Remuneration Event will automatically occur without further determinations for all the Participation Remuneration Event Valuation Periods following such Consolidation Valuation Period and, therefore, the investors will receive all the relevant Participation Remuneration Amounts, if positive.

If the Consolidation Effect has occurred, the Securityholders will be notified through a notice published on the website of the Issuer https://www.bancaimi.prodottiequotazioni.com/EN.

*Memory Effect*

If the payment of the Participation Remuneration Amount depends upon the occurrence of a Participation Remuneration Event, the Certificates, if so specified in the relevant Final Terms, may provide for an automatic activation option of the Participation Remuneration Amounts that have not previously been paid due to the non occurrence of the relevant Participation Remuneration Events.

In particular, if several Participation Remuneration Event Valuation Periods have been provided and the Memory Effect occurs, the investor will receive the previously unpaid Participation Remuneration Amount(s) in the event that the relevant Participation Remuneration Event has not occurred, except where such Participation Remuneration Amounts have been already paid due to the occurrence of a Memory Effect in a previous Memory Valuation Period.

If the Memory Effect has occurred, the Securityholders will be notified through a notice published on the website of the Issuer https://www.bancaimi.prodottiequotazioni.com/EN.

## ***F. PREMIUM GAP AMOUNT(S)***

Gap Certificates, if so specified by the Issuer in the relevant Final Terms, may provide for the payment of a Premium Gap Amount that will depend on the Premium Determination Method specified by the Issuer in the relevant Final Terms and on whether a Barrier Gap Event has occurred.

A Barrier Gap Event will occur if, during the Barrier Gap Observation Period, the Gap Daily Performance of the relevant Underlying is lower or equal to or higher than the Barrier Gap Level.

In relation to the Premium Gap Amounts, if the Barrier Gap Event has occurred:

(i) the Premium Gap Amount will be determined on the basis of the actual number of days within the relevant Premium Gap Observation Period and not on the basis of all the days of the relevant Premium Determination Period; and

(ii) after the payment of the Premium Gap Amount that will be paid on the first Premium Payment Date following the Barrier Gap Event Date on which a Barrier Gap Event has occurred, no further Premium Gap Amount will be paid to the investors.

***Determination Methods***

The Issuer will specify in the relevant Final Terms the Premium Determination Method that applies in relation to each Premium Determination Period. In any case, the Premium Gap Amount will not result in an amount lower than zero.

The Premium Gap Amount will be determined, depending on the applicable Determination Method, according to one of the following formulas:

(i) **Floating Premium:**

*Issue Price x (Premium Percentage x Reference Rate +/- Premium Margin) x Day Count Fraction*

(ii) **Fixed Premium:**

*Issue Price x Premium Percentage x Day Count Fraction*

(iii) **Differences in Rates:**

*Issue Price x [Premium Percentage x (Reference Rate 1 - Reference Rate 2) +/- Premium Margin)] x Day Count Fraction*

The Day Count Fraction will depend on the number of days in the relevant Premium Gap Observation Period that will be composed by:

a) **If a Barrier Gap Event has not occurred**, the same number of days comprised in the relevant Premium Determination Period;

b) **If a Barrier Gap Event has occurred**, the number of days from the initial day of the relevant Premium Determination Period to the day on which the Barrier Gap Event has occurred, i.e. the Barrier Gap Event Date.

*Difference in Rates*

Where Difference in Rates is specified in the applicable Final Terms as the manner in which the Premium Gap Amount is to be determined, the Rate of Interest for each Premium Determination Period will, subject as provided below, be the Difference in Rates multiplied by

the relevant Premium Percentage, if any, all as determined by the Calculation Agent and provided that the rate of interest may not be less than zero.

Difference in Rates means an amount equal to Rate 2 minus Rate 1, provided that if such amount is less than zero, it shall be deemed to be zero.

Rate 1 and Rate 2 shall have the meanings given to those terms in the applicable Final Terms, and each shall be determined as specified in the applicable Final Terms.

***Determination of the rate of interest and calculation of Premium Gap Amounts***

The Calculation Agent, in the case of Floating Premium, will at or as soon as practicable after each time at which the rate of interest is to be determined, determine the rate of interest for the relevant Premium Determination Period.

The Calculation Agent will calculate the amount of interest in relation to the Floating Premium for the relevant Premium Determination Period by applying the Interest Rate specified in the applicable Final Terms to:

(A) in the case Securities with Floating Premium which are represented by a Global Security, the aggregate outstanding nominal amount of the Securities represented by such Global Security; or

(B) in the case of Securities in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

***Notifications of rate of interest and Premium Gap Amounts***

The Calculation Agent will cause the rate of interest and each Premium Gap Amount for each Premium Determination Period and the relevant Premium Payment Date to be notified to the Issuer and any stock exchange on which the relevant Securities are for the time being listed and notice thereof to be published in accordance with Condition 9 (*Notices*) as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Premium Gap Amount and Premium Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Premium Determination Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Securities are for the time being listed and to the holders in accordance with Condition 9 (*Notices*).

***Certifications to be final***

All certifications, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 24 by the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the other Paying Agents and all Securityholder and (in the absence of wilful default or bad faith) no liability to the Issuer, the Securityholder shall attach to the Calculation Agent in connection with the exercise or non exercise by it of its powers, duties and discretions pursuant to such provisions.

## *G. FLOATING AMOUNT(S)*

Interest Rate Warrants provide for the payment of one or more Floating Amounts that will depend on the

difference between the Reference Rate and the Interest Cap, and on the Notional Amount specified for each Floating Amount Determination Period, all as specified in the applicable Final Terms and according to the following formula:

*[Max (0; Reference Rate – Interest Cap) x Notional Amount$_t$] x Day Count Fraction*

Where:

*Notional Amount$_t$* means the Notional Amount relating to each Floating Amount Determination Period (t=1,2,3,…n). The Notional Amount may also be equal in relation to each Floating Amount Determination Period, and in such case it will be referred to as Notional Amount.

The Floating Amount will be determined by the Calculation Agent on the relevant Floating Amount Determination Date and will be paid, if positive, on the relevant Floating Amount Payment Date, all as specified in the applicable Final Terms.

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**EARLY REDEMPTION AMOUNT(S)**

The Certificates, if so specified by the Issuer in the relevant Final Terms, may provide the possibility of an automatic early redemption if an Early Redemption Event has occurred. In particular, if an Early Redemption Event has occurred the certificate will be automatically redeemed and the Securityholder will receive on the Early Payment Date the payment of the Early Redemption Amount.

In addition, the applicable Final Terms may provide for one or more Accumulating Autocallable Trigger. In such case, an Early Redemption Event may occur if, on the Accumulated Valuation Date, the Calculation Agent determines that the relevant Accumulated Amount payable to the investors is lower than, equal to or higher than, as specified in the applicable Final Terms, the relevant Accumulating Autocallable Trigger. Therefore, in such case, the occurrence of an Early Redemption Event will be determined by the Calculation Agent on the relevant Accumulated Valuation Date specified in the applicable Final Terms (i.e. the Early Redemption Valuation Period will coincide with the Accumulated Valuation Date).

Furthermore, if the applicable Final Terms provide for the application of the Coupon Event, the Early Redemption Amount(s) payable at the occurrence of an Early Redemption Event will be determined on the basis of the Coupon Premium 1 or the Coupon Premium 2, depending on the occurrence of the Coupon Event.

If the Best Of Feature or the Worst Of Feature applies in relation to one or more Early redemption Valuation Period, the Issuer will specify in the relevant Final Terms the occurrence of the Early Redemption Event in relation to one or more Underlying and the Final Terms will specify the Early Redemption Level for each Underlying. In particular, for the purposes of determining the occurrence of an Early Redemption Event, the Final Terms will specify the number of Underlyings that have to be equal to, higher than or lower than the Early Redemption Level.

In relation to Certificates providing an Early Partial Capital Payment, the Early Redemption Amount to be paid at Early Payment Date, if Early Redemption Event has occurred, will be adjusted relative to the Outstanding Amount after the Early Partial Capital Payment Date, as specified in the applicable Final Terms.

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**CORRIDOR EARLY AMOUNT**

In relation to Corridor Warrants only, if a Barrier Event has occurred, the Corridor Warrants will be

automatically early redeemed and the Securityholder will either (i) not receive any amount (i.e. the investor will be exposed to the total loss of the capital invested) or (ii) receive the payment of the Corridor Early Amount on the relevant Corridor Early Payment Date, as specified in the applicable Final Terms.

The investors will be notified in the event of the early redemption of the Corridor Warrants (and, if this is the case, the payment of the Corridor Early Amount) by means of a notice published on the website of the Issuer https://www.bancaimi.prodottiequotazioni.com/EN.

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**EARLY PARTIAL CAPITAL PAYMENT**

The Certificates, if so specified by the Issuer in the relevant Final Terms, may provide an automatic early repayment of part of the invested capital, regardless of the performance of the Underlying. In particular, the Securityholder will receive the Early Partial Capital Payment Amount on the Early Partial Capital Payment Date, as specified in the applicable Final Terms.

In this case, after the Early Partial Capital Payment Date, the Cash Settlement Amount to be determined pursuant to the relevant Final Terms will be adjusted relative to the Outstanding Amount.

If applicable, also the Early Redemption Amount specified in the Final Terms will be adjusted relative to the Outstanding Amount.

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**SETTLEMENT AMOUNT**

**CALCULATION METHOD IN THE CASE OF POSITIVE AND NEGATIVE PERFORMANCE OF THE UNDERLYING – (BARRIER EVENT/BARRIER GAP EVENT NOT OCCURRED, IF APPLICABLE)**

The Securityholder will receive on the Settlement Date for each Minimum Exercise Amount the payment of the Cash Settlement Amount (if positive)[3].

If the Underlying Reference Currency is different from the Settlement Currency and the Securities are Non Quanto Securities, the Cash Settlement Amount will be exchanged into the Settlement Currency at the applicable Exchange Rate.

In relation to Certificates providing an Early Partial Capital Payment, the Cash Settlement Amount to be paid (if positive) at Settlement Date will be adjusted relative to the Outstanding Amount after the Early Partial Capital Payment Date. Accordingly, the Multiplier will be calculated on the basis of a percentage of the Issue Price, as specified in the Final Terms, in order to reflect the Outstanding Amount.

In any case, the Cash Settlement Amount will not result in an amount lower than zero.

In relation to the Settlement Amount, the following scenarios may occur in relation to the structure and the pay-out provided by the Issuer in the relevant Final Terms according to the following formulas (provided that, if more than one formula is applicable in relation to the same typology of Certificates, the relevant Final Terms will indicate the applicable one for the relevant issue):

***A. STANDARD CERTIFICATES (LONG/SHORT)***

*(Initial Percentage x Initial Reference Value x Multiplier) x Minimum Exercise Amount*

[3] The Cash Settlement Amount represents the final settlement amount for each Typology.

In relation to such type, the investor will receive on the Settlement Date an amount linked to a percentage of the Initial Reference Value that will be specified in the applicable Final Terms.

## *B. MAX CERTIFICATES*

***MAX LONG CERTIFICATES* and *MAX CONSOLIDATION LONG CERTIFICATES* (if a Consolidation Floor Event has not occurred)**

*{Max [Initial Percentage x Initial Reference Value; (Initial Reference Value + Participation Factor x (Final Reference Value – Initial Reference Value))] x Multiplier} x Minimum Exercise Amount*

In relation to such type, the investor will receive a percentage of the invested capital set out by the Issuer in the relevant Final Terms with the possibility to participate to the increasing performance of the Underlying depending on the Participation Factor.

If the relevant Final Terms provide a Cap Level:

*{Min [Cap Level; Max [Initial Percentage x Initial Reference Value; (Initial Reference Value + Participation Factor x (Final Reference Value – Initial Reference Value))]] x Multiplier} x Minimum Exercise Amount*

In such case, the amount that the investor will receive on the Settlement Date may be equal to or higher than the percentage of the Initial Reference Value multiplied by the multiplier determined by the Issuer in the relevant Final Terms. In any case, such Cash Settlement Amount will not exceed the Cap Level multiplied by the multiplier.

If the Restrike Feature is applicable, the relevant Final Terms will also indicate whether the Cap Style 1 or the Cap Style 2 will be applicable. In particular, in case of Cap Style 1, if a Restrike Event has occurred, the Cap Level will be determined in accordance with the Restrike Percentage. In case of Cap Style 2 the Cap Level will not be taken into consideration for the purposes of the Cash Settlement Amount.

***MAX CONSOLIDATION LONG CERTIFICATES* (if a Consolidation Floor Event has occurred)**

*[Max (Consolidation Floor Level; Final Reference Value) x Multiplier] x Minimum Exercise Amount*

In relation to such type, the investor will receive at least a percentage of the invested capital set out by the Issuer in the relevant Final Terms with the possibility to receive a higher amount participating to the increasing performance of the Underlying.

If the relevant Final Terms provide a Cap Consolidation Amount:

*Min {Cap Consolidation Amount; [Max (Consolidation Floor Level; Final Reference Value) x Multiplier]} x Minimum Exercise Amount*

In relation to such type, the investor will receive at least a percentage of the Issue Price with the possibility to receive a higher amount participating to the increasing performance of the Underlying. The Cash Settlement Amount will not exceed the Cap Level multiplied by the multiplier.

***MAX SHORT CERTIFICATES***

*{Max [Initial Percentage x Initial Reference Value; (Initial Reference Value + Participation Factor x (Initial Reference Value – Final Reference Value))] x Multiplier} x Minimum Exercise Amount*

In relation to such type, the Securityholder will receive a percentage of the invested capital set out by the Issuer in the relevant Final Terms with the possibility to receive a higher amount participating to the negative (decreasing) performance of the Underlying depending on the Participation Factor.

If the relevant Final Terms provide a CAP:

*{Max [Initial Percentage x Initial Reference Value; (Initial Reference Value + Participation Factor x (Initial Reference Value – Max [CAP; Final Reference Value]))] x Multiplier} x Minimum Exercise Amount*

In relation to such type, the investor will receive at least a percentage of the Issue Price with the possibility to receive a higher amount participating to the negative (decreasing) performance of the Underlying depending on the Participation Factor. In any case, the Cash Settlement Amount will not exceed the CAP multiplied by the multiplier.

If the Restrike Feature is applicable, the relevant Final Terms will also indicate whether the Cap Style 1 or the Cap Style 2 will be applicable. In particular, in case of Cap Style 1, if a Restrike Event has occurred, the Cap Level will be determined in accordance with the Restrike Percentage. In case of Cap Style 2 the Cap Level will not be taken into consideration for the purposes of the Cash Settlement Amount.

## *C. SPREAD CERTIFICATES*

### *TYPE A SPREAD CERTIFICATES*

*[(Initial Percentage x Initial Reference Value$_A$ x Multiplier $_A$) + (Initial Percentage x Initial Reference Value$_B$ x Multiplier$_B$)] / 2 x Minimum Exercise Amount*

In relation to such type, the investor will receive an amount linked to the average between: (i) a percentage of the Initial Reference Value of the Underlying A specified in the applicable Final Terms and (ii) a percentage of the Initial Reference Value of the Underlying B specified in the applicable Final Terms multiplied by the relevant multipliers.

### *TYPE B SPREAD CERTIFICATES*

*{[(Initial Percentage x Initial Reference Value$_A$ x Multiplier$_A$) + (Initial Percentage x Initial Reference Value$_B$ x Multiplier$_B$)] / 2 x [1 + Participation Factor x Max(0; Spread +/- Margin)]} x Minimum Exercise Amount*

In relation to such type, the investor will receive (1) an amount linked to the average between (i) a percentage of the Initial Reference Value of the Underlying A that will be specified in the applicable Final Terms and (ii) a percentage of the Initial Reference Value of the Underlying B that will be specified in the applicable Final Terms multiplied by the relevant multipliers and (2) an amount linked to the Spread (if positive) depending on the Participation Factor.

If the relevant Final Terms provide a CAP:

*{[(Initial Percentage x Initial Reference Value$_A$ x Multiplier$_A$) + (Initial Percentage x Initial Reference Value$_B$ x Multiplier$_B$)] / 2 x [1 + Participation Factor x Min (CAP; Max(0; Spread +/- Margin))]} x Minimum Exercise Amount*

In relation to such type, the investor will receive (1) an amount linked to the average between (i) a percentage of the Initial Reference Value of the Underlying A that will be specified in the applicable Final Terms and (ii) a percentage of the Initial Reference Value of the Underlying B that will be specified in the applicable Final Terms multiplied by the relevant multipliers and eventually (2) an amount linked to the spread, if positive, depending on the Participation Factor that, in any case, will not be higher than the CAP.

### *TYPE C SPREAD CERTIFICATES*

**a.** **If the Spread (+/- Margin) is higher than or equal to 0:**

*Issue Price x Max [0; (1 + Participation Factor x (Spread +/- Margin))] x Minimum Exercise Amount*

In relation to such type, the investor will receive an amount that will depend on the Participation Factor specified in the applicable Final Terms multiplied by the Spread (+/- the Margin).

If the relevant Final Terms provide a Cap Amount:

*Min {Cap Amount; Issue Price x Max [0; (1 + Participation Factor x (Spread +/- Margin))]} x Minimum Exercise Amount*

In relation to such type, the investor will receive an amount that will depend on the Participation Factor specified in the applicable Final Terms multiplied by the Spread (+/- the Margin), but that will not be higher than the Cap Amount.

**b.** **If the Spread (+/- Margin) is lower than 0:**

*Issue Price x Max [0; (1 + Down Participation Factor x (Spread +/- Margin))] x Minimum Exercise Amount*

In relation to such type, the investor will receive an amount that will depend on the Down Participation Factor specified in the applicable Final Terms multiplied by the Spread (+/- the Margin).

If the relevant Final Terms provide a Protection Amount:

*Max {Protection Amount; Issue Price x Max [0; (1 + Down Participation Factor x (Spread +/- Margin))]} x Minimum Exercise Amount*

In relation to such type, the investor will receive an amount that will depend on the Down Participation Factor specified in the applicable Final Terms multiplied by the Spread (+/- the Margin), but that will not be lower than the Protection Amount.

***TYPE D SPREAD CERTIFICATES***

*Max [0; (Spread +/- Margin) x Multiplier] x Minimum Exercise Amount*

In relation to such type, the investor will receive an amount that will depend on the Spread (+/- the Margin).

If the relevant Final Terms provide a Cap Amount:

*Min {Cap Amount; x Max [0; (Spread +/- Margin) x Multiplier]} x Minimum Exercise Amount*

In relation to such type, the investor will receive an amount that will depend on the Spread (+/- the Margin), but that will not be higher than the Cap Amount.

## *D. TWIN WIN CERTIFICATES*

***TWIN WIN LONG CERTIFICATES***

**a.** **If the Final Reference Value is higher than, or equal to, the Initial Reference Value multiplied by the Strike Percentage:**

*[Initial Reference Value x Strike Percentage + Participation Factor x (Final Reference Value – Initial Reference Value x Strike Percentage)] x Multiplier x Minimum Exercise Amount*

In relation to such type, the investor will receive on the Settlement Date the Issue Price plus an amount linked to the performance of the Underlying multiplied by the Participation Factor. Such formula will be applicable provided that on the Valuation Date the Final Reference Value is higher than, or equal to, the Initial Reference Value multiplied by the Strike Percentage.

If the relevant Final Terms provide a Cap Level:

*Min {Cap Level; [Initial Reference Value x Strike Percentage + Participation Factor x (Final Reference Value – Initial Reference Value x Strike Percentage)]} x Multiplier x Minimum Exercise Amount*

In relation to such type, the investor will receive on the Settlement Date the Issue Price plus an amount linked to the performance of the Underlying multiplied by the Participation Factor. Such formula will be applicable provided that on the Valuation Date the Final Reference Value is higher than, or equal to, the Initial Reference Value multiplied by the Strike Percentage. The total amount that the investor will receive on the Settlement Date will be in any case subject to a maximum level equal to the Cap Level multiplied by the Multiplier.

**b. If the Final Reference Value is lower than the Initial Reference Value multiplied by the Strike Percentage (and the Barrier Event, if applicable, has not occurred):**

*[Initial Reference Value x Strike Percentage + Down Participation Factor x (Initial Reference Value x Strike Percentage – Final Reference Value)] x Multiplier x Minimum Exercise Amount*

In relation to such type, the investor will receive on the Settlement Date the Issue Price plus an amount linked to the performance of the Underlying multiplied by the Down Participation Factor. Therefore, the Twin Win Certificates will enable the investor to also profit from a negative performance of the Underlying, as shown in this scenario.

If the relevant Final Terms provide a Cap Down Amount:

*Min {[Initial Reference Value x Strike Percentage + Down Participation Factor x (Initial Reference Value x Strike Percentage – Final Reference Value)] x Multiplier; Cap Down Amount} x Minimum Exercise Amount*

In relation to such type, the investor will receive on the Settlement Date the Issue Price plus an amount linked to the performance of the Underlying multiplied by the Down Participation Factor. Therefore, the Twin Win Certificates will enable the investor to also profit from a negative performance of the Underlying, as shown in this scenario. However, in such case, the Cash Settlement Amount will not be higher than the Cap Down Amount specified in the applicable Final Terms.

***TWIN WIN SHORT CERTIFICATES***

**a. If the Final Reference Value is higher than, or equal to, the Initial Reference Value multiplied by the Strike Percentage:**

*[Initial Reference Value x Strike Percentage + Participation Factor x (Final Reference Value – Initial Reference Value x Strike Percentage)] x Multiplier x Minimum Exercise Amount*

In relation to such type, the investor will receive on the Settlement Date the Issue Price plus an amount linked to the performance of the Underlying multiplied by the Participation Factor. Such formula will be applicable provided that on the Valuation Date the Final Reference

Value is higher than, or equal to, the Initial Reference Value multiplied by the Strike Percentage.

If the relevant Final Terms provide a Cap Level:

*Min {Cap Level; [Initial Reference Value x Strike Percentage + Participation Factor x (Final Reference Value – Initial Reference Value x Strike Percentage)]} x Multiplier x Minimum Exercise Amount*

In relation to such type, the investor will receive on the Settlement Date the Issue Price plus an amount linked to the performance of the Underlying multiplied by the Participation Factor. Such formula will be applicable provided that on the Valuation Date the Final Reference Value is higher than, or equal to, the Initial Reference Value multiplied by the Strike Percentage. The total amount that the investor will receive on the Settlement Date will be in any case subject to a maximum level equal to the Cap Level multiplied by the Multiplier.

**b. If the Final Reference Value is lower than the Initial Reference Value multiplied by the Strike Percentage:**

*[Initial Reference Value x Strike Percentage + Down Participation Factor x (Initial Reference Value x Strike Percentage – Final Reference Value)] x Multiplier x Minimum Exercise Amount*

In relation to such type, the investor will receive on the Settlement Date the Issue Price plus an amount linked to the negative (decreasing) performance of the Underlying multiplied by the Down Participation Factor. Therefore, the Twin Win Certificates will enable the investor to also profit from a negative performance of the Underlying, as shown in this scenario.

If the relevant Final Terms provide a Cap Level:

*Min {[Initial Reference Value x Strike Percentage + Down Participation Factor x (Initial Reference Value x Strike Percentage – Final Reference Value)] x Multiplier; Cap Down Amount} x Minimum Exercise Amount*

In relation to such type, the investor will receive on the Settlement Date the Issue Price plus an amount linked to the performance of the Underlying multiplied by the Down Participation Factor. Therefore, the Twin Win Certificates will enable the investor to also profit from a negative performance of the Underlying, as shown in this scenario. However, in such case, the Cash Settlement Amount will not be higher than the Cap Down Amount specified in the applicable Final Terms.

## *E. BENCHMARK CERTIFICATES*

### *LONG BENCHMARK CERTIFICATES*

(i) WITHOUT ANNUAL MANAGEMENT FEE AND VARIABLE MANAGEMENT FEE:

*Final Reference Value x Multiplier x Minimum Exercise Amount*

In this case the investor will be exposed to the performance of the Underlying. As a result, on the Settlement Date, the investor will receive an amount equal to the Final Reference Value multiplied by the Multiplier.

(ii) WITH ANNUAL MANAGEMENT FEE:

*Final Reference Value x Multiplier x Annual Management Fee x Minimum Exercise Amount*

In this case the investor will be exposed to the performance of the Underlying, therefore, on the Settlement Date, the investor will receive an amount equal to the Final Reference Value multiplied by the Multiplier, net of the Annual Management Fee.

(iii) WITH VARIABLE MANAGEMENT FEE:

*Final Reference Value x Multiplier x Variable Management Fee x Minimum Exercise Amount*

In this case the investor will be exposed to the performance of the Underlying and, on the Settlement Date, will receive an amount equal to the Final Reference Value multiplied by the Multiplier, net of the Variable Management Fee.

***SHORT BENCHMARK CERTIFICATES***

(i) WITHOUT ANNUAL MANAGEMENT FEE AND VARIABLE MANAGEMENT FEE:

*Max [0;(Strike Price – Final Reference Value)] x Multiplier x Minimum Exercise Amount*

In this case, the exposure of the investor will be inversely proportioned to the performance of the Underlying, therefore the investor will receive, on the Settlement Date, a Cash Settlement Amount – if positive – equal to the difference between the Strike Price and the Final Reference Value, multiplied by the Multiplier.

(ii) WITH ANNUAL MANAGEMENT FEE:

*Max [0; (Strike Price – Final Reference Value) x Multiplier x Annual Management Fee] x Minimum Exercise Amount*

In this case, the exposure of the investor will be inversely proportioned to the performance of the Underlying, therefore, the investor will receive, on the Settlement Date, a Cash Settlement Amount – if positive – equal to the difference between the Strike Price and the Final Reference Value multiplied by the Multiplier, net of the Annual Management Fee.

(iii) WITH VARIABLE MANAGEMENT FEE:

*Max [0; (Strike Price – Final Reference Value) x Multiplier x Annual Management Fee x Variable Management Fee] x Minimum Exercise Amount*

In this case, the exposure of the investor will be inversely proportioned to the performance of the Underlying, therefore, the investor will receive, on the Settlement Date, a Cash Settlement Amount – if positive – equal to the difference between the Strike Price and the Final Reference Value multiplied by the Multiplier, net of the Variable Management Fee.

## *F. OUTPERFORMANCE CERTIFICATES*

***LONG OUTPERFORMANCE CERTIFICATES***

**a.** ***If the Final Reference Value is equal to or higher than the Initial Reference Value:***

*{[Initial Reference Value + Up Participation Factor x (Final Reference Value – Initial Reference Value)] x Multiplier} x Minimum Exercise Amount*

In this case, the investor will receive, on the Settlement Date, a Cash Settlement Amount, if positive, linked to the performance of the Underlying, depending on the Up Participation Factor.

If the relevant Final Terms provide a Cap Level:

*{{Min [(Initial Reference Value + Up Participation Factor x (Final Reference Value – Initial Reference Value)); Cap Level]} x Multiplier} x Minimum Exercise Amount*

In this case the investor will receive, on the Settlement Date, a Cash Settlement Amount, if positive, linked to the performance of the Underlying, depending on the Up Participation Factor, subject to a maximum level equal to the Cap Level multiplied by the Multiplier.

**b.** ***If the Final Reference Value is lower than the Initial Reference Value:***

*{[Initial Reference Value + Down Participation Factor x (Final Reference Value – Initial Reference Value)] x Multiplier} x Minimum Exercise Amount*

In this case the investor will receive, on the Settlement Date, a Cash Settlement Amount, if positive, linked to the performance of the Underlying, depending on the Down Participation Factor.

***SHORT OUTPERFORMANCE CERTIFICATES***

**a.** ***If the Final Reference Value is equal to or lower than the Initial Reference Value:***

*{[Initial Reference Value + Up Participation Factor x (Initial Reference Value – Final Reference Value)] x Multiplier} x Minimum Exercise Amount*

In this case, on the Settlement Date, the investor will receive a Cash Settlement Amount, if positive, linked to the performance of the Underlying depending on the Up Participation Factor.

If the relevant Final Terms provide a Cap Level:

*{{Min [(Initial Reference Value + Up Participation Factor x (Initial Reference Value – Final Reference Value)); Cap Level]} x Multiplier} x Minimum Exercise Amount*

In this case, on the Settlement Date the investor will receive a Cash Settlement Amount, if positive, linked to the performance of the Underlying depending on the Up Participation Factor, subject to a maximum level equal to the Cap Level multiplied by the Multiplier.

**b.** ***If the Final Reference Value is higher than the Initial Reference Value:***

*{Max [0; [Initial Reference Value + Down Participation Factor x (Initial Reference Value – Final Reference Value)]] x Multiplier} x Minimum Exercise Amount*

In this case, on the Settlement Date, the investor will receive a Cash Settlement Amount, if positive, linked to the performance of the Underlying depending on the Down Participation Factor.

## *G. BUFFER PROTECTION CERTIFICATES*

In relation to such type, the formula for the calculation of the Cash Settlement Amount will depend on whether a Buffer Event has occurred. In particular:

**a. If the Buffer Event has not occurred during the life of the Certificates:**

*(Initial Percentage x Initial Reference Value x Multiplier) x Minimum Exercise Amount*

In relation to such type, the investor will receive on the Settlement Date an amount linked to a

percentage of the Initial Reference Value that will be specified in the applicable Final Terms.

**b. If the Buffer Event has occurred during the life of the Certificates**

*Max (Protection Percentage x Issue Price; Issue Price x [1+ (Performance Sum – Buffer Percentage)]*

In relation to such type, the investor will receive in any case at least a percentage of the Issue Price depending on the Protection Percentage as set out by the Issuer in the relevant Final Terms with the possibility to receive an higher amount which will depend on the Performance Sum and the Buffer Percentage, as specified in the applicable Final Terms.

## *H. GLOBAL PERFORMANCE CERTIFICATES*

*Max {Protection Percentage x Issue Price; Issue Price x [1+ (Global Performance)]}*

In relation to such type, the investor will receive in any case at least a percentage of the Issue Price depending on the Protection Percentage as set out by the Issuer in the relevant Final Terms with the possibility to receive a higher amount which will depend on the Global Performance.

If the relevant Final Terms provide a Cap Amount:

*Min {Cap Amount; Max {Protection Percentage x Issue Price; Issue Price x [1+ (Global Performance)]}}*

In relation to such type, the investor will receive in any case at least a percentage of the Issue Price depending on the Protection Percentage as set out by the Issuer in the relevant Final Terms with the possibility to receive a higher amount which will depend on the Global Performance. In any case such amount will not be higher than the Cap Amount.

## *I. LUCKY PROTECTION CERTIFICATES*

### *LONG LUCKY PROTECTION CERTIFICATES*

**a. If the Final Reference Value is equal to or higher than the Initial Reference Value:**

*[Initial Reference Value + Participation Factor x (Final Reference Value – Initial Reference Value)] x Multiplier x Minimum Exercise Amount*

In this case, the investor will receive, on the Settlement Date, a Cash Settlement Amount, if positive, which reflects the positive performance of the Underlying, depending on the Participation Factor.

Or:

*(Initial Percentage x Initial Reference Value x Multiplier) x Minimum Exercise Amount*

In relation to such type, the investor will receive on the Settlement Date an amount linked to a percentage of the Initial Reference Value that will be specified in the applicable Final Terms.

**b. If the Final Reference Value is lower than the Initial Reference Value:**

*Max {Dropdown Protection Level x Initial Reference Value x Multiplier; Min [Initial Reference Value; Initial Reference Value + Final Leverage x (Final Reference Value – Initial Reference Value)] x Multiplier} x Minimum Exercise Amount*

In this case, the amount that the investor will receive will never be lower than the Dropdown Protection Level, a percentage on the Initial Reference Value specified in the relevant Final Terms.

***SHORT LUCKY PROTECTION CERTIFICATES***

**a.** ***If the Final Reference Value is equal to or lower than the Initial Reference Value:***

*[Initial Reference Value + Participation Factor x (Initial Reference Value – Final Reference Value)] x Multiplier x Minimum Exercise Amount*

In this case, on the Settlement Date, the investor will receive a Cash Settlement Amount, if positive, inversely proportioned to the performance of the Underlying depending on the Participation Factor.

Or:

*(Initial Percentage x Initial Reference Value x Multiplier) x Minimum Exercise Amount*

In relation to such type, the investor will receive on the Settlement Date an amount linked to a percentage of the Initial Reference Value that will be specified in the applicable Final Terms.

**b.** **If the Final Reference Value is higher than the Initial Reference Value:**

*Max {Dropdown Protection Level x Multiplier; Min [Initial Reference Value; Initial Reference Value + Final Leverage x (Initial Reference Value – Final Reference Value)] x Multiplier} x Minimum Exercise Amount*

In this case, the amount that the investor will receive will never be lower than the Dropdown Protection Level, a percentage on the Initial Reference Value specified in the relevant Final Terms.

## *J. DYNAMIC PROTECTION CERTIFICATES*

***LONG DYNAMIC PROTECTION CERTIFICATES***

**a.** **If the Final Reference Value is equal to or higher than the Initial Reference Value:**

*[Initial Reference Value + Participation Factor x (Final Reference Value – Initial Reference Value)] x Multiplier x Minimum Exercise Amount*

In this case, the investor will receive, on the Settlement Date, a Cash Settlement Amount which reflects the positive performance of the Underlying, depending on the Participation Factor.

Or:

*(Initial Percentage x Initial Reference Value x Multiplier) x Minimum Exercise Amount*

In relation to such type, the investor will receive on the Settlement Date an amount linked to a percentage of the Initial Reference Value that will be specified in the applicable Final Terms.

**b.** **If the Final Reference Value is lower than the Initial Reference Value but equal to or higher than the Dynamic Protection Level:**

*{Initial Reference Value + [(Initial Gearing – Final Gearing) x (Final Reference Value – Initial Reference Value)]} x Multiplier x Minimum Exercise Amount*

In this case, the investor will receive a Cash Settlement Amount linked to the performance of the Underlying multiplied by a percentage whose value will depend on the number of Gearing Events occurred during the life of the Certificates.

**c. If the Final Reference Value is lower than the Dynamic Protection Level:**

*[Protection Amount + (Step Up Amount x number of Gearing Events)] x Minimum Exercise Amount*

In this case, the investors will receive a Cash Settlement Amount represented by the sum of (i) the Protection Amount specified in the applicable Final Terms and (ii) the Step Up Amount, specified in the applicable Final Terms, multiplied by the number of Gearing Events occurred during the life of the Certificates;

***SHORT DYNAMIC PROTECTION CERTIFICATES***

**a. If the Final Reference Value is equal to or lower than the Initial Reference Value:**

*[Initial Reference Value + Participation Factor x (Initial Reference Value – Final Reference Value)] x Multiplier x Minimum Exercise Amount*

In this case, on the Settlement Date, the investor will receive a Cash Settlement Amount inversely proportioned to the negative performance of the Underlying depending on the Participation Factor.

Or:

*(Initial Percentage x Initial Reference Value x Multiplier) x Minimum Exercise Amount*

In relation to such type, the investor will receive on the Settlement Date an amount linked to a percentage of the Initial Reference Value that will be specified in the applicable Final Terms.

**b. If the Final Reference Value is higher than the Initial Reference Value but equal to or lower than the Protection Level:**

*{Initial Reference Value + [(Initial Gearing – Final Gearing) x (Initial Reference Value – Final Reference Value)]} x Multiplier x Minimum Exercise Amount*

In this case, the investor will receive a Cash Settlement Amount linked to the performance of the Underlying multiplied by a percentage whose value will depend on the number of Gearing Events occurred during the life of the Certificates.

**c. If the Final Reference Value is higher than the Dynamic Protection Level:**

*[Protection Amount + (Step Up Amount x number of Gearing Events)] x Minimum Exercise Amount*

In this case, the investors will receive a Cash Settlement Amount represented by the sum of (i) the Protection Amount specified in the applicable Final Terms and (ii) the Step Up Amount, specified in the applicable Final Terms, multiplied by the number of Gearing Events occurred during the life of the Certificates.

## *K. CURRENCY CERTIFICATES*

$$\sum_{i=1}^{N}[w_i \; x \; (\frac{Initial\ Reference\ Value_{\ i}}{Final\ Reference\ Value_{\ i}})] \; x \; Issue\ Price]$$

Where:

"N" means the number of Underlyings specified in the applicable Final Terms,

"i" means the i-th exchange rate Underlying, and

"$w_i$" is the Exchange Rate Weight in respect of the i-th exchange rate Underlying.

In relation to such type, the investor will receive a percentage of the Issue Price depending on the weighted sum of the performances of the Underlyings. The Issuer will indicate in the Final Terms: (i) the relevant exchange rate Underlying and (ii) the Exchange Rates Weights.

If the relevant Final Terms provide a Protection Percentage:

$$\sum_{i=1}^{N}[w_i \; x \; Max \; [ \; Protection \; Percentage_i; \; (\frac{Initial \; Reference \; Value \; _i}{Final \; Reference \; Value \; _i})]] \; x \; Issue \; Price$$

In such case, the investor will receive at least an amount equal to the Protection Percentage set out by the Issuer in the relevant Final Terms, multiplied by the Issue Price.

## *L. MULTIPERFORMANCE CERTIFICATES*

### *MULTIPERFORMANCE LONG/SHORT CERTIFICATES*

*Initial Percentage x Issue Price x Minimum Exercise Amount*

In relation to such type, the investor will receive on the Settlement Date an amount linked to a percentage of the Initial Reference Value that will be specified in the applicable Final Terms.

### *MULTIPERFORMANCE MAX LONG CERTIFICATES*

*Max [(Initial Percentage x Issue Price); Issue Price x [1+ (Up Participation Factor x Cumulated Performance)] x Minimum Exercise Amount*

In relation to such type, the investor will receive a percentage of the invested capital set out by the Issuer in the relevant Final Terms with the possibility to participate to the increasing Cumulated Performance of the Underlyings depending on the Up Participation Factor.

If the relevant Final Terms provide a Cap Amount:

*Min {Cap Amount; Max [(Initial Percentage x Issue Price); Issue Price x [1+ (Up Participation Factor x Cumulated Performance)]]} x Minimum Exercise Amount*

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Amount specified in the relevant Final Terms.

### *MULTIPERFORMANCE MAX SHORT CERTIFICATES*

*Max [(Initial Percentage x Issue Price); Issue Price x [1 - (Up Participation Factor x Cumulated Performance)] x Minimum Exercise Amount*

In relation to such type, the investor will receive a percentage of the invested capital set out by the Issuer in the relevant Final Terms with the possibility to participate to the negative (decreasing) Cumulated Performance of the Underlyings depending on the Up Participation Factor.

If the relevant Final Terms provide a Cap Amount:

*Min {Cap Amount; Max [(Initial Percentage x Issue Price); Issue Price x [1 - (Up Participation Factor x Cumulated Performance)]]} x Minimum Exercise Amount*

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Amount specified in the relevant Final Terms.

### *M. DUAL CURRENCY FX CERTIFICATES (LONG/SHORT)*

*Initial Percentage x Initial Reference Value x Multiplier x Minimum Exercise Amount*

In relation to such type, the investor will receive on the Settlement Date an amount in the Issue Currency linked to a percentage of the Initial Reference Value of the Underlying (which will be an exchange rate) that will be specified in the applicable Final Terms as the Initial Percentage.

### *N. GAP CERTIFICATES (LONG/SHORT)*

*Initial Percentage x Issue Price x Minimum Exercise Amount*

In such case, the investor will receive on the Settlement Date an amount linked to the Initial Percentage specified in the relevant Final Terms.

### *O. SWITCH CERTIFICATES*

**a. If the Switch Event has not occurred during the life of the Certificates**

In relation to such type, the Cash Settlement Amount will be calculated according to one of the payout formulas set out for the other Typologies, that will differ from the payout formula that applies in the case that the Switch Event has occurred.

**b. If the Switch Event has occurred during the life of the Certificates**

In relation to such type, the Cash Settlement Amount will be calculated according to one of the payout formulas set out for the other Typologies, that will differ from the payout formula that applies in the case that the Switch Event has not occurred.

### *P. CALL CERTIFICATES*[4]

*Issue Price x Max [0%; (Final Reference Value – Strike Percentage x Initial Reference Value) / Initial Reference Value]*

In relation to such type, the investor will receive an amount equal to the Issue Price multiplied by the maximum between (i) 0% and (ii) the difference between the Final Reference Value and the Initial Reference Value multiplied by the Strike Percentage, divided by Initial Reference Value.

If the relevant Final Terms provide a Cap Amount:

*Issue Price x Min {Cap Amount; Max [0%; (Final Reference Value – Strike Percentage x Initial Reference Value) / Initial Reference Value]}*

In relation to such type, the investor will receive an amount equal to the Issue Price multiplied by the minimum between (a) the Cap Amount and (b) the maximum between (i) 0% and (ii) the difference between the Final Reference Value and the Initial Reference Value multiplied by the Strike Percentage, divided by Initial Reference Value.

[4] The Barrier Level will never be applicable in relation to Call Certificates.

## *Q. DIGITAL CERTIFICATES*[5]

**a. If the Final Reference Value is higher than, or equal to, the Settlement Level (i.e. a Settlement Event has occurred):**

*Issue Price x Digital Percentage x Minimum Exercise Amount*

In relation to such type, the investor will receive on the Settlement Date an amount linked to a percentage of the Issue Price that will be specified in the applicable Final Terms as Digital Percentage.

**b. If the Final Reference Value is lower than the Settlement Level (i.e. a Settlement Event has occurred):**

*0*

In relation to such type, the investor will not receive any amount on the Settlement Date, and therefore will be exposed to the total loss of the capital invested.

## *R. WARRANTS*

***CALL WARRANTS***

*Notional Amount x Max [0%; (Final Reference Value – Strike Percentage x Initial Reference Value) / Initial Reference Value]*

In relation to such type, the investor will receive in any case, an amount equal to the Notional Amount multiplied by the maximum between (i) 0% and (ii) the difference between the Final Reference Value and the Initial Reference Value multiplied by the Strike Percentage, divided by Initial Reference Value.

***CALL COVERED WARRANTS***

*Max [0; (Final Reference Value – Exercise Price)] × Multiplier × Minimum Exercise Number*

In relation to such type, the investor will receive an amount equal to the maximum between (i) 0 and (ii) the Final Reference Value less the Exercise Price. The result will be multiplied by the Multiplier and the Minimum Exercise Number.

***CALL SPREAD WARRANTS***

*Notional Amount x Min {CAP; Max [0%; (Final Reference Value – Strike Percentage x Initial Reference Value) / Initial Reference Value]}*

In relation to such type, the investor will receive in any case, an amount equal to Notional Amount multiplied by the minimum between (a) the Cap and (b) the maximum between (i) 0% and (ii) the difference between the Final Reference Value and the Initial Reference Value multiplied by the Strike Percentage, divided by Initial Reference Value.

***PUT WARRANTS***

*Notional Amount x Max [0%; (Strike Percentage x Initial Reference Value - Final Reference Value)/ Initial Reference Value]*

In relation to such type, the investor will receive in any case, an amount equal to the Notional Amount multiplied by the maximum between (i) 0% and (ii) the difference between the Initial Reference Value multiplied by the Strike Percentage and Final Reference Value, divided by Initial Reference Value.

[5] The Barrier Level will never be applicable in relation to Digital Certificates.

***PUT COVERED WARRANTS***

*Max [0; (Exercise Price – Final Reference Value)] × Multiplier × Minimum Exercise Number*

In relation to such type, the investor will receive an amount equal to the maximum between (i) 0 and (ii) the Exercise Price less the Final Reference Value. The result will be multiplied by the Multiplier and the Minimum Exercise Number.

***PUT SPREAD WARRANTS***

*Notional Amount x Min {CAP; Max [0%; (Strike Percentage x Initial Reference Value - Final Reference Value) / Initial Reference Value]}*

In relation to such type, the investor will receive an amount equal to the Notional Amount multiplied by the minimum between (a) the Cap and (b) the maximum between (i) 0% and (ii) the difference between the Initial Reference Value multiplied by the Strike Percentage and Final Reference Value, divided by Initial Reference Value.

***INTEREST RATE WARRANTS***

*[Max (0; Reference Rate - Interest Cap) x Final Notional Amount] x Day Count Fraction*

In relation to such type, the investor will receive, if positive, a Cash Settlement Amount determined by the Calculation Agent on the Settlement Determination Date relating to the Settlement Determination Period and will be equal to the product between: (i) the difference of the Reference Rate less the Interest Cap, (ii) the Final Notional Amount and (iii) the applicable day count fraction, all as specified in the applicable Final Terms.

***CORRIDOR WARRANTS***

if a Barrier Event has not occurred, the investor will receive on the Settlement Date the Settlement Amount predetermined by the Issuer and specified in the applicable Final Terms.

***

**CALCULATION METHOD IN THE CASE OF NEGATIVE[6] PERFORMANCE OF THE UNDERLYING – IF A BARRIER EVENT OR A BARRIER GAP EVENT (in the case of Gap Certificates) OCCURRED:**

**(1) <u>BARRIER EVENT IN THE CASE OF STANDARD LONG CERTIFICATES, MAX LONG CERTIFICATES AND TWIN WIN LONG CERTIFICATES</u>**

In the case of Standard Long Certificates, Max Long Certificates and Twin Win Long Certificates, if **<u>a Barrier Level is provided in the applicable Final Terms and a Barrier Event has occurred</u>**, the Cash Settlement Amount will be calculated in accordance with one of the following formulas:

(i) WITHOUT PROTECTION LEVEL, AIR BAG FACTOR, SIGMA AMOUNT, PREDETERMINED LOSS PERCENTAGE:

a) *(Final Reference Value x Multiplier) x Minimum Exercise Amount*

In such case, the investor will receive on the Settlement Date an amount linked to the performance of the Underlying (i.e. the investment in the Certificate is a direct investment

[6] In case of Max Short Certificates with Barrier Level, the performance of the Underlying will be positive for the purposes of the Barrier Event.

in the Underlying) and therefore may be exposed to the total or partial loss of the capital invested.

If the applicable Final Terms provide a Cap Barrier Amount:

*Min[Cap Barrier Amount; (Final Reference Value x Multiplier)] x Minimum Exercise Amount*

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount specified in the relevant Final Terms.

Or:

b) *{[Initial Reference Value + Down Participation Factor x (Final Reference Value – Initial Reference Value)] x Multiplier} x Minimum Exercise Amount*

In this case the investor will receive, on the Settlement Date, a Cash Settlement Amount that depends on the Down Participation Factor.

(ii) WITH A PROTECTION LEVEL:

*[Max (Final Reference Value; Protection Level) x Multiplier] x Minimum Exercise Amount*

In such case, the protection of the Issue Price will depend on the percentage of the Initial Reference Value that will be set out by the Issuer as Protection Level.

If the applicable Final Terms provide a Cap Barrier Amount:

*Min[Cap Barrier Amount; Max (Final Reference Value; Protection Level) x Multiplier] x Minimum Exercise Amount*

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount specified in the relevant Final Terms.

(iii) WITHOUT PROTECTION LEVEL AND WITH THE AIR BAG FACTOR:

*[(Final Reference Value x Air Bag Factor) x Multiplier] x Minimum Exercise Amount*

In such case, the investor will receive at the maturity an amount which is not directly proportionate to the performance of the Underlying due to the Air Bag Factor. Consequently, the investment loss is lower than the loss of the value of the Underlying. Such reduction of the loss decreases with the reduction of the Final Reference Value until the Final Reference Value is equal to zero.

If the applicable Final Terms provide a Cap Barrier Amount:

*Min[Cap Barrier Amount; (Final Reference Value x Air Bag Factor) x Multiplier] x Minimum Exercise Amount*

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount specified in the relevant Final Terms.

(iv) WITHOUT PROTECTION LEVEL AND WITH THE SIGMA AMOUNT:

*[(Final Reference Value x Multiplier) + Sigma Amount] x Minimum Exercise Amount*

In such case, whatever the performance linked to the Final Reference Value is, the investor will receive at least an amount equal to the Sigma Amount.

If the applicable Final Terms provide a Cap Barrier Amount:

*Min[Cap Barrier Amount; (Final Reference Value x Multiplier)+ Sigma Amount] x Minimum Exercise Amount*

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount specified in the relevant Final Terms.

(v) WITHOUT PROTECTION LEVEL AND WITH THE PREDETERMINED LOSS PERCENTAGE:

*[(Initial Reference Value x Predetermined Loss Percentage) x Multiplier] x Minimum Exercise Amount*

In such case the investor will receive an amount which will depend on the Predetermined Loss Percentage set out in the relevant Final Terms.

**(2) BARRIER EVENT IN THE CASE OF STANDARD SHORT CERTIFICATES, MAX SHORT CERTIFICATES AND TWIN WIN SHORT CERTIFICATES**

In the case of Standard Short Certificates, Max Short Certificates and Twin Win Short Certificates, if **a Barrier Level is provided and a Barrier Event has occurred**, the Cash Settlement Amount will be calculated in accordance with one of the following formulas:

(i) WITHOUT SHORT PROTECTION AND PREDETERMINED LOSS PERCENTAGE:

a) *Max {0; [Initial Reference Value + (Initial Reference Value - Final Reference Value)] x Multiplier} x Minimum Exercise Amount*

In such case, the investor will receive on the Settlement Date an amount which is inversely proportionated to the performance of the Underlying (i.e. in a short position in respect of the Underlying) and therefore may be exposed to the total or partial loss of the capital invested.

If the applicable Final Terms provide a Cap Barrier Amount:

*Min {Cap Barrier Amount; Max {0; [Initial Reference Value + (Initial Reference Value - Final Reference Value)] x Multiplier}} x Minimum Exercise Amount*

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount specified in the relevant Final Terms.

Or:

b) *{Max [0; [Initial Reference Value + Down Participation Factor x (Initial Reference Value – Final Reference Value)]] x Multiplier} x Minimum Exercise Amount*

In this case, on the Settlement Date, the investor will receive a Cash Settlement Amount, that depends on the Down Participation Factor.

(ii) WITH THE SHORT PROTECTION:

*Max {Short Protection; [Initial Reference Value + (Initial Reference Value - Final Reference Value)] x Multiplier} x Minimum Exercise Amount*

In such case, the protection of the Issue Price will depend on the amount of the Short Protection set out in the relevant Final Terms.

If the applicable Final Terms provide a Cap Barrier Amount:

*Min {Cap Barrier Amount; Max {Short Protection; [Initial Reference Value + (Initial Reference Value - Final Reference Value)] x Multiplier}} x Minimum Exercise Amount*

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount specified in the relevant Final Terms.

(iii) WITH THE PREDETERMINED LOSS PERCENTAGE:

*[(Initial Reference Value x Predetermined Loss Percentage) x Multiplier] x Minimum Exercise Amount*

In such case the investor will receive an amount which will depend on the Predetermined Loss Percentage set out in the relevant Final Terms.

**(3) BARRIER EVENT IN THE CASE OF SPREAD CERTIFICATES**

In relation to the Spread Certificates, if **a Barrier Level is provided (indicated as an independant percentage value) and a Barrier Event has occurred**, the Cash Settlement Amount will be calculated pursuant to the following formula:

(i) WITH THE PREDETERMINED LOSS PERCENTAGE

*{{[(Initial Percentage$_A$ x Initial Reference Value$_A$ x Multiplier$_A$) + (Initial Percentage$_B$ x Initial Reference Value$_B$ x Multiplier$_B$)] / 2} x Predetermined Loss Percentage} x Minimum Exercise Amount*

In this scenario, the amount that the investor will receive on the Settlement Date will depend on the Predetermined Loss Percentage set out in the relevant Final Terms by the Issuer;

(ii) WITH THE SPREAD PROTECTION

*{{[(Initial Percentage$_A$ x Initial Reference Value$_A$ x Multiplier$_A$) + (Initial Percentage$_B$ x Initial Reference Value$_B$ x Multiplier$_B$)] / 2} x [1 + Max(Spread Protection; Spread +/- Margin)]} x Minimum Exercise Amount*

In such case, the protection of the Issue Price will depend on the percentage set out by the Issuer in the applicable Final Terms as the Spread Protection.

If the applicable Final Terms provide a Cap Barrier Amount:

*Min{Cap Barrier Amount; {{[(Initial Percentage$_A$ x Initial Reference Value$_A$ x Multiplier$_A$) + (Initial Percentage$_B$ x Initial Reference Value$_B$ x Multiplier$_B$)] / 2} x [1 + Max(Spread Protection; Spread +/- Margin)]} x Minimum Exercise Amount*

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount specified in the relevant Final Terms.

(iii) WITHOUT THE PREDETERMINED LOSS PERCENTAGE OR THE SPREAD PROTECTION

The Cash Settlement Amount will be calculated pursuant to one of the following formulas and in accordance with the relevant Final Terms:

**a) Amount linked to the Spread**

*{[((Initial Percentage$_A$ x Initial Reference Value$_A$ x Multiplier$_A$) + (Initial Percentage$_B$ x Initial Reference Value$_B$ x Multiplier$_B$))] / 2 x Max[0; (1+ Participation Factor (Spread +/- Margin))]} x Minimum Exercise Amount*

In such case, the investor will receive on the Settlement Date an amount directly linked to the Spread and therefore the investor may be exposed to the total or partial loss of the capital invested.

If the applicable Final Terms provide a Cap Barrier Amount:

*Min {Cap Barrier Amount; {[((Initial Percentage$_A$ x Initial Reference Value$_A$ x Multiplier$_A$) + (Initial Percentage$_B$ x Initial Reference Value$_B$ x Multiplier$_B$))] / 2 x Max[0;(1 +Participation Factor (Spread +/- Margin))]}} x Minimum Exercise Amount*

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount specified in the relevant Final Terms;

Or:

**b) Amount linked to the performance of the Underlying A**

*Final Reference Value$_A$ x Multiplier$_A$ x Minimum Exercise Amount*

In this case the investor will receive on the Settlement Date an amount linked to the Performance of the Underlying A (i.e. the investment in the Certificate is a direct investment in the Underlying A) and therefore the investor may be exposed to the total or partial loss of the capital invested.

If the applicable Final Terms provide a Cap Barrier Amount:

*Min [Cap Barrier Amount; (Final Reference Value$_A$ x Multiplier$_A$)] x Minimum Exercise Amount*

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount specified in the relevant Final Terms;

Or:

**c) Amount linked to the performance of the Underlying B**

*Final Reference Value$_B$ x Multiplier$_B$ x Minimum Exercise Amount*

In such case, the investor will receive on the Settlement Date an amount linked to the Performance of the Underlying B (i.e. the investment in the Certificate is a direct investment in the Underlying B) and therefore the investor may be exposed to the total or partial loss of the capital invested.

If the applicable Final Terms provide a Cap Barrier Amount:

*Min [Cap Barrier Amount; (Final Reference Value$_B$ x Multiplier$_B$)] x Minimum Exercise Amount*

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount specified in the relevant Final Terms.

**(4) BARRIER EVENT IN THE CASE OF MULTIPERFORMANCE LONG CERTIFICATES AND MULTIPERFORMANCE MAX LONG CERTIFICATES**

(i) WITHOUT THE PROTECTION AMOUNT:

*Issue Price x (1+ Down Participation Factor x Cumulated Performance) x Minimum*

*Exercise Amount*

In such case, the investor will receive on the Settlement Date an amount which will depend on the Cumulated Performance of the Underlyings and the Down Participation Factor, as specified in the applicable Final Terms.

(ii) WITH THE PROTECTION AMOUNT:

*Max [Protection Amount; Issue Price x (1+ Down Participation Factor x Cumulated Performance)] x Minimum Exercise Amount*

In such case, the Cash Settlement Amount will not be lower than the amount specified in the applicable Final Terms as the Protection Amount.

**(5) BARRIER EVENT IN THE CASE OF MULTIPERFORMANCE SHORT CERTIFICATES AND MULTIPERFORMANCE MAX SHORT CERTIFICATES**

(i) WITHOUT THE PROTECTION AMOUNT:

*Issue Price x (1- Down Participation Factor x Cumulated Performance) x Minimum Exercise Amount*

In such case, the investor will receive on the Settlement Date an amount which will depend on the Cumulated Performance of the Underlyings and the Down Participation Factor, as specified in the applicable Final Terms.

(ii) WITH THE PROTECTION AMOUNT:

*Max [Protection Amount; Issue Price x (1- Down Participation Factor x Cumulated Performance)] x Minimum Exercise Amount*

In such case, the Cash Settlement Amount will not be lower than the amount specified in the applicable Final Terms as the Protection Amount.

**(6) BARRIER GAP EVENT IN THE CASE OF GAP LONG CERTIFICATES**

*Issue Price x Max [0; 100% + Barrier Gap Leverage x (Gap Daily Performance - Barrier Gap Level)] x Minimum Exercise Amount*

In such case, the investor will receive on the Settlement Date an amount which will depend on the Barrier Gap Leverage, the Gap Daily Performance and the Barrier Gap Level. Therefore the investor may be exposed to the total or partial loss of the capital invested.

**(7) BARRIER GAP EVENT IN THE CASE OF GAP SHORT CERTIFICATES**

*Issue Price x Max [0; 100% + Barrier Gap Leverage x (Barrier Gap Level - Gap Daily Performance)] x Minimum Exercise Amount*

In such case, the investor will receive on the Settlement Date an amount which will depend on the Barrier Gap Leverage, the Gap Daily Performance and the Barrier Gap Level. Therefore the investor may be exposed to the total or partial loss of the capital invested.

**(8) BARRIER EVENT IN THE CASE OF DUAL CURRENCY FX LONG/SHORT CERTIFICATES**

The investor will receive on the Settlement Date an amount in the Settlement Currency, which may be the Issue Currency or the Dual Currency, depending on the Final Reference Value of the

Underlying (which will be an exchange rate), and it will be calculated pursuant to one of the following formulas set out in the relevant Final Terms:

**a. If the Barrier Event depends on the Final Reference Value:**

*[(Initial Percentage x Initial Reference Value x Multiplier) x Conversion Rate]*

In this case the investor will receive a predetermined amount in the Dual Currency, which will depend on the Conversion Rate and on the Initial Percentage.

**b. If the Barrier Event depends on the Reference Value:**

(i) If the Final Reference Value is equal to or higher than (in case of Dual Currency FX Long Certificates) or is equal to or lower than (in case of Dual Currency FX Short Certificates) the Strike Level:

*Initial Percentage x Initial Reference Value x Multiplier*

In this case the investor will receive a predetermined amount in the Issue Currency that depends on a percentage of the Initial Reference Value, i.e. the Initial Percentage.

(ii) If the Final Reference Value is lower than (in case of Dual Currency FX Long Certificates) or higher than (in case of Dual Currency FX Short Certificates) the Strike Level:

*[(Initial Percentage x Initial Reference Value x Multiplier) x Conversion Rate]*

In this case the investor will receive a predetermined amount in the Dual Currency, which will depend on the Conversion Rate and on the Initial Percentage.

****

In relation to the Remuneration Amounts, the Early Redemption Amount and the Cash Settlement Amount, the following options concerning the underlying assets may be applicable, as specified from time to time in the relevant Final Terms:

***Series with two or more underlying assets***

**Best Of Feature**

For the calculation of the Settlement Amount and/or the Early Redemption Amount (if applicable) and/or of any Remuneration Amounts (if applicable), the Calculation Agent selects, in relation to the relevant valuation period, the Best Of Underlying which is the underlying asset with the first, second or third (and so on, depending on the number of the Underlyings and as specified in the Final Terms) best Performance compared with the other underlying assets.

**Worst Of Feature**

For the calculation of the Settlement Amount and/or the Early Redemption Amount (if applicable) and/or of any Remuneration Amounts (if applicable), the Calculation Agent selects, in relation to the relevant valuation period, the Worst Of Underlying which is the underlying asset with the first, second or third (and so on, on the basis of the number of the Underlyings and as specified in the Final Terms) worst Performance compared with the other underlying assets.

*Series with a Basket as Underlying*

**Digital Combo Feature (in case of Digital Amounts)**

For the calculation of the Digital Amount, the Calculation Agent will determine whether a Digital Event has occurred (and eventually will determine the Consolidation Level, the Memory Level, the Knock-out Level, the Knock-in Level) in relation to each Basket Constituent. The amount of the Digital Amount will therefore depend on the number of Basket Constituents in relation to which the Digital Event has occurred.

**Participation Combo Feature (in case of Participation Remuneration Amounts)**

For the calculation of the Participation Remuneration Amounts linked to a Basket, the Calculation Agent will determine (i) the arithmetic mean or (ii) the weighted average (as specified in the applicable Final Terms) or (iii) the sum of the Participation Remuneration Amounts for each single Basket Constituent, as calculated taking into account for each single Basket Constituent the relevant CAP (if applicable), Floor Percentage, Participation Factor, Strike Remuneration Percentage, Base Premium Percentage (if applicable) and Participation Remuneration Amount Gearing (if applicable), as defined in the Final Terms. However, for the purpose of the calculation of the Cash Settlement Amount and the Early Redemption Amount (if applicable), the Calculation Agent will take into account the Initial Reference Value, the Final Reference Value, the Early Redemption Level (if applicable), the Barrier Level (if applicable), the Cap Level (if applicable) and the Protection Level (if applicable) in relation to the Basket as a whole. Such calculation method shall not apply to Spread Certificates and Multiperformance Certificates.

**Rainbow Feature**

Unlike the instruments linked to one or more Underlying(s), the Issuer will indicate in the Final Terms: (i) the financial activities which represent the Basket Constituents, (ii) the relative weighting within the Basket without any preliminary reference to specific financial activities and (iii) the objective criteria pursuant to which the weight will be allocated by the Calculation Agent (for instance, in a Basket constituted by three financial activities, the Basket would be weighted as follows: 50% for the Basket Constituent with the best performance; 30% for the Basket Constituent with the worst performance; and 20% for a Basket Constituent with the second best performance).

For each determination (during the life of the Certificates and at the exercise date), the Calculation Agent will weigh the relevant Basket Constituents on the basis of the performance registered on such Determination Date and pursuant to the objective criteria provided under the Final Terms. The allocation of the weights within a Basket may result differently on each Determination Date and depending on the performance of the Basket Constituents.

The Calculation Agent will then calculate the total amount of the Basket pursuant to the methods applied to the instruments normally linked to the Basket. Such feature shall not apply to the Spread Certificates.

**ANNEX TO THE TERMS AND CONDITIONS OF THE SECURITIES -**

**FORM OF PHYSICAL DELIVERY CONFIRMATION NOTICE**

**BANCA IMI S.p.A.** (the **Issuer**)

[**Details of issue**]

(the **Securities**)

When completed this Physical Delivery Confirmation Notice should be sent by authenticated swift message (to be confirmed in writing) to whichever of Euroclear or Clearstream, Luxembourg records or will record on its books ownership of the Securities being exercised, with a copy to the Principal Security Agent and to the Issuer or, if the Physical Delivery Confirmation Notice relates to Securities represented by Definitive Securities, should be delivered along with the Securities to the Issuer with a copy to the Principal Security Agent. The Issuer will not in any circumstances be liable to the Securityholder or any other person for any loss or damage to any Definitive Securities deposited with it, unless such loss or damage was caused by the fraud or negligence of the Issuer or its directors, officers or employees.

To:

[Euroclear Bank S.A./N.V.
1 Boulevard du Roi Albert II
B–1210 Brussels
Belgium]

or: [Clearstream Banking, S.A.
42 Avenue JF Kennedy
L-1855 Luxembourg]*[7]

or: [Banca IMI S.p.A.
Largo Mattioli, 3
20121 Milan
Italy]*

cc: BNP Paribas Securities Services,
Luxembourg Branch
60, avenue J.F. Kennedy, Luxembourg
L-2085 Luxembourg
(Attention: Corporate Trust Services)

[Banca IMI S.p.A.
Largo Mattioli, 3
20121 Milan
Italy]*

[7] *Delete as applicable

If this Physical Delivery Confirmation Notice is determined to be incomplete or not in proper form (in the determination of the Principal Security Agent), or is not copied to the Principal Security Agent and the Issuer immediately after being delivered or sent to Euroclear or Clearstream, Luxembourg (or, in the case of Definitive Securities, is not delivered to the Issuer and copied to the Principal Security Agent), it will be treated as null and void.

If this Physical Delivery Confirmation Notice is subsequently corrected to the satisfaction of Euroclear or Clearstream, Luxembourg, in consultation with the Issuer and the Principal Security Agent (or, in the case of Definitive Securities, to the satisfaction of the Issuer in consultation with the Principal Security Agent), it will be deemed to be a new Physical Delivery Confirmation Notice submitted at the time such correction was delivered to Euroclear or Clearstream, Luxembourg and copied to the Issuer and the Principal Security Agent (or, in the case of Definitive Securities, to the Issuer and copied to the Principal Security Agent).

This Physical Delivery Confirmation Notice should be completed and delivered as provided in the terms and conditions of the Securities as amended and/or supplemented by the relevant provisions of the applicable Terms of the Issue (the Conditions). Expressions defined in such Conditions shall bear the same meanings herein.

This Physical Delivery Confirmation Notice will be null and void unless the beneficial owner certifies on the date of exercise that such owner is not a "U.S. person" as such term may be defined in Regulation S under the United States Securities Act of 1933, as amended (the Securities Act), and no securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with this Physical Delivery Confirmation Notice.

PLEASE USE BLOCK CAPITALS

1. Name(s) and Address(es) of Securityholders:

Name

Address

2. Series Number and Number of Securities

The series number of Securities the subject of this notice is:

The number of Securities the subject of this notice is as follows:

Securities [ ]

3. Account details:

[I/We* hereby irrevocably instruct Euroclear/Clearstream, Luxembourg* to debit on or before the Settlement Date my/our* Securities Account specified below with the number of Securities the subject of this notice.]* I/We* hereby undertake to pay any applicable Expenses and I/we* hereby irrevocably instruct Euroclear/Clearstream, Luxembourg/the Principal Security Agent* to debit my/our* Cash Account specified

below with an amount or amounts in respect thereof and to pay such Expenses to the extent of such amount or amounts].

My/Our* account details are as follows:

[Securities Account with Euroclear/Clearstream, Luxembourg*

No.:

Name: ]

Cash Account with Euroclear/Clearstream, Luxembourg

No.:

Name: *

4. Settlement

4.1 Not applicable for Currency Securities

Insert details (as detailed in the applicable Terms of the Issue) as to how Entitlement is to be delivered:

Any cash payable (either in the event of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity occurring and the Issuer electing to pay the Settlement Disruption Amount or the Failure to Deliver Settlement Price) should be credited to my/our Cash Account specified in paragraph 3.

4.2 Applicable to Currency Certificates Only

My/Our Cash Account to be credited with the amount due to me/us* in respect of the Certificates the subject of this notice are set out in paragraph 3.

5. Certification of Non-U.S. beneficial ownership

The undersigned hereby certify/ies that as of the date hereof none of the Certificates exercised hereby is or will be beneficially owned, directly or indirectly, by a "U.S. person" as such term may be defined in Regulation S under the Securities Act and no securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with this Physical Delivery Confirmation Notice.

I/We understand that certain portions of this Physical Delivery Confirmation Notice are required in connection with certain tax, securities and other laws of the United States. If administrative or legal proceedings are commenced or threatened in connection with which this Physical Delivery Confirmation Notice is or would be relevant, I/we irrevocably authorise you to produce this Physical Delivery Confirmation Notice to any interested party in such proceedings.

Terms used herein and not otherwise defined shall have the meaning ascribed to them in the Terms and Conditions of the Securities.

Name(s) of Securityholder(s):

Signed/By:

Dated:

[N.B. If the provisions of Condition 4(C) (Issuer's Option to vary Settlement) apply then amendment will need to be made to this form of Physical Delivery Confirmation Notice to reflect such option.]

## USE OF PROCEEDS

The Issuer intends to use the net proceeds from each issue of Securities for general corporate purposes, including making a profit. A substantial portion of the proceeds may be used to hedge market risks with respect to the Securities. If in respect of any particular issue of Securities, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

## DESCRIPTION OF THE ISSUER

### History of the Issuer

The Issuer is a banking institution established under Italian law. It is the result of a number of reorganisations, which have resulted in:

(i) the merger of the securities companies which operated under the names of Caboto Sim – Società di Intermediazione Mobiliare S.p.A. and Caboto Società di Intermediazione Mobiliare S.p.A. within the former Banca Intesa banking group into Banca Primavera S.p.A., a bank duly authorised by the Bank of Italy, which then changed its corporate name into Banca Caboto S.p.A., effective from 1 January 2004. Banca Caboto S.p.A. was then as resulting entity the investment bank of the former Banca Intesa banking group; and

(ii) the merger of Banca d'Intermediazione Mobiliare IMI S.p.A., the investment bank of the former Sanpaolo IMI banking group, into Banca Caboto S.p.A., which then changed its corporate name into Banca IMI S.p.A., effective from 1 October 2007.

The merger by incorporation referred to at paragraph (ii) above was part of a broader rationalisation of the business and companies belonging to the former Banca Intesa and Sanpaolo IMI banking groups upon merger of the two banking group in the Intesa Sanpaolo banking group effective from 1 January 2007.

The Intesa Sanpaolo Group is the result of the merger effective from 1 January 2007 of Sanpaolo IMI S.p.A. with Banca Intesa S.p.A. The former Banca Intesa banking group, prior to the merger, was also the result of a series of mergers, having been brought into existence in 1998 by the merger of Cariplo and Ambroveneto, followed in 1999 by the public exchange offer for 70 per cent. of Banca Commerciale Italiana, which was merged by incorporation in 2001. The former Sanpaolo IMI group was the result of the merger of Istituto Bancario San Paolo di Torino and Istituto Mobiliare Italiano in 1998, and of the subsequent integration of Banco di Napoli, in 2000 and of Gruppo Cardine, in 2002.

On 29 July 2009 Banca IMI S.p.A.'s extraordinary shareholders' meeting resolved in favour of a capital increase of Euro 750 million, including any premium price, which capital increase was subscribed by the sole shareholder Intesa Sanpaolo S.p.A. by contributing the *Investment Banking* business division to Banca IMI, thereby completing the integration of Banca Caboto and Banca IMI.

On 6 February 2018 the Board of Directors of Intesa Sanpaolo S.p.A., the parent company of the Issuer, approved the Group's 2018-2021 Business Plan (the "**Plan**"). The Plan lays down measures aimed, *inter alia*, at cost reduction through further simplification of the operating model. According to the Plan, 12 legal entities of the Intesa Sanpaolo Group, including Banca IMI, will be merged into the parent company Intesa Sanpaolo S.p.A..

### Legal and Commercial Name of the Issuer

The legal and commercial name of the Issuer is Banca IMI S.p.A., or in short form IMI S.p.A.

### Place of Registration and Registration Number of the Issuer

The Issuer is registered with the Companies' Register of Milan under No. 04377700150. The Issuer is also registered with the Register of Banks held by the Bank of Italy under No. 5570 and is part of the Intesa Sanpaolo Banking Group, which is registered with the Register of Banking Groups (*Albo dei Gruppi Bancari)* and a member of the Interbank Deposit Protection Fund (*Fondo Interbancario di Tutela dei Depositi*).

**Date of Establishment and Duration of the Issuer**

The Issuer was established on 29 March 1979 by a notarial deed of the Notary public Landoaldo de Mojana. The duration of the Issuer is until 31 December 2100 and may be extended by an extraordinary resolution of the shareholders' meeting, passed with the quorum provided for by law.

**Legal Status, Registered office and Share Capital of the Issuer**

The Issuer is an Italian bank established as a company limited by shares (*società per azioni*). The Issuer is incorporated and carries out its business under Italian law. The Issuer operates under Legislative Decree No. 385 of 1 September 1993, as amended (the "**Italian Consolidated Banking Act**") and the implementing regulations of the Bank of Italy, and under Legislative Decree No. 58 of 24 February 1998, as amended (the "**Italian Consolidated Financial Act**") and the implementing regulations of CONSOB. The Courts of Milan have jurisdiction in respect of any disputes. The Issuer, both as a bank and as a member of the Intesa Sanpaolo banking group, is subject to the Bank of Italy's and European Central Bank's prudential supervision. The Issuer is a company belonging to the Intesa Sanpaolo Group, of which Intesa Sanpaolo S.p.A. is the parent company, and is subject to the management and co-ordination of its sole shareholder, Intesa Sanpaolo S.p.A.

The registered and administrative office of the Issuer is in Largo Mattioli, 3, 20121 Milan, with telephone number +39 02 72611. The Issuer has offices in Rome and a branch in London, at 90 Queen Street, London EC4N 1SA, United Kingdom.

At 31 December 2018, the Issuer's issued and paid up share capital amounted to €962,464,000, divided into 962,464,000 ordinary shares. The shares are in registered form and each share entitles to one vote. Intesa Sanpaolo S.p.A. holds directly 100 per cent. of the fully subscribed and paid up share capital of the Issuer.

**Independent Auditors**

The Issuer's shareholders' general meeting held on 20 December 2011 resolved to appoint KPMG S.p.A., with registered office at Via V. Pisani, 25, 20121 Milan, as independent auditors of the Issuer for the annual and half-yearly non-consolidated and consolidated financial statements of the Issuer for each financial year in the nine year period 2012-2020.

The KPMG S.p.A.'s audit reports on the Issuer's unconsolidated financial statements for the financial year ending 31 December 2017 and on the Issuer's consolidated financial statements for the financial year ending 31 December 2017 were issued without qualification or reservation.

The KPMG S.p.A.'s audit reports on the Issuer's unconsolidated financial statements for the financial year ending 31 December 2018 and on the Issuer's consolidated financial statements for the financial year ending 31 December 2018 were issued without qualification or reservation.

## OVERVIEW OF ACTIVITIES

**Description of the Issuer's main activities**

The Issuer is the investment banking arm and securities firm of Gruppo Intesa Sanpaolo and it offers a wide range of capital markets, investment banking and special lending services to a diversified client base including banks, companies, institutional investors, entities and public bodies.

The Issuer's business is divided into three business segments: *Global Markets, Investment Banking* and *Structured Finance*.

The *Global Markets* division is in charge of all activities relating to the markets area, including risk management for institutional and corporate clients and the trading and distribution of financial instruments, both

on its own account and on account of third parties; the business unit remains responsible for capital markets operations of a more structural nature (treasury and funding, investment and management portfolio, and bond issues) and monitoring the Bank's overall risk profiles.

The *Investment Banking* division provides placing and arranging services for equity, debt instruments and hybrid instruments as well as consultancy and advisory services in respect of merger, acquisition, divestment and restructuring transactions.

The *Structured Finance* division provides corporate borrowers with leveraged and acquisition finance lending services, project finance lending (both in the domestic and in the international market), tailor-made structured finance, special financing services, market risk management through syndication, market placement of syndicated transactions, real estate financial advisory and real estate structured financings.

The Issuer is mainly active in the Italian financial market and, to a lesser extent, in other European Union and U.S. markets.

**ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES**

**Board of Directors**

The Issuer's Board of Directors is composed, pursuant to the by-laws of the Issuer, of a minimum of seven and a maximum of eleven members appointed by the shareholders of Banca IMI S.p.A.

The current Board of Directors of Banca IMI S.p.A. is composed of eleven members. Each member shall remain in office until the date of approval of the financial statements as at 31 December 2021.

The following table specifies the name, position and the main activities carried out outside the Issuer (if relevant with regard to the Issuer) of the members of the Board of Directors:

| NAME AND POSITION | PRINCIPAL ACTIVITIES PERFORMED OUTSIDE THE ISSUER WHERE RELEVANT WITH REGARD TO THE ISSUER |
|---|---|
| **Gaetano Miccichè**<br>Chairman | Member of the Board of Directors of RCS S.p.A. |
| **Giuliano Asperti**<br>Senior Deputy Chairman | Chairman of SIA S.p.A.<br>Chairman of IDeaMI S.p.A. |
| **Fabio Alberto Roversi Monaco**<br>Deputy Chairman | Chairman and Chief Executive Officer of Società Museo della Città di Bologna S.r.l.. |
| **Mauro Micillo**<br>Chief Executive Officer | Member of the Board of Directors of Intesa Sanpaolo Innovation Center S.c.p.A. |
| **Giuseppe Attanà**<br>Board Member | Chairman of eMID SIM S.p.A.<br>Member of the Board of Directors of Intesa Sanpaolo Vita |

| NAME AND POSITION | PRINCIPAL ACTIVITIES PERFORMED OUTSIDE THE ISSUER WHERE RELEVANT WITH REGARD TO THE ISSUER |
|---|---|
| | S.p.A.<br>Member of the Board of Directors of Be Consulting S.p.A. |
| **Aureliano Benedetti**<br>Board Member | He has no significant roles outside the Issuer with regard to the Issuer itself |
| **Fabio Buttignon**<br>Board Member | Professor at the University of Padova, Department of Economics and Management "Marco Fanno"<br>Member of the Board of Directors of AFV Acciaierie Beltrame S.p.A.<br>Member of the Board of Directors of Benetton S.r.l.<br>Member of the Board of Directors of Carraro S.p.A.<br>Member of the Board of Directors of Edizione S.r.l.<br>Member of the Board of Directors of EPS Equita PEP SPAC S.p.A.<br>Member of the Board of Directors of ICF Group S.p.A.<br>Member of the Board of Directors of Lotto Sport S.p.A.<br>Member of the Board of Directors of SIT S.p.A.<br>Member of the Board of Directors of Stevanato Group S.p.A.<br>Member of the Board of Directors of Valentino S.p.A.<br>Standing Auditor of Aquafil S.p.A.<br>Standing Auditor of Electrolux Professional S.p.A.<br>Standing Auditor of Electrolux Italia S.p.A.<br>Standing Auditor of ICM S.p.A. |
| **Vincenzo De Stasio**<br>Board Member | Professor at the University of Bergamo, Faculty of Law |

| NAME AND POSITION | PRINCIPAL ACTIVITIES PERFORMED OUTSIDE THE ISSUER WHERE RELEVANT WITH REGARD TO THE ISSUER |
|---|---|
| **Paolo Maria Vittorio Grandi**<br>Board Member | Chairman of Fideuram Intesa Sanpaolo Private Banking S.p.A.<br>Chairman of Banca Prossima S.p.A.<br>Chairman of Intesa Sanpaolo Holding International SA Luxembourg<br>Member of the Board of Directors of PFH Palladio Holding |
| **Massimo Mattera**<br>Board Member | He has no significant roles outside the Issuer with regard to the Issuer itself |
| **Gerardo Pisanu**<br>Board Member | Member of the Board of Directors of Banca Intesa Sanpaolo REOCO S.p.A. |

The Board was appointed by the shareholders' meeting held on 16 April 2019.

All the members of the Board of Directors set out above fulfill the expertise and integrity requirements established by current laws and regulations.

For the purposes of their positions at Banca IMI S.p.A., the members of the Board of Directors set out above are domiciled at the offices of Banca IMI, in Milan.

No Executive Committee has been appointed.

**Chief Executive Officer**

Mauro Micillo, born in Desenzano del Garda on 19 January 1970, has held the position of Managing Director and Chief Executive Officer of the Issuer since 14 April 2015 and as been confirmed by the Board of Directors on 16 April 2019 until the end of his term of office (approval of the financial statements as at 31 December 2021).

**General Manager**

Massimo Mocio, born in Viterbo on 8 July 1961, has held the position of General Manager of the Issuer since 18 January 2018.

**Board of Statutory Auditors**

The Board of Statutory Auditors of Banca IMI S.p.A. is composed, pursuant to the by-laws of the Issuer, of three standing statutory auditors and two alternate statutory auditors.

The current Board of Statutory Auditors of Banca IMI S.p.A. was appointed by the shareholders' meeting held on 16 April 2019 and is composed of three standing statutory auditors and two alternate statutory auditors.

The current Board of Statutory Auditors will expire upon approval of the financial statements as at 31 December

2021.

The following table specifies the name, position and the main activities carried out outside the Issuer (if relevant with regard to the Issuer) of the members of the Board of Statutory Auditors:

| NAME AND POSITION | MAIN ACTIVITIES CARRIED OUT OUTSIDE THE ISSUER WHERE RELEVANT WITH REGARD TO THE ISSUER |
|---|---|
| **Giulio Stefano Lubatti**<br>Chairman | Chairman of the Board of Statutory Auditors of Fideuram Intesa Sanpaolo Private Banking S.p.A.<br>Chairman of the Board of Statutory Auditors of Intesa Sanpaolo Private Banking S.p.A. |
| **Stefania Mancino**<br>Standing Statutory Auditor | Standing Auditor of Metano Sant'Angelo Lodigiano (Italgas S.p.A.)<br>Standing Auditor of Eureka! Venture SGR S.p.A.<br>Standing Auditor of Umbria Distribuzione Gas S.p.A. |
| **Carlo Maria Bertola**<br>Substitute Statutory Auditor | Chairman of the Board of Statutory Auditors of Massimo Moratti S.a.p.a.<br>Chairman of the Board of Statutory Auditors of Atam S.p.A.<br>Chairman of the Board of Statutory Auditors of Mobro S.p.A.<br>Chairman of the Board of Statutory Auditors of Nibaspa S.r.l.<br>Standing Auditor of Atlanet S.p.A.<br>Standing Auditor of Mercurio S.p.A.<br>Member of the Board of Directors of Consulenti Professionisti Associati S.p.A.<br>Chairman of Metodo S.r.l. |
| **Alessandro Cotto**<br>Substitute Statutory Auditor | Chairman of the Board of Statutory Auditors of NEVA FINVENTURES S.p.A.<br>Standing Auditor of Farmaceutici dott. Ciccarelli S.p.A.<br>Standing Auditor of Intesa Sanpaolo Assicura S.p.A.<br>Standing Auditor of Sanpaolo Invest S.p.A.<br>Standing Auditor of IDEAMI S.p.A.<br>Standing Auditor of Experentia S.r.l.<br>Standing Auditor of Intesa Sanpaolo Innovation Center S.c.p.A.<br>Standing Auditor of Intesa Sanpaolo Smart Care S.r.l<br>Chairman-Chief Executive Officer of Eutekne S.p.A.<br>Director Secretary of the Board of Directors of the Study Group for the Development of Legal and Economic Disciplines |
| **Giovanni Brondi** | Chairman of the Board of Statutory Auditors and the |

| NAME AND POSITION | MAIN ACTIVITIES CARRIED OUT OUTSIDE THE ISSUER WHERE RELEVANT WITH REGARD TO THE ISSUER |
|---|---|
| Substitute Statutory Auditor | Supervisory Board pursuant to Legislative Decree 231/2001 of Banca Prossima S.p.A.<br><br>Chairman of the Board of Statutory Auditors and the Supervisory Board pursuant to Legislative Decree 231/2001 of Intesa Sanpaolo REOCO S.p.A.<br><br>Sole Auditor of AQM S.r.l.<br><br>Statutory Auditor and Supervisory Board pursuant to Legislative Decree 231/2001 of Fits! Foundation for Innovation in the Third Sector<br><br>Sole Auditor of the PAN Consortium<br><br>Standing Statutory Auditor of Commerciale Siderurgica Bresciana S.p.A. |

For the purposes of their positions at Banca IMI S.p.A. the members of the Board of Statutory Auditors set out above are domiciled at the offices of Banca IMI S.p.A., in Milan.

**Conflicts of interest of members of the Board of Directors and the Board of Statutory Auditors**

As at the date of publication of this Base Prospectus, based on the duties of disclosure of directors and statutory auditors pursuant to article 2391 of the Italian civil code and article 136 of Legislative Decree no. 385/1993, the Issuer is not aware of any potential conflicts of interest between the obligations of the member of the board of directors to the Issuer and their private obligations and/or interests.

**LEGAL AND ARBITRATION PROCEEDINGS**

The administrative, legal or arbitration proceedings that may have or that have recently had a material effect on the Issuer's financial condition or profitability are described below.

As of 31 December 2018 provisions for risks and charges are in the amount of approximately Euro 25.3 million.

At the annual level, there were costs of Euro 40 million (Euro 37 million in 2017) for the charges relating to the ex-ante contribution to the Single Resolution Mechanism pursuant to Directive 2014/59/EU.

The risks associated with legal disputes, potential litigation and other claims received are subject to periodic analysis. Where there are legal obligations which are likely to require the outlay of economic resources, and if it is possible to make a reliable estimate of the relative amount, appropriate accruals are made to the provisions for risks and charges. Such accruals include related legal costs, particularly when significant. The size of these accruals is consequently adjusted to take into account changes in the underlying risks. At present, for any of the disputes in place the risk of outlay is estimated as probable, or assumes a significant feature. A dispute, or a set of disputes, which may result in an outlay exceeding Euro 20 million, is considered significant; in the light of this, there is no description of the dispute in the present Base prospectus, except as described below.

It should be noted that during the second half of 2017, the SEC proceedings regarding Banca IMI Securities Corp. reached their conclusion with the payment of a total sum of about USD 35 million. The claim was imposed on the company following ascertained violations of Article 15(b)(4)(E) of the Exchange Act and Article 17(a)(3) of the Securities Act.

In October 2016, the Antitrust Division of the Department of Justice ("**DoJ**") launched a connected investigation on such matter. Banca IMI Securities Corp. has supported for both the 2017 and 2018 Antitrust Division investigations with the production of documents and information. At present, the subsidiary is actively engaged, with a view to fully cooperate with the DoJ, for the purpose of a positive resolution of the investigation. In the preparation of the annual report as at 31 December 2018 of Banca IMI Securities Corp., the provisions for risks and charges were deemed appropriate to cover any liabilities that may arise.

***Tax Litigation***

At 31 December 2018 the residual tax litigation referred to the tax years 2003, 2004 and 2005 of the former Banca d'Intermediazione Mobiliare IMI, with an overall demand of 20 million for taxes, fines and interest. A total of approximately 16 million euro in provisional deposits was paid in relation to the residual tax litigation; the entire amount was deducted from tax provisions allocated, with no credit entry charged. In the event of losing the case, these amounts will be deducted from the amount owing to close the litigation or will be returned to Banca IMI if the case is won.

Additional provisions allocated to the relative tax fund cover the contingent tax liability estimate and the possible non-recognition of the registered tax credits in relation to taxes and withholdings for which a refund has been requested.

The Bank, which for the Tax Authorities is described as a "large taxpayer", is periodically required to provide data and information on specific financial industry issues or about the procedures used to calculate the taxable base. In this regard, it is appropriate to mention the questionnaire from the Guardia di Finanza in February 2015 about certain decreases in tax returns for the years 2010 to 2013; the questionnaire from the Italian Inland Revenue in December 2016 concerned the Italian "Tobin Tax" and the questionnaire in August 2017 concerned economic growth aid (the ACE facilities).

In the course of 2018, the Italian Revenue Agency (*Agenzia delle Entrate*) launched a general audit on the 2015 fiscal year (for direct taxation, VAT, IRAP and withholding tax obligations). The audit ended in July without the emergence of any significant issue.

With reference to the current litigation, assessments on the facilitated settlement of tax disputes, pursuant to Decree Law 118/2018, are underway. No significant effects on the income statement are expected from such settlement.

**SELECTED FINANCIAL AND BALANCE SHEET FIGURES RELATING TO THE ISSUER**

The following table contains certain selected solvency figures relating to the Issuer on a non-consolidated basis as at 31 December 2018, compared to corresponding figures as at 31 December 2017.

| | **31 December 2018** | **31 December 2017** |
|---|---|---|
| Common equity Tier 1 / Risk-weighted assets (CET1 capital ratio) | 10.19% | 10.90% |
| Tier 1 / Risk-weighted assets (Tier 1 capital ratio) | 14.17% | 15.56% |
| Total own funds / Risk-weighted assets (Total capital ratio) | 14.22% | 15.56% |
| **Regulatory capital (in EUR millions)** | | |
| Tier 1 capital | 4,264.6 | 3,941.6 |
| Tier 2 capital (T2) | 12.9 | - |

| | 31 December 2018 | 31 December 2017 |
|---|---|---|
| Total capital | 4,277.5 | 3,941.6 |

The following table contains certain selected credit quality figures relating to the Issuer on a consolidated basis as at 31 December 2018, compared to corresponding figures as at 31 December 2017

| | 31 December 2018 | 31 December 2017 |
|---|---|---|
| Gross doubtful exposures / gross exposures | 0.24% | 0.42% |
| Net doubtful exposures / net exposures | 0.01% | 0.08% |
| Gross non-performing exposures / gross exposures | 1.79% | 2.90% |
| Net non-performing exposures / net exposures | 0.90% | 2.04% |
| Non-performing exposures coverage ratio | 53.51% | 37.49% |
| Doubtful exposures coverage ratio | 97.37% | 83.35% |
| Net doubtful exposures / equity | 0.05% | 0.47% |

The following table contain certain selected income statement and balance sheet figures extracted from the Issuer's audited non-consolidated financial statements for the financial year ending 31 December 2018, compared with corresponding figures for the financial year ending 31 December 2017.

***Income Statement Figures***

| | 31 December 2018 | 31 December 2017 | Percentage Variation |
|---|---|---|---|
| | *(EUR million)* | | *(per cent.)* |
| Net interest income | 570.8 | 504.3 | 13.2 |
| Net fee and commission income | 259.5 | 311.9 | -16.8 |
| Total income | 1,665.7 | 1,540.2 | 8.1 |
| Net financial income | 1,687.5 | 1,468.3 | 14.9 |
| Operating expenses | (488.5) | (479.8) | 1.8 |
| Pre-tax profit from continuing operations | 1,199.0 | 988.6 | 21.3 |
| Post-tax profit from continuing operations | 809.0 | 682.6 | 18.5 |
| Profit for the year | 809.0 | 682.6 | 18.5 |

***Balance Sheet Figures***

| | 31 December 2018 | 31 December 2017 | Percentage variation |
|---|---|---|---|
| | *(EUR million)* | | *(per cent.)* |
| Net investments[8] | 35,212.3 | 29,528.2 | 19.2 |
| Net liabilities[9] | 47,440.8 | 39,367.9 | 20.5 |
| Financial assets[10] | 63,239.2 | 59,112.6 | 7 |
| Total assets | 159,623.0 | 142,893.4 | 11.7 |
| Net equity[11] | 4,777.0 | 4,790.9 | -0.3 |
| Share Capital | 962.5 | 962.5 | 0.0 |

The following table contain certain selected income statement and balance sheet figures extracted from the Issuer's audited consolidated financial statements for the financial year ending 31 December 2018, compared with corresponding figures for the financial year ending 31 December 2017.

***Income Statement Figures***

| | 31 December 2018 | 31 December 2017 | Percentage variation |
|---|---|---|---|
| | *(EUR million)* | | *(per cent)* |
| Net interest income | 572.1 | 505 | 13.3 |
| Net fee and commission income | 278.6 | 331.8 | -16 |
| Total income | 1,667.6 | 1,550.7 | 7.5 |
| Net financial income | 1,689.5 | 1,478.8 | 14.2 |
| Operating expenses | (506.5) | (521.5) | -2.9 |
| Pre-tax profit from continuing operations | 1,193.9 | 976.2 | 22.3 |
| Post-tax profit from continuing operations | 803.1 | 670.5 | 19.8 |

[8] The aggregate amount consists of loans to customer plus financial assets held for trading, net of financial liabilities held for trading.

[9] The aggregate amount consists of securities issued, due to banks, due to customers, liabilities at fair value net of due from banks.

[10] The aggregate amount consists of financial assets held for trading plus financial assets measured at fair value through other comprehensive income.

[11] The aggregate amount consists of reserves, share premium reserve, share capital, valuation reserves, equity instruments and interim dividends (if any) and the profit for the year.

| | 31 December 2018 | 31 December 2017 | Percentage variation |
|---|---|---|---|
| | *(EUR million)* | | *(per cent)* |
| Profit for the year | 803.1 | 670.5 | 19.8 |

***Balance Sheet Figures***

| | 31 December 2018 | 31 December 2017 | Percentage variation |
|---|---|---|---|
| | *(EUR million)* | | *(per cent)* |
| Net investments[12] | 35,273.4 | 29,582.4 | 19.2 |
| Net liabilities[13] | 47,391.1 | 39,321.5 | 20.5 |
| Financial assets[14] | 63,300.2 | 59,166.8 | 7.0 |
| Total assets | 165,248.1 | 148,511.8 | 11.3 |
| Net equity | 4,885.7 | 4,900.9 | -0.3 |
| Share Capital | 962.5 | 962.5 | 0.0 |

[12] The aggregate amount consists of loans to customers plus financial assets held for trading net of financial liabilities held for trading.
[13] The aggregate amount consists of securities issued, due to banks, due to customers, liabilities at fair value net of due from banks.
[14] The aggregate amount consists of financial assets held for trading plus available for sale financial assets.

## OVERVIEW OF THE FINANCIAL INFORMATION

### Audited Annual Financial Statements - Incorporation by Reference

The annual financial statements as at and for the years ended 31 December 2018 and 31 December 2017 are incorporated by reference in this Base Prospectus (see "*Information Incorporated by Reference*") and are included within the annual financial statements of the Issuer as at and for the year ended 31 December 2018 (the **2018 Annual Financial Statements**) that include comparative figures as at and for the year ended 31 December 2017. The 2018 Annual Financial Statements have been audited by KPMG S.p.A., auditors to Banca IMI S.p.A., who issued their audit report on 19 March 2019. The financial information forms only part of, should be read in conjunction with and is qualified in its entirety by reference to the above-mentioned annual financial statements, together with the accompanying notes and auditors' reports.

### Accounting Principles

The Banca IMI separate financial statements have been prepared in compliance with Legislative Decree No. 38 of 28 February 2005, according to the IFRS issued by the International Accounting Standards Board (IASB), endorsed and in force at 31 December 2018, and the interpretations designated SIC and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as established in EC Regulation No. 1606 of 19 July 2002. These standards have been used for the preparation of the comparative data for 2017 and, following the introduction of IFRS 9, the opening balances at 1 January 2018.

The consolidated financial statements have been prepared in compliance with Legislative Decree No. 38 of 28 February 2005, according to the IFRS issued by the International Accounting Standards Board (IASB), endorsed and in force at 31 December 2018, and the interpretations designated SIC and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as established in EC Regulation No. 1606 of 19 July 2002. These standards have been used for the preparation of the comparative data and the opening balances at 1 January 2018.

The new IFRS 9, issued by the IASB in July 2014 and endorsed by the European Commission through Regulation No. 2067/2016, replaced IAS 39 which until 31 December 2017 governed the classification and measurement of financial instruments, as from 1 January 2018.

IFRS 9 is divided into three different areas:
– classification and measurement of financial instruments;
– impairment; and
– hedge accounting.

In the **classification and measurement** area, IFRS 9 provides that the classification of a financial asset be guided by the characteristics of the relevant contractual cash flows, on the one hand, and by the business model within which the asset is held, on the other. In lieu of the four accounting categories provided for in IAS 39, under IFRS 9 financial assets may be classified into three categories on the basis of the two drivers indicated above:
– Financial assets at amortised cost (AC);
– Financial assets measured at fair value through other comprehensive income (for debt instruments, the reserve is transferred to profit or loss in the event of the disposal of the instrument) (FVOCI); and, finally
– Financial assets measured at fair value through profit or loss (FVTPL).

Financial assets may be recognised in the first two categories and thus be measured at amortised cost or fair value through other comprehensive income only if it is proved that they give rise to cash flows that consist solely of payments of principal and interest (the “SPPI test”).

Equities are always included in the third category and measured at fair value through profit or loss, unless the entity chooses (irrevocably, upon initial recognition, for shares that are not held for trading), to present the

changes in value in an equity reserve that will never be transferred to the income statement, even if the financial instrument is sold (financial assets at fair value through other comprehensive income without recycling).

As regards financial liabilities, no substantial changes have been introduced compared to IAS 39 concerning their classification and measurement. The only new aspect concerns the accounting treatment of own credit risk: for financial liabilities designated at fair value (so-called liabilities in fair value option) the standard stipulates that changes in fair value attributable to the change in own credit risk are recognised in equity, unless this treatment creates or expands an accounting mismatch in the profit for the year, while the residual amount of changes in the fair value of liabilities must be recognised in the income statement.

Turning to **impairment**, for instruments measured at amortised cost and at fair value through other comprehensive income (other than equity instruments), a model based on the concept of "expected loss" – rather than "incurred loss" as under IAS 39 – has been introduced, in order to allow prompter recognition of losses. IFRS 9 requires companies to record expected losses in the following 12 months (stage 1) right from the initial recognition of the financial instrument. The time frame for calculating the expected loss instead becomes the entire residual life of the asset being measured where the credit quality of the financial instrument has undergone "significant" deterioration compared with the initial measurement (stage 2) or is found to be "impaired" (stage 3).

More specifically, the introduction of the new impairment rules involves:
– the allocation of performing financial assets into different stages of credit risk ("staging"), corresponding to the individual impairment based on the expected loss over the following 12 months ("Stage 1"), or "lifetime" for all the remaining life of the instrument ("Stage 2"), in the presence of a significant increase in credit risk ("SICR") determined by the comparison between the probability of default on the date of first registration and the reporting date;
– the allocation of non-performing financial assets into "Stage 3", again with individual impairment based on expected "lifetime" losses;
– the inclusion in the calculation of expected credit losses (ECLs) of forward-looking information related, inter alia, to development in the macroeconomic scenario.

Finally, turning to **hedge accounting**, the new hedging model – which does not extend to macro-hedges – aims to align accounting elements with risk management activities and to strengthen the disclosure of risk management activities undertaken by the reporting entity.

## OFFERING AND SALE

The Securities may be offered to retail clients, professional clients and other eligible counterparties. No action has been or will be taken by the Issuer that would permit a public offering of any Securities or possession or distribution of any offering material in relation to any Securities in any jurisdiction where action for that purpose is required. No offers, sales, resales or deliveries of any Securities, or distribution of any offering material relating to any Securities, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on the Issuer.

### 1. UNITED STATES

No Securities of any series nor, in case of Physical Delivery Securities, the Entitlement to be delivered upon the exercise of such Securities, have been, nor will they be registered under the Securities Act or with any securities authority of any State or other jurisdiction of the U.S., and trading in the Securities has not been approved by the CFTC under the Commodity Exchange Act. The Securities and the Entitlements may not be offered, sold, pledged or otherwise transferred, directly or indirectly, within the United States or to a U.S. person unless such offer or sale has been registered under the Securities Act or pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act.

The Securities and the Entitlements are being offered and sold outside the U.S. to persons that are not U.S. persons (as defined in Regulation S) in reliance on Regulation S. No Securities of any series, or interests therein, or Entitlements may at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in or into the United States (as defined in Regulation S) or to, or for the account or benefit of, any U.S. person and any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised.

**The Securities and Entitlements may not be legally or beneficially owned by U.S. persons at any time. Each holder and each beneficial owner of a Security or an Entitlement hereby represents, as a condition to purchasing or owning the Security, the Entitlement or any beneficial interest therein, that neither it nor any person for whose account or benefit the Securities or Entitlements are being purchased is located in the United States, is a U.S. person or was solicited to purchase the Securities while present in the United States. Each holder and each beneficial owner of a Security or an Entitlement hereby agrees not to offer, sell or deliver any of the Securities or the Entitlements, at any time, directly or indirectly, in the U.S. or to any U.S. person. The term "U.S. person" has the meaning ascribed to it in Regulation S under the Securities Act.**

Each Manager of an issue of Securities will be required to agree that it, its affiliates and any person acting on its or their behalf will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, Securities of such series in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any such U.S. person. Each Manager of an issue of Securities will be required to agree that it, its affiliates, and any person acting on its or their behalf will not offer or sell the Securities at any time except in accordance with Rule 903 of Regulation S under the Securities Act, and that neither it, its affiliates, nor any persons acting on its or their behalf will engage in any "directed selling efforts" (as defined in Regulation S of the Securities Act) with respect to the Securities and it and they will comply with the offering restrictions requirements of Regulation S under the Securities Act. The terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Any person purchasing Securities of any series or Entitlements must agree with the Manager or the seller of such Securities that (i) it is not a U.S. person and it is not located in the United States and was not solicited to purchase the Securities while present in the United States, (ii) it will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, any Securities of such series so purchased in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of any, U.S. person, (iii) it is not purchasing any Securities of such series or any Entitlement for the account or benefit of any U.S. person and (iv) it will not make offers, sales, resales, trades, pledges, exercises, redemptions, transfers or deliveries of any Securities of such series (otherwise acquired) or Entitlements, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person. Each Manager of an issue of Securities will also be required to agree, and any person purchasing Securities of any series must agree, to send each person who purchases any Securities of such series or Entitlements from it, at or prior to confirmation of sale of any Securities, a written confirmation (which shall include the definitions of "United States" and "U.S. persons" set forth herein) stating that the Securities and Entitlements have not been registered under the Securities Act or any state securities laws, and that trading in the Securities has not been approved by the Commodity Futures Trading Commission under the Commodity Exchange Act and stating that such purchaser agrees that it will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver Securities or Entitlements, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person. Prior to the delivery of the Entitlement in respect of a Physical Delivery Security the holder thereof will be required to represent that, inter alia, he is not a U.S. person, the Security was not exercised on behalf of a U.S. person and in the case of Physical Delivery Securities, no securities or other property have been or will be delivered within the United States or to, or the account or benefit of, a U.S. person in connection with any exercise thereof. See Condition 20(A) in respect of Warrants and Condition 22(A) in respect of Certificates.

The Securities are also subject to U.S. tax law requirements and, except in certain transactions permitted by U.S. Treasury regulations, may not be offered, sold or delivered within the United States or its possessions or to United States persons. Terms used in this paragraph have the meanings given to them by the Code and the U.S. Treasury regulations promulgated thereunder.

In July 2010 the Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Dodd-Frank**") was enacted, which provides for substantial changes to the regulation of the futures and over-the-counter (OTC) derivative markets. Dodd-Frank requires regulators, including the CFTC, the Securities and Exchange Commission (the "**SEC**"), the Department of the Treasury, the Financial Stability Oversight Council (the FSOC), the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation to adopt regulations to implement many of the requirements of the legislation.

Most of the regulations under Dodd-Frank have been adopted and these legislative and regulatory changes have increased the level of regulation of markets and market participants, and therefore the costs of participating in the commodities, futures and OTC derivative markets. Without limitation, these changes will require many OTC derivative transactions to be executed on regulated exchanges or trading platforms and cleared through regulated clearing houses. Swap dealers are required to be registered, to comply with business conduct standards and to clear certain classes of interest rate and credit default swaps through registered derivatives clearing organizations (unless an exception to clearing applies). The various legislative and regulatory changes, and the resulting increased costs and regulatory oversight requirements, could result in market participants being required to, or deciding to, limit their trading activities, which could cause reductions in market liquidity and increases in market volatility. These consequences could adversely affect the return on and value of the Securities.

**US Tax Selling Restrictions**

Securities that constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982, the Code, or US Treasury Regulations and are not considered to be in “registered form” for US federal income tax purposes ("**TEFRA Notes**") are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person except in compliance with (i) US Treas. Reg. §1.163-5(c)(2)(i)(D) or any successor rules in substantially the same form that are applicable for proposes of Section 4701 of the Code (the "**D Rules**"), or (ii) US Treas. Reg. §1.163-5(c)(2)(i)(C) or any successor rules in substantially the same form that are applicable for proposes of Section 4701 of the Code (the "**C Rules**").

With respect to TEFRA Notes issued in compliance with the D Rules, the Issuer and each Manager has represented and agreed that:

(i) except to the extent permitted under the D Rules, (a) it has not offered or sold, and during the required restricted period it will not offer or sell such TEFRA Notes to a person who is within the United States or its possessions or to a United States person and (b) it has not delivered and agrees that it will not deliver within the United States or its possessions Global Securities that are TEFRA Notes that will be sold during the restricted period;

(ii) it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling such TEFRA Notes are aware that such TEFRA Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person (except to the extent permitted under the D Rules);

(iii) if it is a United States person, it is acquiring such TEFRA Notes for purposes of resale in connection with their original issuance, and if it retains such TEFRA Notes for its own account, it will do so in accordance with the requirements of the D Rules; and

with respect to each affiliate or distributor that acquires such TEFRA Notes from the Issuer or the Manager for purpose of offering or selling such TEFRA Notes during the restricted period, the Issuer or Dealer either repeats and confirms the representations and agreements contained in Paragraphs (i), (ii) and (iii) above on such affiliate's or distributor's behalf or agrees that it will obtain from such affiliate or distributor for the benefit of the Issuer and each Dealer the representations and agreements contained in such Paragraphs.

With respect to TEFRA Notes issued in compliance with the C Rules, the Issuer and each Manager has represented and agreed that:

(i) it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, such TEFRA Notes within the United States or its possessions in connection with their original issuance; and

(ii) it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if it is within the United States or its possessions or otherwise involve its US office, if any, in the offer or sale of such TEFRA Notes.

Terms used in this Section shall have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, ("Code") and the US Treasury Regulations promulgated thereunder, including the C Rules and the D Rules.

The Hiring Incentives to Restore Employment Act of 2010 repealed the C Rules and D Rules for TEFRA Notes issued after 18 March 2012. However, in Notice 2012-20, the US Department of Treasury and the US Internal Revenue Service indicated that they intend to provide in regulations that rules identical to the C Rules and D Rules will apply to non-US issuers of TEFRA Notes for purposes of establishing an exemption from the excise tax imposed by Section 4701 of the Code. (The amount of the excise tax is one per cent. of the principal amount of the obligation, multiplied by the number of calendar years until the obligation reaches maturity). Consequently, TEFRA Notes issued in accordance with the C Rules or D Rules should continue to be treated as "foreign targeted obligations" that are exempt from the excise tax.

## 2. PROHIBITION OF SALES TO RETAIL INVESTORS

Unless the Final Terms in respect of any Securities specifies the "Prohibition of Sales to Retail Investors" as "Not Applicable", each Manager has represented and agreed, and each further Manager appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor either in the European Economic Area or in the specified jurisdictions only. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

i. a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

ii. a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

iii. not a qualified investor as defined in Directive 2003/71/EC (as amended and superseded, the "**Prospectus Directive**"); or

iv. a retail client within the meaning of any equivalent definition under the applicable legislation of the specified jurisdiction outside the EEA; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities.

## 3. PUBLIC OFFER SELLING RESTRICTION UNDER THE PROSPECTUS DIRECTIVE

If the Final Terms in respect of any Securities specifies "Prohibition of Sales to Retail Investors" as "Not Applicable", each Manager has represented and agreed that, in relation to each Member State of the European Economic Area (each, a "**Relevant Member State**"), the Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto may not be offered to the public in that Relevant Member State, except that such Securities may be offered to the public in that Relevant Member State:

(a) if the final terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(c) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to the prior consent of the relevant Manager(s) nominated by the Issuer for any such offer having been obtained; or

(d) at any time in any other circumstances falling within a Prospectus Exemption (as defined below),

provided that no such offer of Securities referred to in (b) to (d) above shall require the publication by the Issuer or any Manager of a prospectus pursuant to Article 3 of the Prospectus Directive or the supplementing by the Issuer or any Manager of a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Securities to the public** in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression **Prospectus Directive** means Directive 2003/71/EC and amendments thereto and includes any relevant implementing measure in the Relevant Member State.

On 20 July 2017 the Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") has entered into force and shall in its major parts apply as from 21 July 2019 (the "**Effective Date**"). Therefore, as from the Effective Date, any reference in this section to the Prospectus Directive shall be read as a reference to the Prospectus Regulation, as applicable from time to time.

The expression "**Prospectus Exemptions**" means Article 3 (2) (a) to (d) of the Prospectus Directive or Article 1 (4) of the Prospectus Regulation, as applicable, and includes any additional exemptions and implementation measures applicable in the Relevant Member State.

## 4. REPUBLIC OF ITALY

The offering of the Securities has not been registered and will not be registered with the Italian Financial Regulator (*Commissione Nazionale per le Società e la Borsa* or "**CONSOB**") pursuant to Italian securities legislation and, accordingly, the Manager has represented and agreed, and each further Manager appointed under the Programme and each other Manager will be required to represent and agree, that no Securities may be offered, sold, promoted, advertised or delivered, directly or indirectly, to the public in the Republic of Italy, nor may copies of this Base Prospectus, any Final Terms or any other document relating to the Securities be distributed, made available or advertised in the Republic of Italy, except:

(1) if it is specified within the relevant Final Terms that a non-exempt offer may be made in the Republic of Italy, that each Manager may offer, sell or deliver Securities or distribute copies of any prospectus relating to such Securities, provided that such prospectus has been (i) approved in another Relevant Member State and notified to CONSOB, and (ii) completed by final terms (if applicable) expressly contemplating such non-exempt offer, in an offer of financial products to the public in the period commencing on the date of approval of such prospectus, in accordance with the Prospectus Directive, as implemented in the Republic of Italy under the Italian Legislative Decree No. 58 of 24th February, 1998 as amended from time to time (the "**Italian Financial Services Act**") and CONSOB Regulation No. 11971 as amended from time to time ("**CONSOB Regulation No. 11971**"), until 12 months after the date of approval of such prospectus; or

(2) to "**Qualified Investors**" (*Investitori Qualificati*) as defined pursuant to article 100, paragraph 1(a) of Italian Financial Services Act, and in article 34-*ter*, paragraph 1(b) of CONSOB Regulation No. 11971; or

(3) in any other circumstances where an express applicable exemption from compliance with the restrictions on the offer of financial products to the public applies, as provided under the Italian Financial Services Act and/or CONSOB Regulation No. 11971 and any other applicable laws and regulations.

Any such offer, sale or delivery of the Securities or distribution of copies of this Base Prospectus, any Final Terms or any other document relating to the Securities in the Republic of Italy under (1), (2) or (3) above must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Italian Financial Services Act, and CONSOB Regulation No. 20307 of 15 February 2018 (each as amended from time to time); and

(b) in compliance with any other applicable laws and regulations or requirement or limitation which may be imposed from time to time by CONSOB or the Bank of Italy or any other Italian competent authority.

**Provisions relating to the secondary market in Republic of Italy**

Investors should also note that, in accordance with article 100-bis of the Italian Financial Services Act:

(a) if any of the Securities have been initially placed pursuant to an exemption to publish a prospectus, the subsequent distribution of such Securities on the secondary market in Italy which is not carried out under an exemption pursuant to (2) or (3) must be made in compliance with the rules on offer of securities to the public provided under the Italian Financial Services Act and CONSOB Regulation No. 11971;

(b) if any of the Securities which have been initially placed with Qualified Investors in Italy or abroad are then systematically resold to non-Qualified Investors at any time in the 12 months following such placing, such resale would qualify as an offer of securities to the public if no exemption under (3) above applies. Where this occurs, if a prospectus compliant with the Prospectus Directive has not been published, purchasers of such Securities (who are acting outside of the course of their business or profession) may be entitled to obtain that the resale is declared null and void and the authorised entities ("*soggetti abilitati*" as defined in the Italian Financial Services Act) transferring the Securities may be held liable for any damages suffered by the purchasers; and

(c) any intermediary subsequently reselling the Securities is entitled to rely upon the prospectus published by the issuer or the person responsible for drawing up a prospectus as long as this is valid, duly supplemented in accordance with the Italian Financial Services Act and CONSOB Regulation No. 11971 and provided that the issuer or the person responsible for drawing up a prospectus gives its written consent to its use.

## 5. UNITED KINGDOM

In relation to the Securities, each Manager has represented and agreed with the Issuer that:

(i) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 ("**FSMA**") in, from or otherwise involving the United Kingdom; and

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue of the Securities or the sale of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

## 6. LUXEMBOURG

In addition to the cases described in the section entitled Public Offer Selling Restriction under the Prospectus Directive in which the Issuer can make an offer of the Securities to the public in an EEA Member State (including the Grand Duchy of Luxembourg ("**Luxembourg**")), the Managers can also make an offer of the Securities to the public in Luxembourg if:

(a) a prospectus has been duly approved by the *Commission de Surveillance du Secteur Financier* in accordance with the Law of July 10, 2005 on prospectuses for securities as amended from time to time (the "**Prospectus Law**"), implementing Directive 2003/71/EC of the European Parliament and of the Council of November 4, 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (the "**Prospectus Directive**"); or

(b) if Luxembourg is not the home Member State, the Commission de Surveillance du Secteur Financier has been notified by the competent authority in the home Member State that the prospectus has been duly approved in accordance with the Prospectus Directive and the 2010 PD Amending Directive; or

(c) the offer is made to "qualified investors" as described in points (1) to (4) of Section I of Annex II to Directive 2014/65/EU of the European Parliament and of the Council of April 21, 2004 on markets in financial instruments, and persons or entities who are, on request, treated as professional clients in accordance with Annex II to Directive 2014/65/EU, or recognized as eligible counterparties in accordance with Article 30 of Directive 2014/65/EU unless they have requested that they be treated as non-professional clients; or

(d) the offer benefits from any other exemption to, or constitutes a transaction otherwise not subject to, the requirement to publish a prospectus.

Please note that as of 21 July 2019 the Prospectus Regulation (Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC), will become effective. Therefore, the majority of the provisions of the Luxembourg Prospectus Law related to the public offering of Securities, which are set out above, will cease to be valid from 21 July 2019 and will be regulated directly by the Prospectus Regulation.

## 7. PORTUGAL

Regarding any offer or sale of Securities in Portugal or to individuals resident in Portugal or having a permanent establishment located in the Portuguese territory, any Manager or any distributor of Securities will be required to agree that all laws and regulations in force in Portugal, including (without limitation) the Portuguese Securities Code (*Código dos Valores Mobiliários*), Decree-Law 211-A/2008, any regulations issued by the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários*) including its Regulation 8/2018 regarding information duties related with complex financial products and marketing of operations and insurances connected with investment funds (if applicable) further to approval of Law no. 35/2018, of 20 July, which transposes onto Portuguese law Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 as amended and supplemented, Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 implementing the Prospectus Regulation, as applicable in Portugal, and Commission Regulation (EC) No. 809/2004 as further amended implementing the Prospectus Directive will be complied with in respect of any placement or distribution of Securities, and other than in compliance with all such laws and regulations:

(i) it has not directly or indirectly taken any action or offered, advertised, marketed, prospected, invited to subscribe, gathered or solicited investment intentions, issued any promotional material, sold or delivered and will not directly or indirectly take any action, offer, advertise, market, prospect, invite to subscribe, gather or solicit investment intentions, issue any promotional material, sell, re-sell, re-offer or deliver any Securities in circumstances which could qualify as a public offer (*oferta pública*) of securities pursuant to the Portuguese Securities Code and other applicable securities legislation and regulations, notably in circumstances which could qualify as a public offer addressed to individuals or entities resident in Portugal or having a permanent establishment located in Portugal, as the case may be;

(ii) all offers, sales and distributions by it of the Securities have been and will only be made in Portugal in circumstances that, pursuant to the Portuguese Securities Code or any other relevant laws and regulations, qualify as a private placement of Securities only (*oferta particular*), in particular, if the Securities are offered only to qualified investors, or are offered only to less than 150 (one hundred and fifty) non-qualified investors resident or established in Portugal;

(iii) it has not distributed, made available or caused to be distributed and will not distribute, make available or cause to be distributed, the Prospectus, or any other offering or promotional material relating to the Securities, to the public in Portugal and

(iv) it will comply with all applicable provisions of the Portuguese Securities Code, the Prospectus Regulation implementing the Prospectus Directive and any applicable CMVM Regulations, determinations and/or opinions and all relevant Portuguese securities laws and regulations, in any such case that may be applicable to it in respect of any offer or sale of Securities by it in Portugal or to individuals or entities resident in Portugal or having a permanent establishment located in Portuguese territory, as the case may be, including the publication of a prospectus, when applicable, and that such placement shall only be authorised and performed to the extent that there is full compliance with such laws and regulations.

Furthermore, (a) if the Securities are subject to a private placement addressed exclusively to qualified investors as defined, from time to time, in the relevant provisions of the Portuguese Securities Code (*investidores qualificados*) and any applicable regulation, such private placement will be considered as a private placement of securities pursuant to the Portuguese Securities Code; and (b) private placements addressed by companies open to public investment (*sociedades abertas*) or by issuers of securities listed on a regulated market shall be notified to the CMVM for statistics purposes.

## 8. GERMANY

The Securities may only be offered in Germany in compliance with the Securities Prospectus Act (*Wertpapierprospektgesetz*) ( the "**WpPG**") and any other applicable German laws.

In particular the Securities may only be offered publicly in Germany if:

a) a prospectus in relation to the Securities has been published which has been previously approved either (i) by the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) (the "**BaFin**") or (ii) by the competent authority in another signatory state of the European Economic Area provided that the BaFin is notified in accordance with the relevant provisions of the home state and the language of the prospectus meets the requirements set forth in the WpPG; or

b) an exemption from the obligation to publish a prospectus applies. Such exemption applies *inter alios* to the following cases:

- the offer of securities is addressed exclusively to certain qualified investors defined in the WpPG;

- the offer of securities is addressed to fewer than 150 non-qualified investors per signatory state of the European Economic Area;

- the offer of securities is addressed to investors who may acquire securities for a total consideration of at least 100,000 euros per investor, for each separate offer;

- if the securities have a minimum denomination per unit of 100,000 euros; or

- in the case of issuances by credit institutions as defined in the CRR or issuers whose shares have already been admitted to trading on an organised market: if the sale price for all securities offered in the European Economic Area is less than 5 million euros with this limit being calculated over a period of 12 months; or

- if the sale price in the EEA is less than 8 million euros with this limit being calculated over a period of 12 months. However, in case of a sale price between 100,000 euros and less than 8 million euros, the issuer has to publish a "securities information paper" including material information about the securities and the issuer. Furthermore, if the sale price amounts to at least 1 million euro but less than 8 million euros, the securities have to be sold through investment advisers or investment brokers who are legally required to monitor that retail investors adhere to certain specified investment thresholds.

In relation to securities intended for admission to trading on an organised market in Germany, the applicant for admission shall publish a prospectus unless the offer benefits from an exemption set out in section 4 (2) WpPG; or 267.

For the purposes of the WpPG the term "**public offering**" means a communication to the public in any form and by any means, presenting sufficient information on the terms of the offer and the securities so as to enable an investor to decide to purchase or to subscribe to these securities; this also applies to the placement of securities through institutions as defined in section 1 (1b) of the German Banking Act (*Kreditwesengesetz*) (the "**KWG**") or enterprises operating under section 53 (1) sentence 1 or section 53b (1) sentence 1 or (7) of the KWG, with communications relating to the trading of securities on an organised market or an the regulated unofficial market (*Freiverkehr*) not constituting a public offer.

Please note that, as of 21 July 2019, the Prospectus Regulation will become effective. Therefore, the majority of the provisions of the WpPG related to a public offering of Securities, which are set out above, will cease to be valid from 21 July 2019 and will be regulated directly by the Prospectus Regulation. Accordingly, the WpPG will only include the following prospectus exemptions, which are based on the optional carve-out under Art. 3 (2) of the Prospectus Regulation:

- in the case of issuances by credit institutions as defined in the CRR or issuers whose shares have already been admitted to trading on a regulated market: if the sale price of all securities offered in the EEA is less than 8 million euros with this limit being calculated over a period of 12 months; or

- if the sale price for the securities in the EEA amounts to not more than 8 million euros with this limit being calculated over a period of 12 months. However, in case of a sale price between 100,000 euros and less than 8 million euros, the issuer has to publish a "securities information paper" including material information about the securities and the issuer. Furthermore, if the sale price amounts to at least 1 million euro but less than 8 million euros, the securities have to be sold through investment advisers or investment brokers who are legally required to monitor that retail investors adhere to certain specified investment thresholds.

**9. FRANCE**

In the period beginning on the date of publication of a prospectus in relation to those Securities which has been approved by the *Autorité des Marchés Financiers* (the "**AMF**") in France or, where appropriate, when approved in another Member State of the European Economic Area on the date of notification to the AMF in France, and ending at the latest on the date which is 12 months after such date, the Issuer, each of the Managers and any Authorised Offeror of an issue of Securities may make an offer of Securities:

(a) to the public in France, as defined in Article L.411-1 of the French Code monétaire et financier and in accordance with Articles L.412-1 and L.621-8 of the French Code monétaire et financier and the provisions of the Règlement général of the AMF and, as of 21 July 2019, Regulation (EU) 2017/1129 (as amended) and any applicable French laws and regulations relating thereto; and/or

(b) in circumstances that do not constitute an offer to the public in France pursuant to Article L.411-2 of the French Code monétaire et financier and Article 211-2 of the Règlement général of the AMF and, as of 21 July 2019, Regulation (EU) 2017/1129 (as amended) and any applicable French laws and regulations relating thereto.

Pursuant to Article L.411-2 of the French Code monétaire et financier and Article 211-2 of the Règlement général of the AMF, (in each case as may be amended from time to time), the circumstances in which an offer of Securities shall not constitute an offer to the public in France include, but are not limited to, an offer of Securities:

(i) addressed solely to qualified investors (investisseurs qualifiés), acting for their own account; and/or

(ii) addressed solely to a limited number of investors (cercle restreint d'investisseurs) acting for their own account; and/or

(iii) addressed solely to providers of investment services relating to portfolio management for the account of third parties (personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers); and/or

(iv) addressed to investors who acquire Securities for a total consideration of at least EUR100,000 (or its equivalent in another currency) per investor, for each separate offer; and/or

(v) whose notional amount, nominal amount or equivalent amounts to at least EUR100,000 (or its equivalent in another currency); and/or (vi) with a total consideration of less than EUR8,000,000 (or its equivalent in another currency), which limit shall be calculated over a period of 12 months..

**10. NETHERLANDS**

*Offer to the public*

No offer of Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in The Netherlands in reliance on Article 3(2) of the Prospectus Directive may be made unless:

(a) the standard exemption logo and wording are disclosed as required by article 5:20(5) of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, the "**FSA**"); or

(b) such offer is made in circumstances in which article 5:20(5) of the FSA is not applicable,

provided that no such offer of Securities shall require the Issuer (or any dealer) to publish a prospectus pursuant to the FSA and/or regulations pursuant thereto, Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of the provisions above, the expressions (i) an "offer of Securities to the public" in relation to any Securities in the Netherlands; and (ii) "Prospectus Directive", have the meaning given to them above in the paragraph headed with "Public Offer Selling Restriction Under the Prospectus Directive".

Please note that as of 21 July 2019 the Prospectus Regulation (Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC), will become effective. Therefore, the majority of the provisions of the FSA relating to the public offering of securities and prospectus obligation, will cease to be valid from 21 July 2019 and will be regulated directly by the Prospectus Regulation.

## 11. BELGIUM

No Securities may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Securities be distributed in Belgium, except under the conditions set out below.

(i) Offer to the public in Belgium:

An offer of Securities to the public in Belgium can only be made provided that a prospectus in relation to those Securities is either approved by the Financial Services and Markets Authority *(Autoriteit voor Financiële Diensten en Markten/ Autorité des services et marchés financiers*) (the "**FSMA**") or, where appropriate, approved by the competent authority in another Relevant Member State and notified to the FSMA, all in accordance with the Belgian Law of 16 June 2006 on the public offering of investment instruments and the admission to trading of investment instruments on a regulated market, as supplemented and amended from time to time (the "**Prospectus Law**").

(ii) Private placement in Belgium:

In case of a private placement of Securities in Belgium, the Issuer or Manager shall not take any action or permit an offer of Securities to the public in Belgium, and, in particular, they will not make this Prospectus or any other offering material relating to the Securities available to the public or cause it to be made available to the public. The Issuer or Manager will not use this Prospectus or any other offering material relating to the Securities or cause it to be used in connection with any public offering for subscription of the Securities in Belgium, and it will not publicly issue, offer or sell the Securities in Belgium.

In accordance with Article 3, §2 of the Prospectus Law, certain types of offers are not considered as offers to the public. This includes offers (i) to less than 150 natural or legal persons other than certain qualified investors (per Relevant Member State), (ii) to certain qualified investors only, (iii) to investors that are required to acquire Securities for a total consideration of EUR 100,000 or more (or its equivalent in foreign currencies) per investor and per separate offer, (iv) of Securities with a nominal value of at least EUR 100,000 per Security, or (v) of Securities with a total consideration of less than EUR 100,000. In case of a private placement, prospective acquirers shall only acquire Securities for their own account.

(iii) Offers to consumers or non-professional clients in Belgium:

In addition to the above, the Securities shall not be offered or sold to any person qualifying as (i) a consumer within the meaning of Book I (*Definitions*) and Book VI (*Market practices and consumer protection*) of the Belgian Economic Code, unless such offer or sale is made in compliance with the Belgian Economic Code and its implementing regulations, or (ii) a non-professional client within the meaning of Article 2, 29° of the Belgian Law of 2 August 2002 on the supervision of the financial sector and financial services, unless such offer or sale is made in compliance with the Belgian Royal Decree of 25 April 2014 on certain information obligations regarding the commercialisation of financial products to non-professional clients.

*2018 Prospectus Law*

The above mentioned Prospectus Law regime will be replaced by the new Belgian Law of 11 July 2018 on the public offering of investment instruments and the admission to trading of investment instruments on a regulated market (the "**2018 Prospectus Law**") which will enter into force on 21 July 2019. As from its entry into force, no Securities may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Securities be distributed in Belgium, except under the conditions set out below.

(i) Prospectus publication obligation

An offer of Securities to the public in Belgium can only be made provided that a prospectus in relation to those Securities is either approved by the FSMA or, where appropriate, approved by the competent authority in another Relevant Member State and notified to the FSMA, all in accordance with the 2018 Prospectus Law.

Insofar as the aforementioned offer of Securities concerns 'securities' as defined in Article 2.(a) of EU Regulation 2017/1129 of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "**Prospectus Regulation**") and are not the subject of a notification as referred to in Article 25 of the Prospectus Regulation, it will be exempt from the obligation to publish a prospectus if the total value of the offer in the European Union is less than or equal to:

(a) EUR 5,000,000, calculated over a twelve (12) month period; or

(b) EUR 8,000,000, calculated over a twelve (12) month period, in case the offer concerns investment instruments which have been or will be admitted to trade on a MTF indicated by the King as advised by the FSMA.

(ii) Information note publication obligation

In situations where, as per the above exemptions, it is not mandatory to publish a prospectus in the context of an offer of Securities to the public in Belgium, the following offers will require the publication of an information memorandum in accordance with Chapter II of the 2018 Prospectus Law:

(a) offers of Securities to the public in Belgium of which the total value in the European Union is less than or equal to EUR 5,000,000, calculated over a twelve (12) month period;

(b) offers of Securities, insofar as they concern investment instruments which have been or will be admitted to trade on a MTF indicated by the King as advised by the FSMA, to the public in Belgium of which the total value in the European Union is less than or equal EUR 8,000,000, calculated over a twelve (12) month period; and

(c) to the admission of Securities to the trading on a MTF indicated by the King as advised by the FSMA.

Certain exceptions to the aforementioned information note publication obligation apply pursuant to Article 10,

§2-§7 of the 2018 Prospectus Law.

Information notes referred to under this heading must be made available to the public and filed with the FSMA prior to the start of the offer in accordance with Articles 17 and 18 of the 2018 Prospectus Law.

(iii) Offers to consumers or non-professional clients in Belgium:

In addition to the above, the Securities shall not be offered or sold to any person qualifying as (i) a consumer within the meaning of Book I (Definitions) and Book VI (Market practices and consumer protection) of the Belgian Economic Code, unless such offer or sale is made in compliance with the Belgian Economic Code and its implementing regulations, or (ii) a non-professional client within the meaning of Article 2, 29° of the Belgian Law of 2 August 2002 on the supervision of the financial sector and financial services, unless such offer or sale is made in compliance with the Belgian Royal Decree of 25 April 2014 on certain information obligations regarding the commercialisation of financial products to non-professional clients, as amended from time to time.

## 12. IRELAND

Any offer, sale, placement or underwriting of, or any other action in connection with, any Securities in or involving Ireland must be in conformity with the following:

(a) the provisions of (i) the Prospectus (Directive 2003/71/EC) Regulations 2005 of Ireland (as amended) and the Prospectus (Directive 2003/71/EC) (Amendment) Regulations 2012 of Ireland, (ii) the Companies Act 2014 of Ireland (as amended) (the "**2014 Act**"), including any rules or guidelines issued under Section 1363 of the 2014 Act by the Central Bank of Ireland, (iii) the Central Bank Acts 1942 to 2018 of Ireland and any codes of conduct or practice made under Section 117(1) of the Central Bank Act 1989 of Ireland (as amended) or any regulations issued pursuant to Part 8 of the Central Bank (Supervision and Enforcement) Act 2013 of Ireland (as amended) and (iv) every other enactment that is to be read together with any of the foregoing Acts;

(b) all applicable provisions of Directive 2014/65/EU (as amended) and Regulation (EU) No 600/2014 and in connection with the foregoing, the relevant implementing measures, delegated acts and guidance;

(c) the provisions of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and the European Union (Market Abuse) Regulations 2016 of Ireland (as amended), and any Irish market abuse law, as defined in those Regulations or the 2014 Act, and any rules made or guidance issued by the Central Bank of Ireland in connection therewith (including any rules issued or guidelines issued under Section 1370 of the 2014 Act by the Central Bank of Ireland); and

(d) the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 of Ireland (as amended) and any codes of conduct used or rules issued in connection therewith and any conditions or requirements, or any other enactment, imposed, or deemed to have been imposed, by the Central Bank of Ireland and the provisions of the Investor Compensation Act 1998 (as amended).

## 13. SPAIN

Neither the Securities nor this Base Prospectus have been authorised or registered in the administrative registries of the Spanish Securities Markets Commission (*Comisión Nacional del Mercado de Valores*). The Securities may not be offered, sold or delivered in Spain except in circumstances which do not constitute a public offering of securities in Spain within the meaning of *Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores* (the "**Spanish Securities Market Law**") and Royal Decree 1310/2005 of 4 November (*Real Decreto 1310/2005 de 4 de noviembre*), both as amended and restated, and supplemental rules enacted thereunder or in substitution thereof from time to time.

Under article 35 of the Spanish Securities Market Law, constitutes a public offer for sale or subscription of securities any communication to persons in any form or by any means that facilitates sufficient information

about the terms of the offer and of the securities offered so it permits an investor to decide about the acquisition or subscription of these securities.

Under such article 35 of the Spanish Securities Market Law the obligation to publish a prospectus shall not apply to any of the following types of offers which, as a result and to the effects of the Spanish Securities Market Law, shall not be considered as a public offer: (i) an offer addressed exclusively to qualified investors (as they are defined under Spanish regulations); (ii) an offer of securities addressed to fewer than 150 legal or natural persons per Member Estate, not including qualified investors; (iii) an offer of securities addressed to investors that acquire securities for a minimum amount of €100,000 per investor and for each separate offer; (iv) an offer of securities with a nominal value per unit of at least €100,000; (v) an offer of securities for a total amount in the European Union below €5,000,000, to be calculated over a period of 12 months.

Further, in those offers referred under numerals (ii) to (v) under the above paragraph, an entity authorised to provide investment services must intervene in order to market the securities if the offer is addressed to the public in general using any type of advertising communication.

Please note that as of 21 July 2019 the Prospectus Regulation will become effective. Therefore, the provisions of the Spanish Securities Market Law related to public offering of securities will be replaced directly by the Prospectus Regulation as from that date.

In this regard, the Prospectus Exemptions of the Prospectus Regulation will be applicable. Spain has not published any law adapting the Spanish Securities Market Law to the Prospectus Regulation yet.

## 14. CZECH REPUBLIC

The Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto may not be offered to the public in the Czech Republic, except that it may be offered to the public in the Czech Republic:

(a) if the final terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Section 34(4)(g) (as replaced by Article 1(3) of the Regulation 2017/1129/EU on 21 July 2019) and Section 35(2) (as replaced by Article 1(4) of the Regulation 2017/1129/EU on 21 July 2019)of Act No. 256/2004 Coll., on Capital Market Undertakings, as amended (the "**Czech Capital Market Act**") in the Czech Republic (a "**Non-exempt Offer**"), upon the satisfaction of the following conditions:

(i) the publication in the Czech Republic of a prospectus in relation to such Securities, which prospectus has been approved by the Czech National Bank (the "**CNB**"), and additionally, where applicable, the publication in the Czech Republic of a supplemental prospectus approved by the CNB and/or in case that such approved prospectus is a base prospectus, the publication in the Czech Republic of the final terms completing such base prospectus, as well as the notification of such final terms to the CNB; or

(ii) the publication in the Czech Republic of a prospectus and, where applicable, supplement prospectus in relation to such Securities, which prospectus and/or supplement prospectus have been approved by the Issuer's home or other competent EU Member State supervising authority, and in relation to which such supervising authority has provided the CNB with a certificate of approval, as well as with other documents pursuant to Section 36f of the Czech Capital Market Act (as replaced by Article 24 of the Regulation 2017/1129/EU on 21 July 2019), and the European Securities and Markets Authority has been notified about issuance of the certificate of approval, and, in addition, in case that such approved prospectus is a base prospectus, the publication in the Czech Republic and, if applicable, in the Issuer's home or other EU Member State of the final terms completing such base prospectus, as well as the notification of such final terms to the CNB and, if applicable, the Issuer's home or other

competent EU Member State supervising authority,

however only in the period beginning and ending on the dates specified in such prospectus, supplement prospectus or final terms, as applicable, provided that such period cannot terminate later than as at the termination of such prospectus' validity and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) if such offer is made exclusively to qualified investors as defined in Section 34(3) of the Czech Capital Market Act (as replaced by Article 2(e) of the Regulation 2017/1129/EU on 21 July 2019);

(c) if such offer is made to fewer than 150 persons (other than qualified investors as defined in Section34(3) of the Czech Capital Market Act (as replaced by Article 2(e) of the Regulation 2017/1129/EU on 21 July 2019)) in Czech Republic, subject to the prior consent of the relevant Manager(s) nominated by the Issuer for any such offer been obtained;

(d) if it is an offer of securities with lowest possible investment per investor equal to or greater than an amount corresponding to a limit in EUR determined by Government Decree No. 190/2011 Coll., on determination of limits of respective amounts in EUR with respect to regulation of public offer of investment securities, securities prospectus and information duty of an issuer of respective investment securities and other persons, as amended (the "**Decree**") (as replaced by Article 1(4)(d) of the Regulation 2017/1129/EU on 21 July 2019);

(e) if it is an offer of securities with a nominal value or price per unit amounting to at least an amount corresponding to a limit in EUR determined by the Decree (as replaced by Article 1(4)(c) of the Regulation 2017/1129/EU on 21 July 2019); or

(f) if it is an offer of securities with a total consideration lower than EUR 1,000,000; such consideration shall be calculated for securities offered during a period of 12 months in all EU Member States;

however only provided that: in relation to any offer of Securities referred to in (b) to (f) above, neither the Issuer nor any Manager will be obliged to proceed with any of the following actions: obtain the CNB's approval of a prospectus and/or a supplement prospectus; passport a prospectus and/or a supplement prospectus, already approved by the Issuer's home or other competent EU Member State supervising authority, into the Czech Republic; notify final terms to the CNB and, if applicable, to the Issuer's home or other competent EU Member State supervising authority or publish a prospectus (and, where applicable, the final terms) and/or a supplemental prospectus in the Czech Republic and, if applicable, in the Issuer's home or other EU Member State.

Each Manager has represented, warranted and undertaken, and each further Manager appointed under this Programme will be required to represent, warrant and undertake, that it has not taken and will not take any action: (i) for the due and lawful exercise of which the approval of, permit by or consent of, and/or an application to, registration with or notification to, the CNB or any other Czech or EU Member State authority in respect of the Securities would be required pursuant to applicable Czech laws, or which would lead to requirement of approval of, permit by, consent of, application to, registration with and/or notification to the CNB or any other Czech or EU Member State authority in respect of the Securities pursuant to applicable Czech laws; except for action(s) consisting in the offer of the Securities in the Czech Republic under the conditions listed in paragraphs (a), (b), (c), (d), (e) or (f) above and in the immediately preceding paragraph, or except for action explicitly requested or in advance approved by the Issuer, (ii) which would lead to the issue of the Securities by the Issuer being qualified as "receiving deposits from the public" under Act No. 21/1992 Coll., on Banks, as amended (the "**Czech Bank Act**"), (iii) the Securities being deemed to have been issued under Czech law within the meaning of the Act of the Czech Republic No. 190/2004 Coll., on Bonds, as amended (the "**Czech Bonds Act**"), and/or (iv) which would or could lead to the Issuer being considered to be supporting, publicising or making otherwise available activities prohibited by Act No. 240/2013 Coll., on Management Companies and Investment Funds, as amended (the "**MCIFA**").

Each Manager has further represented, warranted and undertaken, and each further Manager appointed under the Programme will be required further to represent, warrant and undertake, that in relation to the Securities it has complied with and will comply with any and all applicable Czech laws, and, in particular, with the Czech Capital Market Act (including, among others, the regulation applicable to the provision of investment services in the Czech Republic) and the Regulation 2017/1129/EU becoming effective on 21 July 2019, the MCIFA, the Czech Bank Act, the Czech Bonds Act and the practice of the CNB or any other competent authority.

Any other person (i.e. other than the Issuer and Manager) that offers or intends to offer the Securities in the Czech Republic may only do so provided that (i) no obligation will arise for the Issuer and/or any Manager to prepare and/or publish any prospectus (and, if applicable, final terms) and/or a supplement prospectus, to obtain any approval of, permit by or consent of, and/or to proceed with an application to, registration with or notification to, the CNB or any other Czech or EU Member State authority in respect of the Securities pursuant to applicable Czech laws; (ii) such activity would not lead to the issue of the Securities by the Issuer being considered as "receiving deposits from the public" under Czech Bank Act; (iii) such activity would not lead to the Securities being deemed to have been issued under Czech law within the meaning of the Czech Bonds Act, (iv) such activity would not lead to the Issuer being considered to be supporting, publicising or making otherwise available activities prohibited by MCIFA; and (v) any such person has complied with and will comply with any and all applicable Czech laws, and, in particular, with the Czech Capital Market Act (including, among others, regulations applicable to the provision of investment services in the Czech Republic) and the Regulation 2017/1129/EU becoming effective on 21 July 2019, MCIFA, the Czech Bank Act, the Czech Bonds Act and the practice of the CNB or any other competent authority. In case of an offer for which a publication of a prospectus (and, if applicable, final terms) and/or a supplement prospectus is needed, such other person would need to prepare its own prospectus and/or supplement prospectus.

For the purposes of these provisions on Czech selling restrictions, the expression an **offer of Securities to the public** in relation to any Securities in the Czech Republic means any communication to a wider group of persons containing information about offered Securities and conditions for their acquisition, which information is sufficient so as to enable an investor to make a decision to purchase or subscribe for these Securities.

## 15. POLAND

Poland is a Relevant Member State and pursuant to Article 7 of the Act on Public Offerings, the Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies dated 29 July 2005, as amended (consolidated text, Journal of Laws 2018, item 512, as amended) (the Act on Public Offerings), a public offering of Securities in Poland or admission of Securities to trading on a regulated market in Poland requires an issue prospectus to be made available to the public. Pursuant to the Prospectus Directive and Article 37 of the Act on Public Offerings, Securities of an issuer with its registered office in a Member State for which Poland is a host state may be offered in Poland in a public offering or admitted to trading on a regulated market in Poland on completing the passporting procedure described in that act (which in particular would require a prior notification to the Polish Financial Supervision Authority (Komisja Nadzoru Finansowego) and a subsequent publication of an issue prospectus in accordance with the Act on Public Offerings).

Pursuant to Article 3 of the Act on Public Offerings, a "Public Offering" consists of making information available to at least 150 persons within the territory of one member state or to an unspecified addressee, in any form and manner, about Securities and the conditions for the acquisition of them, provided that this information constitutes sufficient grounds for making a decision on whether to acquire the Securities.

In light of the above, unless the requirements set forth in the Act on Public Offerings have been fulfilled, in particular, Base Prospectus has been approved by either the Polish Financial Supervision Authority or the relevant competent authority in an EU Member State and the Polish Financial Supervision Authority has received in particular a certificate of such approval with a copy of the approved Base Prospectus together with a Polish transaltion of the summary of the Base Prospectus, and the Base Prospectus has been published in Poland, the Securities may not be publicly offered or sold in Poland except:

(a) to fewer than 150 persons; or

(b) solely to professional clients within the meaning of the Act dated 29 July 2005 on trading in financial instruments (consolidated text Journal of Laws of 2018, item 1768, as amended); or

(c) solely to investors, each of which individually acquires Securities with the value of at least 100,000 euro, calculated upon their issue or purchase price;

(d) if the expected gross proceeds of the issuer or the seller within the European Union, calculated in accordance with the issue price or the selling price of the Securities as at the date of its determination, amount to less than EUR 1 000 000 and, together with the proceeds which the issuer or the seller intended to obtain from such public offering of Securities made during the preceding 12 months, do not reach or exceed that amount; or

(e) under other exception provided in the Act on Public Offerings.

Simultaneously, please note that Regulation (EU) 2017/1129 (the „Prospectus Regulation") shall enter into force in its entirety on 21 July 2019, therefore numerous changes are bound to be introduced in Polish law concerning the offering of shares in Poland. As of now, the Polish legislator is carrying out legislative works on the adaptation of the Act on Public Offerings to the Prospectus Regulation. The current version of the draft amendment provides for significant changes and adjustments, such as a change of the definition of a public offer. According to the Prospectus Regulation, an "offer of securities to the public" means a communication to persons in any form and by any means, one which lays out sufficient information on the terms of the offer and the securities to be offered, so as to enable an investor to decide to purchase or subscribe for those securities. Consequently, under the amended Act on Public Offerings and the Prospectus Regulation, any offering of securities, regardless of the number of investors to whom such securities will be addressed, will constitute a public offering in Poland (even if such an offering is addressed to fewer than 149 investors). On the other hand, not every public offering of securities which are to be admitted to trading will require the fulfillment of a prospectus obligation as the Prospectus Regulation contains the following exemption as spelt out below.

The obligation to publish a prospectus shall not apply to any of the following types of offers of securities to the public:

(a) an offer of securities addressed solely to qualified investors;

(b) an offer of securities addressed to fewer than 150 natural or legal persons per Member State, other than qualified investors;

(c) an offer of securities whose denomination per unit amounts to at least EUR 100 000;

(d) an offer of securities addressed to investors who acquire securities for a total consideration of at least EUR 100 000 per investor, for each separate offer;

(e) shares issued in substitution for shares of the same class already issued, if the issuing of such new shares does not involve any increase in the issued capital;

(f) under other exception provided in the Prospectus Regulation.

The obligation to publish shall not apply to admission to trading on a regulated market of any of the following:

(a) securities fungible with securities already admitted to trading on the same regulated market, provided that they represent, over a period of 12 months, less than 20 % of the number of securities already admitted to trading on the same regulated market;

(b) shares resulting from a conversion or exchange of other securities or from an exercise of rights conferred by other securities, where the resulting shares are of the same class as shares already admitted to trading on the same regulated market, provided that the resulting shares represent, over a period of 12 months, less than 20 % of the number of shares of the same class already admitted to trading on the same regulated market, subject to the second subparagraph of this paragraph;

(c) securities resulting from a conversion or exchange of other securities, own funds or eligible liabilities by a resolution authority due to the exercise of a power referred to in Article 53(2), 59(2) or Article 63(1) or (2) of MiFID II;

(d) shares issued in substitution for shares of the same class already admitted to trading on the same regulated market, where the issuance of such shares does not involve any increase in the issued capital;

(f) under another exception provided for in the Prospectus Regulation.

Please note that as the legislative works on the adaptation of the Act on Public Offerings to the Prospectus Regulation in Poland are still in progress, final regulations concerning the offering of securities in Poland may differ from the provisions described above. Hence, investors making any investment decisions on the basis of the Base Prospectus have to make their own research and furnish own analyses as to relevant Polish regulations in force as of the moment of such an investment.

## 16. HUNGARY

Should the Securities be offered to the public, or listed on a regulated market in Hungary, the applicable legal requirements provided by Regulation (EU) 2017/1129, the Act CXX of 2001 on the Capital Markets (the **Capital Markets Act**) and other relevant legal provisions effective in Hungary shall be complied with. The Base Prospectus has not been and will not be submitted for approval to the National Bank of Hungary and the Securities will not be offered to the public in Hungary, nor have the Securities been nor will be admitted to a regulated market in Hungary. However, in the case where the Securities are intended to be offered to the public or admitted to a regulated market in Hungary, the competent regulator of the Relevant Member State approving the Base Prospectus shall certify to the National Bank of Hungary that it has been prepared according to the Prospectus Directive, Regulation (EU) 2017/1129 and other applicable laws of the European Union. Each Manager has confirmed its awareness of the above and represented and agreed that it has not offered or sold or made any other arrangement, and will not offer or sell or make any other arrangement, in respect of the Securities for their trading in Hungary, in a manner that would require the approval of a prospectus by the National Bank of Hungary and will not offer the Securities for sale to investors in Hungary other than in accordance with all applicable provisions of Regulation (EU) 2017/1129 and the Capital Markets Act. Should the Securities be offered to the public in a manner other than by way of the Issuer's Hungarian branch, the public offering of the Securities takes place through a Manager being an investment firm or credit institution authorized to engage in providing the service of (i) placement of financial instruments, including a commitment for the purchase of assets (securities or other financial instruments) (underwriting guarantee), or (ii) placement of financial instruments without any commitment for the purchase of assets (financial instruments).

If the Securities are offered in a private placement in Hungary, the Issuer must report such private placement to the National Bank of Hungary within 15 days from the closing date of the private placement. Should the Securities be offered in a private placement in a manner other than by way of the Issuer's Hungarian branch, the private placement of the Securities takes place through a Manager being an investment firm or credit institution authorized to engage in providing the service of (i) placement of financial instruments, including a commitment for the purchase of assets (securities or other financial instruments) (underwriting guarantee), or (ii) placement of financial instruments without any commitment for the purchase of assets (financial instruments).

Each Manager has represented and agreed that if the Securities are offered in a private placement in Hungary, (i) all written documentation prepared in connection with a private placement in Hungary will clearly indicate that it is a private placement; (ii) it will ensure that all investors receive the same information which is material or necessary to a well-based evaluation of the Issuer's current market, economic, financial or legal situation and its expected development as well as the rights attached to the Securities, including that which was discussed in any personal consultation with an investor; and (iii) the following standard wording will be included in all such written communication:

"PURSUANT TO SECTION 18 OF ACT CXX OF 2001 ON THE CAPITAL MARKETS, THIS [NAME OF THE DOCUMENT] WAS PREPARED IN CONNECTION WiTH A PRIVATE PLACEMENT IN

HUNGARY.".

## 17. SLOVAK REPUBLIC

The public offering of securities in the Slovak Republic is governed by the Act No. 566/2001 Coll. on Securities and Investment Services, as amended (hereinafter referred to as "**Act on Securities**") and other applicable laws and regulations valid in the Slovak Republic, including the regulations imposed by the National Bank of Slovakia (*Národná banka Slovenska*) as the competent supervising authority. The Act on Securities fully complies with the Prospectus Directive, as amended by the 2014 PD Amending Directive (Directive 2014/51/EU).

As a general rule, and unless stated otherwise in the Act on Securities, public offering of securities (*verejná ponuka cenných papierov*) is prohibited without the prior publication of prospectus approved by the National Bank of Slovakia. For the purposes of the Act on Securities, public offering of securities means any communication to a wider group of persons in any form and by any means, presenting sufficient information on the terms of the offer and the securities to be offered, which enables an investor to decide to purchase or subscribe to these securities. Public offering of securities shall also be understood to include the placing of securities through investment firms (*obchodník s cennými papiermi*) of foreign investment firms (*zahraničný obchodník s cennými papiermi*), provided that it is made in the manner mentioned in the previous sentence.

If the prospectus (and any supplements thereto) is approved by the competent supervisory authority of the Issuer´s home Member State other than Slovak Republic and the securities are to be offered to the public in Slovak Republic, the prospectus shall not be subject to approval by National Bank of Slovakia and the Issuers will need to have their prospectuses properly passported (unless the applicable Slovak rules provide for the exemption from the requirement to publish a prospectus).

Publication of a prospectus is not required, if the securities are offered in accordance with Article 3 (2) of the Prospectus Directive as amended by the 2014 PD Amending Directive and Section 120 par. 3 of the Act on Securities to (i) qualified investors solely or (ii) fewer than 150 natural or legal persons per Member State other than qualified investors or (iii) in any other circumstances falling within Article 3 (2) of the Prospectus Directive as amended and Section 120 par. 3 of the Act on Securities, such as an offer addressed to investors who acquire securities for a total consideration of at least EUR 100.000 per investor, securities whose denomination per unit amounts to at least EUR 100.000 and securities with an EU-wide total consideration of less than EUR 100.000 calculated over a period of 12 months.

Any subsequent resale of securities which were previously the subject of one or more offers mentioned in the previous paragraph shall be regarded as a separate offer of securities and may be subject to the prior publication of the prospectus. Requirement of prior publication of another prospectus does not apply to the subsequent resale of securities or the final placement of securities through financial intermediaries as long as a valid prospectus is available and the issuer or the person responsible for drawing up such a prospectus consents to its use by means of a written agreement.

The obligation to publish an approved prospectus shall not apply to (i) shares issued in substitution for shares of the same class already issued, if the issuing of such new shares does not involve any increase of the registered capital of the issuer, (ii) securities offered in connection with a takeover by means of an exchange offer, provided that a document is available containing information which is regarded by the National bank of Slovakia as being equivalent to that of the prospectus, (iii) securities offered in connection with a takeover in exchange for other securities or securities offered, allotted or to be allotted in the case of merger, amalgamation or division, provided that a document is available, which contains information, that are regarded by the National Bank of Slovakia as equivalent to the information included in the prospectus, (iv) shares offered as a form of paying out the dividends, if such shares are of the same class as the shares in respect of which such dividends are paid, provided that a document is available, which contains information on the number and class of shares and reasons for and details of the offer of these securities, and (v) securities offered, allotted or to be allotted to existing or former members of statutory bodies, supervisory or management bodies or employees by their

employer, or an affiliated undertaking, if their registered seat or head office is in the European Union and provided that a document is available, which contains information on the number and class of the securities and the reasons for and details of the offer of these securities.

The exemption in relation to securities mentioned under (v) in the previous paragraph shall also apply to companies incorporated outside the territory of Member States whose securities are admitted to trading on a regulated market or a market in a non-Member State. If securities mentioned in the first sentence are admitted to trading on a market in a non-Member State, provision mentioned under (v) in the previous paragraph shall be applicable, if adequate information including document mentioned under (v) in the previous paragraph is available at least in a language customary in the sphere of international finance and provided that Commission has adopted an equivalence decision regarding the market of a non-Member State on the basis of a request by the National Bank of Slovakia or the competent authority of another Member State.

Please note that as of 21 July 2019 the Prospectus Regulation (Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC), will become effective. Therefore, the majority of the provisions of the Act on Securities related to public offering of securities, which are set out above, will cease to be valid from 21 July 2019 and will be regulated directly by the Prospectus Regulation.

## 18. SLOVENIA

The Securities may only be offered publicly in Slovenia if:

(a) a prospectus in relation to the Securities has been published in Slovenia during the period of the last 12 months which has been previously approved either (i) by the Slovenian Securities Market Agency (*Agencija za trg vrednostnih papirjev*) (the "***ATVP***") or (ii) by the competent authority of another member state of the European Union (each a "***Member State***") and notified to the ATVP in accordance with Directive 2003/71/EC, as amended or Regulation (EU) 2017/1129 (the "***Prospectus Directive***" *or "**Prospectus Regulation**"*); or

(b) an exemption from the obligation to publish a prospectus, as provided in the Slovenian Market in Financial Instruments Act (*Zakon o trgu finančnih instrumentov*) (**ZTFI-1**), under certain conditions applies to the following types of offers of securities:

(i) if the offer is addressed solely to qualified investors (*dobro poučeni vlagatelji*), as defined in the ZTFI-1; or

(ii) if the offer is addressed to fewer than 150 natural or legal persons per Member State, other than qualified investors, or

(iii) if the offer is addressed to investors who have obtained the securities for the purchase price equaling at least €100,000 on the basis of accepting individual offers, or

(iv) for the offer the subject of which are securities denominated to at least €100,000 each, or

(v) securities included in an offer where the total selling price of the offer in the EU is less than €3,000,000, which limit shall be calculated over a period of 12 months.

For the purposes of the ZTFI-1, the term "***public offering***" means any communication to the persons given in any form and given by any means, presenting sufficient information on the terms of the offer and the securities to be offered, so as to enable an investor to decide to purchase or subscribe to these securities. This definition is also applicable to the sale (placement) of securities through financial intermediaries.

According to the ZTFI-1, the term "***qualified investor***" (*dobro poučeni vlagatelj*) includes, among others:

(i) persons that must obtain appropriate authorisation from the competent supervisory authority of a Member State or a third country or in any other way obtain the right to operate on financial markets, namely credit institutions (*kreditne institucije*), investment companies (*investicijska podjetja*), other supervised financial companies (*druge nadzorovane finančne družbe*), insurance companies (*zavarovalnice*), reinsurance companies (*pozavarovalnice*), pension companies (*pokojninske družbe*), collective investment undertakings (*kolektivni naložbeni podjemi*), and the managers thereof, pension funds (*pokojninski skladi*) and the managers thereof, entities trading with commodities and derivative instruments on commodities (*osebe, ki trgujejo z blagom in izvedenimi instrumenti na blago*), local companies as defined in the point 4 of first paragraph of Article 4 of Regulation 575/2013/EU, other institutional investors;

(ii) large companies fulfilling at least two of the following conditions: (1) a total balance sheet reaching €20 million; (2) net annual total revenues from sales reaching €40 million; and (3) value of equity capital reaching €2 million;

(iii) the Republic of Slovenia, and other countries or national and regional authorities, public law entities exercising public debt, the Bank of Slovenia and other central banks, international and supranational institutions such as the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank and other similar international organisations and

(iv) other institutional investors whose regular business operation is investing in financial instruments, including entities dealing with securitisation of assets or other financing transactions

(v) persons who request to be treated as professional clients in accordance with Article 246 of ZTFI-1, who fulfil at least two of the following conditions: (1) the client has already concluded several transactions of a significant amount on appropriate markets with average frequency of at least ten transactions per quarter in the last year; (2) the value of portfolio of its investments in financial instruments, including cash deposits, exceeds €500.000,00; and (3) the client works or has worked for at least one year in the financial sector in a professional position which requires knowledge of activities and services the client intends to order from the brokerage company.

## 19. CROATIA

Public offer of securities in the Republic of Croatia (as defined in the Croatian Capital Market Act and other applicable legislation) and their admission to trading on the regulated market in the Republic of Croatia is possible under the following terms:

(a) a valid prospectus must be published.

(b) the publication of a prospectus is subject to approval by the Croatian Financial Services Supervisory Agency("Agency") in accordance with the Capital Market Act or to approval by the competent authority of a home Member State in accordance with Directive 2003/71/EC, as amended, and in accordance with Article 441 of the Croatian Capital Market Act, which defines that the prospectus and any supplements thereto approved by the competent authority of the home Member State other than Croatia have the same effect as a prospectus and any supplements thereto approved by the Agency in accordance with the provisions of the Croatian Capital Market Act provided that the Agency as a competent authority of the host Member State and ESMA are notified about such approval and provided with (1) a certificate of approval of

the prospectus containing confirmation that the prospectus has been prepared in accordance with the provisions of Directive 2003/71/EC, (2) a copy of the approved prospectus and (3) translation of prospectus summary.

(c) a prospectus is valid twelve months from its approval for the purpose of offer of securities to the public or their admission to trading on a regulated market provided that the information in the prospectus is, if necessary, amended by a supplement to the prospectus, with the information about the issuer and securities to be offered to the public or listed on the regulated market. For the offering programme, the base prospectus, previously filed, shall be valid for a period of up to 12 months from its approval. In the case of non-equity securities issued in a continuous or repeated manner by credit institutions under conditions as provided for in Article 414, Paragraph 1, Point 2 of the Croatian Capital Market Act, the prospectus shall be valid until no more of the securities concerned are issued in a continuous or repeated manner.

(d) exceptionally, a public offer of securities without prior publication of a prospectus is permitted in the following cases:

(i) offer of securities exclusively to qualified investors;

(ii) offer of securities is addressed to less than one hundred and fifty natural persons or legal entities per Member State that are not qualified investors;

(iii) offer of securities addressed to investors that will pay for subscribed securities a minimum amount of €100,000 in HRK equivalent per investor and for each particular offer;

(iv) offer of securities with a nominal value per unit of at least €100,000 in HRK equivalent of that amount;

(v) offer of securities for a total consideration in the European Union for securities which is less than €100,000 as HRK equivalent, to be calculated over a period of twelve months;

(vi) offer of securities for a total consideration in the European Union for securities which is less than €5,000,000 in HRK equivalent, to be calculated over a period of twelve months in line with Article 3, Paragraph 2 of the Regulation (EU) 2017/1129 as of 14 June 2017;

(vii) offer of shares issued in substitution for shares of the same class already issued, if the issuing of such shares does not involve any increase of the share capital of the company;

(viii) securities offered in connection with a takeover by means of an exchange offer provided that for such securities a document is available containing the information comparable to that included in the prospectus;

(ix) offer of securities allotted or to be allotted in a merger or a division provided that for such securities a document is available containing information equivalent to the information included in the prospectus taking into account the requirements of the European Union legislation;

(x) offer of shares:

– issued to the existing shareholders on the basis of an increase of share capital from the company's funds; or

– allotted to the existing shareholders paid out instead of dividends to the existing shareholders if such shares are of the same class as shares in respect of which such dividends are paid, provided that a document is made available containing the

information about the number and nature of such shares and reasons for and details of such an offer;

(xi) securities offered, allotted or to be allotted to former or existing management board members or employees by their employer or an affiliated undertaking if their seat or registered office is in the European Union and provided that a document is available containing information about the number and the nature of such securities and the reasons for and details of the offer;

(xii) securities offered exclusively to investors which participate in the pre-bankruptcy or bankruptcy proceedings in line with the financial and restructuring plan of the Issuer, under the condition that the plan (i.e. the pre-bankruptcy settlement proposal or the bankruptcy plan) determines the number, characteristics and other essential elements of those securities.

(e) sub-clause (xi) mentioned above also applies to companies domiciled in a non-Member State whose securities are admitted to trading on a regulated market or an equivalent market in a non-Member State provided that a document referred to in sub-clause (xi) is available at least in a language customary in international financial circles and provided that the European Commission, at the request of the Agency or a competent authority of another Member State, has adopted an equivalent decision regarding the market of a non-Member State.

(f) any further offer of securities stated as exemption from the obligation to publish a prospectus in sub-clauses (i) - (vi) above shall be deemed a separate offer and in respect of which the offeror is obliged to publish a prospectus pursuant to the Croatian Capital Market Act.

(g) in the case of public offers of securities through financial intermediaries, there is no obligation to publish a prospectus if the final offer fulfils the conditions of any of sub-clauses (i) through (vi) above.

(h) in the case of obligation to publish a prospectus referred to in clauses (f) and (g) above it is not necessary to publish a new prospectus as long as a valid prospectus for securities is available pursuant to clause (c) above and the issuer or a person responsible for the preparation of such a prospectus consents in writing to its use for that purpose.

(i) in the case of a public offer of securities exempted from the obligation to publish a prospectus in accordance with the above sub-clauses, the investment companies and credit institutions must inform the issuer on request about the conducted categorisation of the investor with due regard to the regulations concerning personal data protection.

(j) The issuer, the offeror or the person applying for the admission to trading of securities on the regulated market in the Republic of Croatia must notify the Agency on the exercise of exemption to publish the prospectus at least three working days before the commencement of the public offer that will be performed in the Republic of Croatia or the application for the admission to trading of securities on the regulated market.

(k) exceptionally, admission to trading on the regulated market of securities without prior publication of a prospectus is permitted in the following cases:

(i) offer of securities as defined in Article 1, Paragraph 5 points a) and c) of the Regulation (EU) 2017/1129 as of 14 June 2017;

(ii) securities offered in connection with a takeover by means of an exchange offer provided that for such securities a document is available containing the information comparable to that

included in the prospectus taking into account the requirements of the European Union legislation;

(iii) offer of securities allotted or to be allotted in a merger or a division provided that for such securities a document is available containing information equivalent to the information included in the prospectus taking into account the requirements of the European Union legislation

(iv) securities offered or to be allotted to former or existing management board members or employees by the ussuer or its affiliated undertaking provided that a document is available containing information about the number and the nature of such securities and the reasons for and details of the offer and that the securities of same class are lready admitted to the same regulated market.

Accordingly,

(a) **securities offer to the public or public offer** means any communication in any form, by use of any means, containing information about conditions of the offer and the securities offered, which information is sufficient so as to enable an investor to make a decision to purchase or subscribe these securities. This definition includes the placement of securities through financial intermediaries.

(b) **qualified investor** means**:**

(i) a client who has sufficient experience, knowledge and is qualified to make an independent decision about an investment and to estimate the risks connected therewith, in particular:

a. persons that in order to operate on the financial market require a licence and/or are subject to the supervision of a regulatory body:

a.1. investment companies,
a.2. credit institutions,
a.3. other financial institutions licenced for operations by the competent authority in accordance with the legal regulations governing their operations,
a.4. insurance companies,
a.5. subjects for joint ventures and their management companies,
a.6. companies for management of pension funds and pension funds,
a.7. pension insurance companies,
a.8.entities trading with commodities and derivative instruments on commodities,
a.9. local companies,
a.10. other institutional investors whose principal business activities are not listed under alineas a.1. through a.8. of this paragraph and are subject to approval or supervision of the operations on the financial market;

b. legal entities that, in relation to the preceding accounting period, meet at least 2 of the following requirements:

b.1. total assets amount to not less than HRK 150,000,000,
b.2. net income in the minimum amount of HRK 300,000,000,
b.3. capital in the amount of not less than HRK 15,000,000;

c. national and regional governments, public bodies for management of public debt, central banks, international and supranational institutions, such as World Bank, International Monetary Fund, European Central Bank, European Investment Bank and similar international organisations;

d. other institutional investors whose principal business activities are investment in financial instruments, which are not subject to authorisation or supervision of operations on the financial market by the competent authorities, including entities formed for the purpose of securitisation of assets.

(ii) a client demanding to be treated as a professional investor and a client for whom an investment company estimates that he has sufficient knowledge, experience and qualifications to make independent decisions about investments and to understand the risk included, provided that the estimate should fulfil at least two of the following criteria:

a. the client performed on average on the capital market relevant for him (a market on which are traded financial instruments for which that client wishes to gain a status of a professional investor) 10 transactions of a substantial value, within each quarter of the preceding year;

b. the size of client's portfolio of financial instruments (including cash and financial instruments) exceeds HRK 4,000,000;

c. the client operates or has operated in a financial sector for at least one year in operations requiring knowledge about planned transactions or services.

(iii) a qualified client, in particular:

a. investment companies,

b. credit institutions,

c. insurance companies,

d. management companies of open investment funds with public offer and open investment funds with public offer,

e. pension funds management companies and pension funds,

f. other financial institutions required to obtain a licence for operations or whose operations are governed by the regulations of the Community or a Member State,

g. national governments and public bodies for the management of public debt and central banks,

h. supranational organisations.

## 20. SWEDEN

No Securities may be offered to the public in Sweden nor admitted to trading on a regulated market in Sweden unless and until (A) a prospectus in relation to those Securities has been approved by the competent authority in Sweden and published or, where appropriate, approved and published in another Relevant Member State and such competent authority has notified the competent authority in Sweden, all in accordance with the Prospectus Directive and the Swedish Financial Instruments Trading Act (lag (1991:980) om handel med finansiella instrument) and/or the Prospectus Regulation as applicable, amended and in force from time to time; or (B) an exemption from the requirement to prepare a prospectus is available under the Swedish Financial Instruments Trading Act and/or the Prospectus Regulation as applicable, amended and in force from time to time.

## 21. DENMARK

No Securities may be offered or sold to the public in Denmark nor admitted to trading on a regulated market in Denmark unless and until (A) a prospectus in relation to those Securities has been approved by the competent authority in Denmark (the Danish Financial Supervisory Authority) and published or, where appropriate, approved and published in another Relevant Member State in accordance with the local laws on prospectus requirements and public offering of securities of that Member State and such competent authority has notified the Danish Financial Supervisory Authority, all in accordance with the Prospectus Directive, the Danish Capital Markets Act (the Consolidated Act no. 12 of 08 January 2018 on Capital Markets), the Danish Executive Orders issued pursuant to the Danish Capital Markets Act all as applicable, amended and in force from time to time; or (B) an exemption from the requirement to prepare and publish a prospectus is available under the Danish Capital Markets Act and/or the Prospectus Regulation as applicable, amended and in force. from time to time.

## 22. AUSTRIA

No Securities may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Securities be distributed in the Republic of Austria, unless

(i) an offer of the Securities to the public in Austria is made on the basis of a prospectus in relation to those Securities which has been approved by the Austrian Financial Markets Authority (*Finanzmarktaufsichtsbehörde*) ("**FMA**"), published and filed with Oesterreichische Kontrollbank Aktiengesellschaft or, where appropriate, approved by the competent authority in another Relevant Member State and notified to the FMA, all in accordance with the Austrian Capital Markets Act (*Kapitalmarktgesetz*) and any other applicable laws in Austria, in particular the Regulation (EU) 2017/1129 (New Prospectus Regulation); or

(ii) an offer of the Securities is otherwise made in Austria in compliance with the Austrian Capital Markets Act (*Kapitalmarktgesetz*) and any other applicable laws in Austria, in particular the Regulation (EU) 2017/1129 (New Prospectus Regulation).

## 23. MALTA

Any offer, sale or other action in connection with any securities in, or involving Malta must be carried out in conformity with the provisions of the Companies Act 1995 (Chapter 365 of the Laws of Malta), the Companies Act (Prospectus Regulations) (Chapter 365.11 of the Laws of Malta), the Prevention of Financial Markets Abuse Act (Chapter 486 of the Laws of Malta), the Listing Rules issued by the Listing Authority, Commission Regulation (EC) 809/2004 and Directive 2003/71/EC of the European Parliament as amended from time to time, Commission Regulation 2017/1129 (the New Prospectus Regulation), rules, policies and guidelines issued by the Malta Financial Services Authority from time to time and any other applicable laws and regulations in Malta, as amended from time to time.

It shall not be lawful for a public company to issue any form of application for its shares or debentures unless the company is registered and the form of application is issued with a prospectus, unless the requirement does not arise under Maltese law.

A prospectus in relation to an offer to the public which has been approved by the regulatory authority of an EU member state other than Malta or an EEA State shall only be deemed to have been approved once that authority has provided the Registrar of Companies with a certificate of approval certifying, amongst others, that the prospectus has been drawn up in accordance with the Prospectus Directive and that the prospectus has been approved by the regulatory authority of such EU member state or EEA state, together with a copy of the prospectus.

## 24. HELLENIC REPUBLIC

Any Manager or any distributor of Securities will be required to represent and agree that it has not offered or sold and will not offer or sell the Securities, unless it has complied and will comply with: (i) the public offer selling restrictions under the Prospectus Regulation, which shall repeal Directive 2010/73/EU described above in this section as of 21st of July 2019; (ii) all applicable provisions of Greek Law , namely a) Law 4416/2016 which implements Directive 2014/91/EU and b) Law 4374/2016 which implements Directive 2013/50/EU and Art. 1 of Directive 2014/51/EU; and (iii) all applicable provisions of Greek Law 876/1979, as currently in force, with respect to anything done in relation to any offering of any Securities in, from, or otherwise involving the Hellenic Republic.

In this light, any public offering of the securities may be performed in the Hellenic Republic mandatorily after the issuance of a Prospectus -pursuant to the Prospectus Regulation- except for:

(a) an offer of securities addressed solely to qualified investors;

(b) an offer of securities addressed to fewer than 150 natural or legal persons per Member State, other than qualified investors;

c) the circumstances described under Article 1 para. 4 of the Prospectus Regulation.

## 25. CYPRUS

The Issuer and each Manager has represented, warranted and agreed, and each further Manager appointed under the Programme will be required to represent, warrant and agree, that:

(a) it has offered, sold or delivered, and it will offer, sell or deliver, any Securities, and it has distributed, made available or caused to be distributed, and will distribute, make available or cause the distribution of, this Base Prospectus or any other offering or promotional material relating to the Securities, in compliance with the Public Offer and Prospectus Law 114(I)/2005, as amended and the EU Regulation 2017/1129; and

(b) it has offered, sold or delivered, and it will offer, sell or deliver, Securities, and it has provided, and will provide, within the Republic of Cyprus "Investment Services", "Investment Activities" and "Ancillary Services" (as such terms are defined in the Investment Services and Activities and Regulated Markets Law 87(I)/2017, as the same may be amended, (the "**Investment Services Law**")) in relation to the Securities, in compliance with the Investment Services Law and, to the extent applicable, the Investment Services and Activities and Regulated Markets Law 144(I)/2007, as amended.

## 26. SWITZERLAND

Until 31 December 2019

Securities qualifying as structured products pursuant to article 5 of the Swiss Collective Investment Schemes Act ("**CISA**") may be distributed to non-qualified investors (*nicht-qualifizierte Anlegerinnen und Anleger*) in or from Switzerland either (i) by means of a listing of such Securities on SIX Swiss Exchange Ltd ("**SIX**") or BX Swiss Ltd ("**BX Swiss**") or (ii) by means of making available a simplified prospectus relating to such Securities pursuant to article 5 CISA.
If neither of these requirements is met, then such Securities may only be distributed in or from Switzerland to qualified investors (*qualifizierte Anlegerinnen und Anleger*) as defined in article 10 para. 3, 3bis and 3ter CISA and its implementing ordinance ("**Qualified Investors**"). In such case, neither this Base Prospectus nor any other documents aimed at marketing specific Securities shall be despatched, copied to or otherwise made available to, and the Securities may not be offered for sale or advertised to any person in Switzerland, except to Qualified Investors, i.e. to (a) regulated financial intermediaries such as banks, securities traders, fund management companies and asset managers of collective investment schemes, as well as central banks,

(b) regulated insurance institutions, (c) public entities and retirement benefits institutions with professional treasury operations, (d) companies with professional treasury operations, (e) High-Net-Worth Individuals (as defined below) who have confirmed in writing that they wish to be deemed Qualified Investors, or (f) investors who have concluded a written discretionary management agreement pursuant to article 3 para. 2 lit. b and c CISA, unless they have declared in writing that they do not wish to be deemed Qualified Investors.
A "**High-Net-Worth Individual**" (*vermögende Privatperson*) is a private individual who (i) provides evidence that, based on his/her education and his/her professional experience or based on comparable experience in the financial sector, he/she has the necessary know-how to understand the risks connected with an investment in the Securities and who owns, directly or indirectly, financial assets of at least CHF 500,000, or (ii) who confirms in writing that he/she owns, directly or indirectly, financial assets of at least CHF 5 million.

Neither this Base Prospectus nor any simplified prospectus or other offering or marketing material relating to the Securties have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Base Prospectus will not be filed with, and the offer of Securities will not be supervised by, the Swiss Financial Market Supervisory Authority ("**FINMA**").

As of 1 January 2020
*Restrictions for distribution to Private Clients (as defined below)*

Securities qualifying as structured products pursuant to article 70 FinSA may be offered to private clients (*Privatkundinnen und -kunden*) ("**Private Clients**") pursuant article 4 para. 2 of the Swiss Financial Services Act ("**FinSA**") without a permanent asset management or advisory mandate in or from Switzerland only if a key investor document (*Basisinformationsblatt*) ("**KID**") relating to the Securities has been prepared and provided to the relevant Private Clients. Before 1 January 2021, such Securities may alternatively be offered to Private Clients without a permanent asset management or advisory mandate in or from Switzerland on the basis of a simplified prospectus relating to such Securities pursuant to article 5 of the Collective Investment Shemes Act ("**CISA**") instead of on the basis of a KID.

If such disclosure document has not been prepared and provided to the the relevant Private Clients, the Securities may only be offered in or from Switzerland to professional clients (*professionelle Kunden*) and institutional clients (*institutionelle Kunden*) ("**Professional and Institutional Clients**") as defined in article 4 para. 2, 3 and 4 and article 5 para. 1 FinSA. In such case, neither this Base Prospectus nor any other documents aimed at marketing specific Securities shall be despatched, copied to or otherwise made available to, and the Securities may not be offered for sale or advertised to any person in Switzerland, except to Professional and Institutional Clients, i.e. to (a) regulated financial intermediaries pursuant to the Swiss Banking Act, the Financial Institutions Act and CISA, (b) regulated insurance institutions pursuant to the Insurance Supervision Act, (c) foreign financial intermediaries subject to a prudential supervision as the institutions pursuant to (a) and (b), (d) central banks, (e) public entities with professional treasury operations, (f) pension funds and occupational pension schemes with professional treasury operations, (g) undertakings with professional treasury operations, (h) large companies that exceed two of the following thresholds: (i) balance sheet total of CHF 20 million, (ii) turnover of CHF 40 million, and/or (iii) own capital of CHF 2 million, (i) private investment structures for high-net worth individuals with professional treasury operations, (j) Opting-out Clients, and (k) Private Clients with a permanent asset management or advisory mandate.
An "**Opting-out Client**" (*vermögende Privatkundinnen und -kunden*) is a private individual or a private investment structure who confirms credibly and in writing (i) that, based on his/her education and his/her professional experience or based on comparable experience in the financial sector, he/she has the necessary knowledge to understand the risks connected with an investment in the Securities and who owns, directly or indirectly, eligible financial assets of at least CHF 500,000, or (ii) that he/she/it owns, directly or indirectly, eligible financial assets of at least CHF 2 million.

*No public offering*
Furthermore, this Base Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Securities described herein. The Securities may not be publicly offered, sold or advertised, directly or

indirectly, in, into or from Switzerland, and neither this Base Prospectus nor any KID, simplified prospectus or other offering or marketing material relating to the Securities may be publicly distributed or otherwise made publicly available in Switzerland except if the following prospectus requirements are complied with:

Until the entry into force of the prospectus provisions pursuant to FinSA: Compliance of this Base Prospectus and any additional offering documents required, if any, with article 1156 of the Swiss Code of Obligations or, if applicable, the listing rules of SIX Swiss Exchange Ltd ("**SIX**") or BX Swiss Ltd ("**BX Swiss**").

As of the entry into force of the prospectus provisions pursuant to FinSA: Compliance of this Base Prospectus and any additional offering documents required, if any, with article 40 et seqq. FinSA, and approval of this Base Prospectus and any such additional offering documents, if any, by a reviewing body authorized by the Swiss Financial Market Supervisory Authority ("**FINMA**") for that purpose pursuant to article 51 et seqq. FinSA, unless an exception from such obligations pursuant to article 36 et seqq. FinSA applies.

## 27. GENERAL

The Manager or, as the case may be, each Manager will be required to represent and agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Securities or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any Manager shall have any responsibility therefor.

Neither the Issuer nor any Manager represents that Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the Manager or, as the case may be, each Manager will be required to comply with such other restrictions as the Issuer and the Manager(s) shall agree and as shall be set out in the applicable Final Terms.

## FORM OF FINAL TERMS

**PROHIBITION OF SALES TO RETAIL INVESTORS -** The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in [the European Economic Area (the "**EEA**")] [and] [*Insert jurisdiction(s)* [•]]. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU ("**IDD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive [or (iv) a retail client within the meaning of any equivalent definition under the applicable legislation of [*Insert jurisdiction(s)* [•]]. Consequently no key information document required by Regulation (EU) No 1286/2014 as amended (the "**PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in [the EEA] [and] [*Insert jurisdiction(s)* [•] [only]] has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in [the EEA] [and] [*Insert jurisdiction(s)* [•] [only]] may be unlawful under the PRIIPS Regulation.

## FINAL TERMS

**[*Insert date*]**

**BANCA IMI S.P.A.**

**[*Title of Warrants or Certificates*]**

**[[***commercial name*:] [referred to for commercial purposes as**] ["[●]"]**

**under the Warrants and Certificates Programme**

## PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated 8 July 2019 [and the supplement[s] to the Base Prospectus dated [●] [which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive as amended][15]. This document constitutes the Final Terms of the Securities described herein [for the purposes of Article 5.4 of the Prospectus Directive] [16] and must be read in conjunction with the Base Prospectus [as supplemented]. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus [as supplemented]. The Base Prospectus [and the supplement to the Base Prospectus] is [are] available for viewing during normal business hours at the registered office of the Issuer [and the specified offices of the Principal Security Agent][17]. The Base Prospectus [and the supplement to the Base Prospectus] [has] [have] been published on the websites of the Luxembourg Stock Exchange (www.bourse.lu) and the Issuer (https://www.bancaimi.prodottiequotazioni.com/EN/Legal-Documents). A summary of the Securities (which comprises the summary in the Base Prospectus as completed to reflect the provisions of these Final Terms) is annexed to these Final Terms. In the case of the Securities admitted to trading on the regulated market of the Luxembourg Stock Exchange, the Final Terms will be published on the website of the Luxembourg Stock Exchange [and of the Issuer][18].]

(*The Final Terms relating to each issue of Securities will contain (without limitation) such of the following information as is applicable in respect of such Securities. Any information that is not applicable will be deleted*)

References herein to numbered Conditions are to the terms and conditions of the relevant series of Securities and words and expressions defined in such terms and conditions shall bear the same meaning in these Final Terms insofar as they relate to such series of Securities, save as where otherwise expressly provided.

These Final Terms relate to the series of Securities as set out in "Specific Provisions for each Series" below.

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15 Delete wording in square brackets where an exempt offer of Securities is anticipated.
16 Delete wording in square brackets where an exempt offer of Securities is anticipated.
17 Delete wording in square brackets in the case of Italian Dematerialised Securities.
18 Delete wording in square brackets where an exempt offer of Securities is anticipated.

References herein to "Securities" shall be deemed to be references to the relevant [Warrants/Certificates] that are the subject of these Final Terms and references to "Securities" and "Security" shall be construed accordingly.

(*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date:)*

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Securities (the "**Conditions**") set forth in the Base Prospectus dated 27 July 2018, which are incorporated by reference in the Base Prospectus dated 8 July 2019. This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated 8 July 2019 [and the supplement[s] to it dated [•]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the "**Base Prospectus**"), including the Conditions incorporated by reference in the Base Prospectus. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing during normal business hours at the registered office of the Issuer [and the specified offices of the Paying Agents][19]. The Base Prospectus has been published on the websites of the Luxembourg Stock Exchange (www.bourse.lu). A summary of the Securities (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms.]

1. Specific provisions for each Series:

| **Series Number** | **No. of Securities issued** | **[Issue Price][Indicative Price] per Security** |
|---|---|---|
| ● | ● | ● |
| ● | ● | ● |

2. Tranche Number: [[ ] [Not applicable]

3. Minimum Exercise [Amount][Number]: [[ ] [Not applicable]

4. Minimum Trading [Amount][Number]: [[ ] [Not applicable]

5. Consolidation: [The Securities are to be consolidated and form a single series with the [*insert title of relevant series of Securities*] issued on [*insert issue date*]]. (*Only applicable in relation to Securities which are fungible with an existing series of Securities*) [Not applicable]

6. Type of Securities and underlying asset:

(a) The Securities are [Certificates][[Covered] Warrants]. [The Certificates are [Index Securities] [and] [Share Securities] [and] [Exchange Rate Securities] [and] [Interest Rate Securities] [and] [Futures Contract Securities] [and] [Commodity Securities] [and] [Fund Securities] [and Govies Securities] [and] [Combined Securities].] [The Warrants are [European][American] Style Warrants.]

(b) The item(s) to which the Securities relate [is] [are] [*specify underlying asset(s) in relation to the remuneration amounts and the Cash Settlement Amount*]

[*if the underlying is a Share, specify: name of the issuer*

[19] Delete wording in square brackets in the case of Italian Dematerialised Securities.

*of the security and ISIN or other identification code*]

[*If the Underlying is an Index specify the name of the Index, and where the composition, set of rules and governing rules may be found*]

[*if the underlying is an Interest Rate, describe the interest rate*]

[*If the Underlying qualifies as "benchmark" for the purposes of the Benchmark Regulation insert:*

[*specify benchmark(s)*] [is/are] provided by [*insert administrator(s) legal name(s)*] [*repeat as necessary*]. [As at the date of these Final Terms, [*insert administrator(s) legal name(s)*] [appear[s]]/[[does]/[do] not appear] [*repeat as necessary*] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. [As far as the Issuer is aware, [[*insert benchmark(s*)] [does/do] not fall within the scope of the Benchmark Regulation by virtue of Article 2 of that Regulation] [*repeat as necessary*] *OR* [the transitional provisions in Article 51 of the Benchmark Regulation apply], such that [*insert administrator(s) legal name(s)*] [is/are] not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence). [*repeat as necessary*].]

[*if the underlying is an Exchange Rate, a Commodity, a Futures Contract, an ADR or GDR, insert description of the underlying and specify where to obtain information about such underlying*]

[*if the underlying is a Government Bond, specify: (i) whether the Underlying is the Government Bond or the Yield of Government Bond, (ii) the name of the issuer of the security and (iii) the ISIN or other identification code. Where the Underlying is the Yield of Government Bond, specify also the information source*]

[*specify where information about the past and the further performance of the underlying and its volatility can be found*]

[*in case of Combined Securities specify the amount(s) to which each underlying relates*]

[*in case of Basket insert*:

a Basket of [ ] composed as follows:

| ***i*** | **Basket Constituent** | **[Basket Constituent Weight]** | **[Cap]** |
|---|---|---|---|

| | | | |
|---|---|---|---|
| [ ] | [ ] | [ ] | [ ] |
| [ ] | [ ] | [ ] | [ ] |
| [ ] | [ ] | [ ] | [ ] |

]

[*In case of Securities linked to a Basket of Baskets insert:*

a Basket of baskets (each a "**Basket Constituent**") composed as follows:

| ***i*** | **Basket Constituent** | **[Basket Constituent Weight]** | **[Cap]** | **t** | **Financial assets composing the Basket Constituent** | **Weight of the financial asset composing the Basket Constituent** |
|---|---|---|---|---|---|---|
| [ ] | [ ] | [ ] | [ ] | [ ] | [ ] | [ ] |
| | | | | [ ] | [ ] | [ ] |
| | | | | [ ] | [ ] | [ ] |
| | | | | [ ] | [ ] | [ ] |
| | | | | [ ] | [ ] | [ ] |
| [ ] | [ ] | [ ] | [ ] | [ ] | [ ] | [ ] |
| | | | | [ ] | [ ] | [ ] |
| | | | | [ ] | [ ] | [ ] |
| | | | | [ ] | [ ] | [ ] |
| | | | | [ ] | [ ] | [ ] |
| | | | | [ ] | [ ] | [ ] |

]

[*in case of Multiperformance Certificates insert*:

the following Underlyings:

| ***i*** | **Underlying** |
|---|---|
| [ ] | [ ] |
| [ ] | [ ] |
| [ ] | [ ] |

]

[*in case of Currency Certificates insert:*

the following exchange rates:

| exchange rate | Exchange Rate Weight |
|---|---|
| [ ] | [ ] |
| [ ] | [ ] |
| [ ] | [ ] |

]

[*in case of Spread Certificates insert*:

Underlying A: [ ]

Underlying B: [ ]]

| | | |
|---|---|---|
| 7. | Typology: | [Standard (Long/Short) Certificates]<br>[Max (Long/Consolidation Long/Short) Certificates]<br>[Spread (Type A/ Type B/ Type C/Type D) Certificates]<br>[Twin Win (Long/Short) Certificates]<br>[Benchmark (Long/Short) Certificates]<br>[Outperformance (Long/Short) Certificates]<br>[Buffer Protection Certificates]<br>[Global Performance Certificates]<br>[Lucky Protection (Long/Short) Certificates]<br>[Dynamic Protection (Long/Short) Certificates]<br>[Currency Certificates]<br>[Multiperformance Certificates]<br>[Gap (Long/Short) Certificates]<br>[Dual Currency FX Certificates]<br>[Switch Certificates][Call Certificates]<br>[Call [Covered] Warrants][Call Spread Warrants][Put [Covered] Warrants][Put Spread Warrants][Interest Rate Warrants]<br>[Corridor Warrants] |
| 8. | (i) Exercise Date: | The Exercise Date of the Securities is [ ]. |
| | (ii) Renouncement Notice Cut-off Time: | [ ] (*Only applicable for Italian Traded Securities*) [Not applicable] |
| 9. | Settlement Date: | The Settlement Date for the Securities is [ ]. |
| 10. | Delivery Date: | [The Delivery Date for the Securities is [ ].][Not applicable.] |
| 11. | Issue Date: | The Issue Date is [ ]. |
| 12. | Issue Currency: | The Issue Currency is [ ]. |
| 13. | Discount Price | [ ] [Not applicable]. |
| 14. | Purchase Price: | [ ] [Not applicable].<br><br>*(Only applicable in relation to Digital Certificates)* |
| 15. | Business Day Centre(s): | The applicable Business Day Centre[s] (*for the purposes of the definition of "Business Day" in Condition 3*) [is/are] [ ]. |
| 16. | Business Day: | [Following Business Day Convention/Modified Following |

| | | |
|---|---|---|
| | | Business Day Convention/Preceding Business Day Convention][ ] |
| 17. | Exchange Business Day: | [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][ ] |
| 18. | Settlement Business Day: | Settlement Business day (*for the purposes of Condition 4*) means [ ]. (*N.B. Only applicable in the case of Physical Delivery Securities*)[Not applicable] |
| 19. | Settlement: | Settlement will be by way of [cash payment (**Cash Settled Securities**)] [or] [physical delivery (**Physical Delivery Securities**)](*in case of Physical Delivery Securities, specify if Physical Delivery Confirmation Notice is applicable*). |
| 20. | Exchange Rate: | The applicable Exchange Rate for conversion of the Underlying Reference Currency into the Settlement Currency, is [*insert rate of exchange and details of how and when such rate is to be ascertained*] [Not applicable]. |
| 21. | Settlement Currency: | The settlement currency [[for the payment of [the Cash Settlement Amount] (*in the case of Cash Settled Securities*)/[the Settlement Disruption Amount] (*in the case of Physical Delivery Securities*)] [and any other remuneration amount under the Securities]] is [ ].<br><br>[*If the Securities are Cash Settled Securities that are Dual Currency Securities*: The Securities are Dual Currency Securities (*include applicable provisions, such as:*<br><br>- *Exchange Rate/method of calculating the Exchange Rate*<br>- *the party, if any, responsible for calculating the Cash Settlement Amount*<br>- *the provisions applicable where calculation by reference to the Rate of Exchange is impossible or impracticable, including a description of market disruption or settlement disruption events and adjustment provisions*<br>- *person at whose option the Specified Currency(ies) are payable*).] |
| 22. | Name and address of Calculation Agent: | The Calculation Agent is [ ]. [*Insert address of Calculation Agent*] |
| 23. | Exchange(s): | [(*For the purposes of Condition 3 and Condition 15*) The relevant Exchange[s] [is/are] [ ][in respect of each component security of the Index (each an Index Constituent), [ ] [the principal stock exchange on which such Index Constituent is principally traded, as determined by the Calculation Agent]].<br><br>[Not applicable] |
| 24. | [Reference Source] [, Index Sponsor ] [, Fund Manager] [,Calculation Entity]: | [ ] [Not applicable] |

| | | |
|---|---|---|
| 25. | Related Exchange(s): | [(*For the purposes of Condition 15*) The relevant Related Exchange(s) [is/are] [ ] [Not applicable] |
| 26. | Rollover Date: | [ ] [Not applicable]<br><br>*(Only applicable in relation to Futures Contract Securities)* |
| 27. | Open End Feature: | [Applicable][Not applicable] |
| 28. | Put Option: *(only if Put Option or Open End Feature is specified as applicable. Delete the sub-paragraphs if not applicable)* | [Applicable][Not applicable] |
| | Put Valuation Date(s): | [ ] |
| | Put Notice Period: | from [ ] to [ ] (*Specify each period if more than one*) |
| 29. | Call Option: *(only if Call Option or Open End Feature is specified as applicable. Delete the sub-paragraphs if not applicable)* | [Applicable][Not applicable] |
| | Call Valuation Date(s): | [ ] |
| | Call Notice Period: | from [ ] to [ ] (*Specify each period if more than one*) |
| 30. | Maximum Level: | [Applicable [*specify level*]/ Not applicable] |
| 31. | Minimum Level: | [Applicable [*specify level*]/ Not applicable]<br>*(Only applicable in relation to Fund Securities)* |
| 32. | Settlement Amount: | [*Insert details of how Cash Settlement Amount / Physical Delivery is to be calculated pursuant to Condition 24 (Pay-out Provisions)* [ ]<br><br>[*Specify the Underlying(s) which will be considered for the purposes of the calculation of the Cash Settlement Amount*] |
| 33. | Multiplier: | [The Multiplier to be applied is [ ]][Not applicable]<br><br>[The Adjustment Days are: [ ]] |
| 34. | Relevant Asset(s): | The Relevant Asset to which the Securities relate [is/are] [ ][Not applicable].<br><br>(*Only applicable in relation to Physical Delivery Securities*) |
| 35. | Entitlement: | [Not applicable.]<br><br>[The Entitlement (as defined in Condition 3) in relation to each Security is [ ] (*insert, if necessary, details of how the Entitlement will be calculated*). |

| | | |
|---|---|---|
| | | The Entitlement will be evidenced by [*insert details of how the Entitlement will be evidenced*]<br><br>The Entitlement will be delivered [*insert details of the method of delivery of the Entitlement*].]<br><br>(*Only applicable in relation to Physical Delivery Securities*) |
| 36. | AMF Percentage: | [Not applicable]<br><br>[ ]%<br><br>*(Only in relation to Benchmark Certificates if AMF or VMF is specified as applicable)* |
| | VMF Percentage: | [Not applicable]<br><br>[ ]%<br><br>*(Only in relation to Benchmark Certificates if VMF is specified as applicable)* |
| 37. | Strike Price: | [ ] [Not applicable] *(Only applicable in relation to Short Benchmark Certificates)* |
| 38. | Conversion Rate: | [ ] [Not applicable] *(Only applicable in relation to Dual Currency FX Certificates)* |
| 39. | Underlying Reference Currency: | The Underlying Reference Currency is [ ] |
| 40. | Quanto Option: | [Applicable] [Not applicable] |
| 41. | Determination Date(s): | [ ] / from [ ] to [ ] [Not applicable] |
| 42. | Valuation Date(s): | [ ] / from [ ] to [ ] [Not applicable] |
| 43. | Intraday Value: | [Applicable] [Not applicable] |
| 44. | Reference Value: | [The Reference Value will be [*insert determination or calculation method, including, if applicable, the Intraday Value details*].]<br><br>[For the purposes of the [determination of the] [Accumulating Event] [Barrier Event] [Barrier Gap Event] [Consolidation Floor Event] [Coupon Event] [Digital Event] [Cliquet Valuation Period] [Early Redemption Event] [Extra Consolidation Digital Event] [Gearing Event] [Knock-in Event] [Knock-out Event] [Participation Rebate Event] [Restrike Event] [Switch Event] [Internal Return Amount] [Participation Remuneration Event] [Memory Effect] [Consolidation Effect] ] [calculation of the performance in relation to the [Global Performance] [Performance Sum]] the Reference Value will be [*insert determination or calculation method, including, if applicable, the Intraday Value details*].] |

| | | |
|---|---|---|
| | | [Not applicable] |
| 45. | Initial Reference Value: | The Initial Reference Value will be calculated on [ ] [*insert calculation method among those specified in the Base Prospectus*]. |
| | Initial Reference Value Determination Period(s): | [[ ] / from [ ] to [ ]][Not applicable] |
| 46. | Final Reference Value: | The Final Reference Value will be calculated on [ ] [*insert calculation method among those specified in the Base Prospectus*]. |
| | Final Reference Value Determination Period(s): | [[ ] / from [ ] to [ ]][Not applicable] |
| 47. | Best Of Feature: | [Applicable [*specify details*] [Not applicable] |
| 48. | Worst Of Feature: | [Applicable [*specify details*] [Not applicable] |
| 49. | Rainbow Feature: | [Applicable [*specify details*] [Not applicable] |

**PROVISIONS RELATING TO CERTIFICATES**

[Applicable][Not applicable].

| | | |
|---|---|---|
| 50. | Performance Cap: | [Applicable. Equal to [ ]%] [In relation to Performance of the Underlying A equal to [ ]% and in relation to Performance of the Underlying B equal to [ ]%] [Not applicable.] |
| | Performance Floor: | [Applicable. Equal to [ ]%] [In relation to Performance of the Underlying A equal to [ ]% and in relation to Performance of the Underlying B equal to [ ]%] [Not applicable.] |
| | Performance Participation Factor: | [[ ]%][Not applicable] |
| 51. | Initial Percentage: | [[ ]%][Not applicable] |
| 52. | Participation Factor: | [[ ]%][Not applicable] |
| 53. | Down Participation Factor: | [[ ]%][Not applicable] |
| 54. | Up Participation Factor: | [[ ]%][Not applicable] |
| 55. | Initial Leverage: *(Delete sub-paragraph if not applicable)* | [[ ]%] [Not applicable] (*only applicable in relation to Lucky Protection Certificates*) |
| | Adjust Factor: | [ ]% |
| 56. | Barrier Event: | [Applicable [*specify details*]] [Not applicable] |
| | Barrier Event Determination Period(s): | [ ] [from [ ] to [ ] [Not applicable] |
| | Barrier Level: | [ ][*Specify the level of the period or the different levels for the same period and for each period if more than one*] |

| | | |
|---|---|---|
| | | [Not applicable] |
| | Lower Barrier Level: | [ ] [Not applicable] |
| | Upper Barrier Level: | [ ] [Not applicable] |
| | Barrier Selection Period: | [ ] [Not applicable] |
| | Strike Observation Period: | [ ] [Not applicable] |
| | Air Bag Factor: | [ ] [Not applicable] |
| | Protection Level: | [ ] [Not applicable] |
| | Protection Percentage: | [ ]% [Not applicable] |
| | Spread Protection: | [ ] [Not applicable] |
| | Protection Amount: | [ ] [Not applicable] |
| | Dropdown Protection Level: | [ ] [Not applicable] |
| | Dynamic Protection Level: | [ ] [Not applicable](*only applicable in relation to Dynamic Protection Certificates*) |
| | Step Up Amount: | [ ] [Not applicable](*only applicable in relation to Dynamic Protection Certificates*) |
| | Sigma Amount: | [ ][Not applicable] |
| | Predetermined Loss Percentage: | [[ ]%][Not applicable] |
| | Short Protection: | [ ][Not applicable][*only in case of Standard Short Barrier Protected Certificates and Max Short Barrier Protected Certificates*] |
| 57. | Barrier Gap Event: *(Delete sub-paragraphs if not applicable)* | [Applicable [*specify details*]] [Not applicable] |
| | Barrier Gap Observation Period(s): | [ ] [from [ ] to [ ]] *(Specify each period if more than one)* |
| | Barrier Gap Level: | [[ ]%][Not applicable] |
| | Barrier Gap Leverage: | [Applicable [*specify details*]] |
| 58. | Cap Level(s): *(Delete sub-paragraphs if not applicable)* | [Applicable [*specify details*]] [Not applicable] |
| | Cap Percentage: | [[ ] %] [Not applicable] |
| | Cap Amount: | [ ] [Not applicable] |
| | Cap Style 1: | [Applicable [*specify details*]] [Not applicable] (*only in case of Restrike Feature*) |
| | Cap Style 2: | [Applicable [*specify details*]] [Not applicable] (*only in case of Restrike Feature*) |

| | | |
|---|---|---|
| 59. | Consolidation Floor Event: *(Delete sub-paragraphs if not applicable)* | [Applicable [*specify details*]] [Not applicable] |
| | Consolidation Floor Valuation Period(s): | [ ] [from [ ] to [ ] |
| | Consolidation Floor Level: | [ ][*Specify the level of the period or the different levels for the same period and for each period if more than one*] |
| | Cap Consolidation Amount: | [Applicable [*specify details*]] [Not applicable] |
| 60. | Cap Barrier Amount: | [ ] [Not Applicable] |
| 61. | Cap Down Amount: | [ ] [Not Applicable] |
| 62. | Strike Percentage: | [ ] % [Not applicable] |
| 63. | Switch Event: *(Delete sub-paragraphs if not applicable)* | [Applicable. [*Specify details*]] [Not applicable] |
| | Switch Level: | [ ] % |
| | Switch Valuation Period: | [ ][ ] / from [ ] to [ ] |
| 64. | Spread: *(Delete sub-paragraph if not applicable)* | [Applicable] [Not applicable] [*Specify details*] |
| | Margin: | [ ] |
| 65. | Gearing Event: *(Delete sub-paragraphs if not applicable)* | [Applicable [*specify details*]] [Not applicable] (*only applicable in relation to Dynamic Protection Certificates*) |
| | Gearing Level: | [ ] |
| | Gearing: | [ ]% |
| | Initial Gearing: | [ ]% |
| 66. | Buffer Event: *(Delete sub-paragraphs if not applicable)* | [Applicable. [*Specify details*]] [Not applicable] |
| | Buffer Percentage: | [ ] % |
| | Performance Sum: | [The Performance Sum will be calculated on the Performance Observation Date(s) [*insert calculation method and strategy*]. |
| | Protection Percentage: | [ ] % |
| | Buffer Valuation Date(s): | [ ] |
| 67. | Global Performance: *(Delete sub-paragraphs if not applicable)* | [Applicable] [The Global Performance will be calculated on the Performance Observation Date(s) [*insert calculation method*] [Not applicable] |
| | Participation Factor: | [ ]% |

| | | |
|---|---|---|
| | Local Floor Percentage: | [ ]% |
| | Global Strike Percentage: | [ ]% |
| | Performance Observation Date(s): [*only applicable in case of Buffer Protection Certificates and Global Performance Certificates*] | [ ]<br>[ ] / from [ ] to [ ] |
| | Strike Level: | [[ ]%][Not applicable] *(Only applicable to Dual Currency FX Certificates)* |
| 68. | Failure to Deliver due to Illiquidity: | [Not applicable] [Failure to Deliver due to Illiquidity applies to the Securities].<br>(*N.B. (1) Only applicable in the case of Physical Delivery Securities. (2) Failure to Deliver due to Illiquidity is applicable to certain Share Securities. Careful consideration should be given to whether Failure to Deliver due to Illiquidity would apply to other Physical Delivery Securities*) |
| 69. | Digital Percentage: | [[ ]%][Not applicable] *(Only applicable to Digital Certificates)* |
| 70. | Settlement Level: | [[ ]%][Not applicable] *(Only applicable to Digital Certificates)* |

**PROVISIONS RELATING TO REMUNERATION AMOUNTS AND EARLY REDEMPTION AMOUNTS**

| | | |
|---|---|---|
| 71. | Knock-out Feature: *(Delete sub-paragraphs if not applicable)* | [Applicable in relation to [ ]] [Not applicable] |
| | Knock-out Event: | [ ] *(Specify details for each period if more than one)* |
| | Knock-out Level: | [ ] *(Specify the level and, if a range applies, the Up Range Level/Down Range Level, for each period if more than one)* |
| | Knock-out Valuation Period(s): | [ ] *(Specify each period if more than one)* |
| 72. | Knock-in Feature: *(Delete sub-paragraphs if not applicable)* | [Applicable in relation to [ ]] [Not applicable] |
| | Knock-in Event: | [ ] *(Specify details for each period if more than one)* |
| | Knock-in Level: | [ ] *(Specify the level and, if a range applies, the Up Range Level/Down Range Level, for each period if more than one)* |
| | Knock-in Valuation Period(s): | [ ] *(Specify each period if more than one)* |
| 73. | Digital Amount(s): *(Delete sub-paragraphs of not applicable)* | [ ] (*specify details for each level/period if more than one*) [Equal to Coupon Premium 1 or Coupon Premium 2 depending on the occurrence of Coupon Event] [Not applicable] |
| | Underlying(s): | [ ] (*specify underlying(s) in relation to each Digital Valuation Period*.)[Not applicable.] |
| | Digital Level(s): | [ ] *(Specify details of the level(s) and, if a range applies, the* |

| | | |
|---|---|---|
| | | *Up Range Level/Down Range Level, for each period if more than one)* |
| | Digital Valuation Period(s): | [ ] *(Specify each period if more than one)* |
| | Digital Payment Date(s): | [ ] *(Specify for each period if more than one)* |
| | Digital Combo Feature: | [Applicable [*specify details*]] [Not applicable] |
| | Cliquet Feature: | [Applicable [*specify details*]] [Not applicable] |
| | Cliquet Valuation Period: | [Applicable [*specify details*]] [Not applicable] |
| | Consolidation Effect: | [Applicable [*specify details*]] [Not applicable] |
| | Consolidation Level: | [ ] *(Specify the level and, if a range applies, the Up Range Level/Down Range Level, for each period if more than one)* [Not applicable] |
| | Consolidation Valuation Period(s): | [ ] *(Specify each period if more than one)* [Not applicable] |
| | Extra Consolidation Digital Feature: | [Applicable [*specify details*]][Not applicable] |
| | Extra Consolidation Digital Level: | [ ] *(Specify for each period if more than one)* [Not applicable] |
| | Extra Consolidation Digital Period(s): | [ ] *(Specify each period if more than one)* [Not applicable] |
| | Memory Effect: | [Applicable [*specify details*]] [Not applicable] |
| | Memory Level: | [ ] *(Specify the level and, if a range applies, the Up Range Level/Down Range Level, for each period if more than one)* [Not applicable] |
| | Memory Valuation Period(s): | [ ] *(Specify each period if more than one)* [Not applicable] |
| | Path Dependency Effect: | [Applicable [*specify details*]] [Not applicable] |
| | Path Dependency Amount: | [ ] [Not applicable] |
| 74. | Restrike Feature: *(Delete sub-paragraphs if not applicable)* | [Applicable [*specify details*]] [Not applicable] |
| | Restrike Level: | [ ] % *(Specify for each period if more than one)* |
| | Restrike Observation Date(s): | [ ] *(Specify each period if more than one)* |
| | Restrike Percentage: | [ ]% *(Specify for each period if more than one)* |
| 75. | Plus Amount(s): *(Delete sub-paragraph if not applicable)* | [Applicable [*specify details*]] [Not applicable] |
| | Plus Payment Date(s): | [ ] *(Specify each date if more than one)* |
| 76. | Accumulated Amount(s): *(Delete sub-paragraph if not applicable)* | [Applicable. [*If an Early Redemption Level is applicable, specify whether the payment of the Accumulated Amount is conditional upon occurrence of an Early Redemption* |

| | | |
|---|---|---|
| | | *Event*]][Not applicable] |
| | Accumulating Amount(s): | [ ] *(Specify for each period if more than one)* |
| | Accumulating Event(s): | [ ] *(Specify details)* |
| | Underlying(s): | [*specify underlying(s) in relation to the determination of the Accumulating Event*] [Not applicable] |
| | Accumulating Level(s): | [ ] *(Specify the level and, if a range applies, the Up Range Level/Down Range Level, for each period if more than one)* [Not applicable] |
| | Accumulating Valuation Period(s): | [ ] *(Specify each period if more than one)* |
| | Accumulated Valuation Date(s): | [ ] *(Specify for each period if more than one)* |
| | Accumulated Payment Date(s): | [ ] *(Specify for each period if more than one)* |
| | Accumulating Trigger Amount(s): | [ ] *(Specify for each period if more than one)* [Not applicable] |
| 77. | Early Redemption Amount(s): *(Delete sub-paragraph if not applicable)* | [Applicable] *(Specify for each period if more than one)* [Equal to Coupon Premium 1 or Coupon Premium 2 depending on the occurrence of Coupon Event] [Not applicable] |
| | Early Redemption Event: | [ ] *(Specify details)* |
| | Underlying(s): | [*specify underlying(s) in relation to the calculation of the Early Redemption Amount.*] [Not applicable] |
| | Early Redemption Level: | [ ] *(Specify the level and, if a range applies, the Up Range Level/Down Range Level, for each period if more than one)* |
| | Early Redemption Valuation Period(s): | [ ] *(Specify each period if more than one)* |
| | Early Payment Date(s): | [ ] *(Specify for each period if more than one)* |
| 78. | Early Partial Capital Payment Amount: *(Delete sub-paragraph if not applicable)* | [ ] [Not applicable] |
| | Early Partial Capital Payment Date: | [ ] [Not applicable] |
| | Outstanding Amount Determination Date(s): | [ ] [Not applicable] |
| 79. | Coupon Event: *(Delete sub-paragraphs if not applicable)* | [Applicable [*specify details*]] [Not applicable] |
| | Coupon Level: | [ ] |
| | Coupon Determination Period: | [ ] |
| | Coupon Valuation Date: | [ ] |

| | | |
|---|---|---|
| | Coupon Premium 1: | [ ] |
| | Coupon Premium 2: | [ ] |
| 80. | Internal Return Amount: *(Delete sub-paragraphs if not applicable)* | [Applicable [*IRA Compound / IRA Simple*] [Not applicable] |
| | Underlying(s): | [*specify underlying(s) in relation to the calculation of the IRA Amount.*][Not applicable] |
| | Annual Valuation Date(s): | [*Specify date(s)*] |
| | IRA Cap: | [[ ]%] [Not applicable] |
| | Annual Remuneration Payment Date(s): | [*Specify date(s) for each Annual Valuation Date if more than one*] |
| 81. | Participation Remuneration Amount: *(Delete sub-paragraph if not applicable)* | [Applicable. The Participation Remuneration Amount[s] [is] [are] [Long Participation Remuneration Amount[s] Form A] [and] [Long Participation Remuneration Amount[s] Form B] [Short Participation Remuneration Amount[s]] [Spread Participation Remuneration Amount[s]] (*specify details*)] [Not applicable] |
| | Participation Remuneration Payment Date(s): | [ ] |
| | Participation Valuation Period: | [[ ] *(specify in relation to each Participation Remuneration Amount if more than one)*] [Not applicable] |
| | Strike Remuneration Percentage: | [ ] [Not applicable] |
| | Floor Percentage: | [ ] [Not applicable] |
| | Cap: | [ ] [Not applicable] |
| | Base Premium Percentage: | [ ] [Not applicable] |
| | Participation Remuneration Amount Gearing: | [ ] [Not applicable] |
| | Net Profit Feature: | [Applicable / Not applicable]<br><br>[*if applicable, specify details / specify the relevant Participation Remuneration Amount(s) and the relevant Remuneration Payments Date(s) for the calculation of the Remuneration Sum*] |
| | Participation Combo Feature: | [Applicable [*specify details*]] [Not applicable] |
| | Participation $Factor_t$: | [ ] [Not applicable] |
| | Participation Remuneration Event: | [Applicable [*specify details*]] [Not applicable] |
| | Participation Remuneration Level(s): | [ ] *(Specify the level and, if a range applies, the Up Range Level/Down Range Level, for each period if more than one)* |

Cliquet Feature: [Applicable [*specify details*]] [Not applicable]

Cliquet Valuation Period: [Applicable [*specify details*]] [Not applicable]

Participation Remuneration Event Valuation Period(s): [ ] *(Specify each date if more than one)*

Consolidation Effect: [Applicable [*specify details*]] [Not applicable]

Consolidation Level: [ ] *(Specify the level and, if a range applies, the Up Range Level/Down Range Level, for each period if more than one)* [Not applicable]

Consolidation Valuation Period(s): [ ] *(Specify each period if more than one)* [Not applicable]

Memory Effect: [Applicable [*specify details*]] [Not applicable]

Memory Level: [ ] *(Specify the level and, if a range applies, the Up Range Level/Down Range Level, for each period if more than one)* [Not applicable]

Memory Valuation Period(s): [ ] *(Specify each period if more than one)* [Not applicable]

82. Participation Rebate Feature: *(Delete sub-paragraphs if not applicable)* [Applicable] [Not applicable]

Participation Rebate Event: [Applicable [*specify details*]]

Participation Rebate Level: [ ] (*specify for each period if more than one*)

Participation Rebate Valuation Period(s): [ ] (*specify each period if more than one*)

83. Floating Amount:*(Only applicable in relation to Interest Rate Warrants. Delete the sub-paragraphs if not applicable*): [Not applicable.] [Applicable].

Floating Amount Determination Period/ Floating Amount Payment Date(s)/ Notional Amount$_t$:

| ***t*** | **Floating Amount Determination Period$_t$** | | **[Notional Amount$_t$]** | **Floating Amount Payment Date** |
|---|---|---|---|---|
| | **from** | **to** | | |
| [ ] | [ ] | [ ] | [ ] | [ ] |
| [ ] | [ ] | [ ] | [ ] | [ ] |
| [ ] | [ ] | [ ] | [ ] | [ ] |
| [ ] | [ ] | [ ] | [ ] | [ ] |

[The Notional Amount$_t$ is equal to the [Notional Amount] [ ] in relation to all the Floating Amount Determination

Periods.]

| | | |
|---|---|---|
| | Floating Amount Determination Date(s): | [ ] |
| | Interest Cap: | [ ] |
| | Day Count Fraction: | [ACT/360][Actual/Actual] (*specify details, if necessary*)<br><br>[following] [modified following] [adjusted] [unadjusted] |
| | Reference Rate: | [ ] |
| | - Manner in which Reference Rate is to be determined: | [ ] |
| | *Sub-paragraphs below to be completed if Reference Rate has to be determined in accordance with Screen Rate Determination:* | |
| | - Relevant Financial Centre: | [London/Brussels/*specify other Relevant Financial Centre*] [Not applicable] |
| | - Reference Currency: | [ ] [Not applicable] |
| | - Designated Maturity: | [ ] [Not applicable] |
| | - Specified Time: | [[ ] in the Relevant Financial Centre][Not applicable] |
| | - Relevant Screen Page: | [ ] |
| | - Floating Rate Option: | [ ] [Not applicable] |
| | - Designated Maturity: | [ ] [Not applicable] |
| | - Reset Date: | [ ] [Not applicable] |
| 84. | Premium Gap Amount: *(Delete the sub-paragraphs if not applicable*): | [Not applicable.] [Applicable: [Floating Premium] [and] [Fixed Premium] [and] [Difference in Rates] determined on the basis of the number of days within the [relevant] Premium Gap Observation Period, which is the period that will be composed by:<br><br>i. if a Barrier Gap Event has not occurred, the same number of days comprised in the [relevant] Premium Determination Period; or<br><br>ii. if a Barrier Gap Event has occurred, the number of days from [and including] [but excluding] the initial day of the [relevant] Premium Determination Period to [and including] [but excluding] the day on which the Barrier Gap Event has occurred and not on the basis of all the days of the [relevant] Premium Determination Period.<br><br>[If a Barrier Gap Event occurs, after the payment of the Premium Gap Amount that will be paid on the payment date following the Barrier Gap Event Date on which a Barrier Gap |

| | |
|---|---|
| | Event has occurred, no further Premium Gap Amount will be paid to the investors.] |
| Fixed Premium: (*delete the following sub-paragraph if not applicable*) | [Applicable [*specify in relation to which period if more than one*]][Not applicable] |
| – Premium Percentage: | [ ] |
| – Day Count Fraction: | [ACT/360][Actual/Actual] (*specify details, if necessary*)<br>[following] [modified following] [adjusted] [unadjusted] |
| – Premium Determination Period: | [from [ ] to [ ]] (*specify for each period if more than one*) |
| – Premium Gap Payment Date(s): | [ ] (*specify for each period if more than one*) |
| Floating Premium: (*delete the following sub-paragraph if not applicable*): | [Applicable [*specify in relation to which period if more than one*]] [Not applicable] |
| – Premium Percentage: | [ ] |
| – Premium Margin | [Applicable [*specify details*] [Not applicable] (Please note that *the Premium Margin may be equal to zero if the Issuer decides not to apply it for the calculation of the relevant Premium Gap Amount*) |
| – Day Count Fraction: | [ACT/360][Actual/Actual] (*specify details, if necessary*)<br>[following] [modified following] [adjusted] [unadjusted] |
| – Premium Determination Period: | [from [ ] to [ ]] (*specify for each period if more than one*) |
| – Premium Gap Payment Date(s): | [ ] (*specify for each period if more than one*) |
| – Manner in which the rate of interest is to be determined: | [ ] |
| – Screen Rate Determination: | [Applicable][Not applicable] |
| – Reference Rate: | [ ] |
| – Relevant Financial Centre: | [*specify relevant Financial Centre*] [Not applicable] |
| – Reference Currency: | [ ] [Not applicable] |

| | |
|---|---|
| – Designated Maturity: | [ ] [Not applicable] |
| – Specified Time: | [[ ] in the relevant Financial Centre] [Not applicable] |
| – Interest Determination Date(s): | [ ] |
| – Relevant Screen Page: | [ ] |
| – Floating Rate Option: | [ ] |
| – Designated Maturity: | [ ] |
| – Reset Date: | [ ] |
| Difference in Rates: (*delete the following sub-paragraph if not applicable*): | [Applicable [*specify in relation to which period if more than one*]] [Not applicable] |
| – Day Count Fraction: | [ACT/360][Actual/Actual] (*specify details, if necessary*)<br>[following] [modified following] [adjusted] [unadjusted] |
| – Premium Determination Period: | [from [ ] to [ ]] (*specify for each period if more than one*) |
| – Premium Gap Payment Date(s): | [ ] (*specify for each period if more than one*) |
| – Rate 1: | [ ] |
| (i) Premium Percentage: | [ ] |
| (ii) Premium Margin: | [Applicable [*specify details*] [Not applicable] (Please note that *the Premium Margin may be equal to zero if the Issuer decides not to apply it for the calculation of the relevant Premium Gap Amount*) |
| (iii) Manner in which Rate 1 is to be determined: | [ ] |
| *Sub-paragraphs below to be completed if Rate 1 is determined in accordance with Screen Rate Determination* | |
| – Reference Rate: | [ ] |
| – Relevant Financial Centre: | [*specify relevant Financial Centre*] [Not applicable] |

– Reference Currency: [ ] [Not applicable]

– Designated Maturity: [ ] [Not applicable]

– Specified Time: [[ ] in the relevant Financial Centre] [Not applicable]

– Interest Determination Date(s): [ ]

– Relevant Screen Page: [ ]

– Floating Rate Option: [ ] [Not applicable]

– Designated Maturity: [ ] [Not applicable]

– Reset Date [ ] [Not applicable]

– Rate 2: [ ]

(i) Premium Percentage: [ ]

(ii) Premium Margin: [Applicable [*specify details*] [Not applicable] (Please note that *the Premium Margin may be equal to zero if the Issuer decides not to apply it for the calculation of the relevant Premium Gap Amount*)

(iii) Manner in which Rate 1 is to be determined: [ ]

*Sub-paragraphs below to be completed if Rate 2 is determined in accordance with Screen Rate Determination*

– Reference Rate: [ ]

– Relevant Financial Centre: [*specify relevant Financial Centre*] [Not applicable]

– Reference Currency: [ ]

– Designated Maturity: [ ]

– Specified Time: [[ ] in the relevant Financial Centre] [Not applicable]

– Interest Determination Date(s): [ ]

– Relevant Screen Page: [ ]

– Floating Rate Option: [ ] [Not applicable]

– Designated Maturity: [ ] [Not applicable]

– Reset Date [ ] [Not applicable]

**PROVISIONS RELATING TO WARRANTS**

[Applicable][Not applicable].

| | | |
|---|---|---|
| 85. | Type of Warrants: | [(i) the Warrants are [European/American] Style Warrants<br><br>(ii) the Warrants are [Call] [Put] [Corridor][Covered] [Interest Rate] Warrants.][Not applicable] |
| 86. | Notional Amount [and Final Notional Amount (*Only applicable for Interest Rate Warrants*)] : | [Not applicable] [ ] |
| 87. | Exercise Price: | [Not applicable] [ ] (*Only applicable for Covered Warrants*) |
| 88. | Premium: | [Not applicable] [[ ] [[(being] [ ]% of the Notional Amount[)]] for each Warrant.] |
| 89. | Barrier Event: | [Applicable [*specify details*]] [Not applicable] |
| | Barrier Event Determination Period(s): | [from [ ] to [ ] [Not applicable] |
| | Lower Barrier Level: | [ ][*Specify the level for each period if more than one*] [Not applicable] |
| | Upper Barrier Level: | [ ][*Specify the level for each period if more than one*] [Not applicable] |
| | Corridor Early Amount: | [ ][Not applicable] |
| | Corridor Early Payment Date: | [ ][Not applicable] |
| 90. | Strike Percentage: | [ ]% [Not applicable] |
| 91. | Exercise Period: | [Not applicable] [[ ]] (*Only applicable for American Style Warrants*) |
| 92. | Maximum Exercise Number: | [Not applicable] [The maximum number of Warrants that must be exercised on any day by any Securityholder or group of Securityholders is [ ]] (*Not applicable for European Style Warrants*). |
| 93. | Settlement Determination Period: | [from [ ] to [ ] *(Only applicable for Interest Rate Warrants)*] [Not applicable] |
| 94. | Settlement Determination Date: | [[ ] *(Only applicable for Interest Rate Warrants)*] [Not |

applicable]

**GENERAL**

| | | |
|---|---|---|
| 95. | Form of Securities: | [Bearer Securities<br><br>[Temporary Global Security exchangeable for a Permanent Global Security which is exchangeable for Definitive Securities only in the limited circumstances specified in the Permanent Global Security.]<br><br>[Temporary Global Security exchangeable for Definitive Securities on or after the Exchange Date.]<br><br>[Permanent Global Security exchangeable for Definitive Securities only in the limited circumstances specified in the Permanent Global Security.]]<br><br>[Registered Securities]<br><br>[Italian Dematerialised Securities] |
| 96. | Prohibition of Sales to Retail Investors: | [Applicable. The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in [the European Economic Area (the "**EEA**")] [and] [*Insert jurisdiction(s)* [•]] [*Insert any other selling restriction* [•]].]<br><br>[The Securities are only intended to be offered, sold or otherwise made available to investors via the professional segment of [the regulated market of the Luxembourg Stock Exchange]/[the Euro MTF Market]/[•].]<br><br>[Not applicable]<br><br>(*If the Securities clearly do not constitute "packaged" products, "Not applicable" should be specified. If the Securities Securities may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.*) |
| | [Additional selling restrictions:[20]] | [The following selling restrictions shall apply in addition to the selling restrictions set forth in the Base Prospectus: [•]] |

**DISTRIBUTION**

| | | | |
|---|---|---|---|
| 97. | Syndication: | | [Not applicable.] [The Securities will be distributed on a [non-]syndicated basis.] |
| | (i) | [If syndicated, names and addresses of Managers and underwriting commitments: | [*give names, and addresses and underwriting commitments*] [Not applicable.] ]<br><br>(*Including names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers and an indication of the material features of the agreements, including, where applicable, the* |

[20] Only applicable if the Securities are not intended to be offered to retail investors.

| | | |
|---|---|---|
| | | *quotas. Where not all of the issue is underwritten, a statement of the portion not covered. Also provide an indication of the placing commission*) |
| (ii) | [Date of Subscription Agreement: | [ ] [Not applicable.] ] |
| (iii) | [Stabilising Manager (if any): | [Not applicable][*give name and address* (*)]] |
| | [If non-syndicated, name and address of Manager (if not the Issuer): | [*Name and address*] [Not applicable.] ] |
| | [Total commission, concession and other costs: | [*specify the total commission, the single components of commission and cost, if any, and the elements to be taken into account for the purposes of determining the variable commission, if any, or other structuring fee, if any*] [Not applicable.]] |

**ADDITIONAL INFORMATION**

| | |
|---|---|
| Example(s) of complex derivatives securities: | [Not applicable.] [*Insert, where available, scenarios and simulations of the Certificates, for informative and illustrative purposes only, with a statement that they do not purport either to be comprehensive or anticipate or guarantee future returns.*] |

**[DISTRIBUTION IN OR FROM SWITZERLAND TO NON-QUALIFIED INVESTORS AND SWISS SIMPLIFIED PROSPECTUS]**[**]

[*If structured products distributed in or from Switzerland to non-qualified investors, and not listed on SIX, add:* Applicable. The Securities may be distributed to non-qualified investors in or from Switzerland. A Swiss simplified prospectus has been made available for the purpose of the offer of these Securities in or from Switzerland in accordance with the requirements of the Swiss Collective Investment Schemes Act. Copies of the Swiss simplified prospectus are available from [*insert relevant address and contact details in Switzerland*]

[*If Securities listed on SIX, add:* Applicable. The Securities may be distributed in or from Switzerland to non-qualified investors. [*If structured product (i) distributed in or from Switzerland or (ii) applied for provisional trading on SIX prior to Final Terms being available, add:* A ([indicative]) termsheet in the form of a Swiss simplified prospectus has been made available.]

[*If Securities are not structured products, distributed in or from Switzerland, and not listed on SIX, add:* Applicable. The Securites may be distributed in or from Switzerland. No Swiss simplified prospectus in accordance with the requirements of the Swiss Collective Investment Schemes Act is required for the purpose of the offer of these Securities.]

**[THIRD PARTY INFORMATION**

[The information relating to ● [and ●] (the "**Reference Information**") contained herein has been accurately [reproduced] [extracted] from [*insert information source(s)*]. As far as the Issuer is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the [reproduced] [extracted] information inaccurate or misleading. The Issuer accepts responsibility for the accuracy of such [extraction][reproduction] but accepts no further or other responsibility in respect of such information.]]

[**] Distribution in or from Switzerland is exempt from the Prospectus Directive.

[Signed on behalf of the Issuer:

By: .....

*Duly authorised*]

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

| | | |
|---|---|---|
| (i) | Listing: | [Luxembourg] [and] [Austria] [Belgium] [Croatia] [Cyprus] [Czech Republic] [Denmark] [France] [Germany] [Hellenic Republic] [Hungary] [Ireland] [Malta] [Netherlands] [Poland] [Portuguese Republic] [Republic of Italy] [Slovak Republic] [Slovenia] [Spain] [Sweden] [United Kingdom] [None] |
| (ii) | Admission to trading: | [Application [[has] [may] [will]] [also] [been] [be] made][is expected to be made] for the Securities to be admitted to trading on [*specify details of the relevant market/trading venue in Luxembourg/ Austria/ Belgium/ Croatia/ Cyprus/ Czech Republic/ Denmark/ France/ Germany/ Hellenic Republic/ Hungary/ Ireland/ Malta/ Netherlands/ Poland/ Portuguese Republic/ Republic of Italy/ Slovak Republic/ Slovenia/ Spain/ Sweden/ United Kingdom/ as the case may be*] with effect from [ ]. (*specify all the relevant markets / trading venues - if more than one - by enlisting them in different paragraphs*)]<br><br>[After the Issue Date, application may be made to list the Securities on other stock exchanges or regulated markets or admitted to trading on other trading venues as the Issuer may determine.]<br><br>[Not Applicable.]<br><br>(*Where documenting a fungible issue need to indicate that original securities are already admitted to trading*)<br><br>[Only qualified investors, as defined in Article 2 (i) (e) of the Prospectus Directive, are allowed to purchase the Securities on the [•].] |

### 2. NOTIFICATION

[The CSSF [has been requested to provide/has provided] the [*names of competent authorities of host Member States*] with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.]

[Not applicable.]

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any commission payable to the Manager[s] [and costs payable to the Issuer], so far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer. – *Amend as appropriate if there are other interests. In the event that the Issuer acts as Calculation Agent or the Calculation Agent is an affiliate of the Issuer, include a reference to the risk factor "Potential Conflicts of Interest"*.]

### 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

| | | |
|---|---|---|
| [(i) | Reasons for the offer: | [Not applicable.] [ ]<br><br>(*See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.*)] |
| (ii) | Estimated net proceeds: | [Not applicable.] [ ]<br><br>(*If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.*) |
| (iii) | Estimated total expenses: | [None.] [ ]. [*Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "uses".*]<br><br>(*(i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and where this is the case disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.*) |

## 5. TERMS AND CONDITIONS OF THE OFFER

[Applicable][Not applicable (*if not applicable, delete the entire section*)]

| | |
|---|---|
| [Public Offer Jurisdiction(s)] | [*Specify relevant Member State(s) - which must be jurisdictions where the Base Prospectus and any supplement have been passported]* |
| [Offer Price:] | [Issue Price][*specify*] |
| [Conditions to which the offer is subject:] | [Not Applicable/*give details*] |
| [The Offer Period, including any possible amendments, during which the offer will be open and description of the application process:] | [Not Applicable/*give details*] |
| [Details of the minimum and/or maximum amount of the application:] | [Not Applicable/*give details*] |
| [Description of possibility to reduce subscriptions and manner for refunding amounts paid in excess by applicants:] | [Not Applicable/*give details*] |
| [Details of the method and time limits for paying up and delivering the Securities:] | [Not Applicable/*give details*] |
| [Manner in and date on which results of the offer are to be made public:] | [Not Applicable/*give details*] |

| | |
|---|---|
| [Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:] | [Not Applicable/*give details*] |
| [Whether tranche(s) have been reserved for certain countries:] | [Not Applicable/*give details*] |
| [Process for notifying to applicants of the amount allotted and an indication whether dealing may begin before notification is made:] | [Not Applicable/*give details*] |
| [Amount of any expenses and taxes charged to the subscriber or purchaser:] | [Not Applicable/*give details*] |
| [Consent to use of Base Prospectus] | [Not applicable.] [[The Issuer consents to the use of the Base Prospectus by all financial intermediaries (the "**Authorised Offerors**") (general consent).]<br><br>[The Issuer consents to the use of the Base Prospectus by the following Financial Intermediary[y][ies] (individual consent): [insert names] and address[es]] (the "**Authorised Offerors**").]<br><br>[Such consent is also subject to and given under condition [ ]]<br><br>[The subsequent resale or final placement of the Certificates by the Authorised Offerors can be made [as long as the Base Prospectus is valid in accordance with article 9 of the Prospectus Directive] [*include relevant period if less than 12 months*].]] |

## 6. DISTRIBUTORS

| | | |
|---|---|---|
| (i) | Name(s) and address(es), to the extent known to the Issuer, of the Distributors in the various countries where the offer takes place: | [None*/give details*] |
| (ii) | Name and address of the co-ordinator(s) of the global offer and of single parts of the offer: | [Not applicable.] [●] |
| (iii) | Name and address of any paying agents and depository agents in each country (in addition to the Principal Security Agent): | [Not applicable.] [●] |
| (iv) | Entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a | [Not applicable.] [●] |

| | | |
|---|---|---|
| | firm commitment or under "best efforts" arrangements: | |
| (v) | Date of signing of the [underwriting] / [placement] agreement | [Not applicable.] [●] |

## 7. POST-ISSUANCE INFORMATION

The Issuer [intends to provide post-issuance information [*specify what information about the Underlying(s) will be reported and where it can be obtained*]] [does not intend to provide post-issuance information, expect if required by any applicable laws and regulations].

## 8. OPERATIONAL INFORMATION

| | | |
|---|---|---|
| (i) | ISIN Code: | [ ] |
| [(ii)] | [Common Code][●][*specify other security identification code, if any*]: | [ ][Not applicable] |
| [(iii)] | Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, S.A., relevant address(es), and relevant identification number(s): | [Not applicable/Monte Titoli/*give name(s) and number(s)*] |
| [(iv)] | Names and addresses of initial Security Agents: | [ ] |
| [(v)] | [Name(s) and address(es) of Listing Agent(s) *(only applicable for Listing Agent(s) other than the Luxembourg Listing Agent. Delete if not applicable)*:] | [[ ]] |

## APPLICABLE FINAL TERMS - SUMMARY OF THE SECURITIES

[Insert completed summary for the Securities]

***[ANNEX TO THE FINAL TERMS [AND TO THE SUMMARY]***
***(Only applicable in the case of multi-products issuance)]***
**[*Applicable table in case of Warrants:***

| **Series (Item 2 of Part A [and Element C.1 of the Summary** (*Delete when Summary is not applicable*)**])** | **Warrants Isin Code [or other security identification code if different from ISIN Code] (Paragraph 16 of Part B [and Element C.1 of the Summary** (*Delete when Summary is not applicable*)**])** | **Underlying (Item 6 of Part A [and Elements C.15 and C.20 of the Summary** (*Delete when Summary is not applicable*)**])** | **Call/Call Spread/ Put/Put Spread (Item [27/28] of Part A [and Element C.1 of the Summary** (*Delete when Summary is not applicable*)**] )** | **Isin Underlying (Paragraph 6 of Part B [and Element C.20 of the Summary** (*Delete when Summary is not applicable*)**])** | **Strike Percentage (Item 51 of Part A [and Element C.19 of the Summary** (*Delete when Summary is not applicable*)]**)** | **[Valuation Date (Item 41 of Part A [and Element C.16 of the Summary**(*Delete when Summary is not applicable*)**])]** | **[Exercise Date] [Exercise Period] (Item [•] of Part A [and Element C.16 of the Summary** (*Delete when Summary is not applicable*)**])** | **[Settlement Date (Item 9 of Part A [and Element C.16 of the Summary** (*Delete when Summary is not applicable* )**])]** | **Notional Amount (Item 49 of Part A [and Element C.18 of the Summary** (*Delete when Summary is not applicable*)**])** | **Minimum Exercise Number (Item 3 of Part A [and Element C.18 of the Summary** (*Delete when Summary is not applicable*)**])** | **Excha e/Spon r of th Index (Item of Par A and Eleme C.20 o the Summ y** (*Del when Summ is not applic e*)**])** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | |

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**[*Applicable table in case of Certificates:*

| **Series (Item 2 of Part A [and Element C.1 of the Summary**(*Delete when Summary is not applicable*)**])** | **Certificates Isin Code [or other security identification code if different from ISIN Code] (Paragraph 16 of Part B [and Element C.1 of the Summary** (*Delete when Summary is not applicable*)**])** | **Underlying (Item 6 of Part A [and Elements C.15 and C.20 of the Summary** (*Delete when Summary is not applicable*)**])** | **Isin Underlying (Paragraph 6 of Part B [and Element C.20 of the Summary** (*Delete when Summary is not applicable*) **])** | **[Valuation Date (Item 41 of Part A [and Element C.16 of the Summary** (*Delete when Summary is not applicable*) **])]** | **[Settlement Date (Item 9 of Part A [and Element C.16 of the Summary** (*Delete when Summary is not applicable*)**])]** | **[•] Amount** (*specify for each period if more than one*) **( Item [•] of Part A [and Element C.18 of the Summary** (*Delete when Summary is not applicable*)**])** | **[•] Level** (*specify for each period if more than one*) **(Item [•] of Part A [and Element C.18 of the Summary** (*Delete when Summary is not applicable*)**])** | **[•] [Valuation] [Observation] [Determination [Date/Period] (Item [•] of P [and Element of the Sum** (*Delete Summary is applicable*)**])** |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

]

# TAXATION

## 1. GENERAL

Transactions involving Securities may be subject to stamp taxes and give rise to certain other tax consequences for potential purchasers which may depend, amongst other things, upon the status of the potential purchaser and laws relating to transfer and registration taxes. Paragraphs below summarise, for information purposes only, certain aspects of the tax treatment of transactions involving Securities in Luxembourg, Austria, Belgium, Croatia, Cyprus, Czech Republic, Denmark, France, Germany, Hungary, Hellenic Republic, Ireland, Malta, Netherlands, Poland, Portuguese Republic, Republic of Italy, Slovak Republic, Slovenia, Spain, Sweden, United Kingdom, Switzerland and United States. However, such transactions may have tax consequences in other jurisdictions. Potential purchasers who are in any doubt about the tax position of any aspect of transactions involving Securities should consult their own tax advisers.

The following general discussion does not take into account taxation which may be imposed by way of withholding or otherwise in Luxembourg, Austria, Belgium, Croatia, Cyprus, Czech Republic, Denmark, France, Germany, Hellenic Republic, Hungary, Ireland, Malta, Netherlands, Poland, Portuguese Republic, Republic of Italy, Slovak Republic, Slovenia, Spain, Sweden, United Kingdom, Switzerland and United States or in any other jurisdiction, on income and capital gains in any form, on any of the underlying assets to which a Certificate may relate.

Condition 10 (*Expenses and Taxation*) should be considered carefully by all potential purchasers of any Securities.

## 2. REPUBLIC OF ITALY

*The following is a general discussion of current Italian law and practice relating to the taxation of the Securities.*

*The statements herein regarding taxation are based on the laws in force in Italy as of the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Securities are advised to consult their own tax advisers concerning the overall tax consequences of their interest in the Securities.*

*As each Series or Tranche of Securities may be subject to a different tax treatment due to the specific terms of such Series or Tranche of Securities as set out in the respective Final Terms, the following section only provides some general information on the possible tax treatment.*

*This summary may not provide prospective investors with a comprehensive description of the tax consequences of an investment in Securities that are redeemed by physical delivery.*

*As clarified by the Italian tax authorities in resolution No. 72/E of 12 July 2010, the Italian tax consequences of the purchase, ownership and disposal of the Securities may be different depending on whether: (a) they represent a securitized debt claim, implying a static "use of capital" (impiego di capitale), through which the subscriber of the Securities transfers to the Issuer a certain amount of capital for the purpose of obtaining remuneration on the same capital and subject to the right to obtain its (partial or entire) reimbursement at maturity; or (b) they represent a securitized derivative financial instrument or bundle of derivative financial instruments that do not entail a "use of capital", through which the subscriber of the Securities invests indirectly in underlying financial instruments for the purpose of obtaining a profit deriving from the terms of such underlying financial instruments.*

*The following summary does not describe the tax treatment of bonds (obbligazioni) and similar securities (which are debentures incorporating an unconditional obligation of the Issuer to pay, at redemption, an amount not lower than their nominal value).*

***Italian taxation of the Securities***

Warrants and other securitised derivatives are subject to Article 67 of the Presidential Decree No. 917 of 22 December 1986 and Legislative Decree No. 461 of 21 November 1997, as subsequently amended, where the Italian resident Securityholder is (i) an individual not engaged in an entrepreneurial activity to which the Securities are connected, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, capital gains accrued under the sale or the exercise of the Securities are subject to a 26 per cent. substitute tax (*imposta sostitutiva*).

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised under the Securities if the Securities are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Law No. 232 of 11 December 2016 (the "**Finance Act 2017**") and in Article 1(210-215) of Law No. 145 of 30 December 2018 (the "**Finance Act 2019**").

The recipient may opt for one of the three regimes described below:

(1) Under the "*tax declaration*" regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Securities are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Securityholder, holding Securities not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Securities carried out during any given tax year. Italian resident individuals holding Securities not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

(2) As an alternative to the tax declaration regime, Italian resident individual Securityholders holding the Securities not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Securities (the "*risparmio amministrato*" regime). Such separate taxation of capital gains is allowed subject to (i) the Securities being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Securityholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Securities (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Securityholder or using funds provided by the Securityholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Securities results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Securityholder is not required to declare the capital gains in the annual tax return.

(3) Any capital gains realised by Italian resident individuals holding the Securities not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Securities, to an authorised intermediary and have opted for the

so-called "*risparmio gestito*" regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any decrease in value of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Securityholder is not required to declare the capital gains realised in the annual tax return.

Where an Italian resident Securityholder is a company or a similar commercial entity, or the Italian permanent establishment of a foreign commercial entity to which the Securities are effectively connected, capital gains arising from the Securities will not be subject to *imposta sostitutiva*, but must be included in the relevant Securityholder's income tax return and are therefore subject to Italian corporate tax ("**IRES**") and, in certain circumstances, depending on the "status" of the Securityholder, also as a part of the net value of production for the purposes of the Italian regional tax on productive activities ("**IRAP**").

Any capital gains realised by a Securityholder which is an open-ended or closed-ended investment fund (subject to the tax regime provide by Law No. 77 of 23 March 1983) (the "**Fund**") or an open-ended investment company (*società di investimento a capitale variabile* – SICAV) or an close-ended investment company, other than a real estate investment company (società di investimento a capitale fisso – SICAF) will not be subject to the imposta sostitutiva. The proceeds distributed by the Fund or the SICAV/SICAF or received by certain categories of unitholders upon redemption or disposal of the units will be taxed on the investors who subscribe the quotas of the Funds or the shares of the SICAV/SICAF on a distribution basis.

Capital gain realised by an investor which is an Italian resident real estate investment fund established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 or an Italian real estate investment company (the "**Real Estate SICAF**") are subject neither to substitute tax nor to any other income in the hands of the same real estate investment fund or Real Estate SICAF.

Any capital gains realised by a Securityholder which is an Italian pension fund (subject to the regime provided by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. *ad hoc* substitute tax on their annual net accrued result. Subject to certain conditions (including a minimum holding period requirement) and limitations, capital gains may be excluded from the taxable base of the 20 per cent. substitute tax if the Securities are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of the Finance Act 2017 and in Article 1 (210-215) of the Finance Act 2019.

Capital gains realised by non-Italian-resident Securityholders, not having a permanent establishment in Italy to which the Securities are connected, are not subject to Italian taxation, provided that the Securities (i) are traded on regulated markets, or (ii) are held outside of Italy. Moreover, even if the Securities are held in Italy, no *imposta sostitutiva* applies if the non-Italian resident Securityholder beneficial owner is resident for tax purposes in a country which recognises the Italian tax authorities' right to an adequate exchange of information or in a country which entered into a double taxation treaty with Italy allowing for the taxation of such capital gains only in the residence country of the recipient Securityholder, provided that the relevant procedures and conditions are met.

***Atypical securities***

According to a certain interpretation of Italian tax law there is the possibility that, on the basis of certain features of the Securities, the Securities would be qualified for tax purposes as atypical securities and will be subject to the provisions of Article 5 of law Decree No. 512 of 30 September 1983. As a consequence, payments relating to these Securities shall be subject to a withholding tax levied at the rate of 26 per cent. (final or on account depending on the "*status*" and tax residence of the Securityholder) by the Issuer or by the entity performing the payments related to the Securities on

behalf of the Issuer. Where the Securityholder is (i) an Italian individual engaged in an entrepreneurial activity to which the Securities are connected, (ii) an Italian company or a similar Italian commercial entity, (iii) a permanent establishment in Italy of a foreign entity, (iv) an Italian commercial partnership or (v) an Italian commercial private or public institution, such withholding tax is a provisional withholding tax. In all other cases the withholding tax is a final withholding tax.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the withholding tax on proceeds relating to Atypical Securities, if such Securities are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of the Finance Act 2017 and in Article 1(210-215) of the Finance Act 2019.

***Inheritance and gift tax***

Pursuant to Law Decree No. 262 of 3 October 2006, converted into Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including shares, bonds or other securities, such as the Securities) as a result of death or donation are taxed as follows:

(i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding €1,000,000;

(ii) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding € 100,000; and

(iii) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the heir/heiress and/or the donee is a person with a severe disability pursuant to Law n. 104 of February 5, 1992, inheritance tax or gift tax is applied to the extent that the value of the inheritance or gift exceeds €1.500,000.

***Transfer tax***

Following the repeal of the Italian transfer tax, as from 31 December 2007 contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarized deeds are subject to fixed registration tax at rate of €200; (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

***Stamp duty***

Pursuant to Article 13 par. 2/ter of the tariff Part I attached to Presidential Decree No. 642 of 26 October 1972, as amended by Article 1 par. 581 of Law No. 147 of 27 December 2013 ("**Decree 642**"), a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients in respect of any financial product and instrument, which may be deposited with such financial intermediary in Italy. The stamp duty applies at the rate of 0.20 per cent. and it cannot exceed € 14,000 for taxpayers which are not individuals. This stamp duty is determined on the market value or – in the absence of a market value – on the nominal value or the redemption amount of any financial product or financial instruments. Based on the interpretation of the law, it may be understood that the stamp duty applies both to Italian resident and non-Italian resident Securityholders, to the extent that the Securities are held with an Italian-based financial intermediary.

The statement is considered to be sent at least once a year, even for instruments for which is not mandatory nor the deposit nor the release or the drafting of the statement. In case of reporting periods of less than 12 months, the stamp duty is payable pro-rata.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the relevant regulations issued by the Bank of Italy) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

***Wealth Tax on securities deposited abroad***

Pursuant to Article 19(18) of Decree No. 201 of 6 December 2011 as amended by Article 1 par. 582 of Law No. 147 of 27 December 2013, Italian resident individuals holding the Securities outside the Italian territory are required to pay an additional tax at a rate of 0.20 per cent.. In this case the above mentioned stamp duty provided for by Article 13 of the tariff Part I attached to Decree 642 does not apply. This tax is calculated on the market value of the Securities at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

***Tax monitoring***

Pursuant to Law Decree No. 167 of 28 June 1990, converted by Law No. 227 of 4 August, 1990, as amended, individuals, non-commercial institutions and non-commercial partnerships resident in Italy who hold investments abroad or have financial activities abroad must, in certain circumstances, disclose the aforesaid and related transactions to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return).

The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

***Financial Transaction Tax***

Pursuant to Article 1, para. 491 and followings of Law No. 228 of 24 December 2012, the Italian Parliament introduced a financial transaction tax ("**FTT**") which applies to (a) the transfer of ownership of shares and other participating securities issued by Italian resident companies or of financial instruments representing the just mentioned shares and/or participating securities (irrespective of whether issued by Italian resident issuers or not) (the "**Relevant Securities**"), (b) transactions on financial derivatives (i) the main underlying assets of which are the Relevant Securities, or (ii) whose value depends mainly on one or more Relevant Securities, as well as to (c) any transactions on the securities (as set forth by article 1, paragraph 1-bis, letters c) and d), of the Legislative Decree No. 58 of 24 February 1998), (iii) which is allowed to mainly purchase or sell one or more Relevant Securities or (iv) implying a cash payment determined with main reference to one or more Relevant Securities.

Warrants and certificates are expressly included in the scope of application of the FTT if they meet the requirements set out above.

With specific reference to the transactions on securitised derivatives on the Relevant Securities (such as the Securities) the FTT is due, as of 1 September 2013, regardless of the tax residence of the parties and/or where the transaction is executed.

The FTT is levied at a fixed amount that varies depending on the nature of the relevant instrument and the notional value of the transaction, and ranges between EUR 0.01875 and EUR 200 per transaction.

The amount of FTT payable is reduced to 1/5 of the standard rate in case the transaction is performed on regulated markets or multilateral trading facilities of certain EU Member States and of the SEE.

The FTT on derivatives is due by each of the parties to the transactions. The FTT is not applied where one of the parties to the transaction is the European Union, the BCE, central banks of the EU Member States, foreign Central Banks or entities which manage the official reserves of a foreign State, or international bodies or entities set up in accordance with international agreements which have entered into force in Italy. Further specific exemptions exist, inter alia, for (i) subjects who carry on market making activities; (ii) mandatory social security entities and pension funds set up according to Legislative Decree No. 252 of 5 December 2005; and (iii) intragroup transfers of the Relevant Securities.

The FTT shall be levied, and subsequently paid, to the Italian Revenue by the subject (generally a financial intermediary) that is involved, in any way, in the performance of the transaction. If more than one subject is involved in the execution of the transaction, the FTT is payable by the subject who receives the order of execution by the ultimate purchaser or counterparty. Intermediaries that are not resident in Italy but are liable to collect the FTT from the taxpayers and to pay it to the Italian Revenue can appoint an Italian tax representative for the purposes of the FTT. If no intermediary is involved in the performance of the transaction, the FTT must be paid directly by the taxpayers.

For further information about the EU Financial Transaction Tax please refer to the following paragraph 24.

## 3. FRANCE

*The following is a general discussion of certain French taxation matters and is (i) based on the laws and practice in force as of the date of this Base Prospectus and subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect and (ii) prepared on the assumption that the Issuer is not a French resident for French tax purposes and is not acting from a French branch or permanent establishment in connection with the Securities. Investors should be aware that the statements below are of a general nature and addressed to French Investors excluding those who invest on a regular basis under the same conditions as stock exchange professional investors. They do not constitute legal or tax advice and should not be understood as such. Prospective investors should consult their professional advisers so as to determine, in the light of their individual situation, the tax consequences of the purchase, holding, redemption or sale of the Securities.*

***Automatic exchange of information in tax matters***

Following the introduction of FATCA, the OECD introduced a global standard for the automatic exchange of financial account information ("Common Reporting Standard" or "CRS"). CRS requires financial institutions to identify and disclose information on those account holders that are tax resident in a Reportable Jurisdiction. The Council of the European Union adopted EU Council Directive 2014/107/EU amending EU Council Directive 2011/16/EU which effectively incorporated CRS by extending the cooperation between EU tax authorities to automatically exchange financial account information (commonly referred to as "DAC"). CRS has been implemented into French law as at 1 January 2016 onwards These provisions impose on certain qualifying financial institutions as defined by CRS to disclose to the competent tax authorities certain information on the financial accounts held by their clients.

***Transfer tax and other taxes***

The following rules are applicable to the disposal of French shares:

- The disposal for consideration of French shares is, in principle, subject to a 0.1 per cent. transfer tax (the **Transfer Tax**), provided in the case of shares listed on a recognised stock exchange that the transfer is evidenced by a deed or agreement.

- A financial transaction tax in France (the French **Financial Transaction Tax**) is imposed on certain acquisitions of French shares (or certain assimilated securities) which are listed on a recognized stock exchange where the relevant issuer's stock market capitalisation exceeds €1 billion (on 1 December of the previous calendar year). Since 1 January 2017, the French Financial Transaction Tax rate is 0.3 per cent. of the acquisition price of the transaction.

- If the French Financial Transaction Tax applies to a transaction, an exemption in respect of the Transfer Tax would be applicable.

For further information about the EU Financial Transaction Tax please refer to the following paragraph 18.

***French tax implications for the French resident holders of Securities)***

(i) With respect to French individual tax residents

Subject to the application of the relevant double tax treaty, income and gains realised in respect of the Securities by a French individual tax resident, as the case may be, (assuming that such payments would not be attributable to an enterprise carried on by the French income tax resident subject to French individual income tax) should be deemed as income from movable capital and subject to a a 12.8 per cent flat tax (with respect to dividends payments, the 12.8 per cent flat tax is due at the time where the income is paid and deemed as an advance payment made in respect of their personal income tax and deductible from their personal income tax liability in respect of the year in which payment has been made). Social contributions are also applicable at an overall rate of 17.2 per cent on income from movable capital received by French individual tax residents (with respect to dividend payments, the social contributions are also levied at the time where the income is paid). In addition, an exceptional contribution to income tax may be assessed in respect of individuals with taxable income over €250,000. French resident individuals should seek tax advice from their professional adviser as regards the timing and collection process of the income mentioned above.

(ii) With respect to French corporate tax residents

Income and capital gains realised by a French corporate tax resident on the Securities, as applicable, would be subject to (i) French corporate income tax at the normal rate of 31 per cent (please note that a Bill currently under discussion before the French Parliament has proposed that French corporate tax residents having an annual turnover at least equal to 250 million of euros in 2019 will be taxed at the normal rate of 33.1/3 per cent)and (ii) a social surcharge levied at 3.3 per cent. of the French corporate income tax rate on any corporation tax exceeding €763,000. French corporate tax residents should seek tax advice from their professional adviser in particular as regards the precise timing and computation for corporate tax purposes of the income and capital gains mentioned above.

## 4. GERMANY

*The following is a general discussion of certain German tax consequences of the acquisition, holding and disposal of Securities. It does not purport to be a comprehensive description of all German tax considerations that may be relevant to a decision to purchase Securities, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This general discussion is based on the tax laws of Germany currently in force and as applied on the date of this Base Prospectus, which are subject to change, possibly with retroactive or retrospective effect.*

*As each Series or Tranche of Securities may be subject to a different tax treatment due to the specific terms of such Series or Tranche of Securities as set out in the respective Final Terms, the following section only provides some general information on the possible tax treatment.*

*Prospective purchasers of Securities are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposal of Securities, including the effect of any state,*

*local or church taxes, under the tax laws of Germany and any country of which they are resident or whose tax laws apply to them for other reasons.*

**Tax Residents**

The section "Tax Residents" refers to persons who are tax residents of Germany (*i.e.* persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany and are thus subject to taxation in Germany).

*Withholding tax on current income and capital gains*

Capital gains (*i.e.* the difference between the proceeds from the disposal, redemption, repayment or assignment after deduction of expenses directly related to the disposal, redemption, repayment or assignment and the cost of acquisition) derived by an individual holder of Securities will be subject to German withholding tax if the Securities are kept in a custodial account with a German branch of a German or non-German bank or financial services institution, a German securities trading company or a German securities trading bank (each, a **Disbursing Agent**, *auszahlende Stelle*), provided the Securities have been held in a custodial account with the same Disbursing Agent since the time of their acquisition. In such case, German withholding tax will be levied by the Disbursing Agent on account of the holder of Securities. A secondary liability of the holder of the Securities might arise under certain circumstances. The tax rate is 25 per cent. (plus solidarity surcharge at a rate of 5.5 per cent. thereon, the total withholding being 26.375 per cent.). If the individual holder of Securities is subject to church tax, a church tax surcharge may also be withheld.

The same treatment applies to ongoing payments on the Securities.

Where Securities are issued in a currency other than Euro any currency gains or losses are part of the capital gains.

If interest coupons or interest claims are disposed of separately (*i.e.* without the Securities), the proceeds from the disposition are subject to withholding tax. The same applies to proceeds from the redemption of interest coupons or interest claims if the Securities have been disposed of separately.

If Securities qualifying as a forward/futures transaction (*Termingeschäft*) according to sec. 20 para. 2 sent. 1 no. 3 German Income Tax Act (**ITA**, *Einkommensteuergesetz*) are settled by a cash payment, capital gains realised upon exercise (*i.e.* the cash amount received minus directly related costs and expenses, *e.g.* the acquisition costs) are subject to withholding tax. In the event of physical delivery, the acquisition costs of such Securities plus any additional sum paid upon exercise are generally regarded as acquisition costs of the underlying assets received upon physical settlement, so that no capital gains is realized upon physical delivery of the underlying assets. Withholding tax may then apply to any gain resulting from the subsequent disposal, redemption, repayment or assignment of the assets received. In case of certain assets being the underlying (e.g. commodities or currencies) a subsequent sale of the underlying received may not be subject to German withholding tax as outlined in this section but any disposal gain may be fully taxable at the personal income tax rate of the individual holder.

In case of a physical settlement of certain Securities (not qualifying as forward/futures transactions) which grant the Issuer or the holder of the Securities the right to opt for a physical delivery of a predetermined number of underlying securities assets instead of a (re)payment of the nominal amount, the acquisition costs of the Securities may be regarded as proceeds from the disposal, redemption, repayment or assignment of the Securities and hence as acquisition costs of the underlying securities received by the individual holder of the Securities upon physical settlement. To the extent the provision mentioned above is applicable, generally no withholding tax has to be withheld by the Disbursing Agent upon physical settlement as such exchange of the Securities into the underlying securities assets does not result in a taxable gain for the individual holder of the Securities. However, withholding tax may then apply to any gain resulting from the disposal, redemption, repayment or assignment of the securities assets received in exchange for the Securities. In this case, the gain will be the difference between the proceeds from the disposal, redemption, repayment or assignment of the securities assets

received and the acquisition costs of the Securities (after deduction of expenses related directly to the disposal, if any).

To the extent the Securities have not been kept in a custodial account with the same Disbursing Agent since the time of their acquisition or if the Securities have been transferred into the custodial account of the Disbursing Agent only after their acquisition, upon the disposal, redemption, repayment or assignment withholding tax applies at a rate of 26.375 per cent. (including solidarity surcharge) on 30 per cent. of the disposal proceeds (plus interest accrued on the Securities (**Accrued Interest**, *Stückzinsen*), if any), unless the current Disbursing Agent has been notified of the actual acquisition costs of the Securities by the previous Disbursing Agent or by a statement of a bank or financial services institution within the European Economic Area or certain other countries in accordance with art. 17 para. 2 of the EU Savings Directive (*e.g.* Switzerland or Andorra).

In computing any German tax to be withheld, the Disbursing Agent may generally deduct from the basis of the withholding tax negative investment income realised by the individual holder of Securities via the Disbursing Agent (*e.g.* losses from sale of other securities with the exception of shares). The Disbursing Agent may also deduct Accrued Interest on other securities paid separately upon the acquisition of the respective security via the Disbursing Agent. In addition, subject to certain requirements and restrictions the Disbursing Agent may credit foreign withholding taxes levied on investment income in a given year regarding securities held by the individual holder of Securities in the custodial account with the Disbursing Agent.

Individual holder of Securities may be entitled to an annual allowance (*Sparer-Pauschbetrag*) of €801 (€1,602 for married couples filing jointly) for all investment income received in a given year. Upon the individual holder of Securities filing an exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent, the Disbursing Agent will take the allowance into account when computing the amount of tax to be withheld. No withholding tax will be deducted if the holder of Securities has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent local tax office.

German withholding tax will not apply to gains from the disposal, redemption, repayment or assignment of Securities held by a corporation as holder of Securities while ongoing payments such as interest payments, are subject to withholding tax (irrespective of any deductions of foreign tax and capital losses incurred). The same may apply where the Securities form part of a trade or business or are related to income from letting and leasing of property, subject to further requirements being met.

*Taxation of current income and capital gains*

The personal income tax liability of an individual holder of Securities deriving income from capital investments under the Securities is, in principle, settled by the tax withheld. To the extent withholding tax has not been levied, such as in the case of Securities kept in custody abroad or if no Disbursing Agent is involved in the payment process of if the withholding tax on disposal, redemption, repayment or assignment has been calculated from 30 per cent. of the disposal proceeds (rather than from the actual gain), the individual holder of Securities must report his or her income and capital gains derived from the Securities on his or her tax return and then will also be taxed at a rate of 25 per cent. (plus solidarity surcharge at a rate of 5.5 per cent. thereon and church tax, where applicable). Further, an individual holder of Securities may request that all investment income of a given year is taxed at his or her lower individual tax rate based upon an assessment to tax with any amounts over-withheld being refunded. In each case, the deduction of expenses (other than transaction costs) on an itemised basis is not permitted.

Losses incurred with respect to Securities, including expiry of worthless Securities can only be off-set against investment income of the individual holder of Securities realised in the same or the following years. Any losses realised upon the disposal of shares in stock corporations received in exchange for the Securities can only be off-set against capital gains deriving from the disposal of shares.

Where Securities form part of a trade or business or the income from the Securities qualifies as income from the letting and leasing of property the withholding tax, if any, will not settle the personal or corporate income tax liability. Where Securities form part of a trade or business, in addition to realized capital gains interest (accrued on the Securities) must be taken into account as income. The respective holder of Securities will have to report income and related (business) expenses on the tax return and the balance will be taxed at the holder's applicable tax rate. Withholding tax levied, if any, will be credited against the personal or corporate income tax of the holder of Securities. Where Securities form part of a German trade or business the gains from the disposal, redemption, repayment or assignment of the Securities may also be subject to German trade tax.

If Securities form part of a trade or business, the deductibility of losses derived from the exercise, disposal or expiration of Securities which qualify for tax purposes as forward/futures transactions is generally limited. These losses may only be applied against profits from other forward/futures transactions derived in the same or, subject to certain restrictions, the previous year. Otherwise these losses may be carried forward indefinitely and applied against profits from forward/futures transactions in subsequent years. These rules generally do not apply to futures transactions hedging the investor's ordinary business. Further special rules apply to credit institutions, financial service companies and finance companies within the meaning of the German Banking Act.

In the case of physically settled Securities further limitations may apply to losses from the disposal of underlying securities assets which are shares in corporations.

**Non-residents**

Capital gains derived from the Securities are not subject to German taxation, unless (i) the Securities form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the holder of Securities; or (ii) the income otherwise constitutes German-source income. In cases (i) and (ii) a tax regime similar to that explained above under "*Tax Residents*" applies.

Non-residents of Germany are, in general, exempt from German withholding tax on interest and the solidarity surcharge thereon. However, where the interest is subject to German taxation as set forth in the preceding paragraph and the Securities are held in a custodial account with a Disbursing Agent, withholding tax may be levied under certain circumstances. Where Securities are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the disposal, assignment or redemption of a Security or an interest coupon are paid by a Disbursing Agent to a non-resident upon delivery of the Securities or interest coupons, withholding tax generally will also apply. In each case, German withholding tax will be levied by the Disbursing Agent on account of the holder of Securities. A secondary liability of the holder of the Securities might arise under certain circumstances. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

**Inheritance and Gift Tax**

No inheritance or gift taxes with respect to any Securities will arise under the laws of Germany, if, in the case of inheritance tax, neither the deceased nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Security is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

**Other Taxes**

No stamp, issue or registration taxes or such duties will be payable in Germany in connection with the issuance, delivery or execution of the Securities. Currently, net assets tax is not levied in Germany.

**EU Savings Directive**

By legislative regulations dated 26 January 2004 the German Federal Government enacted provisions

implementing the EU Savings Directive into German law. These provisions apply from 1 July 2005.

For further information about the EU Savings Directive please refer to page 363.

**No gross-up for taxes withheld**

Purchasers of the Securities should note that neither the Issuer nor any other person will assume any liability for taxes withheld from payments under the Securities, nor make any additional payments in regard of these taxes, *i.e.* no gross-up will apply if a withholding tax is imposed.

**EU Financial Transaction Tax**

On the European Union level negotiations are underway in order to implement a harmonized financial transaction tax which might have a negative impact on the receipts deriving from the Securities.

For further information about the EU Financial Transaction Tax please refer to the following paragraph 18.

## 5. LUXEMBOURG

The statements herein regarding withholding tax considerations in Luxembourg are based on the laws in force in Luxembourg as of the date of this Base Prospectus and are subject to any changes in law.

The following information is of a general nature, is not intended to be, nor should it be construed to be, legal or tax advice, and does not purport to be a comprehensive description of all the Luxembourg tax considerations which may be relevant to a decision to purchase, own or dispose of the Securities. Prospective investors in the Securities should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject as a result of the purchase, ownership and disposition of the Securities.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of similar nature refers to Luxembourg tax law and/or concepts only.

*Withholding tax*

*Non-Resident holders of Securities*

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Securities, nor on accrued but unpaid interest in respect of the Securities, nor is any Luxembourg withholding tax payable upon settlement, repurchase or exchange of the Securities held by non-resident holders of Securities.

*Resident holders of Securities*

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the **Law**), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Securities, nor on accrued but unpaid interest in respect of Securities, nor is any Luxembourg withholding tax payable upon settlement, repurchase or exchange of Securities held by Luxembourg resident holders of Securities.

Under the Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg are at present subject to a withholding tax of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

Payments of interest or similar income under the Securities coming within the scope of the Law will be subject to withholding tax of 20 per cent.

## 6. PORTUGAL

The following is a general discussion of the current Portuguese tax treatment at the date hereof in relation to certain aspects of the Portuguese taxation of payments in respect of the Securities. The statements do not deal with other Portuguese tax aspects regarding the Securities and relate only to the position of persons who are absolute beneficial owners of the Securities. The following is a general guide, does not constitute tax or legal advice and should be treated with appropriate caution.. This summary does not take into account or discuss the tax laws of any country other than Portugal and deals only with investors who are absolute beneficial owners of the Securities. Holders of and prospective investors in the Securities should consult their own tax advisors as to the Portuguese and any other tax consequences that may be involved in acquiring, holding, redeeming, selling or gratuitously transferring the Securities.

**Security holders income tax**

As a rule, the income arising from the Securities is qualified as capital gains for Portuguese tax purposes. However, regarding the Securities qualified as Certificates, to the extent there is a minimum amount guaranteed in excess of the respective subscription price, such positive difference should be qualified as investment income subject to Income Tax in Portugal.

Whenever there is the obligation to withhold tax at source, such responsibility shall fall on the Portuguese resident paying agent.

**Personal Income Tax ("PIT")**

**(i) Certificates - Investment income**

To the extent there is a minimum amount guaranteed in excess of the subscription price of the Certificates, such positive difference should be qualified as investment income subject to Personal Income Tax in Portugal. Other types of income arising in connection with the Certificates, *e.g.* those arising from the transfer of the Certificates, or from a non-guaranteed remuneration should qualify as capital gains, subject to the tax framework described in item ii) below.

Investment income on the Certificates derived by Portuguese tax resident individuals issubject to personal income tax which shall be withheld at the current final withholding rate of 28 per cent., if there is a Portuguese resident paying agent, as from the moment the respective amounts are made available to the individual resident in Portugal for tax purposes, unless the individuals elect to include the income in their taxable income, subject to tax at the current progressive personal income tax rates of up to 48 per cent. An additional personal income tax rate of 2.5 per cent. will be due on the part of the taxable income exceeding €80,000 up to €250,000 and of 5 per cent on the part of the taxable income exceeding €250,000. In this case, the tax withheld is deemed to be a payment on account of the final tax due. Investment income paid or made available to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties is subject to a final withholding tax rate of 35 per cent., unless the relevant beneficial owner(s) of the income is/are identified, in which case the general tax rates applicable to such beneficial owner(s) will apply.

Investment income payments due by non-resident entities to Portuguese tax resident individuals are subject to an autonomous taxation at a rate of 28 per cent, whenever those payments are not subject to Portuguese withholding tax, unless the individual elects to aggregate this income with his taxable income, subject to tax at progressive personal income tax rates of up to 48 per cent.. If this election is

made, an additional personal income tax rate of 2.5 per cent. will be due on the part of the taxable income exceeding € 80,000 up to €250,000 and of 5 per cent on the part of the taxable income exceeding €250,000.

**(ii) Certificates and Warrants – Capital gains**

The annual positive balance arising from the difference between capital gains and capital losses resulting from transactions in connection with the Securities will be taxed at the special tax rate of 28 per cent., unless the individuals resident in Portugal elect to include the income in their taxable income in which case progressive rates of up to 48 per cent will apply and (i) an additional personal income tax rate of 2.5 per cent. will be due on the part of the taxable income exceeding € 80,000 up to €250,000 and of 5 per cent on the part of the taxable income exceeding €250,000.

There is no Portuguese withholding tax on capital gains.

**Corporate Income Tax (CIT)**

**Investment income and capital gains**

Investment income arising from Certificates, if any, and capital gains obtained by Portuguese corporate resident entities in relation to the Securities will be included in their taxable income and subject to CIT at a rate of (i) 21 per cent or (ii) 17 per cent if the taxpayer qualifies as a small or medium-sized company, as defined in Decree-Law no. 372/2007, of 6 November, applicable to taxable profits up to € 15,000 (the excess thereof will be subject to the standard CIT rate of 21 per cent). A municipal surcharge ("*derrama municipal*") of up to 1.5 per cent. may also be due over the Securityholder taxable profits. A State Surcharge ("*derrama estadual*") may also be due at a rate of (i) 3 per cent on the part of the taxable profits exceeding € 1,500,000 up to € 7,500,000, (ii) 5 per cent on taxable profits exceeding € 7,500,000 up to € 35,000,000, and (iii) 9 per cent on the part of the taxable profits exceeding € 35,000,000.

**Foreign Account Tax Compliance Act**

Portugal has implemented, through Law 82-B/2014 of 31 December 2014 (amended by Law 98/2017, of 24 August), the legal framework based on reciprocal exchange of information on financial accounts subject to disclosure in order to comply with FATCA. Additional legislation was published in the last quarter of 2016, namely regarding certain procedures, rules and dates in connection with FATCA (i.e., Decree-Law 64/2016, of 11 October, amended by Law 98/2017, of 24 August and by Law 17/2019, of 14 February, and Ministerial Order 302-A/2016, of 2 December, amended by Ministerial Order 169/2017, of 25 May, and Ministerial Order 302-D/2016, of 2 December, amended by Ministerial Orders 255/2017, of 14 August and 58/2018, of 27 February). Furthermore, the governments of Portugal and the United States have entered into an intergovernmental agreement based largely on the Model 1 IGA on 6 August 2015.

**EU Financial Transaction Tax**

On the European Union level negotiations are underway in order to implement a harmonized financial transaction tax which might have a negative impact on the receipts deriving from the Securities.

For further information about the EU Financial Transaction Tax please refer to the following paragraph 24.

## 7. SPAIN

*The following discussion is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Spain, though it is not intended to be, nor should it be construed to be, legal or tax advice. This section does not constitute a complete description of all the tax issues that may be relevant in making the decision to invest in the Securities or of all the tax consequences that may derive from the subscription, acquisition, holding, transfer, redemption or reimbursement of the Securities and does not purport to describe the tax consequences applicable to categories of investors subject to special tax rules. Prospective investors in the Securities should therefore consult their own professional advisers as to the effects of state, regional or local law in Spain, to which they may be subject.*

**Individuals with Tax Residence in Spain**

**Certificates**

*Personal Income Tax*

Personal Income Tax is levied on an annual basis on the worldwide income obtained by Spanish resident individuals, whatever the source is and wherever the relevant payer is established. Therefore any income that Spanish holders of the Certificates may receive under the Certificates will be subject to Spanish taxation.

Both interest periodically received and income arising on the disposal, redemption or reimbursement of the Certificates obtained by individuals who are tax resident in Spain will be regarded as financial income for tax purposes (i.e. a return on investment derived from the transfer of own capital to third parties), regardless of whether is in kind or in cash.

Both types of income will be included in the savings part of the taxable income subject to Personal Income Tax and will be taxed at the following tax rates: (i) for financial income up to €6,000: 19 per cent.; (ii) for financial income from €6,000.01 to €50,000: 21 per cent.; (iii) for any amount in excess of €50,000: 23 per cent..

Spanish holders of the Certificates shall compute the gross interest obtained in the savings part of the taxable base of the tax period in which it is due, including amounts withheld, if any.

Income arising on the disposal, redemption or reimbursement of the Certificates will be calculated as the difference between: (a) their disposal, redemption or reimbursement value; and (b) their acquisition or subscription value. Costs and expenses effectively borne by the holder on the acquisition and transfer of the Certificates may be taken into account for calculating the relevant taxable income, provided that they can be duly justified.

Likewise, expenses relating to the management and deposit of the Certificates, if any, will be tax deductible, excluding those pertaining to discretionary or individual portfolio management.

Losses that may derive from the transfer of the Certificates cannot be offset if the investor acquires homogeneous Certificates within the two-month period prior or subsequent to the transfer of the Certificates, until he/she transfers such homogeneous Certificates.

Additionally, tax credits for the avoidance of international double taxation may apply in respect of taxes paid outside Spain on income deriving from the Certificates, if any.

*Wealth Tax*

Individuals with tax residence in Spain are subject to the Spanish Wealth Tax on all their assets (such as the Certificates) in tax year 2019. The potential Wealth Tax liability should be analysed in

connection with local regulations of each Spanish Region, provided some of them foresee full exemption of Wealth Tax. Wealth Tax is levied on the net worth of an individual's assets and rights. The marginal rates range between 0.2 per cent. and 3.75 per cent. and some reductions could apply. Individuals with tax residency in Spain who are under the obligation to pay Wealth Tax must take into account the value of the Certificates which they hold as at 31 December each year, when calculating their Wealth Tax liabilities.

As regards the application of Spanish Wealth Tax in tax year 2019 and onwards, prospective investors should confirm with their tax advisors.

*Inheritance and Gift Tax*

Inheritance and Gift Tax is levied on individuals' heirs and donees resident in Spain for tax purposes. It is calculated taking into account several circumstances, such as the age and previous net worth of the heir or donee and the kinship with the deceased person or donor. The applicable tax rate currently ranges between 7.65 and 34 per cent. depending on the particular circumstances, although the final tax payable may increase up to 81.6 per cent. This is nevertheless subject to the specific rules passed by the relevant Spanish regions with respect to this tax.

**Warrants**

*Personal Income Tax*

The premium or amount paid for the subscription of the Warrants would not be considered as a deductible expense, but as the acquisition value, which would include the expenses and commissions, inherent to the acquisition, paid by the acquirer.

Income obtained by the holders of the Warrants covered by this Prospectus on their transfer before the Expiration Date, will be considered as capital gains or losses in accordance with the provisions of the Spanish Personal Income Tax Law. The gain or loss shall be calculated as a difference between the transfer value, once any expenses and commissions paid by the taxpayer have been deducted, and the acquisition value, as defined above.

Upon the exercise of the Warrants, income obtained would be considered as a capital gain or loss, which will be calculated as the difference between (i) the Settlement Price or the value of the Physical Delivery Securities, once any expenses and commissions paid by the taxpayer have been deducted, and (ii) the acquisition value, as defined above.

Failure to exercise any Warrants on the Expiration Date would give rise to a capital loss on the acquisition value.

Income derived from the transfer or exercise of the Warrants will be included in the savings part of the taxable income generally subject to Personal Income Tax at the following tax rates: (i) for financial income up to €6,000: 19 per cent.; (ii) for financial income from €6,000.01 to €50,000: 21 per cent.; and (iii) for any amount in excess of €50,000: 23 per cent..

*Wealth Tax*

Individuals with tax residence in Spain are subject to the Spanish Wealth Tax on all their assets (such as the Warrants) in tax year 2019. The potential Wealth Tax liability should be analysed in connection with local regulations of each Spanish Region, provided some of them foresee full exemption of Wealth Tax. Wealth Tax is levied on the net worth of an individual's assets and rights. The marginal rates range between 0.2 per cent. and 3.75 per cent. and some reductions could apply. Individuals with tax residency in Spain who are under the obligation to pay Wealth Tax must take into account the value of the Warrants which they hold as at 31 December each year, when calculating their Wealth Tax liabilities.

As regards the application of Spanish Wealth Tax in tax year 2019 and onwards, prospective investors should confirm with their tax advisors.

*Inheritance and Gift Tax*

Inheritance and Gift Tax is levied on individuals' heirs and donees resident in Spain for tax purposes. It is calculated taking into account several circumstances, such as the age and previous net worth of the heir or donee and the kinship with the deceased person or donor. The applicable tax rate currently ranges between 7.65 and 34 per cent. depending on the particular circumstances, although the final tax payable may increase up to 81.6 per cent. This is nevertheless subject to the specific rules passed by the relevant Spanish regions with respect to this tax.

**Legal Entities with Tax Residence in Spain**

**Certificates**

*Corporate Income Tax*

Both interest periodically received and income arising on the disposal, redemption or reimbursement of the Certificates obtained by entities which are resident for tax purposes in Spain shall be computed as taxable income of the tax period in which they accrue.

The general tax rate for limited liability companies is 25 per cent. Special rates apply in respect of certain types of entities (such as qualifying collective investment institutions or credit entities).

Tax credits for the avoidance of international double taxation may apply in respect of taxes paid outside Spain on income deriving from the Securities, if any.

**Warrants**

As a general rule, income obtained either through the transfer or the exercise of the Warrants and obtained by taxpayers subject to Corporate Income Tax will be included in their taxable income under the general provisions described for Certificates.

**Individuals and legal entities with no Tax Residence in Spain**

**Certificates**

A non-resident holder of Certificates, who has a permanent establishment in Spain to which such Certificates are effectively connected with, is subject to Spanish Non-Residents' Income Tax on any income under the Certificates, including both interest periodically received and income arising on the disposal, redemption or reimbursement of the Certificates. In general terms, the tax rules applicable to individuals and legal entities with no tax residence in Spain but acting through a permanent establishment in Spain are the same as those applicable to Corporate Income taxpayers (explained above).

**Warrants**

As a general rule, income obtained by a permanent establishment located in Spain of a non-resident would be subject to taxation in a similar way than that applicable to Spanish tax resident corporate income taxpayers.

**Spanish withholding tax**

Where a financial institution (either resident in Spain or acting through a permanent establishment in Spain) acts as depositary of the Certificates or intervenes as manager in the collection of any income under the Certificates, such financial institution will be responsible for making the relevant withholding

on account of Spanish tax on any income deriving from the Certificates (income from Warrants will always be not subject to withholding tax in Spain). Currently, the withholding tax rate in Spain is 19 per cent..

Amounts withheld in Spain, if any, can be credited against the final Spanish Personal Income Tax liability, in the case of Spanish tax resident individuals, or against final Spanish Corporate Income Tax liability, in the case of Spanish corporate, or against final Non-Residents' Income Tax, in the case of a Spanish permanent establishment of a non-resident holder of the Certificates. However, holders of the Certificates who are Corporate Income Taxpayers or Non-Residents' Income Taxpayers acting through a permanent establishment in Spain to which the Certificates are effectively connected with can benefit from a withholding tax exemption when the Certificates are listed in an OECD official stock exchange. This will be the case as the Certificates are expected to trade on the Luxembourg Stock Exchange's Regulated Market.

Furthermore, such financial institution may become obliged to comply with the formalities set out in the Regulations on Spanish Personal Income Tax (Royal Decree 439/2007, of 30 March) and Corporate Income Tax (Royal Decree 364/2015, of 10 July) when intervening in the transfer or reimbursement of the Certificates.

**Indirect taxation**

The acquisition, transfer, redemption, reimbursement and exchange of the Securities will be subject to and exempt from Transfer Tax and Stamp Duty as well as Value Added Tax.

The exemption applicable for Value Added Tax purposes would not cover deposit and management services related to the Securities.

**EU Financial Transaction Tax**

On the European Union level negotiations are underway in order to implement a harmonized financial transaction tax which might have a negative impact on the receipts deriving from the Securities.

For further information about the EU Financial Transaction Tax please refer to the following paragraph 24.

## 8. UNITED KINGDOM

*The following applies only to persons who are the beneficial owners of Securities and is a general discussion of the Issuer's understanding of certain aspects of current law and published HM Revenue and Customs practice in the United Kingdom relating to the withholding tax treatment of payments, stamp duty and stamp duty reserve tax in each case, in respect of the Securities, only. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Securities. This discussion is not intended to be, nor should it be regarded as, legal or tax advice. The United Kingdom tax treatment of prospective Securityholders will depend on their individual circumstances and may be subject to change in the future. The precise tax treatment of a Securityholder will also depend on the terms of the Securities, as specified in the Terms and Conditions of the Securities as amended and supplemented by the applicable Final Terms under the law and practice at the relevant time. Prospective Securityholders should consult their own tax advisers in all relevant jurisdictions to obtain advice about their particular tax treatment in relation to such Securities.*

The below assumes that the Securities will be issued and raised by Banca IMI S.p.A. (as Issuer) and not by, or on behalf of, any United Kingdom company. It also assumes that no Securities will be registered in a register kept in the United Kingdom by or on behalf of Banca IMI S.p.A.

***Withholding Tax***

Payments made under or on the exercise of a Security may be made without withholding on account of United Kingdom income tax where such payments are: (i) not regarded as arising in the United

Kingdom for United Kingdom tax purposes or (ii) not treated as payments of interest or annual payments for United Kingdom tax purposes.

If withholding on account of United Kingdom income tax is required from payments on the Securities, the Issuer (and, in the case of certain payments, any other person by or through whom the payment is made) will be required by law to deduct a sum representing income tax from such payment at the basic rate in force for the tax year in which the payment is made (currently 20%), subject to the availability of any domestic law exemption or any relief under the provisions of any applicable double tax treaty.

***Stamp Duty and Stamp Duty Reserve Tax ("SDRT")***

*Issue of Certificates (other than Physical Delivery Certificates) into Euroclear or Clearstream*

No United Kingdom stamp duty or United Kingdom SDRT should be required to be paid on the issue into Euroclear or Clearstream of Certificates (other than Physical Delivery Certificates).

Bearer instrument duty may be chargeable (currently at a rate of 1.5 per cent.) in relation to sterling denominated Certificates (other than Physical Delivery Certificates) originally issued outside of the United Kingdom, on the first transfer by delivery in the United Kingdom of any such Certificates.

*Transfer of Certificates (other than Physical Delivery Certificates) within Euroclear or Clearstream*

No United Kingdom stamp duty should be required to be paid on the transfer of any Certificates (other than Physical Delivery Certificates) within Euroclear or Clearstream provided no instrument is used to effect the transfer.

No United Kingdom SDRT should be payable on the transfer of any Certificates (other than Physical Delivery Certificates) within Euroclear or Clearstream provided that no election has been made for the alternative system of charge (as provided for in section 97A of the Finance Act 1986) to apply to the Securities.

*Exercise of Certificates*

No United Kingdom stamp duty or United Kingdom SDRT should be payable on the exercise of Cash Settled Certificates. However, United Kingdom stamp duty may be required to be paid in relation to the transfer of an asset on exercise and settlement of a Physical Delivery Certificate.

United Kingdom stamp duty and United Kingdom SDRT may be payable in respect of the agreement to transfer an asset on settlement of a Physical Delivery Certificate. However, any such liability to United Kingdom SDRT should be cancelled (or if already paid, should be repayable) if the instrument effecting the transfer is chargeable with stamp duty and has been duly stamped within six years of the agreement being made.

*Issue of Warrants or Physical Delivery Certificates into Euroclear or Clearstream*

Warrants and Physical Delivery Certificates or any instrument granting such (each an "**instrument**") may be subject to United Kingdom stamp duty (at a rate of 0.5%) if they are executed in the United Kingdom or if they relate to any property situate, or to any matter or thing done or to be done, in the United Kingdom.

Even if an instrument is subject to United Kingdom stamp duty, there may be no practical necessity to pay that stamp duty, as United Kingdom stamp duty is not an assessable tax. However, if an instrument is subject to United Kingdom stamp duty, but the stamp duty has not been paid, the instrument cannot be used for certain purposes in the United Kingdom; for example it will be inadmissible in evidence in civil proceedings in a United Kingdom court.

If an instrument is subject to United Kingdom stamp duty, and it becomes necessary to pay that stamp duty (for example because this is necessary in order to enforce the document in the United Kingdom), interest will be payable (in addition to the stamp duty) in respect of the period from 30 days after the

date of execution of the instrument to the date of payment of the stamp duty. Penalties may also be payable if either an instrument which was executed in the United Kingdom is not stamped within 30 days of being so executed or an instrument which was executed outside the United Kingdom is not stamped within 30 days of first being brought into the United Kingdom.

In certain limited circumstances, United Kingdom SDRT may be payable on the issue into Euroclear or Clearstream of a Warrant or a Physical Delivery Certificate (currently at a rate of 1.5%).

Bearer instrument duty may be chargeable (currently at a rate of 1.5 per cent.) in relation to sterling denominated Warrants or Physical Delivery Certificates originally issued outside of the United Kingdom, on the first transfer by delivery in the United Kingdom of any such Securities.

*Transfer within Euroclear or Clearstream of Warrants or Physical Delivery Certificates*

No United Kingdom stamp duty should be required to be paid on the transfer of any Warrants or Physical Delivery Certificates within Euroclear or Clearstream provided no instrument is used to complete the transfer.

No United Kingdom SDRT should be payable on the transfer of any Warrants or Physical Delivery Certificates within Euroclear or Clearstream provided that no election has been made for the alternative system of charge (as provided for in section 97A of the Finance Act 1986) to apply to the Securities.

*Exercise of Warrants*

No United Kingdom stamp duty or United Kingdom SDRT should be payable on the exercise of Cash Settled Warrants. However, United Kingdom stamp duty may be required to be paid in relation to the transfer of an asset on exercise and settlement of a Physical Delivery Warrant.

United Kingdom stamp duty and United Kingdom SDRT may be payable in respect of the agreement to transfer an asset on settlement of a Physical Delivery Warrant. However, any such liability to United Kingdom SDRT should be cancelled (or if already paid, should be repayable) if the instrument effecting the transfer is chargeable with stamp duty and has been duly stamped within six years of the agreement being made.

**Reporting of information**

HM Revenue and Customs has power to obtain information and documents relating to the Securities, including in relation to issues of and other transactions in the Securities, payments derived from the Securities (including amounts (whether income or capital) payable out of or in respect of the Securities or rights attaching to the Securities). This may include details of the beneficial owners of the Securities, of the persons for whom the Securities are held and of the persons to whom payments derived from the Securities are or may be paid. Information obtained by HM Revenue and Customs may be provided to tax authorities in other jurisdictions.

## 9. NETHERLANDS

*The following is an overview of certain Netherlands tax consequences of the acquisition, holding and disposal of Securities. It does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant for a decision to acquire, hold or dispose of Securities, and, in particular, does not consider any specific facts or circumstances that may apply to a particular holder. This overview is based on the tax laws of The Netherlands currently in force (unpublished case law not included) and as it stands on the date of this Base Prospectus, which are subject to change, possibly with retroactive or retrospective effect. Any such change may invalidate the contents of this overview, which will not be updated to reflect such change. This overview assumes that the terms and conditions of each transaction with respect to Securities are at arm's length.*

Where this overview refers to the Netherlands, such reference is restricted to the part of the Kingdom of The Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

Prospective holders of Securities are advised to consult their own tax advisers as to the tax consequences of the acquisition, ownership and disposition of Securities in their particular circumstances, including the effect of any taxation under the laws of The Netherlands.

***Out of scope***

This overview does not address the Netherlands tax consequences for:

(a) holders of Securities holding a substantial interest (*aanmerkelijk belang*) or a deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer or, in the case of Physical Delivery Share Securities, any other entity and holders of Securities of whom a certain related person holds a substantial interest in the Issuer or in the case of Physical Delivery Share Securities any other entity. A substantial interest is generally present if a holder holds, alone or together with his spouse or partner, whether directly or indirectly, the ownership of, or certain other rights (including rights to obtain shares, whether or not already issued) over, (a) shares representing 5% or more of the total issued and outstanding capital (or of the issued and outstanding capital of any class of shares) of a company, (b) profit sharing certificates, or membership rights in a cooperative or a cooperative association, entitling the holder to 5% or more of the profits or of the liquidation distributions of a company, a cooperative or a cooperative association, or (c) membership rights representing 5% or more of the voting rights in the general meeting of a cooperative or a cooperative association;

(b) investment institutions (*fiscale beleggingsinstellingen*);

(c) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are exempt from Netherlands corporate income tax;

(d) corporate holders of Securities qualifying for the participation exemption (*deelnemingsvrijstelling*). Generally speaking, a shareholding can, *inter alia*, only qualify as a participation for the participation exemption if it represents an interest of 5% or more of the nominal paid-up share capital and certain additional requirements have been met; and

(e) holders of Securities that fall under the scope of The Foreign Account Tax Compliance Act (*FATCA*).

***Holder of Securities***

Where in this section "*Taxation in The Netherlands*" reference is made to a "holder of Securities", such reference will include, without limitation:

- an owner of one or more Securities who, in addition to the title to such Securities, has an economic interest in such Securities,
- a person or an entity that holds the entire economic interest in one or more Securities,
- a person or an entity that holds an interest in an entity, such as a partnership or a mutual fund, that is transparent for Netherlands tax purposes, the assets of which comprise one or more Securities, and
- a person who is deemed to hold an interest in Securities, as referred to under any of the above, pursuant to the attribution rules of article 2.14a, of the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), with respect to property that has been segregated, for example, in a trust or a foundation.

***Withholding Tax***. All payments by the Issuer under the Securities can be made free of withholding or deduction for any taxes of any nature imposed, levied, withheld, or assessed by The Netherlands or any political subdivision or taxing authority of or in The Netherlands, except where the Issuer is a tax

resident of The Netherlands for Netherlands dividend withholding tax purposes and Securities (i) are shares or profit certificates (*winstbewijzen*) in the Issuer, (ii) are issued under such terms and conditions that such Securities are capable of being classified as equity of the Issuer for Netherlands tax purposes or (iii) actually function as equity of the Issuer within the meaning of article 10, paragraph 1, letter d, of the Netherlands Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*) or (iv) are issued that are redeemable in exchange for, convertible into or linked to shares or other equity instruments issued or to be issued by the Issuer or by any entity related to the Issuer. If due, dividend withholding tax is to be withheld at a rate of 15% by the Issuer for the account of the ultimate beneficiary of the payment, unless an exemption or reduction is available.

***Tax Residents***. Generally, all income derived from the Securities by its holder who is a resident or deemed to be a resident of The Netherlands and that is subject to Netherlands corporate income tax (*vennootschapsbelasting*) will be included in the holder's taxable profit, subject to Netherlands corporate income tax at a rate of 25%; a step up rate of 19% applies to the first €200,000 of taxable profits. Capital gains and losses arising on the disposal and redemption of the Securities will be included in the holder's taxable profit, subject to the same rates.

If the holder of the Securities is an individual, resident or deemed to be a resident of The Netherlands for the purposes of Netherlands income tax (*inkomstenbelasting*), the actual income derived from the Securities and the actual gains realised upon the disposal and redemption of the Securities will be subject to such individual income tax at the progressive income tax rates, the maximum being 51.75%, if:

- the holder of Securities has an enterprise or an interest in an enterprise, to which enterprise or part of such enterprise, as the case may be, the Securities are attributable,

- the income derived from and the capital gains realised upon the disposal and redemption of the Securities are regarded as 'taxable income from one or more activities not being activities that generate taxable profit or taxable wages' (*Belastbaar resultaat uit overige werkzaamheden*) within the meaning of articles 3.90, 3.91, 3.92 and 3.92b of the Netherlands Income Tax Act 2001, or

- in case the Securities can be qualified as loan receivables, the holder or any of his spouse, his partner, a person deemed to be his partner, or other persons sharing such person's house or household, certain other of such persons' relatives (including foster children), (i) has indirectly the disposition of the proceeds of the Securities, or (ii) has a substantial interest in an entity that legally or de facto, directly or indirectly, has the disposition of proceeds of the Securities.

An individual holder who is a resident or deemed to be a resident of The Netherlands for the purposes of Netherlands income tax and who is not liable to tax under the preceding paragraphs, will not be liable to income tax on the actual income and the actual gains realised on the Securities. Instead, such holder will be taxed at a flat rate of 30% on deemed income from "savings and investments" (*Sparen en beleggen*) within the meaning of article 5.1 of the Income Tax Act 2001. This deemed income amounts to 0.13% for the first "yield basis" (*Rendementsgrondslag*) and 5.60% for the second "yield basis" at the beginning of the calendar year, divided into three brackets, insofar as the individual's "yield basis" exceeds a certain exempt amount. The Securities will be included in the holder's "yield basis".

***Non-Residents***. A holder who is not a resident of The Netherlands, nor deemed to be a resident, is not taxable on income derived from the Securities and capital gains realised upon the disposal or redemption of the Securities, provided that:

- such holder does not have an enterprise or an interest in an enterprise which, in whole or in part, is carried on through a permanent establishment, or a deemed permanent establishment or a permanent representative in The Netherlands to which enterprise or part of an enterprise, as the case may be, the Securities are attributable,

- the Securities are not attributable to the assets of an enterprise that is effectively managed in The Netherlands, with respect to which enterprise, such holder is entitled to a share in its profits, other than by way of securities or if such holder is an individual, pursuant to the terms of an employment contract,

and in addition for individuals only:

- such holder does not derive income and/or realise capital gains on the Securities that are regarded as 'taxable income from one or more activities performed in The Netherlands not being activities that generate taxable profit or taxable wages' (*Belastbaar resultaat uit overige werkzaamheden in Nederland*) within the meaning of articles 3.90, 3.91, 3.92 and 3.92b of the Income Tax Act 2001, and

- in case the Securities can be qualified as loan receivables, the holder or any of his spouse, his partner, a person deemed to be his partner, or other persons sharing such person's house or household, certain other of such persons' relatives (including foster children), (a) does not have indirectly disposition of the proceeds of the Securities, nor (b) has a substantial interest in an entity that legally or de facto, directly or indirectly, has the disposition of proceeds of the Securities nor (c) if either (a) or (b) is not met, such disposition cannot be considered to take place in The Netherlands.

***Gift, Estate and Inheritance Taxes***. No Dutch gift or inheritance taxes will arise on the transfer of Securities by way of gift by, or on the death of, a holder of Securities who is neither resident nor deemed to be resident in The Netherlands, unless:

- in case of a gift of the Securities under a suspensive condition by an individual who at the date of the gift was neither resident nor deemed to be resident in The Netherlands, such individual is resident or deemed to be resident in The Netherlands at the date of (i) the fulfilment of the condition or (ii) his/her death and the condition of the gift is fulfilled after the date of his/her death;

- in case of a gift of Securities by an individual who at the date of the gift or, in case of a gift under a suspensive condition, at the date of the fulfilment of the condition was neither resident nor deemed to be resident in The Netherlands, such individual dies within 180 days after the date of the gift or the fulfilment of the condition, while being resident or deemed to be resident in The Netherlands.

For purposes of Dutch gift and inheritance taxes, among others, a person that holds Dutch nationality will be deemed to be resident in The Netherlands if such person has been resident in The Netherlands at any time during the 10 years preceding the date of the gift or his/her death. Additionally, for purposes of Dutch gift tax, among others, a person not holding Dutch nationality will be deemed to be resident in The Netherlands if such person has been resident in The Netherlands at any time during the 12 months preceding the date of the gift. Applicable tax treaties may override deemed residency.

***Value Added Tax***. Pursuant to article 11, paragraphs 11, letters i and j of the Dutch Value Added Tax Act 1968 (Wet op de omzetbelasting 1968), in general, no Dutch value added tax will be payable in respect of any payment in consideration for the issue of the Securities or in respect of a cash payment under the Securities, or in respect of a transfer of Securities, with exception of value added tax on fees payable for services, such as management, administrative or similar services.

***Other Taxes and Duties***. No capital duty, registration tax, transfer tax, customs duty, stamp duty or other similar duties or documentary taxes will be payable in The Netherlands on the creation, subscription, offering, issue allotment or delivery of the Securities, unless the Securities represent an interest in real estate, or certain rights over such real estate, situated in the Netherlands.

## 10. BELGIUM

*Prospective holders of Securities are advised to consult their own advisors as to the tax consequences of the purchase, ownership and disposal of securities, including the effect of any taxes under Belgian law. The present does not claim nor purport to be a comprehensive description of all tax considerations related to the acquisition, holding and disposal of Securities. It does not take into account the specific circumstances of particular holders of Securities, some of which may be subject to special rules, or the tax laws of any country other than Belgium.Furthermore, this description is based on current legislation, published case law and other published guidelines and regulations as in force at the date of this document, which are subject to future amendments, which may or may not have retroactive effect. The characterization of income gathered from Securities as interest or dividend income, will depend on the specific type of Security and the specific circumstances in which the income is gathered. It is therefore strongly recommended that (prospective) holders of Securities seek advice from their tax advisors on the basis of such and other relevant elements.*

***Belgian income taxes regarding Securities***

*Belgian resident individual private investor*

The following tax treatment applies to individual Belgian residents who are subject to Belgian personal income tax (*Personenbelasting/Impôt des personnes physiques*) and hold Securities as a private investment. Other rules can however apply when Securities are linked to such investor's professional activity or when the individual's transactions with respect to the Securities fall outside the scope of the normal management of his private estate.

If interest or dividend income is paid outside Belgium without the intervention of a Belgian paying agent, the income received (after deduction of any foreign withholding tax) has to be declared in the Belgian investor's personal income tax return and will be taxed at a rate of 30%.

The payment will be subject to Belgian withholding tax of in principle 30%, if it is collected through a Belgian paying agent. Such taxation may be final and the Belgian individual doesn't need to report that income in his personal income tax return.

Capital gains realised on the disposal of Securities should as a rule be tax exempt, unless they qualify as interest. Capital losses realised upon the disposal of Securities held as non-professional investment are in principle not tax deductible.

*Tax treatment in the hands of Belgian corporations*

Belgian corporations who are subject to Belgian Corporate Income Tax (*Vennootschapsbelasting/Impôt des sociétés*) and who do not qualify for a special corporate tax regime (e.g. Sicavs, pension funds etc.) are subject to the following tax treatment with respect to the Securities.

Income derived by Belgian corporate investors on the Securities and capital gains on the Securities will be subject to Belgian corporate income tax of in principle 29,58% (25% as of assessment year 2021 linked to a taxable period starting at the earliest on 1 January 2020). Furthermore, small and medium-sized companies are taxable at the reduced corporate income tax rate of 20.4 per cent. for the first EUR 100,000 of their taxable base (20% as of assessment year 2021 linked to a taxable period starting at the earliest on 1 January 2020).

Belgian resident companies can generally (subject to certain limitations) deduct 100% of gross dividends received from their taxable income (dividend received deduction), provided that certain subject-to-tax and holding conditions are met.

As a general rule, Belgian withholding tax is due by the Belgian paying agent (if any), e.g. a Belgian bank which acts as an intermediary during the pay-out of the income. Certain exemptions may apply.

When Belgian withholding tax is levied, such withholding tax is creditable against the corporate income tax due and reimbursable provided that the legal requirements for creditability are met.

*Other legal entities*

Legal entities who are Belgian residents for tax purposes and who are subject to Belgian tax on legal entities (*Rechtspersonenbelasting/impôt des personnes morales*) are subject to the following tax treatment with respect to the Securities.

Payments of income on the Securities made through a paying agent in Belgium will in principle be subject to a 30% withholding tax in Belgium. If Belgian withholding tax has been withheld, the income will in principle not be taxed further. If the interest payment is collected abroad without Belgian withholding tax, the investor is required to declare this income and to pay the withholding tax on their own initiative.

Capital gains realized on the sale of the Securities are in principle tax exempt, unless the capital gain qualifies as interest. Capital losses are in principle not tax deductible. .

*Special tax regimes*

Under Belgian tax law, a number of entities such as qualifying pension funds and qualifying investment companies enjoy a special tax regime, whereby income out of investments (such as interest income and capital gains) is not taken into account for determining the taxable basis.

*Non-resident investors*

Investors who are non-residents of Belgium for Belgian tax purposes and are not holding the Securities through a Belgian establishment and do not invest the Securities in the course of their Belgian professional activity will in principle not incur or become liable for any Belgian tax on income or capital gains (save as the case may be, in the form of a 30% withholding tax, subject to such relief as may be available under applicable domestic and tax treaty provisions).

Where the withholding tax is due, it is due by a Belgian paying agent (e.g. Belgian bank) provided it acts as an intermediary during the pay-out of the income. Certain exemptions may however apply. If the income is not collected through a financial institution or other intermediary established in Belgium, no Belgian withholding tax should be due.

The non-resident companies or professionals who use the Securities to exercise a professional activity in Belgium through a permanent establishment are subject to the same tax rules as the Belgian resident companies or Belgian professionals.

***Tax on Stock Exchange Transactions and the Tax on Repurchase Transactions***

The Belgian Tax on Stock Exchange Transactions should not be due upon the issue of Securities.

The transfer for consideration of Securities on the secondary market may trigger a the Tax on Stock Exchange Transactions if (i) it is executed in Belgium through a professional intermediary, or (ii) if it is deemed to be executed in Belgium, which is the case if the order is directly or indirectly made to a professional intermediary established outside of Belgium, either by private individuals with habitual residence in Belgium, or by legal entities for the account of their seat or establishment in Belgium.

Depending on the characteristics of the Security, the tax will be due on each sale and acquisition separately at the rate of 0.12% (capped at EUR 1.300), 0,35% (capped at EUR 1.600) or 1,32%,(capped at EUR 4.000). The Tax on Stock Exchange Transactions is due by each party to the transaction and both taxes are collected by the professional intermediary. However, if the intermediary is established outside of Belgium, the tax will in principle be due by the ordering private individual or legal entity, unless that individual or entity can demonstrate that the tax has already been paid.

In the latter case, the foreign professional intermediary also has to provide each client (which gives such intermediary an order) with a qualifying order statement (*bordereau/borderel*), at the latest on the business day after the day on which the relevant transaction was realized. Alternatively, professional intermediaries established outside of Belgium can, subject to certain conditions and formalities, appoint a Belgian representative for tax purposes, which will be liable for the Tax on Stock Exchange Transactions in respect of the transactions executed through the professional intermediary.

The liability of the private individual or legal entity to pay the tax on stock exchange transactions in the event the professional intermediary is established outside of Belgium is currently being challenged in front of the Belgian Constitutional Court. The latter has referred to the European Court of Justice with regard to the compatibility of this rule with the free movement of capital and the freedom to provide services.

The Tax on Stock Exchange Transactions will not be payable by exempt persons acting for their own account. This includes non-resident holders of Securities - provided that they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status - and certain Belgian institutional investors as defined in article 126.1, 2° of the Code of miscellaneous taxes and duties.

Depending on the characteristics of the Security, a tax on repurchase transactions at the rate of 0.085 per cent may be due by each party to any such transaction entered into or settled in Belgium in which a stockbroker acts for either party (with a maximum amount of EUR 1,300 per transaction and per party).

***Tax on securities accounts***

A 0.15% tax is due on the average value of qualifying financial instruments held on securities accounts by Belgian resident individuals with one or more financial intermediaries located or established in Belgium or abroad ("**Tax on Securities Accounts**") . The Tax on Securities Accounts also applies to non-resident individuals holding qualifying financial instruments on securities accounts with one or more financial intermediaries located or established in Belgium. Under certain double taxation treaties concluded by Belgium, the Tax on Securities Accounts may qualify as a tax on capital. In such case, subject to the text of the applicable double taxation treaty, a non-resident may invoke the benefit of such treaty.

The financial instruments in scope of the Tax on Securities Accounts are shares, share certificates, bonds, bond certificates, units or shares in investment funds or companies (except if acquired or subscribed to in the context of a life insurance or pension savings arrangement), medium-term notes and warrants.

No Tax on Securities Accounts is due if the share of the holder in the average value of the qualifying financial instruments on those accounts, amounts to less than EUR 500,000. If the average value is superior to EUR 500,000, the Tax on Securities Accounts is due on the entire share of the holder in the average value of the qualifying financial instruments on those accounts (and hence, not only on the part which exceeds the EUR 500,000 threshold). The average value of the qualifying instruments is determined per a reference period of 12 consecutive months starting on 1 October and ending on 30 September of the subsequent year.

The Tax on Securities Accounts is in principle due by the financial intermediary established or located in Belgium if (i) the holder's share in the average value of the qualifying financial instruments held on one or more securities accounts with said intermediary amounts to EUR 500,000 or more or (ii) the holder instructed the financial intermediary to levy the Tax on Securities Accounts due (e.g. in case such holder holds qualifying financial instruments on several securities accounts held with multiple intermediaries of which the average value of each of these accounts do not amount to EUR 500,000 or more but of which the holder's share in the total average value of these accounts exceeds EUR 500,000 EUR).

If the Tax on Securities Accounts is not paid by the financial intermediary, such Tax on Securities Accounts has to be declared and is due by the accountholder, unless he provides evidence that the tax has already been withheld, declared and paid by an intermediary which is not established or located in Belgium. In that respect, intermediaries located or established outside of Belgium could appoint a Tax on the Securities Accounts representative in Belgium, subject to certain conditions and formalities. Such representative will then be liable towards the Belgian Treasury for the Tax on the Securities Accounts due and for complying with certain reporting obligations in that respect.

***Financial Transactions Tax***

The European Commission has published a proposal for a Directive for a common financial transactions tax ("**FTT**"). The proposal currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax. For Belgium, the Tax on Stock Exchange transactions should thus be abolished once the FTT enters into force. The proposal is still subject to negotiation between the participating Member States and therefore may be changed at any time.

***Gift tax and inheritance tax***

Belgian tax legislation provides both gift tax and inheritance tax.

The rates vary depending on the Region in which the donator or the deceased has/had his residence (Brussels Region, Flemish Region, Walloon Region).

## 11. CZECH REPUBLIC

*The following is a general discussion of certain Czech tax consequences of the acquisition, holding and disposal of Securities. It does not purport to be a comprehensive description of all Czech tax considerations that may be relevant to a decision to purchase, hold or dispose of the Securities, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This general discussion is based on the tax laws of the Czech Republic ("**CR**") currently in force which are subject to change, possibly with retroactive or retrospective effect.*

*As each Series or Tranche of Securities may be subject to a different tax treatment due to the specific terms of such Series or Tranche of Securities as set out in the respective Final Terms, the following section only provides some general information on the possible tax treatment. Investors should be aware that the statements below are of general nature and do not constitute legal or tax advice and should not be understood as such.*
*Prospective investors should consult their professional advisors to determine, in the light of their individual situation, the tax consequences of the purchase, holding, redemption or sale of the Securities.*

Acquisition of Securities

Provided the Securities are acquired by Czech tax residents, no withholding tax should be applicable in the CR to the acquisition price paid by them to the Issuer, provided (i) the Issuer is a tax resident of Italy, (ii) the Issuer is the beneficial owner of this income and (iii) the foregoing facts are sufficiently documented.

No transfer tax / stamp duties would be payable in the CR in connection with acquisition of the Securities.

Holding of Securities

No stamp duties or wealth tax are payable in the CR from the Securities held by Czech tax residents.

However, any income resulting from the holding of the Securities (interest, dividends etc.) would be subject to income tax in the CR. Furthermore, it would be important to verify whether or not the changes in values of the Securities (due to changes in marker prices, FX changes etc.) would have any tax consequences in the CR.

*Personal Income Tax*

This tax would be payable by individuals – Czech tax residents. The general tax rate is 15%. In case when the Czech resident investor is an individual entrepreneur and the Securities are part of its business assets, the application of social / health insurance charges and solidarity tax (7%) should be considered based on individual situation.

*Corporate income tax*

Any income of Czech legal entities (tax resident in the CR) resulting from the holding of the Securities in the form of interest, dividends etc. would be generally subject to taxation in the CR. Corporate income tax applicable in the CR is 19%; however, certain types of income (e.g. dividends) may be subject to 15% special rate. Furthermore, limited type of entities (e.g. investment funds) might be subject to 5% corporate income tax if certain requirements are met.

Although it is not likely that an exemption might apply to foregoing income in the case of the Securities, this should be considered as well. Generally, dividends could be exempt from corporate income tax in the CR if the recipient of the income (its beneficial owner) holds certain percentage of the share capital of the company that pays the income (at least 10% for at least 12 months)

*Double taxation avoidance*

In the case when the income paid to Czech tax residents by the Issuer is subject to withholding tax in Italy (or any other country), the Czech recipient of the income should generally be able to avoid the double taxation by using the method specified in the relevant Double Tax Treaty (e.g., the recipient should be able to offset the tax paid abroad against the Czech tax liability). Details and specific conditions should be determined based on the individual situation of the owner of the Securities.

Sale / Realization of Securities

No transfer tax would be payable in the CR upon the Sale / Realization of the Securities. However revenues resulting from the Sale / Realization of the Securities would generally be subject to income tax in the CR.

*Personal Income Tax*

This tax would be payable by individuals – Czech tax residents. The general tax rate is 15%. In case when the Czech resident investor is an individual entrepreneur and the Securities are part of its business assets, the application of social / health insurance charges and solidarity tax should be considered based on individual situation. The tax base would generally be the difference between then selling / realization price and the acquisition price.

Generally, if the Securities are considered as securities ("*cenné papíry*") under Czech law and are not part of business assets of an individual entrepreneur, the income from the sale of the Securities could be exempt if the holding period exceeds 3 years.

*Corporate income tax*

Any income of Czech legal entities (tax resident in the CR) resulting from the Sale / Realization of the Securities in the form interest, dividends would be generally subject to taxation in the CR. Corporate income tax applicable in the CR is 19% (or 5% in case of certain entities).

Although it is not likely that an exemption might apply to foregoing income in the case of the Securities, this should be considered as well. Generally, income from the sale of the Securities could be exempt from corporate income tax in the CR if the recipient of the income (its beneficial owner) holds certain percentage of the share capital of the company that pays the income (at least 10% for at least 12 months).

VAT issues

Generally, the income resulting from the holding or the sale of Securities may have implications of the holder´s VAT position. Each holder is therefore recommended verifying this with professional tax advisor.

## 12. SLOVAK REPUBLIC

*The purpose of the overview below is to provide a general overview of the relevant Slovak tax rules based on the laws in force in Slovakia as of the date of this Prospectus. It does not purport to be a comprehensive description of all tax implications that might be relevant to an investment decision. Please note that Investors in the securities should consult with their professional advisers particular circumstances which should be examined and considered in detail.*

**Income tax**

**Residents**

Individuals, who are residents in Slovakia, are subject to unlimited income tax liability on their world-wide income (i.e. income from domestic and foreign sources). An individual is resident in Slovakia if he/she has his/her domicile (a registered permanent stay), residence or habitual place of abode (a physical presence for more than 183 days in a calendar year) in Slovakia. Residence shall mean (in the context of the double-taxation treaties) the possibility of accommodation, which is permanently available to physical person, other than occasional accommodation for the purposes of business travels, tourism, recreation, etc., while an intention of physical person to permanently reside in the state with respect to his/her personal and economic ties is obvious.Corporations having their registered office and/or their place of effective management in the territory of Slovakia are subject to corporate income tax in Slovakia on their world-wide income (i.e. income from domestic and foreign sources).

Non-residents (both individuals and corporations) are subject to income tax only on income from the sources in Slovakia. Both in case of residents and non-residents Slovakia's right to tax may be restricted by a relevant double taxation treaty.

***Interests***

In general, the interest income earned from the securities is subject to a withholding tax of 19%. The exception are interests paid to states with which Slovakia has not concluded a treaty on avoidance of double taxation or on mutual exchange of information in tax matters for which a tax rate of 35% shall be applied Revenues (incomes) from bonds and treasury bills sourced in Slovakia and paid to an individual are taxed by a withholding tax except for the revenues from state bonds and state treasury bills. In case of interest income with source outside of Slovakia, such interest income received by an individual shall be included in the special tax base and reported in annual personal income tax return. With respect to corporations, the interest income shall be included in the general tax base and declared in annual corporate income tax return. The withholding tax shall also be withheld from the income paid to companies which are not established for business purposes and to the National Bank of Slovakia.

The tax is to be withheld by a paying entity at the moment of payment. The paying entity is obliged to pay the tax witheld to tax authority within 15 days following the end of month in which the income payment was carried out and within the same deadline submit an announcement report. The tax withheld could have an effect of a final taxation or the taxpayer could offset it against the tax due in the same fiscal period.

*Individual investors*

In case the income from interest on the securities originates from sources abroad to an individual, it shall be included in the special tax base. The tax rate for individuals will be at the level of 19% of the special tax base.

However, it is necessary to review the respective Double Taxation Avoidance Treaty concluded between Slovakia and another country in which the securities are generated, whether Slovakia has a right for the taxation of these securities.

*Corporations*

In general, a corporation shall include the interest received in its general corporate income tax base, which is taxable at a tax rate of 21% (effective for taxable periods commencing on or after 1 January 2017). The amendment of the Income Tax Act with effect from 1 January 2014 has introduced the institute of a tax licence (minimum tax) for specified corporate entities reporting a tax loss, zero or very low tax in a taxation period. The amount of the tax licence depends on the conditions stated in the Slovak Income Tax Act (EUR 480, EUR 960, EUR 2,880). The tax licence shall affect the business companies whose tax liability calculated in the tax return is lower than the amount of tax licence. Nevertheless, as a result of the amendment of the Slovak Income Tax Act effective for taxable periods commencing on or after 1 January 2018, the institute of tax licence was abolished altogether.

***Capital gains – Income from sale of the securities***

Income from sale of securities originating from a source abroad is subject to (personal/corporate) income tax in Slovakia if the recipient is a Slovak tax resident. Such income should be included in the taxpayer's income tax base (no withholding tax shall be applied). Individual investor´s capital gains from sale ofthe securities are subject to personal income tax at a rate of 19% or 25% depending on the amount of this income. The income not exceeding the amount of EUR 36,256.37 (valid for year 2019) is taxed by 19% tax rate, the amount exceeding the cap for 19% is taxed by a higher 25% tax rate (progressive tax rate). Provided that certain conditions are met this kind of personal income may be exempt from the tax. More details on potential exemption can be found in the text below.

Capital gains from sale of the securities are included in the corporate income tax base and taxed at tax rate of 21%.

When considering the taxation of sale of the securities the source of which is e.g. in Italy and are paid to a Slovak tax resident, the provisions of the existing double taxation treaty between Italy and Slovakia should be taken into consideration. Under the provisions of this double taxation treaty capital gains from sale of such securities are in general taxable only in Slovakia, i.e. the country of tax domicile. The income tax is levied as follows:

*Individual investors (private and business investors)*

The tax base shall be equal to the taxable income less any expenses, which may be documented as having been incurred in order to generate the income. Expenses that can be deducted are the purchase price proven to be paid for the securities, or when there is no purchase (i.e. free of charge - donation, inheritance) then the price for the securities determined at the time when the securities were acquired, and the expenses related to the acquisition or purchase of the securities.

The capital gains from the sale of the securities will be exempt from Slovak personal income tax if the aggregate of the tax base related to the "other income" category (i.e. debentures, shares, bills of exchange etc.) does not exceed the flat amount of EUR 500. The same limit for exemption relates to rental income, income from transfer of options and income from transfer of ownership interest in a company. Thus, the exemption of EUR 500 shall be applied to the aggregate of all afore mentioned incomes (“the other income”, rental income, transfer of options and of ownership interests in a company). If the above mentioned limit is exceeded, only the excess amount is included in the tax base.

Further, the income from sale of the securities accepted for trading on a regulated market or a similar foreign regulated market shall be exempt from tax, if the period between their acquisition and their sale exceeds one year. Such income from sale of the securities is not exempt from tax if the securities were included into business assets of the taxpayer.

From the tax shall be exempt also the income from sale of securities, options and income from derivative transactions derived from long-term investment savings after fulfillment of conditions set (determined) in the special act including income paid after 15 years from the beginning of long-term investment savings. Such income from sale is not exempt from tax if such securities, options and income from the derivative transactions were included into business assets of the taxpayer.

A loss from sale of securities shall not be offset against gains from sale of securities in the same fiscal period - only the expenses up to the amount of income shall be considered upon the calculation of the tax base.

Under the specific conditions stated below, the full loss incurred may be considered as a tax deductible expense, these are:

i. bonds, the selling price of which is not lower by more than the interest accrued on the bonds and included in the tax base prior to the date of sale or the date of maturity of the bond; and

ii. for taxable persons who engage in trading with securities pursuant to special legislation, and which may deduct the expense of the acquisition of the securities up to the amount posted as their cost.

*Corporations*

In Slovakia, there is no difference in taxation of the capital gains of the individual investors holding securities as a business asset and corporations, therefore the section above applies to the corporations as well.

According to the Slovak Income Tax Act, in case a loss generated from the sale of securities shall not be offset against gains from sale of securities in the same fiscal period - only the expenses up to the amount of income shall be considered upon the calculation of the tax base.

Under the specific conditions stated below, the loss incurred is entirely accepted as a tax deductible expense:

(i) bonds, the selling price of which is not lower by more than the interest accrued on the bonds and included in the tax base prior to the date of sale or the date of maturity of the bond; and

(ii) for taxable persons who engage in trading with securities pursuant to special legislation, and which may deduct the expense of the acquisition of the securities up to the amount posted as their cost.

**Non-residents**

***Interests***

Non-residents (both individuals and corporations) are taxed only on their Slovak-source income. The interest income earned from securities paid out by a Slovak tax resident or a permanent establishment of a Slovak tax non-resident to a Slovak tax non-resident are taxed at the domestic withholding tax rate of 19% (35% in case of residents in listed jurisdictions) unless such rate is reduced by a double taxation treaty or exempt under the EU Interest and Royalties Directive. The responsibility for withholding of the tax at source is vested with the Slovak tax resident or a permanent establishment of a Slovak tax non-resident making the relevant payment.

**EU Savings Directive**

The Slovak Republic has implemented the Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU, which is dealing with mandatory automatic exchange of information in the field of taxation into the Slovak act on international assistance and cooperation in tax administration and into Slovak act on automatic exchange of information regarding to financial accounts for the purpose of tax administration. This council directive has replaced the previous Council Directive 2003/48/EC (Saving Directive) in the field of exchange of information.

Interest income subject to the automatic exchange of information constitutes, inter alia, income incurred from participation certificates, bonds, certificates of deposit, treasury bills and other securities of similar characteristics during the holding of such a financial instrument or income accrued at the sale, refund or redemption of the financial instrument.

**Withholding tax in relation to securities**

Provided that (i) the securities shall be issued outside the Slovak Republic, (ii) the Issuer shall be a Slovak tax non-resident and (iii) all payments in relation to securities shall be executed by the Issuer or by the entity executing such payments on behalf of the Issuer, any income earned from the securities shall be qualified as the income having a source outside the Slovakia and as such shall not be subject to withholding tax in Slovakia.

***Capital gains – Income from sale of the securities***

The capital gains realised by a Slovak tax non-resident on sale of the securities issued by a foreign entity are not treated as a Slovak-source income (i.e. it is not subject to tax in Slovakia). In general, only the capital gains realised by Slovak tax non-residents on the sale of securities issued by tax payers having their seat in Slovakia, shall be taxed in Slovakia under local tax law except of the revenues from the state bonds and state treasury bills.

**Dividends**

The tax treatment of and related health insurance obligations arising on dividend income differ with respect to taxable period in which the profit was generated from which the dividends shall be distributed. The treatment is determined irrespective of whether the actual dividend payment occurs in 2017 or later. The dividend income derived from profit achieved in taxable periods up to 2003 is subject to income tax in Slovakia. Dividends distributed from profit achieved in periods between 2011 and 2012 shall not be subject to tax, however in the case that these dividends are paid to individuals, they are subject to 10 % health insurance obligation. Dividends from profits of 2013 to 2016 also shall not be subject to tax, but the health insurance obligation of 14% arises. Dividends paid to the individuals from profits generated commencing on or after 1 January 2017 shall be subject to income tax at a rate of 7%, however there is no obligation to pay health insurance on such income.

Nevertheless, the fact whether Slovakia is entitled to tax dividend income shall be analysed thoroughly with regards to provisions of double taxation treaty concluded between Slovakia and the other state. It may be that the relevant treaty includes a cap as to the amount of tax that may be charged by either state.

Shall an individual or a business entity who are considered as tax residents of Slovakia, receive dividend income from state with which Slovakia has not concluded any tax treaty, the applicable tax rate amounts to 35%.

As to business entities, with the exception of the above mentioned non-contracting states, dividend income shall be exempt from tax provided that the dividend paying entity does not treat it as a tax deductible expense.

The Slovak health insurance contributions received from the dividends are applicable only to individuals who participate obligatory in the Slovak health insurance system and do not have any confirmation on participation in another foreign obligatory health insurance system, e.g. in a form of an A1 form. The amount of health insurance contribution is capped by a so-called maximum calculation base ("*maximálny vymeriavací základ*") for the amount of income on which the contributions shall be paid. The maximum limit set for income received in 2019 amounts to EUR 57 240. The limit effectively applies to the aggregate of all income taxable in Slovakia (irrespective whether the income source is dividends or dependent activity).

**Other taxes**

There is no inheritance tax, gift tax, ownership tax or transfer tax in the Slovak Republic.

However, if securities are donated by an employer to a Slovak tax resident who is an employee, or if securities are donated to a Slovak tax resident who is self-employed and these securities are donated in connection with the carrying out of this self-employment, the value of the gift is subject to Slovak income tax and related health insurance contributions. The value of gift is also subject to the Slovak social insurance contributions since the assessment base for social insurance purposes generally follows the tax base of the individual (employee or self-employed person), although some exemptions may apply.

## 13. HUNGARY

*The following discussion is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Hungary and as applied on the date of this Base Prospectus, which may be subject to change, possibly with retroactive or retrospective effect. It is not intended to be, nor should it be construed to be, legal or tax advice, therefore should be treated with appropriate caution. This is a general discussion and does not constitute a complete description of all the tax issues that may be relevant in making the decision to invest in Securities in Hungary. Prospective investors in the Securities who are in any doubt as to their tax position should consult their own professional advisers.*

**Taxation of resident private individuals**

*Personal Income Tax*

Resident private individuals shall be subject to tax liability in respect of all their income (all-inclusive tax liability).

*Income from interest*

According to the provisions of the Personal Income Tax Act, in the case of individual holders, interest income (**Interest Income**) - among others - is the income paid as interest and the capital gains realised upon the redemption or the sale of publicly offered and publicly traded debt Securities (with the exception of the sale of collective investment securities on the Hungarian stock market or the stock market of any EEA or OECD state). The term "*debt securities*" is defined in Act CXX of 2001 on the Capital Market. Generally, securities which do not pertain to the category of securities representing membership rights, should be treated as debt securities, therefore, income deriving from the Securities may qualify as income deriving from debt securities from personal income tax perspective. Securities listed on a regulated market of an EEA member state are considered publicly offered and traded securities. The Interest Income is subject to personal income tax of 15 per cent, which will be withheld by the Payor (*kifizető*) (for the definition of Payor please see below). In the absence of a Payor, the individual is obliged to assess, report and pay the tax on Interest Income.

The proceeds paid on privately placed Securities which are not listed on a regulated market of an EEA member state are considered as other income (**Other Income**) which is taxable at a rate up of 15 per cent and may be subject to uncapped social tax of 19.5 per cent, as well.

The capital gains realised on the sale or redemption of such securities is considered, as a general rule, capital gains income **(Capital Gains Income)**. The tax rate applicable to Capital Gains Income is 15 per cent, while the rate of social tax payable on the basis of Capital Gains Income realised by Hungarian resident individuals is 19.5 per cent. For this purpose, the aggregate annual upper threshold of the social tax amount is 19.5 per cent of 24 times the all-time effective minimum wage in Hungary (which means HUF 697,320 annual social tax cap calculated based on the 2019 minimum wage amount effective in Hungary).

The rules of the Personal Income Tax Act may in certain circumstances impose a requirement upon the **Payor** (for the definition of Payor please see below) to withhold tax on the interest payments to individual holders. In certain circumstances, Act LII of 2018 on Social Tax also imposes a requirement on the Payor to withhold social tax on payments provided to private individuals which are subject to social tax.

Pursuant to Act CL of 2017 on the Rules of Taxation the definition of a Payor covers a Hungarian resident legal person, other organisation, or private entrepreneur that (who) provides taxable income, irrespective of whether such payment is made directly or through an intermediary (post office, credit institution). In respect of interest, Payor shall mean the borrower of a loan or the issuer of a note, including the investment service provider or credit institution providing the interest instead of it. In respect of revenues originating from a transaction concluded with the involvement of a licensed stockbroker, Payor shall mean such stockbroker. In respect of income that is earned in a foreign country and taxable in Hungary, Payor shall mean the "paying agent" (*megbízott*) (legal person, organisation or private entrepreneur) having tax residency in Hungary, except in cases where the role of a financial institution is limited to performing the bank transfer or payment.

In addition, for personal income tax purposes Payor means the Hungarian resident credit institution agent which provides taxable income in connection with the service provision of the foreign person/entity performed in Hungary.

*Personal Income Tax Rate*

In Hungary the personal income tax rate is 15 per cent.

*Withholding tax*

As long as the income from the transaction - according to the tax regulations of the payer's country legislation – is considered as dividends, it may be limitedly taxable by the Issuer or by the entity performing the payments related to the Securities on behalf of the Issuer. The rate of withholding tax determined in the domestic law of Luxembourg shall be moderated based on the double taxation treaty between Luxembourg and Hungary to 10%. Moreover, the tax paid in Luxembourg shall also be credited into the tax payable in Hungary. Generally, in the case of any other type of income, the withholding tax should not be levied (0%) by the Issuer or by the entity performing the payments related to the Securities on behalf of the Issuer.

**Taxation of resident entities**

*Corporate Tax and Dividend Tax*

The tax liability of resident taxpayers shall apply to their income from Hungary and from abroad, both (total tax liability). In general, resident entities are those established under the laws of Hungary (i.e. having a Hungarian registered seat). Foreign persons having their place of management in Hungary are also considered as Hungarian resident taxpayers.

In general, the interest and capital gain realized on the transactions with Securities by resident entities will be the part of their pre-tax profit/loss and will be taxable in the same way as the income from the regular operation where pre-tax profit, adjusted with the tax base modifying items shall represent the corporate tax base.

The corporate tax rate is 9 per cent. (flat rate) of the positive tax base.

*Duties and Local Business Tax for resident taxpayers (individual and corporate)*

The Securities should be classified as movable tangible properties in respect of duties. In case of inheritance, gifting or quid pro quo transfer of property of Securities in certain cases it is necessary to count with the occurrence of duty paying liability. The general rate of inheritance and gift duty is 18 per cent. of the net worth of the inheritance or gifts received by any one heir, legatee or donee. The general rate of duty on the quid pro quo transfer of property is 4 per cent.

The proceeds received on Securities held by credit institutions, financial enterprises, insurance companies or investment firms can be subject to local business tax. Generally, in case of other taxpayers, the proceeds realized from similar transactions is not part of the local business tax base.

*Withholding tax*

The legislation of withholding tax for resident entities is similar to resident private individuals, and it is regulated in the double taxation treaty.

**Taxation of non-resident private individuals**

*Personal Income Tax*

**Non-resident private individual** shall mean all natural persons other than resident private individuals. The tax liability of non-resident private individuals shall apply to income that originates in Hungary as the place of gainful activity or is taxable in Hungary by virtue of international agreement or reciprocity (limited tax liability).

Generally, Interest Income should be treated as having a Hungarian source - among others - where the relevant issuer is resident in Hungary for tax purposes. As in the present case the Issuer of the Securities should not be considered as an entity resident in Hungary for tax purposes, the Interest Income should not be regarded as having a Hungarian source.

Please note that the provisions of applicable double tax conventions, if any, should also be considered when assessing the Hungarian tax liabilities of a foreign resident individual holder.

**Taxation of non-resident entities**

*Corporate Tax and Dividend Tax*

Foreign nationals shall be deemed taxpayers, as well as non-resident entities whose head office is located abroad if they (a) carry out business operations via a permanent establishment in Hungary, provided that they are not considered resident taxpayers due to the location of their head office (**non-resident entrepreneurs**) or (b) obtain any income through the transfer or withdrawal of participating interest in a company with real estate holdings (**member of a company with real estate holdings**).

The tax liability of non-resident entrepreneurs shall apply to their income attributable to the Hungarian permanent establishment (limited tax liability).

When establishing the corporate tax, resident taxpayers and non-resident entrepreneurs shall adjust the tax base so that it contains no income that is subject to taxation abroad, if so prescribed by international treaty. In other cases, resident taxpayers and non-resident entrepreneurs may deduct from the corporate tax any tax paid (or payable) abroad that is equivalent to corporate tax.

*Duties for non-resident tax payers*

In general, the rules of duties for the non-resident individuals and entities are the same.

The rules of inheritance duty should be applied to all heritage located in Hungary. The same provisions should be applied to the movable tangible properties (e.g. Securities) inherited by a Hungarian citizen or a non-Hungarian citizen residing in Hungary or a legal entity established in Hungary, where the

heritage is situated abroad if no inheritance duty or tax corresponding thereto is payable in the state in which such heritage is situated.

The provisions governing duties on gifts and transfer for consideration of property shall apply to moveable tangible properties (e.g. the Securities), unless otherwise provided for by an international agreement.

If the transfer of movable tangible property took place in Hungary, the owner of that movable tangible property should calculate with the duty paying liability, in line with the general rules mentioned regarding resident private individuals.

## 14. SLOVENIA

*The following is a general description of certain Slovenian tax considerations relating to the Securities, based on the Issuer's understanding of the current law and its practice in Slovenia. It does not purport to be a complete analysis of all relevant tax considerations. Furthermore, it only relates to the position of investors who are beneficial owners of the Securities and the interest and may not apply to certain classes of investors. Prospective purchasers of the Securities should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of the Republic of Slovenia of acquiring, holding and disposing of the Securities and receiving payments of interest, principal and/or other amounts under the Securities. This overview is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.*

### 1. Taxation of individuals

**Residents and non-residents**

In accordance with the Personal Income Tax Act (*Zakon o dohodnini; ZDoh-2)*, an individual is deemed to be a resident of Slovenia if his registered permanent address, habitual place or the centre of his personal and economic interests is in Slovenia. In addition, any person who has been present in Slovenia in a tax year for more than 183 days in the aggregate is deemed to be a resident in the tax year. Resident individuals are subject to income tax on their worldwide income. In general, all income, profits and gains are taxable, unless specifically exempt by law.

In accordance with the Personal Income Tax Act, non-residents are subject to tax on income derived from a source in Slovenia. Withholding tax is generally levied at a rate of 25%. Source taxation may be obviated or reduced pursuant to the terms of an applicable double taxation treaty, with the holder applying for a refund with the Slovenian tax authorities providing proof of eligibility.

**Taxation of financial derivatives**

Under the Personal Income Tax Act (*Zakon o dohodnini; ZDoh-2*), capital gains from the sale or other disposition of debt securities and other financial derivatives held as non-business assets are in general exempt from taxation. Capital gains derived from the alienation of financial derivatives (as defined in the Article 7 of the Financial Instruments Market Act (*Zakon o trgu finančnih instrumentov; ZTFI-1*) and debt securities (except for coupon debt securities and discount debt securities) by a resident individual are taxed at the rate of 40% (in the first 12 months of holding) and 25% (in the following 4 years of holding) according to the Act on the Taxation of Profits from the Disposal of Derivatives (*Zakon o davku od dobička od odsvojitve izvedenih finančnih instrumentov; ZDDOIFI*). The tax rate is further reduced by 10 percentage points for the next 5 years of holding, so that the rate of 15% applies after 5th year of holding, and further by 5 percentage points for each following 5 years of holding so that 10% and 5% tax rate applies after the 10th and 15th year of holding, respectively. After the 20th year of holding 0% tax rate applies. Tax return must be filed by Slovenian tax resident (Individual) until 28th February for previous year. Slovenian tax residents are taxed based on the principle of worldwide income; any income - deriving from Slovenia or abroad - is subject to taxation. If withholding tax paid abroad, the credit may not exceed the lower of the following: a) the tax actually

paid on the foreign-source income (according to the tax treaty, if applicable); and b) the tax payable on such income in Slovenia which would apply in the absence of the credit relief.

**Taxation of interest**

Under the Slovenian tax laws currently in effect, the payment of interest on the debt securities (as defined in the Article 81 of the Slovenian Personal Income Tax Act (*Zakon o dohodnini; ZDoh-2*) in accordance with their terms and conditions to a resident individual (within the meaning of the relevant provisions of ZDoh-2) will generally be subject to tax at a flat rate of 25%. (levied by way of withholding or by way of assessment), provided that these qualify as non-business assets. Income from a disposal or repurchase by the issuer of discounted debt securities (including non-coupon debt securities) shall also be considered as interest income (in accordance with the Article 88 of ZDoh-2). Tax return must be filed by Slovenian tax resident (Individual) until the 28th of February for previous year.

Pursuant to the Article 54 of ZDoh-2 interest on Securities issued in series held by a resident individual as business assets will generally qualify as non-business income, in which case it would be subject to the flat rate of 25% as described above, instead of the progressive tax rate of up to 50%, which generally applies to business income.

**Taxation of dividends and capital gains**

Dividends and other profit distributions are taxed by way of a 25% final withholding tax.

In general, individuals are subject to income tax on their capital gains if derived from the disposal of immovable property, shares and other participation rights, investment coupons etc. Taxable capital gains are generally taxed at a 25% final tax rate. After five years of holding, capital gains are taxed at a 15% final tax rate. The rate is later reduced by five percentage points per each five years of holding. Consequently, any gains are exempt after a 20 year-holding. Capital gains derived from the alienation of financial derivatives are not taxed according to this rule but are taxed only as described previously under *Taxation of financial derivatives***.**

**Inheritance and gift taxation**

Individuals and private law entities (within the meaning of the Article 3 of the Slovenian Inheritance and Gift Tax Act (*Zakon o davku na dediščine in darila; ZDDD*) are subject to Slovenian inheritance and gift tax in case of a transfer of the Securities mortis causa or inter vivos. The rate of such tax depends upon the value of the assets transferred and upon the relationship between the deceased/the donor on the one hand and the heir/the donee on the other hand. An exemption may apply in certain cases, such as to transfers between direct descendants and between spouses, as well as to a transfer of movable property the total value of which does not exceed EUR 5,000.

**Withholding tax**

Withholding tax must be withheld at source and deducted from payments of interest, dividends, royalties, and other incomes if such taxable income is paid by local tax payer. In other cases, tax return must be filed by individual upon receipt of such income.

**EU Savings Directive**

EU Savings Directive has been incorporated in sub-chapter 10 of chapter 1 of part five of Slovenian Tax Procedure Act (*Zakon o davčnem postopku; ZDavP-2*) and has come into force on 1st July 2005. However, since then the Directive (EU) 2015/2060 repealing the EU Savings Directive has come into force and these provisions have been stricken and the directive has also been implemented in chapter II of part four of Slovenian Tax Procedure Act.

For further information please refer to the paragraph below, headed *EU Savings Directive*.

**No gross-up for taxes withheld**

Purchasers of the Securities should note that neither the Issuer nor any other person will assume any liability for taxes withheld from payments under the Securities, nor make any additional payments in regard of these taxes, i.e. no gross-up will apply if a withholding tax is imposed.

**EU Financial Transaction Tax**

On the European Union level negotiations are underway in order to implement a harmonized financial transaction tax which might have a negative impact on the receipts deriving from the Securities.

For further information please refer to the paragraph below, headed *The proposed financial transactions tax*.

**Other Taxes**

No stamp, issue or registration taxes or such duties will be payable in Slovenia in connection with the issuance, delivery or execution of the Securities. Currently, net assets tax is not levied in Slovenia.

**2. Taxation of corporations**

Under the Slovenian tax laws currently in effect, the payment of interest on the Securities in accordance with their terms and conditions within the meaning of the relevant provisions of the Slovenian Corporate Income Tax Act (*Zakon o davku od dohodkov pravnih oseb; ZDDPO*) received by (i) a legal person resident for tax purposes in the Republic of Slovenia; or by (ii) a permanent establishment (poslovna enota) in the Republic of Slovenia of a legal person not resident for tax purposes in the Republic of Slovenia, is considered as a part of the overall taxable income. The Corporate Income Tax is levied on the net profits, defined according to the profit and loss account, as stipulated by the law and the Accounting Standards. The tax rate is 19% since 1.1.2017.

**Taxation of dividends**

Dividends and income similar to dividends (with the exception of certain hidden reserves) are, pursuant to article 24 of the Slovenian Corporate Income Tax Act, exempt from the tax base of a corporate shareholder, if the payer of dividends is:

- liable for corporate income tax in accordance with the Slovenian Corporate Income Tax Act; or

- for taxation purposes, a resident of an EU Member State in accordance with the law of that Member State, and is in accordance with a double taxation treaty concluded with a non-EU Member State not considered to reside outside of the EU, and is additionally liable for one of the taxes for which a common system of taxation is applicable to parent companies and affiliates from different EU Member States, as determined by the Slovenian Minister of Finance, where a company which is exempt from corporate income tax or that has the option of choosing its taxation is not considered to be liable for payment of corporate income tax; or

- liable for the payment of corporate income or profit tax comparable to Slovenian corporate income tax and is not resident of a state (or has a permanent establishment not located in a state) where the general or average nominal tax rate for the taxation of profit is lower than 12.5% and where this state is on the list published by the Slovenian Ministry of Finance and the Slovenian Tax Administration; whereby, this rule shall not apply to a payer who is resident of another EU member state, in accordance with the previous paragraph.

The above rules are applicable to non-resident recipients of dividends if their interest in the capital or in the management of the company paying the dividends is connected with business activities performed through an establishment in Slovenia.

The above-described exemption from the tax base of a corporate holder of the notes is applicable under the condition that the current or past taxation period's revenues have been included in the corporate holder's tax base, on the basis of such income.

In accordance with article 70 of the Slovenian Corporate Income Tax Act, the payer must, at the time of dividend payment, withhold and pay withholding tax at the rate of 15%, unless the recipient is: the Republic of Slovenia or a self-governing local community in Slovenia; the Bank of Slovenia; a resident who notifies the payer of their tax number, or a non-resident liable for the payment of corporate income tax deriving from their activities in or through a permanent establishment in the Republic of Slovenia who notifies the payer of their tax number, if the dividends are payable to such permanent establishment.

In accordance with article 70 of the Slovenian Corporate Income Tax Act, the tax shall not be calculated, withdrawn and paid if the dividends are payable to:

- a resident of an EU or an EEA Member State who is liable to pay income taxes in a foreign state (except for income paid to the permanent establishment of a non-resident in Slovenia), if such entity cannot claim the withholding tax in the state of its residence (as with, for example, the exemption of dividends from the tax base) and the transaction is not considered to represent tax avoidance; or

- foreign pension funds, investment funds and insurance companies providing pension plans, residents of the EU or EEA Members States (except for income paid to the permanent establishment of a non-resident in Slovenia), if such entity cannot claim the withholding tax in the state of their residence (if, for example, such funds or insurance companies are exempt from tax payment or are subject to a 0% tax rate).

- exemptions determined in the previous two points do not refer to payments made to states with which the exchange of information is not assured (a list of such states is published by the Slovenian Minister of Finance).

Pursuant to article 71 of the Slovenian Corporate Income Tax Act, tax shall not be withheld from payments of dividends and income similar to dividends if the entity authorised to receive a given payment is subject to the common system of taxation applied to parent companies and affiliate companies from different EU Member States, provided that:

- the entity authorised to receive the payment holds at least 10% of the value or number of shares or interests in the share capital, nominal capital, or voting rights of the company paying the dividend; and

- such minimum participation in the value or number of shares or interest in the share capital, nominal capital or voting rights, has been in effect for at least 24 months; and

- the entity authorised to receive the payment is: a) a legal entity formed as an entity for which a common taxation system is used and which is applicable to parent companies and affiliates from different EU Member States, as determined by the Slovenian Minister of Finance; b) for taxation purposes, a resident of an EU Member State in accordance with the law of that Member State and is in accordance with a double taxation treaty concluded with a non-EU member state not considered to reside outside of the EU, and c) is liable for one of the taxes subject to the common system of taxation applicable to parent companies and affiliates from different EU Member States or, with respect to companies exempt from income tax or that may choose their taxation, is determined by the Slovenian Minister of Finance to be an entity subject to corporate income tax.

**Withholding tax**

Withholding tax must be withheld at source and deducted from payments of interest, dividends, royalties, and some other payments if such payments have source in Slovenia and are paid abroad.

**Other Taxes**

No stamp, issue or registration taxes or such duties will be payable in Slovenia in connection with the issuance, delivery or execution of the Securities. Currently, net assets tax is not levied in Slovenia.

**3. Financial Services Tax**

The subject of taxation according to Financial Services Tax Act (*Zakon o davku na finančne storitve; ZDFS*) are the following services: a) granting and negotiation of credit or loans in monetary form and the management of credit or loans in monetary form by the person who is granting the credit or the person who is granting the loan; b) issuing of credit guarantees or any other security for money and management of credit guarantees by the person who is granting the credit; c) transactions, including negotiation, concerning deposit and current or transaction accounts, payments, transfers, debts, cheques and other negotiable instruments; d) transactions, including negotiation, concerning currency, bank notes and coins used as legal tender; e) services provided by insurance brokers and agents.

A taxable person shall be any person who provides the financial services in the territory of the Republic of Slovenia. It shall be deemed that a financial service referred to in Article 3 of this Act has been provided in the territory of Slovenia if it is provided by a person who has established his business or has a fixed establishment from which such financial service is provided or has his usual or permanent place of residence in the territory of Slovenia. It shall be also deemed that a financial service has been provided in the territory of Slovenia if it is provided by a person who has established his business or has a place of establishment from which the service is provided or has or has his usual or permanent place of residence outside Slovenia, but may, in accordance with the existing legislation, provide the financial services in the territory of Slovenia directly to clients or recipients of services who have established their business or have a place of establishment or their usual or permanent place of residence in the territory of Slovenia.

Applicable tax rate is 8,5% and is chargeable on the commission of a financial service. It shall be deemed that a financial service has been provided when a fee for the commission of the service has been paid. The fee referred to in the preceding paragraph shall exclude interest payable by a contractor of services to a taxable person for the provision of the agreed financial service when such interest does not constitute the payment of fees by a taxable person for the service provided.

## 15. IRELAND

*The following is an overview of the Irish withholding tax treatment of the Securities. The overview does not purport to be a comprehensive description of all of the Irish tax considerations that may be relevant to a decision to purchase, own or dispose of the Securities.*

The overview is based upon the laws of Ireland and the published practices of the Revenue Commissioners of Ireland as in effect on the date of this Base Prospectus. Prospective investors in the Securities should consult their own advisers as to the Irish or other tax consequences of the purchase, beneficial ownership and disposition of the Securities including, in particular, the effect of any state or local law taxes, if applicable.

**Irish Withholding Tax**

Irish withholding tax applies to certain payments including payments of:

- Irish source yearly interest (yearly interest is interest that is capable of arising for a period in excess of one year);

- Irish source annual payments (annual payments are payments that are capable of being made for a period in excess of one year and are pure income-profit in the hands of the recipient); and

- Distributions (including interest that is treated as a distribution under Irish law) made by companies that are resident in Ireland for the purposes of Irish tax;

at the standard rate of income tax (currently 20 per cent).

On the basis that the Issuer is not resident in Ireland for the purposes of Irish tax, nor does the Issuer operate in Ireland through a branch or agency with which the issue of the Securities is connected, nor are the Securities held in Ireland through a depository or otherwise located in Ireland, then to the extent that payments of interest or annual payments arise on the Securities, such payments should not be regarded as payments having an Irish source for the purposes of Irish taxation.

Accordingly, the Issuer or any paying agent acting on behalf of the Issuer should not be obliged to deduct any amount on account of these Irish withholding taxes from payments made in connection with the Securities.

Separately, for as long as the Securities are quoted on a stock exchange, a purchaser of the Securities should not be obliged to deduct any amount on account of Irish tax from a payment made by it in connection with the purchase of the Securities.

**Irish Encashment Tax**

Payments on any Securities paid by a paying agent in Ireland or collected or realised by an agent in Ireland acting on behalf of the beneficial owner of Securities will be subject to Irish encashment tax at the standard rate of Irish tax (currently 20 per cent), unless it is proved, on a claim made in the required manner to the Revenue Commissioners of Ireland, that the beneficial owner of the Securities entitled to the interest or distribution is not resident in Ireland for the purposes of Irish tax and such interest or distribution is not deemed, under the provisions of Irish tax legislation, to be income of another person that is resident in Ireland.

## 16. POLAND

*The following information of certain Polish taxation matters is based on the laws and practice in force as of the date of this Base Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following information does not purport to be a comprehensive description of all the tax consequences and considerations that may be relevant to acquisition, holding, disposing and redeeming of or cancelling (as applicable) the Securities, and does not purport to deal with the tax consequences applicable to all categories of investors.*

*The following information is not intended to be, nor should it be construed to be, legal or tax advice. It is recommended that potential purchasers of the Securities consult with their legal and tax advisors as to the tax consequences of the purchase, holding, sale or redemption.*

**Taxation of Polish resident individuals**

*Polish resident individuals*

A Polish tax resident individual ("Polish Resident Individual") is a natural person who has his/her centre of personal or business interests located in Poland or who stays in Poland for longer than 183 days in a year, unless otherwise results from the relevant tax treaty.

Polish Resident Individuals are subject to Polish Personal Income Tax ("PIT") on their worldwide incomes irrespective of the country from which the incomes were derived.

*Taxation of income from the disposal of Securities*

Income earned by Polish Resident Individuals on the disposal of Securities should be classified as capital gains realised on the sale of securities and as such it will not be combined with income from other sources but will be subject to the 19 per cent. flat PIT rate. The income is calculated as the difference between the revenue earned on the disposal of Securities (in principle, the selling price) and the related costs (in principle, the Issue Price). However, if the price differs, without justification from market value, tax authorities are entitled to recognise the market value as taxable revenue.

The tax is settled by an indovidiual taxpayer on an annual basis. An annual tax return should be filed by April 30 of the calendar year following the year in which the income was earned.

*Taxation of interest under Securities*

The amount of interest under Securities earned by a Polish Resident Individual should not be combined with income from other sources and will be subject to the 19 per cent. flat PIT rate. Unless a tax remitter withholds the Polish tax, the tax is settled by Polish Resident Individual and an annual tax return should be filed by April 30 of the calendar year following the year in which the income was earned.

Withholding tax incurred outside Poland (including countries which have not concluded a tax treaty with Poland), up to an amount equal to the tax paid abroad, but not higher than 19 per cent. tax on the interest amount, could be deducted from the Polish tax liability. Double tax treaties can provide other methods of withholding tax settlements.

*Securities held as business assets*

If an individual holds Securities as business assets, in principle, interest and capital gains income should be subject to tax in the same way as other business income. The tax, at 19 per cent. flat rate or the 18 per cent. to 32 per cent. progressive tax rate depending on the choice and meeting of certain conditions by the individual, should be settled by the individual himself/herself.

**Taxation in Poland of Polish resident corporate entities**

*Polish resident entities*

Corporate entities having their seat or place of management in Poland ("Polish Resident Entities") are subject to Polish Corporate Income Tax ("CIT") on their worldwide income irrespective of the country from which the incomes were derived.

*Taxation of income from the disposal of Securities*

Income earned by Polish Resident Entities on the disposal of Securities is subject to the 19 per cent. CIT rate. The income is calculated as the difference between the revenue earned on the disposal of Securities (in principle, the selling price) and the related costs (in principle, the Issue Price). However, if the price differs, without justification from market value, tax authorities are entitled to recognise the market value as taxable revenue.

Tax advances are generally paid on a monthly basis (however, some categories of CIT taxpayers may pay tax advances on a quarterly basis). The final tax reconciliation is made in the annual CIT return filed within three months of the end of the tax year.

As from 2018, taxpayers are obliged to declare separately income/loss from capital source (revenues related to capital transactions and tax deductible costs related thereto) and other income /loss. Losses from capital source cannot be offset agains income from other source and vice versa.

Disposal of Securities results in arising of revenues considered as from capital source. *Taxation of interest under Securities*

The amount of interest earned by a Polish Resident Entity under Securities is subject to the 19 per cent. CIT rate. Tax advances are generally paid on a monthly basis (however, some categories of CIT taxpayers may pay tax advances on a quarterly basis). The final tax reconciliation is made in the annual CIT return filed within 3 months of the end of the tax year.

In general, interest is classified as the "other" source income, save for interest on profit participation loans that is considered as income from the "capital" source income.

Withholding tax incurred outside Poland (including countries which have not concluded a tax treaty with Poland), up to an amount equal to the tax paid abroad, but not higher than 19 per cent. tax on the interest amount, could be deducted from the Polish tax liability. Double tax treaties can provide other methods of withholding tax settlements.

**Taxation in Poland of non-resident individuals and entities**

*Taxation of income from the disposal of Securities*

Individuals and entities that are Polish non-residents will not generally be subject to Polish taxes on income resulting from the disposal of Securities unless such income is attributable to an enterprise which is either managed in Poland or carried on through a permanent establishment in Poland. However, some double tax treaties concluded by Poland may provide for a different tax treatment (for example, in case of the disposal of Securities in a real estate company). In addition, in the case of individuals resident in a country which does not have a binding double tax treaty with Poland, there will be taxation of the types of income referred to in this paragraph, in the case of the disposal/redemption/cancellation of Securities in Poland or if the Securities are issued by a public company quoted on the Polish Stock Exchange.

*Taxation of interest under Securities*

The interest income on the Securities paid through a Polish intermediary to non-resident investors will in principle be subject to a withholding tax (20% in case of corporate entities and 19% in case of individuals) subject to such relief as may be available under applicable domestic and tax treaty provisions. In case of payments relating to the Securities made in favour of individual non-residents the withholding should be collected by the Issuer or by the entity maintaining securities account of the individual if the Issuer is making payment to such entities. In the latter case, the Issuer does not withhold Polish tax.

Relevant double tax treaty concluded between Poland and a tax residency state of interest receipient may provide for reduced Polish withholding tax rate. However, benefiting from a reduced rate may require presenting the receipient's valid certificate of residence.

**EU Directive on Taxation of Savings Income**

In accordance with EC Council Directive 2003/48/EC on the taxation of savings income, Poland will provide to the tax authorities of another EU Member State (and certain non-EU countries and associated territories specified in that directive) details of payments of interest or other similar income paid by a person within Poland to, or collected by such a person for, an individual resident in such other state. Poland will also provide such details if interest (or similar income) is not paid to an individual directly, but it is paid to a so called intermediary entity.

**Other Taxes**

No stamp, issue or registration taxes or duties will be payable in Poland in connection with the issuance, delivery or execution of the Securities.

**General Anti-Abuse Rule (GAAR)**

Poland has introduced GAAR into local law.

The aim of the rule is to prevent taxpayers taking actions which, although lawful, are only or mainly aimed at achieving a tax benefit. A tax benefit is understood not only as minimizing tax burdens but also as, for example, deferring of a tax obligation.

The new law introduces a definition of tax avoidance, pursuant to which any action (agreement, restructuring process, establishing of an intermediary entity, etc.) that is carried out only or mainly for the purpose of achieving a tax benefit cannot result in the achieving of that benefit if the tax authorities rule that the action was artificial. An artificial action is an action that is inconsistent in the given circumstances with the object and purpose of a provision of the tax law. It is also understood as an action which normally would not be taken by the taxpayer if there were no tax benefits resulting therefrom.

## 17. CROATIA

*The statements herein regarding taxation are based on the laws in force in Croatia as of the date of this Base Prospectus and are subject to any changes in law and/or entry into force of any relevant law occurring after such date, which changes could be made on a retroactive basis. The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Securities are advised to consult their own tax advisers concerning the overall tax consequences of their interest in the Securities.*

**Taxation of individuals**

Tax obligor is a natural person - income earner and heir to all tax obligations arising from income earned by the decedent until his death. The heir is at the same time tax obligor to income accrued from inherited sources of income.

Taxable sources of income are:

(i) income from salaried employment,
(ii) income from self-employment,
(iii) income from property and property rights,
(iv) income from capital,
(v) other income.

Resident is a natural person whose residence or habitual abode is in the Republic of Croatia. Resident is also a natural person not having the place of residence or habitual abode in the Republic of Croatia and is employed with a governmental office of the Republic of Croatia and receives salary on that basis.

Non-resident is a natural person not having the place of residence or habitual abode in the Republic of Croatia and earning income in the Republic of Croatia which is taxable according to the Croatian Income Tax Act.

Taxable basis i.e. tax base:

a. for a resident is the total amount of income gained from salaried employment, self-employment, property and property rights, capital and other income gained by the resident in the country and abroad (world income principle) less resident's personal allowance,
b. for a non-resident is the total amount of income from salaried employment, self-employment, property and property rights, capital and other income gained by the non-resident in the country (domicile land principle) less non-resident's personal allowance.

With respect to income gained by non-resident natural persons in capacity of performers (artists, entertainers, athletes), there is no obligation to charge, withhold and pay income tax advance or income tax when compensation for their performances is paid to a foreign person, which is not a legal person, pursuant to an agreement with such foreign person, i.e. such compensation is taxable according to withholding tax provisions.

Income from capital are deemed receipts from interests, withdrawals of assets and use of services charged against income of the current period, capital gains and shares in profit realised from allocation or option purchase of treasury shares, which are realised in the tax period, including dividends and shares in profit on the basis of shares in capital.

Amendments to the Croatian Income Tax Act, have introduced certain changes in relation to taxation of capital income. Namely, whilst under the earlier version of the Croatian Income Tax Act, income tax was payable only on interests realized on the basis of granted loans and facilities, including those realized through commission loans, currently applicable version of the Croatian Income Tax Act provides for wider list of earnings from interests being subject to taxation (at applicable rate as provided for in the Croatian Income Tax Act), including those realized under a) interests payable on securities (vrijednosni papiri), b) interest on HRK and foreign savings, c) revenues realized based on division of income of an investment fund in form of interest, if they are not taxed as profit shares on the basis of distribution of profit or income of an investment fund. However, the Croatian Income Tax Act provides for explicit statutory exemption, among others in case of default interest and interest realised through investment in the notes (being obveznice under applicable Croatian laws), regardless of the issuer and type of notes. As no guidance has been published by the Croatian Tax Authorities, potential interpretation of the said provisions by the Croatian Tax Authorities cannot be assessed.

As of 1 January 2016, pursuant to the Croatian Income Tax Act, capital income on the basis of capital gain represents a difference between the agreed selling price, i.e. revenue determined based on the market value of financial assets being disposed of and the purchase value.

Within the meaning of the foregoing paragraph, the following revenues are considered as revenues realized by disposal of financial assets (financial instruments and structured products), i.e. receipts from: (i) transferable securities (vrijednosni papiri) and structured products, including shares in companies and other associations whose shares may be disposed of similarly as shares in companies; (ii) money market instruments; (iii) units of joint ventures; (iv) derivatives; and/or (v) proportional value of liquidation estate in case of liquidation of an investment fund and other revenues realized from ownership shares in case of liquidation, cessation or withdrawal.

Within the meaning of the foregoing paragraphs, disposal of financial assets means sale, exchange, gift or other transfer, however does not include: (i) transfer of share from one pension fund to another; (ii) exchange of securities (vrijednosni papiri) with the equivalent securities of the same issuer, whereby the ratios among the holders and capital of issuer are not altered, as well as exchange of securities (vrijednosni papiri), i.e. financial instruments with other securities (vrijednosni papiri) or financial instruments, and acquisition of securities (vrijednosni papiri) or financial instruments in case of change of status changes, provided that in all these cases there is no cash flow and the sequence of acquisition of financial property is ensured (acquisition value shall be considered the value determined on the date of first acquisition of financial property); (iii) division of stocks of the same issuer, whereupon the share capital shall not be altered and there shall be no cash flow; (iv) exchange of shares among the investment sub-funds under the same umbrella fund, i.e. exchange of shares among the investment funds managed by the same management company, provided that the sequence of acquisition of financial property is ensured (acquisition value shall be considered the value determined on the date of first acquisition of financial property); and/or (v) repurchase of shares of the Croatian War Veterans' Fund.

Capital income from revenues from joint ventures shall be determined in the amount of realized yield, decreased for costs of management of investments, i.e. costs of management of investment fund assets (net yield), i.e. in case of discounted securities (vrijednosni papiri) and zero-coupon bonds, in the amount of difference between the purchase value at the moment of issue and realized value at maturity if the purchaser holds the security until its maturity. Capital income on the basis of capital gains realized through the investment of financial assets into portfolios, in line with the regulations applicable for capital markets, shall be determined in the moment of realization of yield from the portfolio decreased by the costs of portfolio management (net yield).

Capital income on the basis of capital gains shall not be taxed if disposal has been made between the spouses and first-degree relatives and other members of immediate family (as defined in the Croatian Income Tax Act), between the divorced spouses if disposal is in immediate connection with the divorce, inheritance of financial assets and if financial assets are disposed of after two years from the date of purchase, i.e. acquisition of the same.

If financial assets were acquired as a gift and disposed of in a period of two years from the date of acquisition, the person disposing the assets shall be determined the capital income in line with the Croatian Income Tax Act.

Capital losses may be deducted only from the income from capital gains which is realized in the same calendar year. Capital losses may be stated up to the amount of the tax basis.

Capital income realized in a foreign currency shall be calculated in HRK counter value by application of the middle exchange rate of the Croatian National Bank on the day of payment.

Specifically, as income from capital are deemed capital gains and gains from dividends and profit sharing on the basis of shares in capital. Income tax payments on the basis of receipts from dividends or profit sharing on the basis of shares in capital and capital gains are payable at the rate of 12%. Dividends and profit sharings on the basis of shares in capital are taxable at source, while the obligor of calculation, withholding and payment of tax for capital gains is the tax obligor acquirer of revenue from the country or from the abroad, if not provided to the contrary by an international treaty (or the company managing financial assets of the tax obligor or Central Depository and Clearing Company);for income from capital based on disposal of share in capital, a tax obligor and; a person disposing of financial assets in case of financial assets was acquired as a gift and disposed of in a period of two years from the date of acquisition. The company, payer of dividends or shares in profit is obliged to assess, withhold and pay tax simultaneously with the payment of dividends or profit. It should be noted that on top of income tax the income tax surcharge is levied which is defined in the city or municipal regulations depending on the place of residence or habitual abode of the tax obligor. The tax basis for surcharge tax is the assessed income tax and the payer of the receipts is obliged to assess, withhold and prepay tax simultaneously with the payment of receipts.

If the resident receives income from capital from abroad without a local intermediary, he is obliged to pay tax at the applicable tax rate. In a situation where the tax payer chose that Central Depository and Clearing Company shall keep records, calculate income and income tax and report to tax authorities thereof, he is obliged to deliver all data necessary for determination of income tax to Central Depository and Clearing Company.

The general tax rules outlined above apply to the extent there are no limitations imposed under applicable double tax treaties. Source taxation may be obviated or reduced pursuant to the terms of an applicable double taxation treaty under the conditions as provided for in the applicable tax legislation.

**Inheritance and gift taxation**

In accordance with Local Taxes Act and subject to any applicable double taxation treaty, any natural person or legal entity who inherits or receives gifts (including securities) with individual value higher than HRK 50,000.00 in the Republic of Croatia is under an obligation to pay Croatian tax in respect of such inheritance or gift at a rate of 4%. Certain exemptions with respect to application of the aforestated tax are available in line with the Local Taxes Act.

**EU Savings Directive**

EU Savings Directive has been incorporated in the Croatian General Tax Act and has come into force on 1st July 2013. The EU Savings Directive has been repealed by Council Directive (EU) 2015/2060 of 10 November 2015 which came into force on 1st January 2017.

**No gross-up for taxes withheld**

Purchasers of the Securities should note that neither the Issuer nor any other person will assume any liability for taxes withheld from payments under the Securities, nor make any additional payments in regard of these taxes, i.e. no gross-up will apply if a withholding tax is imposed.

**EU Financial Transaction Tax**

On the European Union level negotiations are underway in order to implement a harmonized financial transaction tax which might have a negative impact on the receipts deriving from the Securities.

**Taxation of corporations**

Corporate (profit) tax obligors are:

1. companies and other legal entities and natural persons residing in the Republic of Croatia that are self-employed and perform operations permanently and for the purpose of making the profit, income or revenues or other valuable commercial benefits;
2. local business units of a foreign entrepreneur (non-resident);
3. a natural person gaining income according to income tax regulations if he/she declares that he/she will pay corporate (profit) tax instead of income tax;
4. an entrepreneur-natural person, receiving income from trade and operations comparable to trade:
   - if the total turnover in the previous tax period exceeded HRK 3,000,000, or
   - if two of the three following requirements are met:
     - if the income earned in the previous tax period exceeded HRK 400,000, or
     - if the value of his long-term assets exceeds HRK 2,000,000, or
     - if he in the previous tax period had more than 15 employees on average;
5. exceptionally, government administration bodies, regional self-administration bodies, local self-administration bodies, Croatian National Bank, institutions of regional self-administration units, institutions of local self-administration units, state institutes, religious communities, political parties, trade unions, chambers, associations, artists associations, voluntary fire-fighting societies, technical culture communities, tourist communities, sports clubs, sports societies and associations, trusts and funds, if they perform commercial activities whose non-taxation would lead to unjustified advantages on the market (they are subject to corporate (profit) tax for such commercial activities). The tax authority will at own initiative or at the proposal of other tax obligors declare in its decision that the above stated persons are obliged to pay corporate (profit) tax for such commercial activities;
6. each entrepreneur not counted to entrepreneurs counted in items 1 through 5 who is not an income tax obligor according to the income tax regulations and whose profit is not taxable elsewhere.

The tax base shall be the profit determined pursuant to the accounting regulations as the difference between revenues and expenditures before the profit tax assessment, increased and reduced in accordance with the provisions of Croatian Profit Tax Act. The tax base of a resident taxpayer shall be the profit earned in Croatia and abroad and the tax base of a non-resident shall only be the profit earned in Croatia which shall be assessed in accordance with the provisions of Crotian Profit Tax Act.

Withholding tax obligors are payers of interests (certain exemptions available under the Crotian Profit Tax Act), dividends, shares in profit, royalties for copyrights and other intellectual property rights (copyrights, patents, licences, trademarks, designs or models, production processes, production formulae, drawings, plans, industrial or scientific experience and similar rights) to foreign persons other than natural persons and paying for market research services, tax and business consulting or audit services to foreign persons and paying any other kinds of services paid to persons having their registered seats or places of actual administration or supervision in countries deemed tax havens or financial centres other than EU member states and countries with which the Republic of Croatia entered into and applies double tax treaties and which are included in the List of Countries issued by the Finance Minister and published on web pages of the Ministry of Finance and Tax Administration.

The subject of taxation is the profit determined according to accounting regulations as difference between income and expenses before profit tax, increased or decreased according to the Croatian Profit Tax Act. In case of withholding tax the subject of taxation is the gross amount of payment paid by a payer in the country to a non-resident - foreign recipient.

Corporate (profit) tax rate is 12% if the income of the obligor in the tax period amounts to HRK 3,000,000.00 and 18% if the income of the obligor in the tax period is equal or over the amount of HRK 3,000,000.01, withholding tax rate is 15%, except for dividends and shares in profit for which the withholding tax rate is 12%, and 20% for all kinds of services paid to persons having their registered seat or place of actual administration or supervision in countries deemed tax havens or financial centres other than EU member states and countries with which the Republic of Croatia entered into and applies double tax treaties and which are included in the List of Countries issued by the Finance Minister and published on web pages of the Ministry of Finance and Tax Administration.

Croatian withholding tax can be reduced under an effective double tax treaty.

Finally, Council Directive 2003/49/EC of 3 June 2003 on a common system of taxation applicable to interest and royalty payments made between associated companies of different Member States and the Council Directive 90/435/EEC on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States, have been transposed to Crotian legal system.

## 18. SWEDEN

*The following is an overview of certain Swedish tax consequences of relevance to the purchase, holding and disposal of the Securities that are considered to be debt instruments and of Securities that are considered to be equity instruments. The overview is applicable to individuals and limited liability companies tax resident in Sweden (unless otherwise stated). The overview is based on the laws and practices currently in force in Sweden regarding the tax position of investors beneficially owning their Securities as capital assets and should be treated with appropriate caution. The overview does not address the participation exemption regime which may apply to limited liability companies. Neither does the overview address the rules on closely held corporations. Moreover, the overview does not address shares or other equity-related securities that are held on a so-called investment savings account (Sw. investeringssparkonto) and that are subject to special rules on standardised taxation. Particular rules may apply to certain taxpayers holding Securities. The overview does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Securities should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Securities and the receipt of dividend or interest thereon under the laws of their country of residence, citizenship or domicile*.

**Individuals**

In general, a payment to an individual of any amount that is considered to be dividend or interest for Swedish tax purposes, will be considered as capital income for Swedish tax purposes.

Individuals will also be subject to Swedish income tax on any capital gain on the sale of Securities. Redemption of the Securities is treated as a sale of Securities. The capital gain or loss is normally calculated as the difference between the sales proceeds, after deducting sales costs, and the tax basis. The tax basis for all shares of the same class and type is calculated together in accordance with the average cost method. Upon the sale of listed shares, the tax basis may alternatively be determined according to the standard method as 20 percent of the sales proceeds after deducting sales costs.

The tax rate for capital income is generally 30 per cent. However, for non-listed shares in certain companies only 5/6 of dividends and capital gains are taxable, i.e. the effective tax rate is 25 per cent. This rule applies to shares in Swedish non-listed companies and to shares in foreign non-listed companies which are taxed in a similar way as Swedish corporations.

Capital losses on listed shares are fully deductible against taxable capital gains on shares and on other listed equity-related securities realised in the same year, except for units in securities funds or special funds which consist solely of Swedish receivables (Sw. räntefonder). With regards to non-listed shares, only 5/6 of the capital losses are deductible against such taxable capital gains on shares and other equity-related securities. Up to 70 per cent of capital losses on shares that cannot be offset in this way are deductible against other capital income. Capital losses on listed receivables, except for losses on government bonds (Sw. *premieobligationer*), are fully deductible. For capital losses on non-listed receivables, 70 per cent of the capital losses are deductible.

If there is a net loss in the capital income category, a tax reduction is allowed against municipal and national income tax, as well as against real estate tax and municipal real estate charges. A tax reduction of 30 per cent is allowed on the portion of such net loss that does not exceed SEK 100,000 and of 21 per cent on any remaining loss. Such loss cannot be carried forward to future fiscal years.

A Swedish payor is generally obliged to withhold preliminary income tax on payments of interest and dividends to individuals resident in Sweden and such deceased individuals' estates. The tax rate to be withheld is 30 per cent.

**Limited Liability Companies**

For a limited liability company, all income including taxable dividends and capital gains, is taxed as business income at a tax rate of 21.4 per cent. As from 1 January 2021 the rate will be 20.6 per cent. Capital gains and capital losses are calculated in the same manner as set forth above with respect to individuals.

Deductible capital losses on shares may only be deducted against capital gains on shares and other equity-related securities. Under certain circumstances such capital losses may also be deducted against capital gains in another company in the same group, provided that the companies can tax consolidate (*Sw. koncernbidragsrätt*). A capital loss that cannot be utilized during a given fiscal year may be carried forward and be off set against taxable gains on shares and other equity-related securities during subsequent fiscal years, without limitation in time. Capital losses on receivables are generally fully deductible.

**Non-Swedish tax residents**

Under Swedish law, payments of dividends, principal or interest on the Securities to a non-resident holder of Securities are not subject to tax in Sweden, unless such non-resident holder of Securities carries on a trade or business through a permanent establishment in Sweden to which the payment of dividends, principal or interest is attributable. An anti avoidance provision applies. If the person entitled to the dividend holds shares under such conditions that an other party improperly is provided the benefit when making decisions on income tax or gain exemption from withholding tax, withholding tax will be charged on the transaction.

For shareholders not tax resident in Sweden that receive dividends on shares in a Swedish limited liability company, a Swedish withholding tax is normally payable. The general tax rate is 30 per cent but it may be reduced under applicable tax treaties.

Swedish law does not impose withholding tax on payments of principal or interest to non-residents.

Under Swedish law, capital gain on a sale of Securities by a non-resident holder will not be subject to Swedish income tax unless the holder carries on a trade or business in Sweden through a permanent establishment to which the capital gain is attributable. However, individuals who are not resident in Sweden for tax purposes may be liable to capital gains taxation in Sweden upon disposal or redemption of certain financial instruments, depending on the classification of the particular financial instrument for Swedish income tax purposes, if they have been resident in Sweden or have lived permanently in Sweden at any time during the calendar year of disposal or redemption or the ten calendar years preceding the year of disposal or redemption. However, it should be noted that this rule may be limited by the applicable tax treaty.

**Other Taxes**

No stamp, issue, registration, transfer or similar taxes or duties are imposed in Sweden in connection with the issuance, purchase, disposal of the Securities. There is no VAT on transfer of the Securities in Sweden. Swedish law does not impose inheritance or gift taxes.

**EU Savings Directive**

Under the EU Savings Directive, member states are required to provide to the tax authorities of another member state details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other member state. The Swedish implementation of the EU Savings Directive entered into effect as of 1 July 2005.

**EU Financial Transaction Tax**

On the European Union level, negotiations are underway in order to implement a harmonized financial transaction tax which might have negative impact on the return on the Structured Products. To date, Sweden has been against the introduction of such a financial transaction tax.

## 19. DENMARK

The following discussion is of a general nature and is based on the laws in force in Denmark of 27 May 2019, though it is not intended to be, nor should it be construed to be, legal or tax advice. This section includes only individuals and limited liability companies as prospective investors and is not exhaustive. It does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as professional dealers in securities) may be subject to special rules. Further, as each Series or Tranche of Securities may be subject to a different tax treatment due to the specific terms of such Series or Tranche of Securities, the following section only provides some general information on the possible tax treatment in Denmark. All prospective investors in the Securities should therefore consult their own professional advisers as to the effects of Danish tax law, to which they may be subject.

**Individuals with tax residence in Denmark**

***General taxation principles***

Individuals are generally subject to taxation on their worldwide income, whatever the source is and wherever the relevant payer is established. Accordingly, any income that Danish resident holders of the Securities may receive under the Securities should generally be subject to Danish taxation.

***Taxation of the Certificates***

Depending on the specific terms of the Certificates, the Certificates may be deemed to constitute bonds (debt-claims), financial contracts or shares under Danish tax law. In all cases, income derived from the Certificates may be taxable at a rate of up to 42% (2019 level).

If the Certificates are deemed to constitute bonds, any income derived from the Certificates would generally be taxed as capital income in the year of realization. Tax would apply at a rate of up to 42% (2019 level). A loss on the Certificates should generally be deductible against other capital income items.

If the Certificates are deemed to constitute financial contracts under Danish tax law, the Certificates would be taxed, as capital income, on an accrual basis, entailing that taxation of capital gains on the Certificates would occur annually based on the annual increase or decrease in the value of the Certificates. Taxation would apply at a rate of up to 42% (2019 level). The Certificates may be deemed financial contracts if they are adjusted wholly or partly according to the development in prices on securities, goods etc. However, Certificates, which are only adjusted according to the development of certain public price indexes within the EU, should generally not be considered as financial contracts under Danish tax law.

If the Certificates are deemed financial contracts as mentioned above, the tax deductibility would be subject to the following criteria and restrictions: A loss on the Certificates may be deducted against gains derived from other financial contracts in the same income year. Any excess loss may be deducted to the extent that the loss does not exceed the aggregate net gains derived from financial contracts in the income years after 2001 and up to and including the year before the income year in question. An excess loss, which is restricted as per the said criteria, may be deducted from net gains derived from shares admitted to trading on a regulated market if the Securties are admitted to trading on a regulated market and are based on a share index. A loss that is restricted pursuant to the above criteria may, subject to the same criteria and restrictions, be deducted in following income years.

If the Certificates constitute shares, taxation will occur pursuant to the rules on taxation of shares as outlined below.

Periodical income (dividends) and capital gains derived from the Certificates will be taxed as share income at a rate of 27% or 42%, depending on the holder's total annual share income and marital status in the concerned income year. Taxation applies on a realization basis. Annual share income up to DKK 54,000 is taxed at 27%. Any share income in excess of DKK 54,000 is taxed at the rate of 42%. For cohabiting spouses, a consolidated threshold of DKK 108,000 applies. Share income includes all capital gains and dividends derived from shares by the shareholder or a cohabiting spouse. All figures mentioned are 2019-figures.

Losses derived from an investment in shares which are admitted to trading on a regulated market can only be set off against certain other share income derived from shares admitted to trading on a regulated market. Further, the right of deduction is subject to the condition that certain information concerning the shares is provided to the Danish tax authorities. Generally, such information must be provided within the tax return filing deadline, which applies to the income year where the investment was made. Unused losses will automatically be set off against a cohabiting spouse’s share income deriving from shares admitted to trading on a regulated market and additional losses can be carried forward indefinitely and set off against future share income deriving from shares admitted to trading on a regulated market.

***Taxation of the Warrants***

Warrants, which entitle the warrantholder to subscribe for shares at a predetermined price (or price formula) at a defined point in time or within a defined period, are likely to be treated as shares for Danish tax purposes. This applies irrespective of whether the warrants are cash settled or settled by physical delivery of the shares. If the warrants are settled by physicial delivery of the shares, taxation would generally not occur at settlement but upon the disposal of the shares.

Income from Warrants, which meet the above criteria, are likely to be taxed as income from shares. Please refer to the information in the foregoing section "Taxation of the Certificates" concerning the tax treatment of income from shares.

**Limited Liability Companies with Tax Residence in Denmark**

***General Taxation Principles***

Limited liability companies ("Corporate Investors") are generally subject to tax on income derived from securities which are traded on a regulated market.

***Taxation of the Certificates***

Depending on the specific terms of the Certificates, the Certificates may be deemed to constitute bonds, financial contracts (see criteria above in the section on individuals) or shares under Danish tax law. It is assumed that any Certificates constituting shares are to be classified as taxable portfolio shares. Taxable portfolio shares mean shares, which are admitted to trading on a regulated market and which are held by a corporate investor holding less than 10% of the nominal share capital of the issuing company.

Regardless of whether the Certificates constitute bonds, financial contracts or taxable portfolio shares for Danish tax purposes, Corporate Investors would generally be subject to tax on any income from the Certificates. Tax would apply at the standard corporate income tax rate of 22% (2019 level). Further, taxation would as a general rule apply on an accrual basis, meaning that taxation would occur annually on the basis of any periodic income received plus the annual increase or decrease in the value of the Certificates. However, some Corporate Investors may be able to apply taxation on a realization basis.

In general, losses on the Certificates should be tax deductible. However, restrictions may apply if the Certificates constitutes financial contracts, which are adjusted pursuant to a share index which includes shares in companies that are group related with the issuer or the investor, or a share index which includes shares in the issuing company or the investor.

***Taxation of the Warrants***

Warrants, which entitle the warrantholder to subscribe for shares at a predetermined price (or price formula) at a defined point in time or within a defined period, are likely to be treated as shares for Danish tax purposes. This applies irrespective of whether the warrants are cash settled or settled by physical delivery of the shares. If the warrants are settled by physicial delivery of the shares, taxation would generally not occur at settlement but at the disposal of the shares.

Income from Warrants which meet the above criteria is likely to be taxed as income from taxable portolio shares. Please refer to the information in the foregoing section "Taxation of the Certificates" concerning the tax treatment of taxable portfolio shares.

**Taxation of Individuals and Limited Liability Companies Residing Outside Denmark**

Investors, whether natural or legal, who are not a resident in Denmark for Danish tax purposes and do not have a permanent establishment in Denmark for Danish tax purposes should not be liable to tax on any income derived from the Securities. This assessment is based on the understanding that the Issuer of the Certificates will not be resident in Denmark for Danish tax purposes and will not have a permanent establishment in Denmark for Danish tax purposes.

**Other taxes**

No stamp, issue, registration, transfer or similar taxes or duties are imposed in Denmark in connection with the issuance, purchase or disposal of the Securities. There is no VAT on transfer of Securities in Denmark.

**Council Directive 2014/107/EU**

Denmark has implemented the provisions of Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation. Accordingly, Denmark is required to exchange information with the tax authorities of other member states relating to, inter alia, payments of interest (or similar income) paid by a person in Denmark to a person resident in another member state.

## 20. AUSTRIA

*The following is a general discussion of certain Austrian tax consequences of the acquisition, holding and disposal of the Securities. It does not purport to be a comprehensive description of all Austrian tax considerations that may be relevant to a decision to purchase the Securities, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. It is not intended to be, nor should it be construed to be, legal or tax advice.*

*As each Series or Tranche of Securities may be subject to a different tax treatment due to the specific terms of such Series or Tranche of Securities as set out in the respective Final Terms, the following section only provides some general information on the possible tax treatment.*

*Prospective purchasers of the Securities are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposal of the Securities, including the effect of any state, local or church taxes, under the tax laws of Austria and any country of which they are resident or whose tax laws apply to them for other reasons. This overview is based on Austrian law as in force when drawing up this Prospectus. The laws and their interpretation by the tax authorities and tax courts may change and such changes may also have retroactive effect. It cannot be ruled out that the Austrian tax authorities adopt a view different from that outlined below.*

*Austrian individuals*

Realized capital gains (*Einkünfte aus realisierten Wertsteigerungen*) from the Securities whose ongoing payments are considered to be income from the provision of capital (*Einkünfte aus der Überlassung von Kapital*) within the meaning of Sec 27 Para 2 of the Austrian Income Tax Act (*Einkommensteuergesetz*) derived by individuals, whose domicile or habitual abode is in Austria, in general are subject to Austrian income tax at a special rate of 27.5% (depending on the specifics of the respective Security exemptions from this special tax rate may apply). Realised capital gain means inter alia any income derived from the sale or redemption of the Securities. The tax base is, in general, the difference between the sale proceeds or the redemption amount and the acquisition costs, in each case including accrued interest. Expenses which are directly connected with income subject to the special tax rate are not deductible. For Securities held as private assets, the acquisition costs shall not include incidental acquisition costs. The income may in general be subject to withholding tax *(Kapitalertragsteuer)* if the Securities are kept or administrated in a custodial institution (*depotführende Stelle*) or paying agent (*auszahlende Stelle*) in Austria. If the income from the capital gain is not subject to withholding tax deduction, the taxpayer will have to include the income from the capital gain in his personal income tax return pursuant to the provisions of the Austrian Income Tax Act.

If ongoing payments of the Securities are considered to be income from the provision of capital (*Einkünfte aus der Überlassung von Kapital*) within the meaning of Sec 27 Para 2 of the Austrian Income Tax Act (*Einkommensteuergesetz*) this income will in general be subject to Austrian income tax at a special tax rate of 27.5% provided that the income is derived by individuals, whose domicile or habitual abode is in Austria (dedepending on the specifics of the respective Sercuriy exemptions from this special tax rate may apply) The tax base is, in general, the received payment by the individual. The income may in general be subject to withholding tax *(Kapitalertragsteuer)* if the Securities are kept or administrated in a paying agent (*auszahlende Stelle*) in Austria or if the debtor has its seat, place of management in Austria or is the branch of a foreign credit institute. If the income from the capital gain

is not subject to withholding tax deduction, the taxpayer will have to include the income from the capital gain in his personal income tax return pursuant to the provisions of the Austrian Income Tax Act.

The Issuer does not assume any responsibility for Austrian withholding tax (*Kapitalertragsteuer*) at source and is not obliged to make additional payments in case of withholding tax deductions at source.

*Austrian corporations*

Corporations seated in Austria or whose place of management is in Austria are subject to corporate income tax at a tax rate of 25%. This in general includes ongoing income from Securities and realized capital gains from Securities.

Under certain prerequisites, Austrian corporations holding Securities may declare exemption from withholding tax deduction by submitting a corresponding statement (*Befreiungserklärung*) to the Austrian custody bank and competent financial authority. With this statement the Austrian corporation has to declare its identity and has to confirm that the Securites are held as business assets. If such declaration is not submitted all income from the Securities will in general be subject to withholding tax deduction. Such withheld tax may be set off with the corporate income tax.

Again, the Issuer does not assume any responsibility for Austrian withholding tax (*Kapitalertragsteuer*) at source and is not obliged to make additional payments in case of withholding tax deductions at source.

*Non-resident taxation*

Individuals who do not have their domicile of their habitual abode in Austria are subject to Austrian limited income tax liability (non-resident taxation) with certain types of income. Income derived from the Securities subject to this non-resident taxation may be subject to the special tax rate in the amount of 27.5% (dedepending on the specifics of the respective Sercuriy exemptions from this special tax rate may apply). The income may be subject to withholding tax *(Kapitalertragsteuer)* or may need to be declared in a respective personal income tax return..The individual may be eligible to apply for a refund to Austrian tax on the basis of applicable double taxation treaties.

Corporations who do not have their seat or place of management in Austria are subject to Austrian limited corporate income tax liability (non-resident taxation) with certain types of income. Income derived from the Securities subject to this non-resident taxation may be subject to withholding tax *(Kapitalertragsteuer)* or may need to be declared in a respective corporate income tax return. The corporation may be eligible to apply for a refund to Austrian tax on the basis of applicable double taxation treaties.

Again, the Issuer does not assume any responsibility for Austrian withholding tax (*Kapitalertragsteuer*) at source and is not obliged to make additional payments in case of withholding tax deductions at source.

## 21. MALTA

*This information is being given solely for general information and does not constitute a substitute for legal or tax advice, and it does not purport to be exhaustive. Investors and prospective investors are recommended to seek professional advice as regards Maltese and any foreign tax legislation which may be applicable to the acquisition, holding and disposal of the Security. The below constitutes an overview of the anticipated tax treatment which may be applicable to the Securityholder and is based on the understanding that the Issuer is not tax resident in Malta. The below information is based on the interpretation of Maltese tax laws as at the date of this Warrants and Certificates Programme.*

***General Taxation Principles***

An individual who is resident and domiciled in Malta, or an individual who is a resident and non-domiciled individual, or vice-versa and who is married to an individual who is resident and domiciled in Malta, shall be subject to income tax, and certain capital gains, in Malta on a worldwide basis, wherever the income is arising, and whether the income is remitted to Malta or not.

An individual who is a resident but not domiciled in Malta, or vice versa, shall be subject to tax in Malta on the following:

i) On income which arises in Malta e.g. interest on deposits arising, from Maltese banks (though this may be subject to a 15% final withholding tax, in which case the interest accrued would not be declared in the individual's income tax return), employment income from employment exercised in Malta;
ii) On certain capital gains which arise in Malta e.g. on certain sales of securitiers, such as shares or stocks, in Maltese companies;
iii) On foreign income which is remitted (i.e. physically transferred) to Malta e.g. on foreign investment income paid directly into a Maltese bank account or which although not paid directly into Malta is remitted to Malta.

In terms of Maltese income tax legislation, tax is payable on the amount 'received in Malta', Maltese tax authorities interpret the terms 'received in Malta' and 'remitted to Malta' interchangeably. Foreign income which is not received in or remitted to Malta is not taxable in Malta and should not be declared in one's Maltese income tax return.

The concept of ordinary residence in Malta is one which is not defined under the provisions of the Income Tax Act, Chapter 123 of the Laws of Malta, but is one which has been adopted primarily from UK jurisprudence.

An individual may be said to be ordinarily resident in Malta when not just mere physical residence is established but when residence is present with some degree of continuity and frequency. Ordinarily residence therefore signifies a person's voluntary intention to establish a regular physical presence, which presence is part of the regular order of a person's life.

Residence, on the other hand denotes the establishment of physical residence, usually for a period of at least one hundred and eighty-three (183) days in a calendar year. The physical test is however not a stand-alone test in order for the residence criteria to be established. Various other criteria are also assessed in order to determine the presence or lack of residence, this would typically include; family ties, business ties, frequency of visits to the country, memberships in clubs or the like, reasons for visits.

The concept of domicile on the other hand is a distinguished concept from that of ordinary residence and residence. Maltese law does not define the concept of domicile however this concept is akin to what is found under UK law.

Domicile is not about physical presence in a jurisdiction but is about the indefinite and permanent intention to reside in a given jurisdiction. If the necessary intention to indefinitely reside in a country is present, then there may be a situation where one acquires a domicile of choice.

An individual who is neither resident nor domiciled in Malta is subject to tax in Malta on any income which is arising/generated in Malta. Such as any interest which accrues in a Maltese bank account.

A company which is incorporated in Malta and which has its effective control and management in Malta shall be deemed to be an entity which is resident and domiciled in Malta and shall be liable to

tax in Malta on a worldwide basis. A company which is incorporated in Malta but does not have its effective control and management in Malta, or vice versa, shall be taxable in Malta on income which arises in Malta and on a remittance basis.

***Income Tax***

In accordance with Maltese law, passive income received in the hands of the Securityholder shall be deemed to arise in the country where the payer is situated. We understand that the Issuer will not be situated in Malta, therefore the interest income will be subject to tax in Malta depending on the tax status of the Securityholder and depending on whether such interest income is remitted/physically transferred to Malta.

***Capital Gains***

Capital gains or profit derived by the Securityholder from the transfer of the Security may be taxable in Malta depending on the tax status of the Securityholder. Securities which are subject to capital gains tax in Malta include any shares and stocks in non-publicly listed comapnies which participate in any way in the profits of a company and whose return is not limited to a fixed rate of return.

***Stamp Duty***

The Transfer of the Security by the Securityholder may possibly be subject to stamp duty under the Duty on Documents and Transfer Act, Chapter 364 of the Laws of Malta, in the hands of the person acquiring the Security. However if the Security constitutes a financial instrument of a company quoted on a regulated market for the purposes of the Financial Markets Act (Chapter 345 of the Laws of Malta) the transfer of such Security may be exempt from Maltese duty.

## 22. HELLENIC REPUBLIC

*The following is an oveview of certain key aspects of tax treatment by the Hellenic Republic ("Greece") at the date hereof in relation to the purchase, ownership and disposal of the Securities by holders that are beneficial owners of the Securities, whether or not they reside or maintain a permanent establishment in Greece for Greek tax purposes. This summary is of general nature and does not constitute a complete analysis of relevant matters. In particular, it is based on the provisions of tax laws currently in force in Greece and current administrative practice of the Greek tax authorities, without taking into account any developments or amendments after the date hereof, whether or not such developments or amendments have retroactive effect. A number of key matters pertaining to Greek taxation summarised below are governed by Greek Law 4172/2013 (on the taxation of income generated as of 1 January 2014), as amended by Laws 4223/2013, 4254/2014 and 4316/2014 and interpreted by Ministerial Circular 1032/2015, and certain related matters are governed by the recently enacted Law 4387/2016. These laws were enacted recently and in some cases their provisions have not yet been interpreted or clarified by the competent departments of the Greek Ministry of Finance, in accordance with its past practice; consequently, they are subject to potential contrary or different future interpretations, guidelines or other forms of instruction that may be issued by the Greek Ministry of Finance in the form of circulars, ministerial decisions or other secondary legislation, and court interpretation.*

*As a result, this summary is a general guide and should be treated with appropriate caution and, therefore, potential investors should consult their own tax advisers as to Greek tax consequences of the purchase, ownership and disposal of the Securities.*

***Withholding and Income Tax***

*Non-resident holders of Securities*

Holders of Securities who neither reside nor maintain a permanent establishment in Greece for Greek law tax purposes will not be subject to withholding tax in Greece with respect to principal, premium or interest payments under the Securities, or accrued (but unpaid) interest at the time of disposal of the Securities, as the case may be.

*Resident holders of Securities*

Holders of Securities who either reside or maintain a permanent establishment in Greece for Greek tax law purposes will be taxed as follows:

***Individuals***

Interest payable under the Securities in favour of individuals who are Greek tax residents will be subject to income tax at the flat rate of 10 per cent as for the fiscal year starting from 1.1.2019 pursuant to the recently enacted Law 4603/2019 on 14.3.2019, In accordance with the aforementioned law and with regards to the fiscal year starting from 1.1.2019,if interest payments to individual resident holders are effected through an intermediary Greek banking institution, a withholding of 10 per cent may be applied, which will exhaust the individual's Greek tax liability.

***Legal entities***

Interest payable under the Securities in favour of legal entities holding Securities, that are either Greek tax resident or maintain a permanent establishment in Greece for Greek tax law purposes, will be treated as part of their annual gross income taxed at the standard applicable corporate income tax (in their annual income tax return). If interest payments to such entities are effected through an intermediary Greek banking institution, a withholding of 10 per cent may be applied pursuant to the recently enacted Law 4603/2019, which will not exhaust the entire tax liability, but can be offset against the entities' final Greek income tax liability. The applicable tax rate for corporate income for the fiscal year 2018 is currently 29 per cent for legal entities keeping double-entry books (including Société Anonymes, Limited Liability Companies and Private Capital Companies). Portfolio investment companies and real estate investment companies that are tax residents of Greece are no longer entitled to a withholding tax exemption on dividends earned in Greece, following the recent enactment of Law 4389/2016, and are, hence, subject to tax withholding at the applicable tax rates.Any income tax payable as above by individuals or legal entities holding Securities that are tax residents of Greece can be reduced by the amount of tax they have paid in another country for the same income (foreign tax credit), subject to the provisions of the applicable tax treaty for the avoidance of double taxation between Greece and such other country. Such credit is available only up to the amount of the tax that would be payable in Greece. The same tax treatment applies to interest accrued (but unpaid) at the time of disposal of the Securities.

***Capital gains realized from the transfer of the Securities***

*Non-resident holders of Securities*

No Greek capital gains tax will apply to capital gains realised from the disposal of the Securities by holders that are not Greek tax residents and/or do not have a permanent establishment in Greece for tax purposes, provided that such gain is realised outside Greece and the Securities transferred were not issued by a Greek Tax Resident entity.

*Resident holders of Securities*

Pursuant to the Ministerial Circular 1032/2015, any capital gains arising from the disposal of the Securities by individuals or legal entities that are Greek tax residents and/or have a permanent

establishment in Greece for tax purposes are subject to a tax rate of 15 per cent. Any capital gains on securities not issued in Greece by, holders that are tax residents of Greece will be taxed to the Country of Origin and only if the tax rate is higher in Greece they will be taxed for the remaining part according to theapplicable tax treaty for the avoidance of double taxation between Greece and the country of origin.

***Value Added Tax***

No value added tax is payable in Greece upon disposal of the Securities.

***Inheritance Tax and Taxation on Gifts***

*Inheritance tax*

Securities will be subject to Greek inheritance tax in the event the deceased holder was a Greek resident or a Greek national. If, however, the Securities were located outside Greece and the deceased Greek national holder of Securities had been residing outside Greece for at least ten successive years prior to his/her death, the Securities will generally be exempt from Greek inheritance tax (subject to certain limited exemptions).

Greek inheritance tax is calculated pursuant to progressive tax scales depending on the relationship between the heir and the deceased (a tax free amount may apply subject to certain conditions). In the event no family relationship exists between the heir and the deceased, inheritance tax rates are set on the basis of a progressive tax scale from 0 per cent to 40 per cent., depending on the value of the Securities inherited.

Any foreign tax paid on the Securities in a country other than Greece may be credited against the relevant Greek tax liability, but the amount credited may not exceed the respective amount of Greek inheritance tax due on these Securities.

*Gift tax*

A gift of Securities is subject to Greek tax, if the holder of the Securities (donor) is a Greek national, or if the recipient thereof is a Greek national or resident. The rates of gift tax are the same as those for inheritance tax.

***Stamp Duty***

No Greek stamp duty applies to the issuance or transfer of the Securities.

**Exchange of Information in the Field of Taxation**

Pursuant to Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation Member States, including Greece, are required to provide to the tax authorities of another Member State all essential information correlated to the implementation of tax legislation to that other Member State. Greece has implemented the Directive 2014/107/EU as of 5th of April 2016 and, as a result, exchanges information with other Member States' tax authorities.

## 23. CYPRUS

*The following is a general overview of certain tax aspects of the Securities under Cyprus law and practice in force and applies as at the date of this Base Prospectus and does not purport to be a*

*comprehensive description of all tax aspects relating to Securities. This overview does not analyse the tax position of the Issuer and it does not constitute, nor should it be construed as, tax or legal advice. Prospective investors should consult their tax and other professional advisers as to the specific tax consequences of acquiring, holding and disposing of Securities and of receiving interest on any Securities.*

**Introduction**

In accordance with the provisions of the Income Tax Law, Law 118(I)/2002, as amended, (the "**Income Tax Law**") a person, whether natural or legal, is liable to tax on its worldwide income on the basis of residency.

A person is Cyprus resident for the purposes of the Income Tax Law where (a) in the case of a natural person, that person is (i) present in Cyprus for a period (or periods in aggregate) in excess of 183 days in a tax year; or (ii) not present in any other country for a period (or periods in aggregate) in excess of 183 days in a tax year and is not a tax resident in any such other country in respect of that tax year then, subject to satisfying certain conditions under the Income Tax Law, such person will be considered Cyprus tax resident; and (b) in the case of a company, its management and control is exercised in Cyprus. A tax year for the purposes of the Income Tax Law coincides with the calendar year.

A person, whether natural or legal, who is not a Cyprus tax resident for the purposes of the Income Tax Law, is taxed on income derived from sources in Cyprus or from a business activity which is carried out through a permanent establishment in Cyprus. A company is regarded as having a "*permanent establishment*" in Cyprus, if it has a fixed base of business through which it carries out its business fully or partially, including a management base, a branch or an office.

***Interest Income***

(i) Non-Cyprus Tax Residents

A person, whether natural or legal, who is not a Cyprus tax resident for the purposes of the Income Tax Law, as stated above, will not be liable for any income tax or for the special contribution defence tax, as described below. Payments of interest made by the Issuer to such non Cyprus tax resident persons will not be subject to any Cyprus withholding taxes.

(ii) Cyprus tax resident and domiciled individuals

Pursuant to the provisions of the Special Defence Contribution Law, Law 117(I)/2002, as amended, (the "**SDF Law**") interest income received by or credited to a Cyprus tax resident and domiciled individual is subject to a special defence contribution levy at the rate of 30%. However, if interest received or credited by a Cyprus tax resident and domiciled individual, is considered to arise in the ordinary course of the individual's business or considered closely connected with the carrying on of his or hers business, then it is treated as trading income and subject to income tax pursuant to the Income Tax Law and not under the SDF Law.

Cyprus tax resident companies that pay interest in respect of which special contribution defence tax is due by Cyprus tax resident individuals, are obliged to withhold the special contribution defence tax at source and remit the tax to the Cypriot tax authorities.

(iii) Cyprus tax resident companies

Any interest accruing or received by a Cyprus resident company which is considered to arise in the ordinary course of the business or is considered closely connected with the carrying on of its business,

is subject only to (corporate) income tax at the rate of 12.5 %. The foregoing income is not liable to any tax under the SDF Law.

Interest income not arising in the ordinary course of business or not being considered closely connected thereto is exempt from (corporate) income tax and is subject to tax under the SDF Law at the rate of 30%.

***Profit from the Disposal of the Securities***

Any gains derived from the disposal of Securities by a Cyprus resident natural person or legal entity are exempt from income tax in Cyprus.

Any gain derived from the disposal of Securities is not subject to Cyprus income tax, irrespective of the trading nature of the gain, the number of Securities held or the period for which the Securities were held.

Further, other than as stated herein below, any gain derived from the disposal of Securities is also outside the scope of application of the Capital Gains Tax Law 52/1980, as amended.

Gain derived from the disposal of shares of companies, not listed in a recognised stock exchange, that hold, either directly or indirectly (through layer(s) of companies) immovable property(ies) situated in Cyprus is subject to capital gains tax at the rate of 20% on such gain. In particular, capital gains tax is payable:

(i) on disposal of shares of company(ies) holding immovable property(ies) situated in Cyprus;

(ii) on disposal of shares of company(ies) that directly or indirectly participate in company(ies) holding immovable property(ies) situated in Cyprus and at least 50% or more of the fair market value of such shares derives from the fair market value of the immovable property(ies) situated in Cyprus**.**

However, interest income is subject to the treatment set out above.

***Stamp Duty***

The Stamp Duty Law of 19(I)/1963, as amended, (the "Stamp Duty Law") provides, inter alia, the following:

"4. (1) *every instrument specified in the First Schedule shall be chargeable with duty of the amount specified in the said Schedule as the proper duty therefore respectively if it relates to any asset situated in the Republic or to matter or things which shall be performed or done in the Republic irrespective of the place where the document is made.*"

Pursuant to the Stamp Duty Law, the stamp duty rates are as follows: (a) on agreements with value between € 5001 to € 170,000, for every amount of €1000 or part of the amount of € 1000, the stamp duty is € 1,50; and (b) for agreements with value more than € 170,000, for every amount of € 1000 or part of the amount of € 1000, the levy is € 2.00 with a cap of €20.000.

The issue of Securities by the Issuer will not be liable to stamp duty where the proceeds of the issue will remain outside Cyprus, will be utilised for purposes outside Cyprus and the obligation under such Securities will be repaid outside Cyprus.

Provided that the Securities are cleared and settled outside the Republic of Cyprus, i.e. through Euroclear and/or Clearstream, in Luxembourg and/or any other clearing and settlement system located

outside the Republic of Cyprus, and further provided that originals of any document or instrument relating to the sale or transfer of Securities is not brought into the Republic of Cyprus, the sale or transfer of Securities, whether effected by residents or non residents of the Republic of Cyprus, will not attract stamp duty.

## 24. THE PROPOSED EUROPEAN FINANCIAL TRANSACTION TAX

On 14 February 2013, the European Commission issued proposals, including a draft Directive (the **Commission Proposal**), for a financial transaction tax (**FTT**) to be adopted in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate. If the Commission's Proposal was adopted, the FTT would be a tax primarily on "financial institutions" (which could include the Issuer) in relation to "financial transactions" (which would include the conclusion or modification of derivative contracts and the purchase and sale of financial instruments).

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Certificates where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT may give rise to tax liabilities for the relevant Issuer with respect to certain transactions if it is adopted based on the Commission's Proposal. Examples of such transactions are the conclusion of a derivative contract in the context of the relevant Issuer's hedging arrangements or the purchase or sale of securities (such as charged assets) or the exercise/settlement of a warrant. The relevant Issuer is, in certain circumstances, able to pass on any such tax liabilities to holders of the Securities and therefore this may result in investors receiving less than expected in respect of the Securities. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Securities (including secondary market transactions) if conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's Proposal. Primary market transactions referred to in Article 5(c) of Regulation EC No 1287/2006 are expected to be exempt. There is however some uncertainty in relation to the intended scope of this exemption for certain money market instruments and structured issues.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to implementation, the timing of which remains unclear. Additional Member States may decide to participate. Prospective Certificateholders are advised to seek their own professional advice in relation to the FTT.

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## 25. U.S. FOREIGN ACCOUNT TAX COMPLIANCE WITHHOLDING

The Issuer and other financial institutions through which payments on the Securities are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, "foreign passthru payments" (a term not yet defined) made two years after the date of publication of final U.S. Treasury Regulations defining the term "foreign passthru payment", or later. This withholding would potentially apply to payments in respect of (i) any Securities characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued after the "grandfathering date" which (A) with respect to Securities that give rise solely to foreign passthru payments, is the date that is six months after the date on which final U.S. Treasury Regulations

defining the term foreign passthru payment are filed with the Federal Register, and (B) with respect to Securities that give rise to a dividend equivalent pursuant to Section 871(m) of the Code as discussed below (and therefore do not give rise to foreign passthru payments), is the date that is six months after the date on which obligations of their type are first treated as giving rise to dividend equivalents, or in either case are issued on or before the grandfathering date and are materially modified thereafter, and (ii) any Securities characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Securities are issued on or before the grandfathering date, and additional Securities of the same series are issued after that date, the additional Securities may not be treated as grandfathered, which may have negative consequences for the existing Securities, including a negative impact on market price.

While the Securities are in global form and held within the clearing systems, it is not expected that FATCA will affect the amount of any payment received by the clearing systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. FATCA also may affect payment to any ultimate investor that is a financial institution not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose their custodians and intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligations under the Securities are discharged once it has paid the common depositary or common safekeeper for the clearing systems (as bearer or registered holder of the Securities) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the hands of the clearing systems and custodians or intermediaries. The documentation expressly contemplates the possibility that the Securities may go into definitive form and therefore that they may be taken out of the clearing systems. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA withholding.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from payments on the Securities, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Securities, be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may receive a lesser amount than expected. Holders of Securities should consult their own tax advisers for a more detailed explanation of FATCA and how FATCA may apply to payments they receive under the Securities.

FATCA is particularly complex and its application to the Issuer, the Securities, and investors in the Securities is uncertain at this time. The application of FATCA to "foreign passthough payments" on the Securities or to Securities issued or materially modified after the grandfathering date may be addressed in the relevant Final Terms or a supplement to the Base Prospectus, as applicable.

On 10 January 2014, representatives of the Governments of Italy and the United States signed an intergovernmental agreement to implement FATCA in Italy (the "**IGA**"), which entered into force on 1st July 2014. The IGA ratification law entered into force on 8 July 2015. Under these rules, the Issuer, as a reporting financial institution, will be required to collect and report certain information in repect of its account holders and investors to the Italian tax authorities, which would automatically exchange such information periodically with the U.S. Internal Revenue Service.

## 26. U.S. DIVIDEND EQUIVALENT PAYMENTS

U.S. Treasury Regulations under Section 871(m) of the Code imposing a withholding tax on certain "dividend equivalents" under certain "equity linked instruments" exclude from their scope instruments issued before calendar year 2021 that do not have a "delta of one" with respect to underlying securities that could pay U.S.-source dividends for U.S. federal income tax purposes (each an "Underlying Security"). Subject to this pre-2021 exemption, Section 871(m) of the Code will apply to a financial instrument (a "Specified Security") if it meets either (i) a "delta" test, if it is a "simple" contract, or (ii) a "substantial equivalence" test, if it is a "complex" contract. Section 871(m) of the Code provides certain exceptions to this withholding regime, in particular for instruments linked to certain broad-based indices that meet requirements set forth in the applicable Treasury regulations, as well as instruments that track such indices. If the terms of a financial instrument issued before calendar year 2021 (that is exempt from withholding under Section 871(m) of the Code) are "significantly modified" sometime after calendar year 2020 such that the financial instrument is treated as retired and reissued for U.S. federal income tax purposes, it will lose this exemption. Withholding in respect of dividend equivalents will generally be required when cash payments are made on a Specified Security or upon the date of maturity, lapse or other disposition by the non-U.S. holder of the Specified Security. If U.S. Underlying Equities are expected to pay dividends during the term of the Specified Security, withholding generally will still be required even if the Specified Security does not provide for payments explicitly linked to dividends. If the Issuer or any other relevant withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld.

Section 871(m) of the Code is complex and its application may depend on your particular circumstances, including whether you enter into other transactions with respect to an Underlying Security. You should consult your tax advisor regarding the potential application of Section 871(m) of the Code to the Securities.

## 27. SWITZERLAND

The following summary is an overview of certain aspects of taxes in Switzerland relating to the taxation of the Securities issued under the Programme and is included herein solely for information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. This summary is based upon the Swiss tax laws as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date. Because this overview does not address all tax considerations under Swiss law and as the specific tax situation of an investor cannot be considered in this context, prospective investors are recommended to consult their personal tax advisers as to the tax consequences of the purchase, ownership, sale or redemption of and the income derived from the Securities issued under the Programme including, in particular, the effect of tax laws of any other jurisdiction.

The Swiss Federal Tax Administration has issued on 3 October 2017 a Circular Letter No. 15 in relation to bonds and derivative financial instruments as subject of Swiss federal income tax, Swiss direct federal tax, Swiss withholding tax and Swiss stamp duties ("**Circular Letter No. 15**"). The Securities issued under the Programme will be taxed in accordance with this Circular Letter No. 15 and its appendices, as updated from time to time. Depending on the qualification of the relevant Security by the competent Swiss tax authorities the taxation of each Security may be different.

(a) Income Tax

*Interest and Dividend Payments or Redemption of Securities*

Swiss residents or foreign residents subject to Swiss taxation receiving interest or dividend payments or payments qualifying as interest or dividend for tax purposes, during the investment or at redemption as accrued interest or dividends, generally must declare these distributions in the financial statement and/or in the personal tax return and owe individual or corporate income tax on the relevant amount.

*Securities are held as private assets (Privatvermögen) by investors resident in Switzerland*

Swiss resident individuals holding the Securities as part of their private assets may, depending on the qualification of the Securities for tax purposes, be subject to Swiss federal, cantonal and communal income tax on gains realized upon disposal of such Securities.

Based on the present practice of the Swiss Federal Tax Administration, gains realized upon the disposal of such Securities by a Swiss resident investor holding Securities, which do not qualify as notes with predominant one-time interest payment, as part of their private assets will generally (unless such individuals qualify as so-called "professional securities dealers") not be subject to Swiss federal, cantonal and communal income tax. However, any capital losses sustained in relation to private assets are not tax deductible.

Swiss resident individuals holding Securities which qualify as notes with predominant one-time interest payment, as part of their private assets will generally be subject to Swiss federal, cantonal and communal income tax on gains realized upon disposal of such Securities. A value decrease on the Securities realised on the sale or redemption of the Securities may be offset against any gains (including periodic interest payments) realised within the same taxation period from all financial instruments with a predominant one-time interest payment.

*Securities are held as business assets (Geschäftsvermögen) by investors resident in Switzerland*

Corporate entities and individuals who hold the Securities as part of a trade or business in Switzerland or in the case of residents abroad carried on through a permanent establishment or a fixed place of business in Switzerland, are required to recognise any payments on, and any capital gains or losses realised on the sale or redemption of, such Securities (irrespective of their classification for Swiss tax purposes) in their income statement for the respective tax period and will be taxed on any net taxable earnings for such period. The same taxation treatment also applies for Swiss-resident individuals who, for income tax purposes, are classified as professional securities dealers for reasons of, inter alia, frequent dealing and leveraged investments in securities.

*Securities are held by non-Swiss residents*

A holder of Securities who is not tax resident in Switzerland and who has not been engaged in a trade or business carried on through a permanent establishment or fixed place of business in Switzerland during the taxation year will not be subject to income tax in Switzerland in respect of such Securities.

(a) Gift, Inheritance and Capital Taxes

The transfer of Securities may be subject to cantonal and/or communal gift, estate or inheritance taxes if the donor is, or the deceased was, resident for tax purposes in a Swiss canton levying such taxes.

Swiss resident holders and foreign resident holders which are holding the Securities as part of a permanent establishment or fixed place of business situated in Switzerland are liable to Swiss wealth/capital taxation on Swiss cantonal and communal level. There is no wealth/capital taxation on Swiss federal level.

(b) Withholding Tax

All payments in respect of the Securities by the non-Swiss issuer are currently not subject to Swiss withholding tax, provided that the Issuer is at all times resident and managed outside Switzerland for Swiss tax purposes.

(c) Stamp Duties

Derivative instruments (like options and futures) do not qualify as taxable securities in the meaning of the Swiss Stamp Duty Act and are therefore not subject to Swiss securities transfer tax. However, if the underlying is physically delivered upon settlement (future) or exercise (option), this transaction is generally subject to securities transfer tax.

The issuance of Securities by a foreign resident issuer is in general not subject to Swiss issuance or securities transfer tax. The sale or transfer of Securities may be subject to Swiss securities transfer tax at the current maximum rate of 0.3 per cent if such sale or transfer is made by or through the intermediary of a Swiss bank or other securities dealer as defined in the Swiss Stamp Duty Act and no exemption applies. The same applies in case of physical delivery of the underlying being a taxable security in the meaning of the Swiss Stamp Duty Act at exercise or redemption.

(d) Automatic Exchange of Information

In 2017, Switzerland introduced the global standard for the automatic exchange of information in tax matters ("AEOI"). To date, 100 countries, including Switzerland, have committed themselves to introducing this global standard. The Swiss Federal Act on the AEOI entered into force on 1 January 2017. The AEOI is being introduced in Switzerland through bilateral agreements or multilateral agreements. Switzerland signed the Multilateral Competent Authority Agreement (the "MCAA") which is based on OECD/Council of Europe administrative assistance convention. Based on this Switzerland has signed declarations on the introduction of the AEOI with various partner states. With the European Union ("EU") Switzerland has signed a bilateral agreement on 27 May 2015 which came into force on 1 January 2017. Based on this, Switzerland and the 28 EU member states shall collect account data from 2017 onward and exchange it from 2018 onward. The OECD's AEOI standard has been included in full in the new agreement. In formal terms, the signed agreement is a protocol of amendment to replace the EU Swiss Savings Agreement that has been in force since 2005, but it includes the existing withholding tax exemption for cross-border payments of dividends, interest and royalties between certain related corporate entities.

On this basis, Switzerland will begin to collect data in respect of financial assets, including, as the case may be, Securities, held in, and income derived thereon and credited to, accounts or deposits with a financial institution in Switzerland for the benefit of individuals resident in a EU member state or in a treaty state from, depending on the effective date of the respective agreement, 2017 or 2018, as the case may be, and begin to exchange such data in 2018 or 2019, as the case may be. Prospective purchasers of the Securities should consult their advisors concerning the impact of the AEOI.

## IMPORTANT INFORMATION RELATING TO PUBLIC OFFERS OF SECURITIES

**Restrictions on Public Offers of Securities in Relevant Member States where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus.**

Certain Tranches of Securities may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a **Public Offer**. This Base Prospectus has been prepared on a basis that permits Public Offers of Securities. However, any person making or intending to make a Public Offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") may only do so if this Base Prospectus has been approved by the competent authority in that Relevant Member State (or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State) and published in accordance with the Prospectus Directive, provided that the Issuer has consented to the use of this Base Prospectus in connection with such offer as provided under "*Consent given in accordance with Article 3.2 of the Prospectus Directive (Retail Cascades)*" and the conditions attached to that consent are complied with by the person making the Public Offer of such Securities.

Save as provided above, neither the Issuer nor any Manager have authorised, nor do they authorise, the making of any Public Offer of Securities in circumstances in which an obligation arises for the Issuer or any Manager to publish or supplement a prospectus for such offer.

**Consent given in accordance with Article 3.2 of the Prospectus Directive (Retail Cascades)**

In the context of any Public Offer of Securities, the Issuer has requested or may request the CSSF to provide a certificate of approval in accordance with Article 18 of the Prospectus Directive (a "**passport**") in relation to the passporting of the Base Prospectus to the competent authorities of Austria, Belgium, Croatia, Cyprus, Czech Republic, Denmark, France, Germany, Hellenic Republic, Hungary, Ireland, Malta, Netherlands, Poland, Portuguese Republic, Republic of Italy, Slovak Republic, Slovenia, Spain, Sweden and United Kingdom (the "**Host Member States**"). Even though the Issuer has elected (or will elect) to passport this Base Prospectus into the Host Member States, it does not mean that it will choose to make any Public Offer in the Host Member States. Investors should refer to the Final Terms for any issue of Securities to see whether the Issuer has elected to make a public offer of Securities in either the Luxembourg or a Host Member State (each a "**Public Offer Jurisdiction**").

The Issuer accepts responsibility in the Public Offer Jurisdictions for which it has given consent referred to herein for the content of this Base Prospectus in relation to any person (an "**Investor**") to whom an offer of any Securities is made by any financial intermediary to whom the Issuer has given its consent to use this Base Prospectus (such financial intermediary, an "**Authorised Offeror**"), where the offer is made during the period for which that consent is given and is in compliance with all other conditions attached to the giving of the consent, all as mentioned in this Base Prospectus. However, the Issuer does not have any responsibility for any of the actions of an Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

The consent and conditions attached to it are set out under "*Consent*" and "*Common Conditions to Consent*" below.

None of the Issuer or any Manager makes any representation as to the compliance by an Authorised Offeror with any applicable conduct of business rules or other applicable regulatory or Securities law requirements in relation to any Public Offer and none of the Issuer or any Manager has any responsibility or liability for the actions of that Authorised Offeror.

**Save as provided below, none of the Issuer and any Manager has authorised the making of any Public Offer by any offeror nor have they consented to the use of this Base Prospectus by any other person in connection with any Public Offer of Securities. Any Public Offer made without the consent of the Issuer is unauthorised and none of the Issuer or any Manager accepts any responsibility or liability for the actions of the persons making any such unauthorised offer.** If, in the context of a Public Offer, an Investor is offered Securities by a person which is not an Authorised

Offeror, the Investor should check with that person whether anyone is responsible for this Base Prospectus for the purposes of Article 6 of the Prospectus Directive in the context of the Public Offer and, if so, who that person is. If the Investor is in any doubt about whether they can rely on this Base Prospectus and/or who is responsible for its contents they should take legal advice.

*Consent*

The consent referred to relates to Offer Periods occurring within 12 months from the date of approval of this Base Prospectus.

In connection with each Tranche of Securities and subject to the conditions set out below under "*Common Conditions to Consent*":

(1) the Issuer consents to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Public Offer of such Securities during the relevant Offer Period stated in the Final Terms by the relevant Manager and by:

(a) any financial intermediary specified in the applicable Final Terms; and

(b) any financial intermediary appointed after the date of the applicable Final Terms and whose name is published on the Issuer's website (http://www.bancaimi.prodottiequotazioni.com/EN) and identified as an Authorised Offeror in respect of the relevant Public Offer; and

(2) if (and only if) Part B of the applicable Final Terms specifies that the Issuer consents to the use of the Base Prospectus by all financial intermediaries, the Issuer hereby offers to grant its consent to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Public Offer of Securities during the relevant Offer Period stated in the Final Terms by any financial intermediary which satisfies the "Specific Conditions to Consent" set out below.

*Common Conditions to Consent*

The conditions to the Issuer's consent to the use of this Base Prospectus in the context of the relevant Public Offer are (in addition to the conditions described under "*Specific Conditions to Consent*" below if Part B of the applicable Final Terms specifies "General Consent" as "Applicable") that such consent:

(i) is only valid with reference to Public Offers occurring within 12 months from the date of this Base Prospectus;

(ii) only extends to the use of this Base Prospectus to make Public Offers of the relevant Tranche of Securities in one or more of Luxembourg, Austria, Belgium, Croatia, Cyprus, Czech Republic, Denmark, France, Germany, Hellenic Republic, Hungary, Ireland, Malta, Netherlands, Poland, Portuguese Republic, Republic of Italy, Slovak Republic, Slovenia, Spain, Sweden and United Kingdom, as specified in the applicable Final Terms; and

(iii) is subject to any other conditions set out in Part B of the applicable Final Terms.

Each Tranche of Securities may only be offered to Investors as part of a Public Offer in the Relevant Member State(s) specified in the applicable Final Terms, or otherwise in circumstances in which no obligation arises for the Issuer or any Manager to publish or supplement a prospectus for such offer.

*Specific Conditions to Consent*

The conditions to the Issuer's consent are that:

(i) the financial intermediary must be authorised to make such offers under the applicable legislation implementing the Markets in Financial Instruments Directive in the Relevant

Member State;

(ii) the financial intermediary accepts the Issuer's offer to grant consent to the use of this Base Prospectus by publishing on its website the following statement (with the information in square brackets completed with the relevant information):

"*We, [insert legal name of financial intermediary], refer to the [insert title of relevant Securities] (the "**Securities**") described in the Final Terms dated [insert date] (the "**Final Terms**") published by Banca IMI S.p.A. (the "**Issuer**"). We hereby accept the offer by the Issuer of its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Securities (the "**Offer**") in accordance with the Authorised Offeror Terms and subject to the conditions to such consent, each as specified in the Base Prospectus, and we are using the Base Prospectus in connection with the Offer accordingly*".

The **Authorised Offeror Terms**, being the terms to which the relevant financial intermediary agrees in connection with using the Base Prospectus, are that the financial intermediary:

(1) will, and it agrees, represents, warrants and undertakes for the benefit of the Issuer and the relevant Manager that it will, at all times in connection with the relevant Public Offer:

(a) act in accordance with, and be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "**Rules**"), from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Securities by any person and disclosure to any potential Investor, and will immediately inform the Issuer and the relevant Manager if at any time such financial intermediary becomes aware or suspects that it is or may be in violation of any Rules and take all appropriate steps to remedy such violation and comply with such Rules in all respects;

(b) comply with the restrictions set out under "Offering and Sale" in this Base Prospectus which would apply as if it were a Manager;

(c) ensure that any fee (and any other commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Securities does not violate the Rules and, to the extent required by the Rules, is fully and clearly disclosed to Investors or potential Investors;

(d) hold all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Securities under the applicable laws and regulations of the Relevant Member State;

(e) comply with applicable anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules (including, without limitation, taking appropriate steps, in compliance with such Rules, to establish and document the identity of each potential Investor prior to initial investment in any Securities by the Investor), and will not permit any application for Securities in circumstances where the financial intermediary has any suspicions as to the source of the application monies;

(f) retain Investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the Issuer and the relevant Manager or directly to the appropriate authority with jurisdiction over any Manager in order to enable the Issuer or any Manager to comply with anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules applying to the Issuer or any Manager;

(g) ensure that no holder of Securities or potential Investor in the Securities shall become an indirect or direct client of the Issuer or the relevant Manager for the purposes of any applicable Rules from time to time, and to the extent that any client obligations are created by the relevant financial intermediary under any applicable Rules, then such

financial intermediary shall perform any such obligations so arising;

(h) co-operate with the Issuer and the relevant Manager in providing such information (including, without limitation, documents and records maintained pursuant to paragraph (f) above) upon written request from the Issuer or the relevant Manager as is available to such financial intermediary or which is within its power and control from time to time, together with such further assistance as is reasonably requested by the Issuer or the relevant Manager:

(i) in connection with any request or investigation by any regulator in relation to the Securities, the Issuer or the relevant Manager; and/or

(ii) in connection with any complaints received by the Issuer and/or the relevant Manager relating to the Issuer and/or the relevant Manager or another Authorised Offeror including, without limitation, complaints as defined in rules published by any regulator of competent jurisdiction from time to time; and/or

(iii) which the Issuer or the relevant Manager may reasonably require from time to time in relation to the Securities and/or as to allow the Issuer or the relevant Manager fully to comply within its own legal, tax and regulatory requirements,

in each case, as soon as is reasonably practicable and, in any event, within any time frame set by any such regulator or regulatory process;

(i) during the period of the initial offering of the Securities: (i) not sell the Securities at any price other than the Issue Price or the Premium in case of Warrants, specified in the applicable Final Terms (unless otherwise agreed with the relevant Manager); (ii) not sell the Securities otherwise than for settlement on the Issue Date specified in the relevant Final Terms; (iii) not appoint any sub-distributors (unless otherwise agreed with the relevant Manager); (iv) not pay any fee or remuneration or commissions or benefits to any third parties in relation to the offering or sale of the Securities (unless otherwise agreed with the relevant Manager); and (v) comply with such other rules of conduct as may be reasonably required and specified by the relevant Manager;

(j) either (i) obtain from each potential Investor an executed application for the Securities, or (ii) keep a record of all requests such financial intermediary (x) makes for its discretionary management clients, (y) receives from its advisory clients and (z) receives from its execution-only clients, in each case prior to making any order for the Securities on their behalf, and in each case maintain the same on its files for so long as is required by any applicable Rules;

(k) ensure that it does not, directly or indirectly, cause the Issuer or the relevant Manager to breach any Rule or subject the Issuer or the relevant Manager to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;

(l) comply with the conditions to the consent referred to under "*Common conditions to consent*" above and any further requirements relevant to the Public Offer as specified in the applicable Final Terms;

(m) make available to each potential Investor in the Securities the Base Prospectus (as supplemented as at the relevant time, if applicable), the applicable Final Terms and any applicable information booklet provided by the Issuer for such purpose and not convey or publish any information that is not contained in or entirely consistent with the Base Prospectus and the applicable Final Terms; and

(n) if it conveys or publishes any communication (other than the Base Prospectus or any other materials provided to such financial intermediary by or on behalf of the Issuer for the purposes of the relevant Public Offer) in connection with the relevant Public Offer, it will ensure that such communication (A) is fair, clear and not misleading and complies

with the Rules, (B) states that such financial intermediary has provided such communication independently of the Issuer, that such financial intermediary is solely responsible for such communication and that none of the Issuer and the relevant Manager accept any responsibility for such communication and (C) does not, without the prior written consent of the Issuer or the relevant Manager (as applicable), use the legal or publicity names of the Issuer or the relevant Manager or any other name, brand or logo registered by an entity within their respective groups or any material over which any such entity retains a proprietary interest, except to describe the Issuer as issuer of the relevant Securities on the basis set out in the Base Prospectus;

(2) agrees and undertakes to indemnify each of the Issuer and the relevant Manager (in each case on behalf of such entity and its respective directors, officers, employees, agents, affiliates and controlling persons) against any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel's fees and disbursements associated with any such investigation or defence) which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by such financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such financial intermediary to observe any of the above restrictions or requirements or the making by such financial intermediary of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the Issuer or the relevant Manager; and

(3) agrees and accepts that:

(a) the contract between the Issuer and the financial intermediary formed upon acceptance by the financial intermediary of the Issuer's offer to use the Base Prospectus with its consent in connection with the relevant Public Offer (the "**Authorised Offeror Contract**"), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, English law;

(b) subject to (d) below, the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Authorised Offeror Contract (including a dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) (a "**Dispute**") and the Issuer and financial intermediary submit to the exclusive jurisdiction of the English courts;

(c) for the purposes of (b) above and (d) below, the financial intermediary waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum to settle any dispute;

(d) to the extent permitted by law, the Issuer and the Manager may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions; and

(e) each relevant Manager will, pursuant to the Contracts (Rights of Third Parties) Act 1999, be entitled to enforce those provisions of the Authorised Offeror Contract which are, or are expressed to be, for its benefit, including the agreements, representations, warranties, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms.

**Any financial intermediary who meets all of the conditions set out in "*Specific Conditions to Consent*" and "*Common Conditions to Consent*" above who wishes to use this Base Prospectus in connection with a Public Offer is required, for the duration of the relevant Offer Period, to publish on its website the statement (duly completed) specified at paragraph (ii) under "*Specific Conditions to Consent*" above.**

***ARRANGEMENTS BETWEEN INVESTORS AND AUTHORISED OFFERORS***

**AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY SECURITIES IN A PUBLIC OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH SECURITIES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE OFFER IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE PUBLIC OFFER OR SALE OF THE SECURITIES CONCERNED AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER. NONE OF THE ISSUER AND ANY MANAGER (EXCEPT WHERE SUCH MANAGER IS THE RELEVANT AUTHORISED OFFEROR) HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF THE INFORMATION DESCRIBED ABOVE.**

***Public Offers: Issue Price and Offer Price***

Securities to be offered pursuant to a Public Offer will be issued by the Issuer at the Issue Price specified in the applicable Final Terms. The Issue Price will be determined by the Issuer in consultation with the relevant Manager at the time of the relevant Public Offer and will depend, amongst other things, on the remuneration applicable to the Securities and prevailing market conditions at that time.

The Offer Price of such Securities is the price at which the investor may subscribe the Securities, in case of Public Offer. The Offer Price of the Securities will be the Issue Price, or such other price as may be specified in the applicable Final Terms, or such other price as may be agreed between an Investor and the Authorised Offeror making the offer of the Securities to such Investor. Neither the Issuer or the relevant Manager(s) will be party to arrangements between an Investor and an Authorised Offeror, and the Investor will need to look to the relevant Authorised Offeror to confirm the price at which such Authorised Offeror is offering the Securities to such Investor.

## GENERAL INFORMATION

### Authorisation

The establishment of the Programme has been duly authorised by a resolution of the Board of Directors of the Issuer dated 16 April 2019. For the issue of any Series of Securities under the Programme no separate resolution of the Board of Directors of the Issuer is necessary.

### Listing, Approval and Admission to Trading

Application has been made to the CSSF, in its capacity as competent authority under the Prospectus Law 2005, which implements the Prospectus Directive, to approve this document as a base prospectus. The CSSF assumes no responsibility for the economic and financial opportuneness of the transactions set out under this Programme or the quality or solvency of the Issuer in compliance with the provisions of article 7(7) of the Prospectus Law 2005. Application has also been made to the Luxemburg Stock Exchange for Securities issued under the Programme to be admitted to trading on (i) the Main Securities Market and to be listed on the Official List and (ii) the EuroMTF. The Main Securities Market is a regulated market for the purposes of the Directive 2014/65/EU as amended. The EuroMTF is not a regulated market for the purposes of the Directive 2014/65/EU as amended, but it is subject to the supervision of the CSSF.

Securities may be issued under the Programme which are not listed or admitted to trading, as the case may be, on the Luxembourg Stock Exchange or any other stock exchange or market or trading venue, or Securities may be issued which are listed or admitted to trading, as the case may be, on such other stock exchange or markets or trading venues as the Issuer may specify in the applicable Final Terms.

### Documents Available

For so long as any Securities remain outstanding, copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the specified offices of the Principal Security Agent in Luxembourg and the registered office of the Issuer by electronic means, save that item (iii) will be available for inspection only:

(i) the constitutional documents of the Issuer;

(ii) the audited non-consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2018 and 2017 and the audited consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2018 and 2017;

(iii) the Agency Agreement and the forms of the Global Securities;

(iv) a copy of this Base Prospectus;

(v) any future offering circulars, prospectuses, information memoranda, supplements and Final Terms (save that a Final Terms relating to a Security which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Security and such holder must produce evidence satisfactory to the Issuer and the relevant Security Agent as to its holding of Securities and identity) and any other documents incorporated herein or therein by reference; and

(vi) in the case of each issue of listed Securities subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

A copy of this Base Prospectus (and the information incorporated by reference therein) has been published on the websites of the Luxembourg Stock Exchange (www.bourse.lu) and of the Issuer (http://www.bancaimi.prodottiequotazioni.com/EN/Legal-Documents). Any Final Terms that are listed on the Luxembourg Stock Exchange will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). Any Final Terms that are not listed on the Luxembourg Stock Exchange but which relate to a Security which is offered in the European Economic Area in circumstances where

a prospectus is required to be published under the Prospectus Directive will be published on the website of the Issuer only.

**Clearing Systems**

Securities to be represented by a Global Security have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The common code or any other security identification code, and ISIN for each issue of Securities allocated by Euroclear and Clearstream, Luxembourg, as applicable, will be specified in the applicable Final Terms. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Italian Dematerialised Securities will be accepted for clearance in Monte Titoli. Italian Dematerialised Securities will be in bearer form (*al portatore*) and held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli (with registered office and principal place of business at Piazza degli Affari 6, 20123 Milan, Italy).

If the Securities of any series are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

**Conditions for determining price**

The price and amounts of Securities to be issued under the Programme will be determined by the Issuer and any Manager(s) at the time of issue in accordance with prevailing market conditions.

**Significant or Material Adverse Change**

There has been no significant change in the financial or trading position of the Issuer since 31 December 2018 and there has been no material adverse change in the prospects of the Issuer since 31 December 2018.

**Litigation**

Save as disclosed in this Base Prospectus under *"Description of the Issuer – Legal and Arbitration Proceedings"*, the Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer.

**Post-issuance Information**

Save as set out in any Final Terms, the Issuer does not intend to provide any post-issuance information in relation to any underlying or any other asset or basis of reference in relation to any issue of Securities constituting Derivative Securities (as such term is used in the Commission Regulation (EC) No. 809/2004).

**External Auditors**

KPMG S.p.A., with registered office at Via V. Pisani, 25, 20121 Milan, was appointed by the Issuer as its independent auditor to audit its financial statements for the period 2012-2020. KPMG S.p.A. is a member of Assirevi-Associazione Nazionale Revisori Contabili, the Italian association of auditing firms. KPMG S.p.A. audited the company financial statements and consolidated financial statements of the Issuer for the financial year ending 31 December 2017 and the company financial statements and consolidated financial statements of the Issuer for the financial year ending 31 December 2018.

**THE ISSUER**

**Banca IMI S.p.A.**
Largo Mattioli, 3
20121 Milan

**PRINCIPAL SECURITY AND LUXEMBOURG LISTING AGENT**

**BNP Paribas Securities Services, Luxembourg Branch**
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L-2085 Luxembourg

**CALCULATION AGENT**

**Banca IMI S.p.A.**
Largo Mattioli, 3
20121 Milan
Italy

**LEGAL ADVISERS TO THE ISSUER**
*as to English law and Italian law*
**DLA Piper Studio Legale Tributario Associato**
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Italy